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

1

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar.

T&D loss & AT&C loss:

The analysis made by the objector indicates that the AT&C loss of the Utility is in reducing trend. No doubt, desired level of reduction as directed by Hon'ble Commission has not been made but for the same there are 'n' nos. of factors for non-achievement. Hon'ble Commission is approving the T&D loss and AT&C loss as 19.60% & 20.40% respectively since so many years but the actual loss is more than 30%. In view of the same it is the humble submission of the licensee to approve the loss figures as proposed in the ARR keeping in mind the ground reality.

Withdrawl of Power Factor Incentive:

The Hon'ble Commission has rightly withdrawn the PF incentive during FY 2013-14 but subsequent reintroduction is affecting the revenue of the Utility. A consumer having higher PF is getting tariff benefit, so double benefit for the same reason is not correct.

Recovery of Meter Rent:

The suggestion regarding recovery of landed cost as monthly meter rent instead of present system, till 60 month is seems to be confusing because landed costs are always varies time to time. The landed cost cannot be tagged with each & every consumer. So instead of simplicity, complete confusion would be started & dispute between consumer & Utility will be increased.

Introduction of KVAH billing:

The Utility is continuously pleading for introduction of KVAH billing, because to bring fairness in the system only KVAH billing will help & no need of PF penalty & PF incentive. The requisite data & readiness of the Utility has already been explained to Hon'ble Commission in the past. As like of other neighboring states KVAH billing may kindly be started with at least with HT & EHT industries.

Emergency Power Supply to CPP:

The reason of two part tariff in case of emergency power supply has been clearly given in ARR application. The Utility has made comprehensive submission for adoption of two part tariff of CGP's and they are supposed to be permitted only to the extent of 15% of the largest unit of the CGP not 100% which is as per regulation. They are supposed to draw the power for their survival & start up purposes not for production purposes. It is observed that consumers with Emergency category are always remaining in synchronization mode and drawing power regularly a negligible quantum roughly maximum of 5000 Kwh to 10000 Kwh in a month. So higher tariff of Rs 7.00 or Rs 7.10 is not a concern for them & they are able to avoid the fixed cost of Rs 10 lakh p.m. (industries with CD of 5000 Kwh) by just paying Rs 35000/- to Rs 70000/- p.m. So, the view of objector is not correct & not acceptable.

Penalty U/s 126:

The objector has tried to establish that no where in the Regulation or Tariff order provision has been made for levy of penalty U/s 126 of Electricity Act 2003 for which he has placed regulation like 64, 85, 86 and various paras of RST order. In view of the same it is once again submitted that if detail procedure would have been factored in the tariff order for levy of penalty U/s 126 in case of overdrawal beyond CD then the Utility should not have requested/submitted in the ARR for factoring the same. Therefore, it is once again requested before Hon'ble Commission to kindly approve the same as proposed.

Reply to other points/suggestion:

For the suggestion, objection which are not separately replied may kindly be considered as denial by the Utility.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

2

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Gobind Narayan Agrawal, Advocate, Convener-cum-General Secretary, Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur, Sambalpur-768003.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Action Taken Report:

As per direction of Hon'ble Commission the details of Action taken report has already been filed in the ARR application vide page 69 to 77 in para 5.1 which may kindly be perused.

Action Plan for Revenue Improvement:

The details of action plan for revenue improvement has been submitted in the ARR application vide page 87 to 90 in para 5.4 which may kindly be perused.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : Gobind Narayan Agrawal, Advocate, Convener-cum-General Secretary, Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur, Sambalpur-768003.

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

3

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : M/s. Scan Steels Limited, At-Main Road, Rajgangpur, Dist-Sundargarh-770017.

T&D loss & AT&C loss:

The analysis made by the objector indicates that the AT&C loss of the Utility is in reducing trend. No doubt, desired level of reduction as directed by Hon'ble Commission has not been made but for the same there are 'n' nos. of factors for non-achievement. Hon'ble Commission is approving the T&D loss and AT&C loss as 19.60% & 20.40% respectively since so many years but the actual loss is more than 30%. In view of the same it is the humble submission of the licensee to approve the loss figures as proposed in the ARR keeping in mind the ground reality.

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The Hon'ble Commission has rightly withdrawn the PF incentive during FY 2013-14 but subsequent reintroduction is affecting the revenue of the Utility. A consumer having higher PF is getting tariff benefit, so double benefit for the same reason is not correct.

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The suggestion regarding recovery of landed cost as monthly meter rent instead of present system, till 60 month is seems to be confusing because landed costs are always varies time to time. The landed cost cannot be tagged with each & every consumer. So instead of simplicity, complete confusion would be started & dispute between consumer & Utility will be increased.

