

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII
BHUBANESWAR**

IN THE MATTER OF

An Application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2016-17, under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

AND

IN THE MATTER OF

SOUTHCO Utility (SOUTHCO)

Affidavit verifying the reply to the objections to the ARR and Wheeling and Retail Supply Tariff Application for the financial year 2016-17.

I, Sri Jayram Parida , Son of Late Sri Purusottam Parida, aged about 59 years, residing at Courtpeta, Berhampur, do hereby solemnly affirm and state as follows:-

I am the GM(Commerce) of SOUTHCO Utility (SOUTHCO), Berhampur, Dist-Ganjam, Odisha-760004 the Licensee in the above matter and duly authorised and am competent to swear this affidavit.

The statements made below in this application are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

Berhampur

Date 27th January-2016

DEPONENT

**GM(Commerce)
SOUTHCO Utility**

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII
BHUBANESWAR**

IN THE MATTER OF

An Application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2016-17, under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

AND

IN THE MATTER OF

SOUTHCO Utility (SOUTHCO)

Applicant

The humble applicant above named most respectfully showeth.

Berhampur
Date: 27th January 2016

Applicant
GM (Commerce)
SOUTHCO Utility

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIAYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR
CASE NO. 59 OF 2015**

SOUTHCO Utility (SOUTHCO)

..... **Petitioner**

Vs

Sri A.K.Sahani

Electrical Inspector (Retd.)

M/s Sahani Energy Consultancy

B/L-108, VSS Nagar, Bhubaneswar

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2016-17.

However, the para-wise replies to the objections filed by the objector are enumerated below.

1. Southco has prayed to bridge the Revenue Gap for the FY 2016-17 through reduction in Bulk Supply Tariff (BST), grant/ subsidy from the Government of Odisha and balance if any through increase in Retail Supply Tariff. The logic to bridge the revenue gap has been enumerated in different paras of the ARR and RST application.

Regarding AT&C Loss, Southco has reduced AT&C loss by 8% during last four years ending FY 2014-15 and committed to achieve loss reduction of 4.41% during FY 2015-16 and 2.31% during FY 2016-17 respectively.

2. Southco has forecasted the Revenue requirement and expected revenue with existing tariff for the FY 2016-17 and accordingly there is a revenue gap of Rs.565.06 Cr including 1/3rd truing up revenue gap for FY 2015-16 of Rs.120.82 Cr. Southco only requested to bridge the revenue gap and the revenue gap is after considering the AT&C loss reduction by 4.41% during FY 2015-16 & 2.31% during FY 2016-17.

The rejection of the application of the licensee prayed by the Respondent without any reason is not acceptable.

3. The projection of sales under different category of consumers is justified and quite a large number of consumers are going to be added under Kutir Jyoti category due to Rural Electrification policy of the GoI & GoO. Southco is agreeing with the opinion of the Respondent regarding subsidy by the GoO against cross subsidized category of consumers. Southco's consumer and consumption mix is skewed towards LT and mainly on KutirJyoti and Domestic consumers.
4. Southco has projected collection efficiency of 95.5% during FY 2016-17 and is achievable against the target of 99%. Licensee is not going for power interruption deliberately in its area of supply.
5. That, the meter rent is collected as per the direction of Hon'ble OERC in its Tariff Order and is justified for collection of 60 months.
6. That, in reply to para-6 to 18, it is submitted that Southco Utility has already enumerated vividly in support of tariff rationalisation measures at page no. 58 to 69 and not require further comments in this regard.
7. That, in Reply to Para-19, it is submitted that Southco is following the Remunerative calculation as per Regulation 13 , Appendix-1 and the Remunerative Calculation is attached with the estimate. Southco has already issued a circular in this regard to its field offices to follow the same strictly. SOUTHCO has already sanctioned 39 cases and an amount of Rs.4.55Cr also adjusted in the energy bills.

SOUTHCO has not paid any automatic compensation to its consumers.

SOUTHCO is implementing the orders of GRFs and Ombudsman immediately and no such complaint is received from the consumers. SOUTHCO has complied 5197 nos of GRF cases against the receipt of GRF order of 5445 nos as on March-15.

Hon'ble Commission has already built up the SMD demand charges while determining the BSP of the Licensee.

Southco is of the opinion that the Reliability surcharge should continue and there is no violation of standard of performance.

As per the software when the amount is posted against the consumer ledger, it segregates the portion of EC,ED and other charges. On the basis of that only the amount collected towards ED is deposited in Govt. Accounts. The views of the objector regarding ED audit is welcome in Southco Utility.

With regard to assessment U/s 126 and appeal before appellate authority, it is strictly dealt as per the provisions of the E.Act, 2003 and as amended from time to time.

As there is a separate authority under the E.Act, 2003 to deal the Assessment cases, so it is not correct that such cases are also to be filed before GRFs and Ombudsman.

Rice Mill consumers should not be allowed under "Allied Agriculture Activities" Tariff.

Off Peak Hours from 12 P.M to 6.00 A.M should continue as per the tariff order.

Berhampur
Date-27-01-2016

GM(Commerce)
SOUTHCO Utility

C.C to:

Sri A.K.Sahani
Electrical Inspector (Retd.)
M/s Sahani Energy Consultancy
B/L-108, VSS Nagar, Bhubaneswar

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIAYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR
CASE NO. 59 OF 2015**

SOUTHCO Utility (SOUTHCO)

..... **Petitioner**

Vs

Sri Santosh Agarwala

Secy. All Odisha Rice Millers Association

S-3/36, Sector-A, Zone-B

Mancheswar Industrial Estate, Bhubaneswar-10

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2016-17.

However, the para-wise replies to the objections filed by the objector are enumerated below.