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Penalty U/s 126:

The objector has tried to establish that no where in the Regulation or Tariff order provision has been made for levy of penalty U/s 126 of Electricity Act 2003 for which he has placed regulation like 64, 85, 86 and various paras of RST order. In view of the same it is once again submitted that if detail procedure would have been factored in the tariff order for levy of penalty U/s 126 in case of overdrawal beyond CD then the Utility should not have requested/submitted in the ARR for factoring the same. Therefore, it is once again requested before Hon'ble Commission to kindly approve the same as proposed.

Reply to other points/suggestion:

For the suggestion, objection which are not separately replied may kindly be considered as denial by the Utility.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**

Dated:25.01.2018

C.C. : M/s. Scan Steels Limited, At-Main Road, Rajgangpur, Dist-Sundargarh-770017.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

4

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour and President,Upobhokta Mahasangha, At- Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Quality of Power Supply:

The supply system has drastically improved due to capacity building on account of various Government schemes like CAPEX, DESI, ODSSP, IPDS etc.

Operation & Maintenance of Lines & Substations:

The respondent has sought certain information regarding replacement of 33 KV old lines, 11 KV old lines, LT lines, upgradation of 33/11 Kv SS, upgradation of 11 KV SS etc since last five years. In this regard the position of Network Asset as on 31.03.2012 vs 31.03.2017 is appended below from which perusal may kindly be made.

	Status as on 31.03.2012	**Status as on 31.03.2017**
33 Kv line	3206 Ckt. KM	3618 Ckt. KM
11 Kv line	24506 Ckt. KM	31070 Ckt. KM
LT line	14194 Ckt. KM	29885 Ckt. KM
11 Kv S/s	18971 Nos.	41437 Nos.
Power Transformer	131 Nos.	314 Nos.

Energy Audit:

The outcome of Energy Audit has already been given in ARR application of the Utility vide page no. 22 to 41 which may kindly be referred.

Franchisee Operation:

The details of Franchisee operation has already been submitted in the ARR application vide page no. 79 to 86 in para-5.3 which may kindly be perused.

Escrow Relaxation:

Gridco has made Escrow relaxation @ 19.06 crore p.m. during FY 2016-17 towards Employee cost & during FY 2017-18 (till Oct-17) @ 22.86 crore p.m. Since Nov-17 no escrow relaxation has been made. Other than employee cost no escrow relaxation is being made towards A&G, R&M, Interest etc for which the Utility is facing lot of difficulties.

CAPEX:

The details of Capital Expenditure, fund utilized & benefit of such scheme has already been given in the ARR application vide page no. 49 to 65 which may kindly be perused.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour and President,Upobhokta Mahasangha, At- Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.

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

5

Case No.80 of 2017

In the matter of : WESCO Utility
And
In the matter of : Director, Western Electricity Supply Company of Odisha Ltd., Regd. Office-Plot No-N1/22, IRC Village, Nayapalli, Bhubaneswar, Odisha-751015.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Claim of proportionate amount of Depreciation on network asset, moveable asset etc, Interest on loan & return on ROE by Wesco Ltd from the date of revocation of licensee seems to be improper. Wesco Ltd has mentioned that they are not liable to bear losses incurred during the post revocation of license period, that means Wesco Ltd is liable/responsible to bear the operational losses accrued prior to revocation of licensee.

Further, Wesco Ltd has not given the details of assets created during its period of operation through infusion of fund. Wesco Ltd had inherited the Assets & subsequent additions were from different Government funding as well as from consumer's contribution only. So Wesco Ltd should clearly mention the quantum of Assets created out of it's own funding through capital infusion.

Suggestion regarding non passing of depreciation, interest, etc in the ARR of the Utility for 2018-19 is seems to be erroneous. From the suggestion it is imperative that Wesco Ltd is bearing the replacement cost of network assets and servicing the interest on loan after revocation of license which were created during its incumbency and now needs reimbursement of the same. To establish the same Wesco Ltd may be requested for providing such particulars before Hon'ble Commission for perusal & necessary consideration.

It is further submitted that if depreciation, interest & ROE will not be factored in the ARR the alternate method of recovery has not been explained by Wesco Ltd.

In line with the above the submission made by Wesco Ltd towards reimbursement to the extent of Rs 272 crore till FY 2018-19 may kindly be rejected.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : Director, Western Electricity Supply Company of Odisha Ltd., Regd. Office-Plot No-N1/22, IRC Village, Nayapalli, Bhubaneswar, Odisha-751015.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

6

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Sri Ananda Kumar Mohapatra, Power Analyst, S/o-Jachindranath Mohapatra, Plot No. L-II/68, SRIT Colony, Budharaja, Ps-Ainthapali, Dist-Sambalpur-768004.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

The objector made a voluminous submission & more than 90% of its contents are towards corrupt practices in Discoms, OERC, Govt., GRIDCO, OPTCL, etc. He also made exhaustive submission that all the officers of power sector are involved in malafide practices for which the sector is not improving. Even though the general statements made has not relevance in determination of ARR of the Utility but if specific citation would have made then Hon'ble Commission or the Utility would have made a note of it.