1. Needs no reply.
2. That, the Rice Mills are Agro based Industry as per the letter of Joint Director Industries, Odisha but as per the Regulation 80 , the rice mills are coming under category Industry for the purpose of electricity.
3. That, the rice mills coming under the Category MI , the energy bills are served to the consumer as per the voltage of supply and the applicable tariff.

The low voltage problem is not common in Southco area as pointed out by the objector.

The Remunerative benefit is extended to all consumers of the Southco as per the Regulation 13.

The transformer loss is charged, if the consumer is a HT consumer and metering is on LT side. The same is being replaced with HT metering unit.

If, the drawl of large consumers is more than the CD , then the over drawl penalty is charged as per the Tariff.

4. Southco has prayed to bridge the Revenue Gap for the FY 2016-17 through reduction in Bulk Supply Tariff (BST), grant/ subsidy from the Government of Odisha and balance if any through increase in Retail Supply Tariff. The logic to bridge the revenue gap has been enumerated in different paras of the ARR and RST application.

Regarding AT&C Loss, Southco has reduced AT&C loss by 8% during last four years ending FY 2014-15 and committed to achieve loss reduction of 4.41% during FY 2015-16 and 2.31% during FY 2016-17 respectively.

5. That, in reply to para-5 to 16, it is submitted that Southco Utility has already enumerated vividly in support of tariff rationalisation measures at page no. 58 to 69 and not require further comments in this regard.
6. That, in Reply to Para-17, it is submitted that Southco is following the Remunerative calculation as per Regulation 13 , Appendix-1 and the Remunerative Calculation is attached with the estimate. Southco has already issued a circular in this regard to its field offices to follow the same strictly. SOUTHCO has already sanctioned 39 cases and an amount of Rs.4.55Cr also adjusted in the energy bills.

SOUTHCO has not paid any automatic compensation to its consumers.

SOUTHCO is implementing the orders of GRFs and Ombudsman immediately and no such complaint is received from the consumers. SOUTHCO has complied 5197 nos of GRF cases against the receipt of GRF order of 5445 nos as on March-15.

Rice Mill consumers should not be allowed under "Allied Agriculture Activities" Tariff.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to:

Sri Santosh Agarwala
Secy. All Odisha Rice Millers Association
S-3/36, Sector-A, Zone-B
Mancheswar Industrial Estate, Bhubaneswar-10 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIAYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR**

CASE NO. 59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... **Petitioner.**

Versus

**Chief Electrical Engineer
East Coast Railway, Rail Sadan
Chandrasekharapur
Bhubaneswar-17**

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

2.1 RAILWAY TRACTION – AS SEPARATE CATEGORY IN ODISHA STATE:

Hon'ble Commission determines the tariff on the basis of guiding principles of the E.Act-2003 and the Regulation framed there under. As per the Regulation, Railway Traction is a separate category.

The tariff fixation by the Hon'ble Commission is guided by the principles, E.Act, National electricity policy and National tariff policy. Any deviation is being challenged before higher forum. The Commission has also upheld in the previous tariff hearing that, the nature of use become less important, in case consumers under different classifications under the same voltage are able to maintain the high load factor and can avail the benefits for higher consumption. The tariff of the electricity in Odisha is the lowest if we compare with other States. Moreover, the railways are not availing the LF incentive due to lower LF i.e within 60% of LF.

3. INTRODUCTION OF KVAH BILLING:

Introduction of KVAH billing will not affect the consumers having high power factor. KVAH billing is a deterrent to the consumers having low power factor which affects the system.

4. REDUCTION OF HIGHER DEMAND AND ENERGY CHARGES:

SOUTHCO is not projecting any higher distribution loss and more over the accounts are audited by an independent body established under the Act. There is no higher demand and energy charge as pointed out by the Railways. Railway can avail the benefit of graded slab tariff by maintaining high load factor.

5. WITHDRAWAL OF RELIABILITY SURCHARGE:

For the FY 2015-16, Hon'ble Commission has determined the Reliability Surcharge @ 10 paisa per unit for maintaining 99% Reliability indices supported with the calculations. Presently, Railway authorities are claiming voltage variation report along with the Reliability Indices as per the Tariff order and not making any payment towards Reliability Surcharge even if 99% Reliable Power Supply is there in absence of Voltage variation Report. The difficulties is as under.

As per Regulation-78 of OERC Distribution (Conditions of Supply) Code, 2004 a consumer taking two or three phase supply shall balance his load in such a way that the difference in loading of each phase does not exceed 5% of average loading between the phases.

The Railways have taken two phase supply for their traction points in order to reduce their line losses. They are practically drawing load on one phase only and the second phase is for completion of circuit. Due to dip and other factors the supply voltage is reduced below 12.5% of 132 KV in some integration periods in the load survey of the dump during a month. The Railways are not paying Reliability surcharge due to the above reason. In this context the reliability parameters need to be specified for consumers availing load at single/two phase for levy of Reliability surcharge. Further the reliability index is fixed as 99% for levy of reliability surcharge. It is also seen that at Grid end the voltage variation is within limits and at consumer end it is below the specified limit. It is submitted that, the voltage variation and duration in case of traction consumers need to redefined for levy of Reliability Surcharge.

IT is submitted that the attachment of Voltage variation report may not be required in case of Railway Traction Consumer being 132 KV supply and only availability of uninterrupted power is sufficient for calculation of Reliability Surcharge.

As there is a compensation for not providing reliable and uninterrupted power supply, so there should be reliability surcharge on getting 99% Reliability Index.

6. **IGNORING OF MAXIMUM DEMAND DURING FEED EXTENSION:**

The maximum demand is ignored during feed extension as per the direction of Hon'ble OERC in the tariff order and accordingly the tripartite agreement is made. The direction of Hon'ble OERC is being strictly followed.

Berhampur
Dt.27.01.2016.