Regarding availability of ARR submission (Vol-II) in Hon'ble Commission's or Utility's website. The same is very much available from the date of publication. The objection made by the objector regarding non-availability in webpage is not correct.

In the publication, it was published that intending objector may avail the copies of ARR submission from website of the licensee, OERC or physical copy from the Utility notified offices. Further, the objector has given a liberty to inspect/peruse the ARR document from the notified offices of the Utility. In view of the above the objector came on 22nd of Dec-2017 at around 6.00 PM to HQ, Burla after office hour for which request was made to come on next day, accordingly with a plain application documents were made available where in the objector given observation that records perused & found ok. Now in the objections, statement is being made that no personal attention has been given to him is not all correct.

The detail report of Energy Audit as carried out by the Utility has been given in ARR filing vide page 22 to 41. The reason of dissatisfaction of the objector is why other feeders are not yet started or carried out, which shall be done in subsequent period.

Audit of Books of Accounts by third party, as per statutory norms appointment of auditors has been made. The objector is in the opinion that the choice has not made properly by the Utility so that quality auditing has not been made. Observation made by auditors are duly complied with. The intention of the objector is not clear whether he needs auditor's work has to be supervised by a group of another auditor has not been clearly mentioned.

In addition to nos. of general statement, lot of analysis regarding Generation, Per Capita consumption, statistical data of CEA etc has been made, relevance of such information may kindly be looked into by Hon'ble Commission.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**

Dated:25.01.2018

C.C. : Sri Ananda Kumar Mohapatra, Power Analyst, S/o-Jachindranath Mohapatra, Plot No. L-II/68, SRIT Colony, Budharaja, Ps-Ainthapali, Dist-Sambalpur-768004.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

7

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Rourkela Chamber of Commerce & Industry, Chambar Bhawan, By-pass Road, Civil Township, Rourkela-769004.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

That the objector has cited two energy bill of Jharkhand Urja Vikash Nigam Ltd., Ranchi & Chattisgarh state power Distribution Company Ltd. and comparison has been made with the average charges of Wesco Utility energy bill. As per the calculation they submitted the average charges is lower than the average charges of Wesco Utility.

In view of the above the following points may kindly be perused.

In case of Jharkhand State Electricity Regulatory Commission order date 21-06-2017 a category named as HT special services (HTSS) where in applicability has been defined as it will be applicable to CD of 300 KVA & above and only for the induction & arc furnace. The CD shall be as per capacity of the induction/arc furnace as per manufacturers technical specifications and not on the basis of measurement. The tariff schedule is not applicable to casting units having industrial furnace of melting capacity of 500 Kg or below. The overdrawal is limited to 110% of the CD, if recorded demand enhances from CD in three consecutive months then from 4th month onwards new CD would be the revised contract demand for which the consumer has to execute the new agreement.

The energy charges is Rs 4.00 per unit & Demand charges is Rs 490 per KVA.

In case of Odisha there is no such HTSS category but steel industries are covered under large industry or ministeel category depending on their CD. But in both the cases tariff is same. Now coming to CD with the licensee the consumer is keeping the same as per its requirement not as per the manufacturer’s specification of equipments. Overdrawal limit in case of Odisha is 120% of CD.

The tariff structure is	Energy Charges	upto 60% LF	Rs 5.35	in case of HT
		>60% LF	Rs 4.25	
		upto 60% LF	Rs 5.30	in case of EHT
		>60% LF	Rs 4.20	

The demand charges is Rs 250 per KVA.

So considering the applicability of tariff structure similarly placed consumer may be placed here with lesser contract demand & would pay less fixed cost along with security and can draw upto 120% of CD during off peak hour.

In case of Chattisgarh the tariff is higher than the tariff of Odisha however from the copy of energy bill enclosed they are getting VCA credit as well as concessional EC of 80 paise per Kwh as per decision of Chattishgarh Govt.

Therefore considering the above the suggestion made by the Rourkela Chamber of Commerce may kindly be perused for extending concessional tariff to Steel Industries.

For and on behalf of WESCO Utility

Burla

Dated:25.01.2018

Chief Operating Officer

C.C. : Rourkela Chamber of Commerce & Industry, Chambar Bhawan, By-pass Road, Civil Township, Rourkela-769004.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

8

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Er.(Dr) Prasnta Kumar Pradhan, Duplex-244, Manorama Estate, Rasulgarh, Bhubaneswar-751010.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Achievement of Performance parameters as per Proposal:

Soon after revocation of license the Utility is being managed by Administrator through authorized officer. During 1st year of Utility operation i.e. FY 2015-16 the proposed T&D loss was 35.86% but actual achievement was only 37.38%. However, compared to the achievement during FY 2014-15 the performance during FY 2015-16 was better. If figures of FY 2016-17 would be persued it is showing higher AT & C loss due to non-payment of around Rs 200 core by an EHT Industry.