GM(Commerce)
SOUTHCO Utility

C.C to:
CHIEF ELECTRICAL ENGINEER
EAST COAST RAILWAY, RAIL SADAN, CHANDRASEKHAR,
BHUBANESWAR-751017

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR**

CASE NO.59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... **Petitioner.**

Vs

**Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-12**

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

BACKGROUND:

In accordance with the provisions of Regulation 53 of OERC(Conduct of Business) Regulations ,2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Utility is required to file the applications for determination of Annual Revenue Requirement(ARR) and revision of Retail supply Tariff (RST) for ensuing financial year before the commission.

Compliance to the provisions of above mentioned Regulations, the SOUTHCO (Petitioner) has submitted its application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2016-17. The petitioner has filed its petition under Sec-62 and other applicable provisions of the Electricity Act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (conduct of Business) Regulations 2004.

The para-wise replies of Southco in respect of the objections raised by the objector is submitted.

1. SOUTHCO filed the ARR and RST application for FY 2016-17 complying to the E.Act, 2003 and Regulation, 2004 & 2014 for approval of Hon'ble Commission.
2. SOUTHCO committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, upgradation of existing S/s and Power Transformers. SOUTHCO has installed good nos of new transformer and

up gradation of transformer of different capacity in its area of operation and power transformer capacity have already been upgraded to provide reliable and uninterrupted power supply. SOUTHCO has already added additional more than 240 into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being taken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in Southco Utility area. The power cut without any notice is not being implemented in SOUTHCO. Further, as per the drawl schedule of SLDC and grid constraints the power restriction is being imposed at SLDC/OPTCL level.

3. The O& M activities in the Utility's area is carried out and the voltage level has improved a lot and there is no more low voltage problem in Utility's area. The management of the Utility is presently with the Administrator GRIDCO as per the order of the Hon'ble Commission. The contention of the objector that the Technical Loss is higher than the Commercial Loss is not at all correct.
4. The energy audit is already carried out in 75 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.
5. At present 10 nos of energy police stations are operating in the Utility's area. But, the EPSs are yet to be fully functional as the requisite no. of personnel has not been recruited. 192 nos of FIR have been lodged in different energy police stations till Nov-15 during FY 2015-16.
6. At present, there are 412 nos of SHGs are operating as Collection Franchisee at GP level. They are collecting about 4-5 crs on monthly basis which is 7-10% of the total LT revenue.

7. To curb theft of electricity, Southco has taken many steps like.
 1. Installation of AMRs in 3 phase consumers having CD more than 20 KW.
 2. Key Consumer Business Analytic Cell set up to analyse the dump of the meters of 3 phases for taking action at Corporate and Division level.
 3. Intensification of Vigilance Activities by creating separate vigilance cell at Circle level. Action is being taken to engage more nos of vigilance gangs at Subdivision level.
 4. Dehooking squad operating at Section level and installation of AB cables in rural and urban areas.
 5. Commencement of installation of Smart meters and Prepaid meters.
8. SOUTHCO has taken Berhampur Circle as pilot project for installation of prepaid meters against Govt. Consumers. Prepaid meters have been installed in case of 368 nos of consumers and shall be rolled out to other Govt. Consumers.
9. Installation of roof top Solar Power projects is not yet commenced.
10. For maintenance of lines and Substations, Southco has outsourced the activity and the same is continuing on monthly basis. The skilled labourers are engaged by the contractors for such work.
11. Death of animals and human both fatal and nonfatal are provided in the P-2 format of Hon'ble Commission which may kindly looked into.
12. SOUTHCO has executed an agreement with M/s Banyon Environmental Innovations Pvt. Limited a Hyderabad based company to provide the CFL bulbs at the affordable price replacing the incandescent bulbs as per the Bachat Lamp Yojana. However, the same is yet to be materialised although it has been registered in UNFCCC. SOUTHCO has filed one petition before Hon'ble Commission for approval regarding Demand side Management for providing LED bulbs to the Domestic consumers.
13. Southco has reduced the AT&C loss by 8% i.e from 52.14 % to 44.64% during FY 2011-12 to FY 2014-15. Southco has projected AT&C loss reduction of 4.41 % during FY 2015-16 and projected 2.31 % reduction for FY 2016-17 as per the MoP guidelines.
14. However, despite all odds, with the help of Capex programme we are committed to reduce the AT&C loss as envisaged in the ARR.

The details about the expenditure of Capex programme is as under.

Sl. No.	Name of the Item	Work Executed during (Nos.)				Amount Spend during FY 2012-13 in Rs. Lakhs		Amount Spend during FY 2013-14 in Rs. Lakhs		Amount Spend during FY 2014-15 in Rs. Lakhs		Amount Spend during APR-15 TO DECEMBER-15 in Rs. Lakhs	
		FY 2012-13	FY 2013-14	FY 2014-15	APR-15 TO DEC-15	From Govt. Funding	From Own Resources	From Govt. funding	From Own Resources	From Govt. funding	From Own Resources	From Govt. funding	From Own Resources
1	Nos. of new Primary Sub Station		2	2	1		0	244.00	0	244.00	0	122.00	
2	Nos. of Upgradation of existing Primary Sub Station												
3	Breakers												
	(i) 33 kV			29	13					107.01		47.97	
	(ii) 11 kV			50	15					129.5		38.85	
4	Nos. of Distribution transformer												
5	Reconductoring of OH line conductor												
	(i) 33 kV		9	138	65			33.03		506.46		238.55	
	(ii) 11 kV		34	481	87			67.66		957.19		173.13	
6	New OH line												
	(i) 33 kV		12.06	22.94	10			59.09		112.406		49.00	
	(ii) 11 kV		4	8	33			14.76		29.52		121.77	
7	Energy Accounting												
	(i) Consumer Metering			34000	31500					340.00		315.00	
	(ii) System Metering												
8	A.B. Cable		67.55	299.45	108			256.01		443.19		159.84	
9	HVDS		13	62	188			22.88		109.12		330.88	
10	IT Implementation												
11	Special R&M of S/S												
12	System Quality, Reliability & Safety												
	Total							697.44		2978.39		1596.99	0.00

15. That, the outstanding dues of Govt. Deptts. and PSUs as on 30th sept-2014 is of Rs.40.94 Cr. Action is being taken for recovery of the arrear. All the Govt. Deptts arrear has been cleared up to FY 2012.
16. Two nos of HT and EHT consumer have availed OTS with a concession of Rs.37.84 lakhs against outstanding of Rs. 71.82 lakhs.

17. In Southco, only one consumer namely Tata Steel Limited has reduced its load from 2 MVA to 500 KVA during FY 2014-15. Further, although M/s JK Corp has not reduced the load but the consumption has been drastically reduced due to utilisation of own CGP.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to
Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-12 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

CASE NO. 59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Versus

**Prasant Kumar Das
S/o- Late Birendra Kumar Das
204, Sunamani Apartments
Tala Telenga Bazar
Cuttack-753009, Odisha**

..... Opp. Party.

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

BACKGROUND:

In accordance with the provisions of regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Discoms are required to file the applications for determination of ARR and revision of Retail supply Tariff (RST) for ensuing financial year with the commission by 30th November of current year.

Complying the provisions of above –mentioned Regulations, the SOUTHCO (Petitioner) has submitted its application for approval of ARR and Wheeling and Retail supply tariff for the financial year 2016-17. The petitioner has filed its petition under Sec-62 and other applicable provisions of electricity act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2004 and OERC (conduct of Business) Regulations 2004.

The para-wise replies of Southco Utility in respect of the objections raised by the objector is submitted.

1. **Power Cuts and Low Voltage Supplies:** The daily power cut is not being made in the areas of Southco Utility as pointed out by the objector.
2. **Faulty Billing System :** SOUTHCO Utility is serving the bill through Mobile Phone Photo based Spot billing to the 1ph consumers. The 3 Phase consumers bill are served by person generating at Head office and distributed to the consumers well before the due date. After generation of the bill the SMS alert also given to the consumers for making payment the energy bill on or before due date and avail the rebate. The consumer also given SMS alert after making the payment on or before due date.
3. **Arbitrary Replacement of Meters:** There is no arbitrary replacement of meters. The meters are replaced upon notice of defectiveness. The consumer is authorised to install the meters unless and otherwise opt for rent of the meters. The meter rent is collected as per the Tariff order of the Hon'ble Commission and stopped upon recovery of the meter rent for 60 months.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to

Prasant Kumar Das ,S/o- Late Birendra Kumar Das
204, Sunamani Apartments ,Tala Telenga Bazar
Cuttack-753009, Odisha for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.
Case No. 59 of 2015**

SOUTHCO Utility (SOUTHCO) ----- Petitioner

Vs

Sri Prabhakar Dora

3rd Lane, Vidya Nagar(Co-Operative Colony) ----- Opp. Party

PO/Dist: Rayagada-765001

Ph/Fax –06856-235670: Cell No 94371-03756

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

BACK GROUND:

In accordance with the provisions of Regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail supply Tariff) Regulations, 2014 the Discoms are required to file the applications for determination of Aggregate Revenue Requirement(ARR) and revision of Wheeling and Retail supply Tariff (RST) for ensuing financial year with the commission.

1. The Standard of Performance both Overall and Guaranteed Standard of Performance of SOUTHCO Utility published in the news paper is based on the facts and figures and neither false nor fabricated. During the current financial year , Southco Utility have engaged one independent auditor for conducting SoP Audit in three divisions as per the direction of Hon'ble Commission.
2. There should not be tariff on the basis of supply of power to the consumers of Rural and Urban consumers.
3. The Utility is having 99.5% metering barring few consumers unmetered under the Kutir Jyoti category. The meter rent is collected from the consumers as per the meter rent approved by Hon'ble Commission and once the landed cost of the meter is recovered, the collection of meter rent is stopped from the consumers. As per the Regulation, the preference for purchase meter goes to the consumer and if the consumer does not elect to purchase the meter, then the Utility provides the same with charging of rent of the meters for a period of 60 months.

4. The estimates are always supported with Remunerative Calculations as per Regulation 13 and the circular has already been issued to adhere the same. The prospective new consumer if he/she invests in capital works , the same is being adjusted in 24 equal monthly instalments in case of Remunerative.
5. The Complaint Handling Procedure (CHP) is followed at Section level to division/Circle level to address the consumer grievances. Southco has also opened 6 nos of Customer Care Center in City Circle and Aska Circle to register the complaints and also redress the same.
6. The distribution loss reduction as per the approval of the Hon'ble Commission has not achieved but the Utility has taken many measures for reduction of T & D loss and tried to achieve the same during FY 2015-16 & FY 2016-17 as per the projection filed before Hon'ble Commission. The Utility has achieved 9% T&D loss reduction during last 4 years and also committed to achieve 4% T& D loss reduction during FY 2015-16 & FY 2016-17.
7. The energy audit is already carried out in 75 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.
8. The projected A&G expenses and R&M expenses are not in higher side and the justification of such expenditure has already been enumerated in the Application filed before Hon'ble Commission and subsequent queries of the Hon'ble Commission.

Berhampur
Date-27-01-2016

GM (Commerce)
SOUTHCO Utility

C.C to:

Sri Prabhakar Dora
3rd Lane, Vidya Nagar(Co-Operative Colony)
PO/Dist: Rayagada-765001
Ph/Fax -06856-235670: Cell No 94371-03756 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

CASE NO. 59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

**Bansidhar Acharya
President Upabhokta Surakhya Avijan
L-41, Housing Board Colony
Baramunda, BBSR**

..... Opp. Party.