The performance parameters till Sep-17 are as under.

T&D Loss	27.42%
Collection Efficiency	83.59%
AT & C Loss	39.33%

The Utility expects the AT & C Loss will be around 32.80% at the end of the FY 2017-18 as the LT collections are normally improves during 2nd Six month of the financial year.

Energy Auditing & outcome:

Suggestion for improvement of billing, collection through proper Energy Audit are noted.

Metering:

In case of meter defect billing is being done on the basis of average as LF billing is no longer permitted. Regarding purchase of meters from miscellaneous non-escrow income, it is to state that it is very difficult to manage day to day A&G, R&M expenses in absence of escrow relaxation for the above. In addition to same salary and pension for Dec-2017 has been paid from the non-escrow fund. There is no such un-meter or defective meters in case of GP below 110 KVA category of consumers.

Recovery of Meter Rent:

The suggestion regarding recovery of landed cost as monthly meter rent instead of present system, till 60 month is seems to be confusing because landed costs are always varies time to time. The landed cost cannot be tagged with each & every consumer. So instead of simplicity, complete confusion would be started & dispute between consumer & Utility will be increased.

Tariff of Industrial Consumers:

The objector is in the opinion of reintroduction of more incentivize tariff for the industries to boost consumption. In this regard it is to state that Odisha industrial tariff is very competitive as compared to neighboring states. Tariff is not the only reason for the industrial growth, there are other various reason for industrial slow down. If perusal would be made into past period Hon'ble Commission has given lot of incentivize tariff but the sector as a whole not witnessing any remarkable growth in HT & EHT consumption.

Re-introduction of 3 Slab Graded Tariff:

The respondent has suggested for re-introduction of 3 slab graded tariff which was applicable prior to FY 2013-14. In this regard before re-introduction of same whether it can really enhance the consumption pattern of industries may kindly be persued. It is quite certain that Hon'ble Commission has given more incentive to the industries as compared to past year's when three slab tariff was in force but still then there is no such significance improvement in consumption pattern. The following table will show how Hon'ble Commission has emphasised to incentivize for the industries in shape of 3 slab graded or 2 slab graded tariff.

TOD Benefit:

The suggestion made by the objector seems to be confusing. It is to submit that due to TOD effect most of the industries are availing power during peak hours from exchange & availing power from the Utility during of peak hours, if TOD benefit would be extended from 12.00 Hrs to 17.00 Hrs then there would be further financial loss to the Utility.

Penalty u/s 126:

The suggestion made by the objector for interim arrangement to levy penalty for overdrawl beyond contract demand is a welcome suggestion.

Expenses to Employee Terminal Fund:

Apart from monthly disbursement of Rs 53.64 Crore p.m. towards pension & other terminal dues and transferred Rs 13.24 Crore to pension & gratuity trust fund during FY 2017-18 (till Nov-17).

Vigilance Activity:

The vigilance squad has registered 27764 Nos of unauthorized/meter tempering/hooking issue during FY 2016-17 & 15560 nos. during FY 2017-18 (till Nov-17).

Cash Flow:

The Utility is clearing transmission charges on monthly basis & nothing is pending till date but as far as BST bill is concerned payment till Aug-17 has been cleared & Sep-17 bill has been partially paid.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**

Dated:25.01.2018

C.C. : Er.(Dr) Prasnta Kumar Pradhan, Duplex-244, Manorama Estate, Rasulgarh, Bhubaneswar-751010.

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

9

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : M/s. Adhunik Metalliks Limited, IPICOL House, 3rd Floor, Annexe Building, Janapath, Bhubaneswar-751022

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Energy Audit:

Hon'ble Commission has given direction in the past for carrying out energy audit, in response to the same, Utility has already filed it's progress report before Commission and the latest status has already been narrated in the ARR application vide page no. 22 to 41 which may kindly be persued.

Business Plan and it's maintainability:

The Business plan for the 1st control period (2014 to 2019) as per regulation 2014 has already been filed before Hon'ble Commission & hearing has been concluded with certain direction from the Commission. The reason of delay in submission of the Business Plan has already been narrated in the filing. Filing of Business Plan & ARR application both are two independent activity. Business Plan has also been filed well before in ARR. Hence respondent's views regarding dismissal of ARR application citing non-submission of Business Plan is not correct.

Determination of Tariff commensurate with Load factor, Power factor etc as per OERC condition of supply:

The detail calculation submitted by the respondent to indicate/impress regarding consumer with higher load factor are paying more as compared to consumer with low load factor is seems to be incorrect, as the load factor defined in the regulation is valid only for calculation of security deposit while availing initial power supply. The same is also being reviewed annually based on annual consumption. So determination of tariff has no significance as per the

calculation submitted by respondent. Further, as per the Condition of Supply Code 2004 Hon'ble Commission may differentiate the category of consumers on the basis of load factor, power factor etc but the suggested logic by the objector for determination of tariff has no absolute relevance.

Employee Cost:

The respondent has analysed & concluded that the employee cost is a controllable one and it has to be reduced. From the table submitted by respondent where in comparison of employee expenses to the extent of proposed, approved of actual has been given, in all the years the actual audited employee expenses is more than the approved figures. The difference of actual expenses w.r.t. approved are yet to be factored in tariff now at this juncture suggestion for less employee cost is not correct.

Regarding segregation of O&M expenses as per Regulation to the extent of Retail Supply & Wheeling has already been given on the basis of normative norms in the tariff filing vide page no. 90 to 91 which may please be taken into consideration.

Administrative & General Expenses:

The proposed A&G expenses for FY 2018-19 is considering 7% annual hike over previous year actual, which may please be approved.

Depreciation and R&M Expenses:

The expenses proposed under depreciation and R&M head are purely on the basis of statutory norms provided in the regulation which may kindly be approved.

The suggestion to the extent of disallowance of R&M expenses on RGGVY & BGGVY asset has not been spelt by the respondent correctly. If no R&M would be allowed to DISCOM then who will bear such cost is required to be defined. So, in absence of bearer of R&M cost, other than Discom, the same may kindly be approved in the ARR.

Provision for Doubtful Debts, Revenue Requirement & GAP Analysis:

The suggestion to the extent of carrying out receivable audit of the outstanding of receivables, in this regard it is to state that the audit has already been completed & the comprehensive report is being filed with the Hon'ble Commission separately for necessary perusal. As regards to approval of revenue requirement the suggestion submitted by respondent has error

apparent in calculation. The Licensee proposed Rs 103 crore towards A&G expenses for FY 2018-19 however the respondent has erroneously proposed as Rs 270.96 crore.

Re-introduction of 3 Slab Graded Tariff:

The respondent has suggested for re-introduction of 3 slab graded tariff which was applicable prior to FY 2013-14. In this regard before re-introduction of same whether it can really enhance the consumption pattern of industries may kindly be persued. It is quite certain that Hon'ble Commission has given more incentive to the industries as compared to past year's when three slab tariff was in force but still then there is no such significance improvement in consumption pattern. The following table will show how Hon'ble Commission has emphasised to incentivize for the industries in shape of 3 slab graded or 2 slab graded tariff.

(P/Kwh)

3 Slab Graded Tariff Period	**FY 2009-10**		**FY 2010-11**		**FY 11-12 & 12-13**	
	HT	**EHT**	**HT**	**EHT**	**HT**	**EHT**
Difference in Tariff between upto 50% & 50% to 60% LF	75	88	45	45	45	45
Difference in Tariff between 50% to 60% & >60% LF	5	0	45	45	55	55
Cummulative Difference upto 50% & >60% LF	80	88	90	90	100	100

(P/Kwh)

2 Slab Graded Tariff Period	**FY 13-14, 14-15, 15-16 & 16-17**		**FY 2017-18**	
	HT	**EHT**	**HT**	**EHT**
Difference in Tariff between upto 50% & > 60% LF	105	105	110	110

So from the above it is clearly envisaged that Hon'ble Commission is providing more & more tariff incentive for higher consumption year after year but the licensee is not experiencing any marginal increase in consumption pattern of the industries rather than down sizing. So the Utility is in the opinion that re-introduction of 3-slab graded tariff will not fetch the desired result.

Distribution Loss Target:

The target of 19.6% distribution loss is continuing since long & with all sort of ground reality the same has been reduced from a figure of 38.89% during FY 2010-11 to 31.14% during FY 2016-17. Fixing of lower T&D loss as suggested by the respondent will not only increase the notional

sale of the Utility but definitely widen the GAP of recovery of approved cost. Therefore the Utility submits before Hon'ble Commission for approval of proposed distribution loss of 28% instead of normative of 19.6% or less.

AT & C Loss:

In line with target of T&D loss, the target of AT & C loss as suggested by the respondent is not achievable, hence the proposed AT & C loss of 29.52% for FY 18-19 may kindly be approved.

Projection of LT Sales:

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16

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Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Increase of HT & EHT Category of Consumers:

The objector has attempted to highlight the increase in HT & EHT tariff with LF 80%, & PF 92% with 730 hours in a month for the past Nine years which is unilaterally, without looking the cost of supply of the Utility. If the same would have been compared with increase in BST price of the licensee then it would have been just proper.