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

BACKGROUND:

In accordance with the provisions of regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Discoms are required to file the applications for determination of ARR and revision of Retail supply Tariff (RST) for ensuing financial year with the commission by 30th November of current year.

Complying the provisions of above –mentioned Regulations, the SOUTHCO (Petitioner) has submitted its application for approval of ARR and Wheeling and Retail supply tariff for the financial year 2016-17. The petitioner has filed its petition under Sec-62 and other applicable provisions of electricity act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (conduct of Business) Regulations 2004.

The para-wise replies of Southco Utility in respect of the objections raised by the objector is submitted.

1. The Standard of Performance data submitted by Southco Utility is based on the facts and figures and the data are not fabricated one. Southco Utility have already engaged one third party agency for conducting SoP Audit of three Divisions and the Audit is in progress.
2. That, Southco Utility has added new 33/11 KV S/s, PTRs, DTRs and augmentation of 33 KV and 11 KV line for better voltage in its area under different System Improvement Schemes. Further, the transmission licensee, OPTCL also constructed new 132/33 KV S/s to provide better voltage to the consumers. In Southco area , the low voltage problem mainly in Dabugaon and Ummerkote area has been eradicated due to construction of grid at dabugaon and Ummerkote respectively.
3. That, the franchisees are not operating in Southco Utility's area and frequent and irregular power cut does not arise.
4. That, the consumer are served with the bill printed in English and the Utility shall try the same in future for serving bills in odia.
5. That, the temporary connection is given to the consumers as per the Regulation and Tariff in vogue.
6. That, the meter is tested through laboratory before it is installed in the consumer premises.
7. That, the internal audit of Southco Utility is also through appointment independent auditor/audit firms.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to:
Bansidhar Acharya
President Upabhokta Surakhya Avijan
L-41, Housing Board Colony
Baramunda, BBSR for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

CASE NO.59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... Petitioner

Vs

M/s Aditya Birla Chemicals (India) Ltd.

Po- Jayshree, Ganjam- 761025

..... Opp. Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

2 to 7 : Needs no reply. But the high cross subsidy and inability to control the T&D losses increased the tariff from year to year is not justified due to the followings.

- (a) The tariff has not increased for a period of 10 years commencing from FY 2001-02 to FY 2009-10 and was remain static. Hon'ble Commission fixes the tariff as per the E.Act, 2003 and Regulations framed there under and there is no unusual high cross subsidy in case of any category of consumers.
- (b) Although, the utility is having high T&D loss but Hon'ble Commission fixes the tariff as per the approved T&D loss which is substantial low in comparison to the actual loss level of the Utility.

8 & 9: The increase in tariff is always commensurate with the increase in cost of Supply. The power purchase Cost of the Utility has been increased substantially since FY 2010-11 as well as the inflation of the economy. If, we consider these factors the RST has not been increased simultaneously. Within a period of 5 years, Southco's BST has been increased by 231%.

10. That, the industry has been taken over by M/s Aditya Birla Chemicals (India) Ltd. and it is no more a loss industry. Further, the electricity tariff can't be fixed looking to the Loss or Profit of the Company and guided by certain principles.

11. That, Hon'ble Commission has already clarified the fixation of tariff in its tariff order from time to time.

12. That, Hon'ble Commission shall definitely look into the matter for determining tariff and cross subsidy with the different voltage of supply.

13. That, Hon'ble Commission may consider for power intensive industries and presently the Graded slab tariff is taking care of the lower tariff in comparison to other category of consumers.
14. That, Hon'ble Commission shall definitely look into the matter while detreming the tariff for different category of consumers with different voltage of supply.
15. That, the GoO may provide subsidy as per the E.Act, 2003 for the economically backward class families.

DISTRIBUTION LOSS & ENERGY AUDIT:

- 17 .** The T&D Loss has been reduced by 9% since FY 2010-11 but not as per the approved loss level of Hon'ble Commission.
- 18 to 20 .** The energy audit is already carried out in 75 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.

RELIABILITY SURCHARGE:

- 21 to 23 .** That, the Reliability Surcharge has been introduced by the Hon'ble Commission to provide reliable and uninterrupted power supply to the consumers. As there is a compensation as per the Standard of Performance Regulation, so there must be Reliability surcharge for providing reliable power supply.

INCENTIVE FOR HIGHER POWER FACTOR:

- 24 to 26 :** That, the power factor is related with the load factor. The load factor of the particular consumer is determined on the basis of maximum demand recorded as well as the power factor. So, once the consumer is getting Graded slab tariff, the PF incentive should not be passed on to such consumers. However, the present PF incentive may be continued.

27. That , the Utility is agree with the proposal of the respondent and the same may be considered while approving the Tariff.
28. That, the Utility has replied the submission of Business Plan to the queries of the Hon'ble Commission and seek time for its submission. The cost allocation has been submitted to Wheeling and Retail Supply business till the accounts are segregated.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to
M/s Aditya Birla Chemicals (India) Ltd.
Po- Jayshree, Ganjam- 761025 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

Case No. 59 of 2015

SOUTHCO Utility(Southco) ----- Petitioner

Vs

**The Utkal Chamber of Commerce & Industry Ltd.
N/6, IRC Village, Nayapalli ----- Opp. Party
Bhubneswar-751015, Odisha**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17. .

The point wise clarification to the objection raised by the objector is as under:

1. Self Explanatory.
2. SOUTHCO (Petitioner) has submitted its application for approval of ARR and Wheeling and Retail supply tariff for the financial year 2016-17. The petitioner has filed its petition under Sec-62 and other applicable provisions of the Electricity Act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (conduct of Business) Regulations 2004. The estimated revenue gap of Rs. 362.45 Cr for FY 2015-16 and Rs.565.06 Cr is for FY 2016-17 includes an amount of Rs.120.82 Cr towards 1/3rd truing up for FY 2015-16.
3. **Distribution Losses: Southco** Utility requested Hon'ble Commission for redetermination of loss level looking to the ground realities. Although, Hon'ble Commission is fixing the distribution loss target of 25.5% for Southco but the loss level stands at 39% for the FY 2014-15 and will be reduced to 36.08% during FY 2015-16 and projected 35% for FY 2016-17. The T&D loss has been reduced by 9% during last 4 years.
4. **Power Requirement:** Southco has projected sale of 2308 MU with an input of 3550 MU arriving a T&D loss of 35% considering massive rural electrification under RGGVY and BGJ scheme and as per the target of MoP,GoI.
5. **Tariff determination for FY 2015-16:** The revenue gap projected is a realistic one and Southco requests the Hon'ble Commision to bridge the Revenue gap so that Utility can be sustained.

6. Rationalisation of Tariff :

- (i) The Bulk Supply Price fixed by Hon'ble Commission has been increased to manifold and is not commensurate with the RST. During last 5 years the BST has been increased by 2.31 times.
- (ii) Hon'ble Commission fixes the cross subsidy surcharge considering the Average cost of supply of the State as a whole.
- (iii) Looking to the consumer mix of the distribution licensee, Hon'ble Commission has fixed the Cross subsidy surcharge for the four distribution companies separately.
- (iv) The Allied Agro Industrial and cold storages tariff are lower tariff than other industrial consumers.

7. Energy Audit :

That, the energy audit has already been carried out in 75 nos of 11 KV feeders and also submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C
The Utkal Chamber of Commerce & Industry
N/6,IRC Village,Nayapalli
Bhubaneswar-751015,Odisha

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIAYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR
CASE NO. 59 OF 2015**

SOUTHCO Utility (SOUTHCO)

..... **Petitioner**

Vs

Odisha Retired Power Engineers Forum

C-7640, Bhoinagar

Bhubaneswar-22

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2016-17.

However, the para-wise replies to the objections filed by the objector are enumerated below.

A. AT&C Loss Reduction:

1. That, Southco Utility has taken all possible measures during past for reduction of AT&C Loss but could not achieved due to the reasons already enumerated in its application. However, Southco has reduced AT&C loss by 8% during last four years ending FY 2014-15 and committed to achieve loss reduction of 4.41% during FY 2015-16 and 2.31% during FY 2016-17 respectively.
2. That, the AT&C loss in Southco is high due to the consumer mix, socio economic conditions of the people and the geographical area. However, Southco is confident to achieve the proposed Loss reduction for the FY 2016-17 due to huge investment in System Improvement Works.
3. To curb theft of electricity, Southco has taken many steps like.
 1. Installation of AMRs in 3 phase consumers having CD more than 20 KW.
 2. Key Consumer Business Analytic Cell set up to analyse the dump of the meters of 3 phases for taking action at Corporate and Division level.

3. Intensification of Vigilance Activities by creating separate vigilance cell at Circle level. Action is being taken to engage more nos of vigilance gangs at Subdivision level.
 4. Dehooking squad operating at Section level and installation of AB cables in rural and urban areas.
 5. Commencement of installation of Smart meters and Prepaid meters.
4. That, the energy audit is already carried out in 75 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.
 5. That, in reply to sl 5 to 8 , the energy audit is being carried out at 33 KV and 11 KV level and target for 100% metering of 11 KV feeders. The feeder manage has been designated to JEs/SDOs in charge of the dedicated 11 KV feeder catering to the Sections.
 6. That, the base level loss may be taken into account for calculation of the ARR of the Discoms after making prudence check and there after loss reduction trajectory may be set up on an yearly basis.
 7. That, the incentive and disincentive scheme may be worked out for betterment of the organisation.
 8. That, the energy theft can be controlled if stringent policy of the Govt. along with the administrative involvement for its implementation. The Energy Police Station should be strengthened with the powers for effective functioning of the EPS.

B. QUALITY POWER TO CONSUMERS:

SOUTHCO is committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, upgradation of existing S/s and Power Transformers. SOUTHCO has installed good nos of new transformer and up gradation of transformer of different capacity in its area of operation and power transformer capacity have already been upgraded to provide

reliable and uninterrupted power supply. SOUTHCO has already added additional more than 240 MVA into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being taken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in Southco Utility area.

It is true that the enough money is not available for R&M works although Hon'ble Commission allows the same while approving ARR. This is mainly due to huge gap in approving AT&C loss and actual AT&C loss.

Berhampur
Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to:

Odisha Retired Power Engineers Forum
C-7640, Bhoinagar
Bhubaneswar-22 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

CASE NO.59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

**Shri R.P. Mahapatra,
Retd. Chief Engineer
Plot No.-775 (P), Lane-3
Jaydev Vihar, Bhubaneswar-751013.**

..... Opp. Party.

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

1. That, Southco Utility submitted its ARR and Wheeling and Retail Supply Tariff as per the OERC(Terms and Conditions of determination of Wheeling Tariff and Retail Supply Tariff) Regulation 2014.
- 2&3. The increase in tariff is always commensurate with the increase in cost of Supply. The power purchase Cost of the Utility has been increased substantially since FY 2010-11 as well as the inflation of the economy. If, we consider these factors the RST has not been increased simultaneously. Within a period of 5 years, Southco's BST has been increased by 2.31times.
4. That, the closure of industries not only the factor of increase in electricity tariff and mainly due to worldwide recession.
5. That, Hon'ble Commission has already clarified the fixation of tariff in its tariff order from time to time.
6. That, Hon'ble Commission shall definitely look into the matter for determining tariff and cross subsidy with the different voltage of supply.
- 7&8. That, Hon'ble Commission shall definitely look into the matter while determining the tariff for different category of consumers with different voltage of supply.
9. That, the GoO may provide subsidy as per the E.Act, 2003 for the economically backward class families and fully agree with the objector.