FY	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
BSP (including Demand charges)	1.54	1.94	2.62	3.00	2.94	2.86	3.10	2.96	3.01
EHT Price (including Demand charges)	2.94	3.79	4.77	5.06	5.20	5.20	5.40	5.40	5.48
HT Price (including Demand charges)	3.08	3.84	4.82	5.11	5.25	5.25	5.45	5.45	5.53

From the above it is quite clear that when BSP (excluding Transmission & SLDC charges) has increased by 100% the increase in HT & EHT is around 83%. Further, the Utility is being burden with the increased BST for the entire energy purchased.

Therefore, keeping the above in mind the Utility expect reciprocal thought of the objector for the power sector as a whole.

Reduction of Cross Subsidy:

The suggestion regarding reduction of CSS @ 5% per annum is quite higher even reduction of 1% will be in higher side, in terms of unit price wise. No specification has been made in the Act regarding the quantum, so the Hon'ble Commission is to look after for the entire category of consumers without discrimination among the consumers. The suggestion regading consideration of cost to serve a consumer instead of “average cost of supply” is not correct. Now as per prevailing regulation when “average cost of supply” for the entire state has been defined the same is not being acceptable to the objector. But, the same objector was raising questions in the past years, without prescribed regulation how average cost of supply shall be considered.

AT&C Losses:

The target fixed by Hon’ble Commission is around 20% since so many years. However, the actual loss is more than 30%, therefore it is humbly submitted that, Hon’ble Commission may kindly approve the proposed figure which has been projected considering the field condition.

Energy Audit:

The progress made under energy audit has already been submitted by the Utility in the ARR filing vide page 22 to 41. The suggestion of the respondent regarding reduction of T&D loss through energy audit in a scientific manner would be possible only when the actual loss would have been less than 20%. When the actual overall loss is more than 30% and LT loss is more than 60%, the real meaning of Energy Audit is being diluted. Suitable suggestion to curb high LT loss is the only need of the hour.

Power Purchase & Sales:

It is pity to note that the objector is commenting regarding reduction of T&D loss, improving collection efficiency etc but when projection is being made for higher billing in LT then the same also being commented. One way suggesting that HT & EHT industries are running with losses & in the other way if increase of LT sales is projected, then remark made that Discom is projecting for getting tariff advantage.

ARR & Revenue GAP:

The Utility has indicated the GAP for the ensuing year with existing tariff and anticipated cost for the same year. There is no such linkage with arrear outstanding versus ensuing year GAP. The respondent has overloaded to compare the Trade Payables from the ARR filing, only trade receivables has been analysed. Therefore, the GAP as projected may kindly be judiciously approved for the ensuing year.

Segregated Accounts:

The license of M/s Wesco Ltd was cancelled on 4th March 2015, from that date Wesco Utility operating with terms defined in license revocation order. For segregation of Accounts all the Assets & liability has also to be segregated including equity base. In addition to same point of sale under retail supply tariff & revenue to be determined for wheeling business is yet to be defined. Therefore, the licensee has segregated the cost statement based on allocation statement which may kindly be taken into consideration.

Levy of Demand Charges:

Levy of Demand charges on the basis of demand recorded or 85% of CD has been comprehensively submitted in the application. The justification of 85% of CD with a reason that the Utility is keeping reserve for entire Contract Demand of the consumers when the consumer is not availing its load then there is no such compensation for the Utility with respect to such non drawal/ under drawal rather BST is fixed considering the licensee's approved SMD. So, to insulate the financial loss in term of BST the billing with 85% CD may kindly be approved.

Assessment for overdrawal beyond CD:

The reason for levy of penalty u/s 126 for drawal beyond CD has been clearly placed by the Utility in its application which may kindly be approved juciciously.

Reliability Surcharge:

The submission made by the respondent against levy of reliability surcharge is not correct. Previously which was 20 paise/Kwh now reduced to 10 paised /Kwh, rather the same may kindly be kept as 20 paise/Kwh.

Incentive for Higher Power Factor:

The Hon'ble Commission has rightly withdrawn the PF incentive during FY 2013-14. A consumer having higher PF is getting tariff benefit, so double benefit for the same reason is not correct.

Mode of Payment of SD:

The suggestion of respondent regarding keeping SD in shape of BG is not acceptable. The view of respondent that consumers whose SD is more than 1 lakh may be given option to place BG. If the same would be permitted there are thousand of such consumers. Keeping track of paper work day in day out will be very difficult. Its adequacy in case of excess drawal, renewal, maturity, verification of genuinity etc. This will add more consumer litigation. The utility is in opinion that there should not be any interest on SD as the Utility is not earning on the FD so made. It should be 3.5% per annum like as of saving bank account interest.

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Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

Increase of HT & EHT Category of Consumers:

The objector has attempted to highlight the increase in HT & EHT tariff with LF 80%, & PF 92% with 730 hours in a month for the past Nine years which is unilaterally, without looking the cost of supply of the Utility. If the same would have been compared with increase in BST price of the licensee then it would have been just proper.