DISTRIBUTION LOSS & ENERGY AUDIT:

11 . The T&D Loss has been reduced by 9% since FY 2010-11 but not as per the approved loss level of Hon'ble Commission.

12 to 14 . The energy audit is already carried out in 75 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2015-16, Southco has metered 255 nos of 11 KV feeders against total 11 KV feeders of 528 nos. The balance 273 nos of 11 KV feeders and 100% DTR metering proposal has been included in Deendayal and IPDS scheme and an amount of Rs.9.38 Cr has been estimated for the purpose of Energy Audit. As per the direction of the Hon'ble Commission, the energy audit of 10 nos of feeders in a month shall be submitted before Hon'ble Commission to complete energy audit of all metered 11 KV feeders by March-2017.

RELIABILITY SURCHARGE:

15 to 17 . That, the Reliability Surcharge has been introduced by the Hon'ble Commission to provide reliable and uninterrupted power supply to the consumers. As there is a compensation as per the Standard of Performance Regulation, so there must be Reliability surcharge for providing reliable power supply.

INCENTIVE FOR HIGHER POWER FACTOR:

18 to 21 : That, the power factor is related with the load factor. The load factor of the particular consumer is determined on the basis of maximum demand recorded as well as the power factor. So, once the consumer is getting Graded slab tariff, the PF incentive should not be passed on to such consumers. However, the present PF incentive may be continued.

KVAH BILLING:

22. That, the introduction of KVAH billing has already been substantiated in the ARR application and nothing more to say.

INTEREST ON SECURITY DEPOSIT:

24. That, the interest on Security Deposit should be at Bank rate as per the Regulation and may be reduced from the present rate as the bank rate has reduced. The Security Deposit should not be in the form of Bank Guarantee.

APPROVE THE ARR FOR FY 2016-17 TRUING UP OF 1/3RD OF REVENUE GAP FOR 2015-16:

- 25 . That, Southco also agrees with the proposal for truing up after completion of audit of the accounts for FY 2015-16.

TWO PART TARIFF BE MADE APPLICABLE IN RESPECT OF EMERGENCY POWER SUPPLY CATEGORY TO CAPTIVE POWER PLANTS (CPP):

26. That, the contention of Southco has already been clarified in its ARR application and nothing more is required to comment.
- 27,28. That, the contention of Southco has already been clarified in its ARR application and nothing more is required to comment.
- 29,30. That, the cost allocation statement has been prepared and submitted to Wheeling and Retail Supply business till the accounts are segregated as per the Regulation,2014.

Berhampur

Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C to

Shri R.P. Mahapatra,
Retd. Chief Engineer
Plot No.-775 (P), Lane-3
Jaydev Vihar, Bhubaneswar-751013 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIAYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR**

CASE NO. 59 OF 2015

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

M/s Swain & Sons Power Tech Pvt. Ltd.

Swati Villa

Surya Vihar Link Road,Cuttack-12

.....Opp. Party.

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17

1&2 Requires no reply.

- 3: Employee Cost: The details of Employee Cost projected by Southco for FY 2016-17 is based on the actual employee existing as on Sept-15 , actual retirement during FY 2015-16 & 2016-17 and the no. of employees to be recruited during FY 16-17. As per the format of Hon'ble Commission, the segregation of employee cost under different heads is also projected in Form-F-12. The actual expenditure of Employee Cost during FY 2014-15 is of Rs. 300.67 Cr as per the Unaudited Accounts. The Respondent has calculated reduction of employee cost and estimated for FY 2016-17 of Rs.249 Cr .The Respondent has not taken into account the cost of the outsourced activities and the Terminal Benefits of the employees. The projected Employee Cost of Rs. 321.85 Cr includes Terminal Benefit of Rs. 103.75 Cr and Contractual Employee Cost of Rs.20.89 Cr respectively. Southco also projected recruitment of 860 nos of employee during FY 2016-17.
- 4: A&G Expenses: Southco has projected A&G Expenses of Rs. 65.73 Cr which includes Additional A& G Expenses of Rs. 34.77 Cr. So, Southco has projected normal A&G Expenses of Rs.30.96 Cr under different heads.
- 5: Depreciation Cost: The proposed depreciation is against the proposed addition of fixed assets during the FY 2016-17.
6. Repair & Maintenance Expenses: Southco has projected an amount of Rs.58.48 Cr under RGGVY Assets during FY 2016-17 totalling to Rs. 103.12 Cr. The scheme wise expenditures are also mentioned in Form-F13.

7. Provision for Bad and Doubtful Debts: Provision for bad and doubtful debts considered Rs. 44.82 Cr for the FY 2016-17 on the basis of collection inefficiency of 2.5% of total revenue.
8. The Annual Revenue Requirement (ARR) excluding Power Purchase cost as proposed by the Respondent is not a realistic one and hence cannot be accepted.
9. Hon'ble Commission has modified the Graded slab tariff during FY 2013-14 considering more and more industries are running in higher load factor. So, further reintroduction of 3 slab graded incentive tariff during FY 2016-17 is not at all correct.

10. **Distribution Loss:**

Actual T&D Loss of Southco for the FY 2010-11 to FY 2014-15 is as under.