FY	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
BSP (including Demand charges)	1.54	1.94	2.62	3.00	2.94	2.86	3.10	2.96	3.01
EHT Price (including Demand charges)	2.94	3.79	4.77	5.06	5.20	5.20	5.40	5.40	5.48
HT Price (including Demand charges)	3.08	3.84	4.82	5.11	5.25	5.25	5.45	5.45	5.53

From the above it is quite clear that when BSP (excluding Transmission & SLDC charges) has increased by 100% the increase in HT & EHT is around 83%. Further, the Utility is being burden with the increased BST for the entire energy purchased.

Therefore, keeping the above in mind the Utility expect reciprocal thought of the objector for the power sector as a whole.

Reduction of Cross Subsidy:

The suggestion regarding reduction of CSS @ 5% per annum is quite higher even reduction of 1% will be in higher side, in terms of unit price wise. No specification has been made in the Act regarding the quantum, so the Hon'ble Commission is to look after for the entire category of consumers without discrimination among the consumers. The suggestion regading consideration of cost to serve a consumer instead of “average cost of supply” is not correct. Now as per prevailing regulation when “average cost of supply” for the entire state has been defined the same is not being acceptable to the objector. But, the same objector was raising questions in the past years, without prescribed regulation how average cost of supply shall be considered.

AT&C Losses:

The target fixed by Hon’ble Commission is around 20% since so many years. However, the actual loss is more than 30%, therefore it is humbly submitted that, Hon’ble Commission may kindly approve the proposed figure which has been projected considering the field condition.

Energy Audit:

The progress made under energy audit has already been submitted by the Utility in the ARR filing vide page 22 to 41. The suggestion of the respondent regarding reduction of T&D loss through energy audit in a scientific manner would be possible only when the actual loss would have been less than 20%. When the actual overall loss is more than 30% and LT loss is more than 60%, the real meaning of Energy Audit is being diluted. Suitable suggestion to curb high LT loss is the only need of the hour.

Power Purchase & Sales:

It is pity to note that the objector is commenting regarding reduction of T&D loss, improving collection efficiency etc but when projection is being made for higher billing in LT then the same also being commented. One way suggesting that HT & EHT industries are running with losses & in the other way if increase of LT sales is projected, then remark made that Discom is projecting for getting tariff advantage.

ARR & Revenue GAP:

The Utility has indicated the GAP for the ensuing year with existing tariff and anticipated cost for the same year. There is no such linkage with arrear outstanding versus ensuing year GAP. The respondent has overloaded to compare the Trade Payables from the ARR filing, only trade receivables has been analysed. Therefore, the GAP as projected may kindly be judiciously approved for the ensuing year.

Segregated Accounts:

The license of M/s Wesco Ltd was cancelled on 4th March 2015, from that date Wesco Utility operating with terms defined in license revocation order. For segregation of Accounts all the Assets & liability has also to be segregated including equity base. In addition to same point of sale under retail supply tariff & revenue to be determined for wheeling business is yet to be defined. Therefore, the licensee has segregated the cost statement based on allocation statement which may kindly be taken into consideration.

Levy of Demand Charges:

Levy of Demand charges on the basis of demand recorded or 85% of CD has been comprehensively submitted in the application. The justification of 85% of CD with a reason that the Utility is keeping reserve for entire Contract Demand of the consumers when the consumer is not availing its load then there is no such compensation for the Utility with respect to such non drawal/ under drawal rather BST is fixed considering the licensee's approved SMD. So, to insulate the financial loss in term of BST the billing with 85% CD may kindly be approved.

Assessment for overdrawal beyond CD:

The reason for levy of penalty u/s 126 for drawal beyond CD has been clearly placed by the Utility in its application which may kindly be approved juciciously.

Reliability Surcharge:

The submission made by the respondent against levy of reliability surcharge is not correct. Previously which was 20 paise/Kwh now reduced to 10 paised /Kwh, rather the same may kindly be kept as 20 paise/Kwh.

Incentive for Higher Power Factor:

The Hon'ble Commission has rightly withdrawn the PF incentive during FY 2013-14. A consumer having higher PF is getting tariff benefit, so double benefit for the same reason is not correct.

Mode of Payment of SD:

The suggestion of respondent regarding keeping SD in shape of BG is not acceptable. The view of respondent that consumers whose SD is more than 1 lakh may be given option to place BG. If the same would be permitted there are thousand of such consumers. Keeping track of paper work day in day out will be very difficult. Its adequacy in case of excess drawal, renewal, maturity, verification of genuinity etc. This will add more consumer litigation. The utility is in opinion that there should not be any interest on SD as the Utility is not earning on the FD so made. It should be 3.5% per annum like as of saving bank account interest.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : M/s. OCL India Limited, Rajgangpur-770017, Dist-Sundargarh.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

20

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : JAGDA Welfare Association, JD-36 (Lal Building), Jagda, Rourkela-769042.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