Sl. No.	Financial Year	Proposed	Actual
1.	2010-11	42.76%	48%
2.	2011-12	42.67%	46%
3.	2012-13	43.72%	43%
4.	2013-14	40.03%	41%
5.	2014-15	39.17%	39%
6.	2015-16	37.74%	36.08%(Estimated)

Southco has projected Distribution Loss of 35% for FY 2016-17 not 30.79% as mentioned by the objector. Southco requests for reconsideration of the loss level on the basis of actual loss of previous year.

11. **Projection of EHT, HT and LT Sales:**

SOUTHCO has projected realistic LT sales of 1739.573 MU looking to the growth under Kutir Jyoti Category and loss reduction measures to be undertaken during FY 2016-17. Actual Sales of EHT, HT and LT during FY 2014-15 also available in the T-1 Format and also in the ARR application. The actual Sales during FY 2014-15 is as under.

Sales	FY 2014-15(MU)
LT	1365.291
HT	195.804
EHT	386.838
Total	1947.733

The approval of Hon'ble Commission under LT sales for FY 2015-16 is quite high as estimated by Southco for FY 2016-17. Hon'ble Commission has already approved ARR for FY 2015-16.

12. **Reliability Surcharge:**

Hon'ble Commission introduced the Reliability Surcharge as per Regulation 87 of OERC Dist. (Conditions of Supply) Code,2004 to the EHT and HT category of consumers. The reliability index calculation and voltage variation report is attached with the energy bill in case of Southco Utility.

13. **Take or Pay Benefit:**

Hon'ble Commission has withdrawn the " Take or Pay " Tariff during FY 2013-14 and the reason also mentioned in the Tariff Order FY 2013-14. Licensee is not in favour of further introduction of Take or Pay Tariff.

13(1) to (7). **Cross Subsidy Surcharge:**

Hon'ble Commission is determining the Cross Subsidy Surcharge on the basis of average cost of supply to the all consumers of the State as there is uniform RST.

14. **Power Factor Incentive:**

Hon'ble Commission has already reintroduced Power Factor Incentive during FY 2015-16.

We are of the opinion of the same as objector regarding waiver of annual inspection fees of lines and substation.

Berhampur

Date: 27.01.2016

GM (Commerce)

SOUTHCO Utility

C.C to:

M/s Swain & Sons Power Tech Pvt. Ltd.

Swati Villa ,Surya Vihar Link Road,Cuttack-12 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR.**

Case No. 59 of 2015

SOUTHCO Utility (Southco)

Petitioner

Vs

**Mr. Anand Kumar Mohapatra
Power Analyst
S/o Jachindranath Mohapatra
Plot No. L-II/68, SRIT Colony
Budharaja , PS- Ainthapali
Dist- Sambalpur -768004**

Opp. Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2016-17.

The point wise clarification to the objection raised by the objector is as under.

1to15. Not related to Distribution Utility and no comment here in.

16. That, the most of the consumers in Southco Utility area are under Kutir Jyoti and Domestic category (consuming less than 50 units).The tariff for Kutir Jyoti is Rs. 80/- per month for consuming 30 units. The average rate of tariff consuming 50 units in a month is coming around Rs.2.50. Most of the developed States like Kerala, Tamilnadu, West Bengal, UP, Punjab, Delhi and Mumbai are higher tariff of domestic consumers.

The Industrial Average Tariff is Rs. 5.70 – Rs.5.75 in the State of Odisha and also the rate comes down to Rs. 5.15 per kwh if the consumption is more than 80% LF. The sates like Tamilnadu, Maharashtra , Karntatak, UP, Telangana etc, the Industrial tariff is higher that of Odisha.

17. That, Southco Utility is agreeing with the contention of the objector regarding Subsidy from the GoO. As per Sec. 65 of the Electricity Act, 2003, the State Govt. can provide Subsidy to the consumers or class of consumers and the subsidy shall be paid in advance. The Revenue subsidy is not given by the State Govt. to the consumers of the State.
18. That, the consumption of the Agriculture Consumers are very low in comparison to other states of the Country. The electricity tariff rate is also very low in our State even if there is no subsidy is given by the GoO.
19. That, the tariff of the agriculture consumer was increased after a lapse of 15 years during FY 2015-16 to Rs. 1.50 per KWH which is also low in comparison to other States.
20. That, there should not be tariff on the basis of supply of power to the consumers of Rural and Urban consumers.
21. That, Hon'ble Commission fixes the tariff as per the mandate of the National Electricity Policy and Tariff Policy where in the cross subsidy shall be within + or - 20% of average cost of supply excluding Kutirjyoti and Agriculture consumers.
22. That, Hon'ble Commission is determining tariff considering T& D loss of 25.5 % of Southco Utility where in the actual T&D loss of Southco Utility for FY 2015-16 will be around 36%. The tariff is not at all meeting the Revenue Requirement of Southco Utility resulting non performance.
23. That, the contention of the objector regarding consideration of T&D loss of only 8% for determining tariff and Revenue requirement of the Utility is not at all justified and far beyond the reality.
- 24 & 25. That, the facts of ATC loss is arrived considering 8% loss is not at all correct and the figure arrived of Rs. 37,000 Cr is also seems to be incorrect.
- 26 to 28. That , the loss reduction trajectory as projected by Southco Utility may be approved looking to the ground reality
29. That, the objector is agree with the introduction of KVAH billing which is just and proper.

30 to 34. That, Hon'ble OERC determines the tariff as per the principles of the E.Act, 2003 and OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff), 2014 . The same is also enumerated in the Tariff order.

35 to 45. That, Southco Utility does not wants to comment on the issues as mentioned in its objection.

Berhampur

Date: 27.01.2016

GM (Commerce)
SOUTHCO Utility

C.C

Mr. Anand Kumar Mohapatra ,Power Analyst

S/o Jachindranath Mohapatra ,Plot No. L-II/68, SRIT Colony, Budharaja,
PS- Ainthapali ,Dist- Sambalpur -768004