- The Utility has not proposed any tariff hike for domestic category of consumers as apprehended by the objector.
- GRF is functioning as per guidelines framed under OERC Regulation & periodical review made by Hon'ble Commission.
- Appeal before High Court against decision of Ombudsman or GRF etc is the constitutional right of the Utility, so concern of the objector in this regard is not correct. The Utility is moving to higher court only when it found error in the judgment of the Ombudsman or GRF.
- The present BST rate of Wesco is 301 paise/Kwh & transmission charges is 25 paise/Kwh totaling to 326 paise/Kwh. However, the domestic rate for 1st slab up 50 Kwh is only 250 paise/Kwh.
- The objector is pleading for cheaper power at the same time submitting for free power to street light consumers and intends to avoid all kinds of vigilance activity of the Utility. With this type of combination how distribution business would be survived has not been explained.
- Suggestion of the objector to bring down the present level of T&D loss from 35% to 5% is a good proposal & also cited it is 3% in South Korea. To achieve such figure a road map may please be given to Hon'ble Commission for perusal & for suitable implementation in our state.
- The objector has claimed that accumulation of arrear and losses are due to theft, non collection etc. But at the sametime vehemently opposing the vigilance activity, Raids etc. Therefore without vigilance raid how theft would be eradicated has not been explained.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**
Dated:25.01.2018

C.C. : JAGDA Welfare Association, JD-36 (Lal Building), Jagda, Rourkela-769042.
Note- This is also available at the licensee's website-www.wescoodisha.com

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

21

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Electricity Users Association, Rourkela, at-SA-12, Shaktinagar, Rourkela-769014.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2018-19.

- The Utility has not proposed any tariff hike for domestic category of consumers as apprehended by the objector.
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For and on behalf of WESCO Utility

Burla
Dated:25.01.2018

Chief Operating Officer

C.C. : Electricity Users Association, Rourkela, at-SA-12, Shaktinagar, Rourkela-769014.

Note- This is also available at the licensee's website-www.wescoodisha.com

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

22

Case No.80 of 2017

In the matter of : WESCO Utility

And

In the matter of : Sri Prabhakar Dora, Advocate, Vidya Nagar, 3rd Line, Co-operative Colony, Rayagada, Dist. Rayagada-765001.

Data Source:

The ARR application of the Utility has been filed on the basis of actual data of FY 2016-17 & 1st Six month of the current year. The technical & commercial information as filed before Hon'ble Commission are on the approved formats only. The books of accounts are duly audited by statutory auditor hence no third party audit is required. Recently receivables of the company are being audited through third party by chartered accountant & cost accountant firms as per direction of Hon'ble Commission.

Observation of OERC in FY 2016-17 order:

Regarding observation of Hon'ble Commission in RST order dated 21-03-2016 vide para 220 & 221 to the extent of "Tariff design methodology", where in commission has pointed out that Discoms were not able to file their ARR application as per new regulation i.e. OERC (Terms & Conditions for determination of Wheeling Tariff & Retail supply Tariff) Regulation, 2014. In this connection it is to submit that the said regulation was circulated to the licensee during Jan-2015. Thereafter the licensee has taken sometime for preparedness as per the requirement of Hon'ble Commission as a result could not able to file its revenue requirement in Nov-2015 for the FY 2016-17 as per new regulation. However, subsequently it was complied.

Other direction of Hon'ble Commission:

The compliance report has already been filed with the Hon'ble Commission and the same has already available in the ARR filing of the Utility. Where ever compliance has not made the reason of delay has been intimated to Hon'ble Commission during performance review/other review.

The Utility has already submitted its employee service condition report to Hon'ble Commission.

Regarding adoptability of billing software as per CESU model. In this connection it is to intimate that the three Utilities (Nesco, Wesco & Southco) billing software is much higher version than CESU. The Utility's billing software is Oracle base however CESU is using Foxbase. The reason of non-adoption of CESU model has already been intimated to Hon'ble Commission.

AT & C Loss:

An amount of Rs 32 crore was allowed by Hon'ble Commission for loss reduction during FY 2016-17 under the head Energy Audit, Pole Indexing etc. No doubt the licensee could not able to reduce the AT & C loss as per desired level however has made lot of attempt in the area of Energy Audit, Consumer Indexing & Pole Indexing through which certain loss were reduced. The licensee could not utilized the allowed amount on account of non-relaxation of Escrow.

Security Deposit:

The physical balance of security deposit is matching with the consumer ledger as on 31-03-2017 as far as the Utility is concerned. Hence there is no such diversion of SD amount as apprehended by the objector.

For and on behalf of WESCO Utility

Burla **Chief Operating Officer**

Dated:

C.C. : Sri Prabhakar Dora, Advocate, Vidya Nagar, 3rd Line, Co-operative Colony, Rayagada, Dist. Rayagada-765001.

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