

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION  
BHUBANESWAR.**

1

**Case No.84 of 2017**

**In the matter of :** WESCO Utility

And

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

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

**Suggestion regarding per unit wheeling Cost:**

As like of transmission charges which is for entire quantum of power purchase, wheeling charges is for the power wheeled in the HT system after factoring EHT sale. It is to be noted that the Utility is sourcing the entire power through STU system (where transmission charges applicable) thereafter in 33 Kv or 11 Kv as the case may be which are called HT system & finally in LT lines. So, the distribution cost to wheel the power after EHT is required to be factored under HT to arrive at per unit wheeling cost. No doubt the HT consumer would only bear the wheeling charges for the power wheeled for them not the cost of other. Hence, the apprehension of the objector regarding loading of entire cost is not correct.

**Calculation of Cross Subsidy Surcharge:**

Calculation of CSS based on the proposed formula by the Utility is as per old method. However, as per new method as because proposed regulatory asset is Zero the CSS for EHT would be remain same and for HT industry the proposed CSS would be 118 paise/Kwh instead of 121 paise/Kwh. The revised CSS of 118 paise/Kwh for HT category may please be considered. The calculation as per old method & new method is appended below.

**Old Table**

**EHT**

Total EHT Sales proposed for FY 2018-19 in Mu	Proposed ARR for EHT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Surcharge (P/KWH) (T-(C(1+L/100)+D)
1000	691.98	691.98	326.00	0	0	366

**HT**

Total HT Sales proposed for FY 2018-19 in Mu	Proposed ARR for HT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Surcharge (P/KWH) (T-(C(1+L/100)+D))
1550	885.97	571.59	326.00	99	8	121

**New Table****EHT**

Total EHT Sales proposed for FY 2018-19 in Mu	Proposed ARR for EHT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (P/KWH) (T-(C/(1-L/100)+D+R))
1000	691.98	691.98	326.00	0	0	0	366

**HT**

Total HT Sales proposed for FY 2018-19 in Mu	Proposed ARR for HT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (T-(C/(1-L/100)+D+R))
1550	885.97	571.59	326.00	99	8	0	118

**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

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

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Case No.84 of 2017

**In the matter of :** WESCO Utility

And

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

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

**Road Map for Reduction of CSS:**

The objector has submitted that during FY 2016-17 CSS for EHT was 126.68 paise/Kwh & during FY 2017-18 the same has been 128.64 paise/Kwh. Instead of decreasing it has increased. Similarly for HT industries the open access charge of FY 2017-18 is higher than the charges of FY 2016-17.

In the above context it is submitted that Hon'ble Commission considering 100% LF has arrived "Computed Surcharge" & there after approved certain % of the computed value as surcharge to be payable by respective category of consumers. In this connection the computed value of CSS for both the year is appended below.

**Table-5 (OERC Open Access order for FY 2016-17)**

Computed Surcharge for Open Access consumer 1 MW & above

	CESU	NESCO	WESCO	SOUTHCO
Surcharge for EHT consumer (P/Kwh)	220.89	193.89	194.89	293.89
Surcharge for HT consumer (P/Kwh)	147.05	101.27	128.39	216.95

**Table-27 (OERC RST order for FY 2017-18 para 331)**

Computed Surcharge for Open Access consumer 1 MW & above

	CESU	NESCO	WESCO	SOUTHCO
Surcharge for EHT consumer (P/Kwh)	224.90	197.90	197.90	299.90
Surcharge for HT consumer (P/Kwh)	153.57	97.52	124.24	219.88

From the above it is quite clear that the computed surcharge for EHT has increased during FY 2017-18 & for HT it is decreased for NESCO & WESCO & increased in case of CESU & SOUTHCO. Now coming to pass on of CSS to be paid by the consumer, has been permitted to the extent of 65% of the computed value during FY 2016-17 as well as FY 2017-18 vide para 14 of Open Access order for FY 2016-17 & para 332 of RST order for FY 2017-18 respectively. Even though computed surcharge is higher during FY 2017-18 for EHT category Hon'ble commission has restricted the recovery only to the extent of 65% as a result 1.05 P/Kwh has been passed on to the consumer in shape of reduction (i.e.  $197.90 - 194.89 = 3.01$ , 65% of 3.01 is only 1.96 and balance 1.05 P/Kwh passed on to consumer)

In view of the above the submission of the objector regarding non-reduction of CSS year to year basis is not correct.

**Suggestion of 1% T&D Loss in case of HT:**

The objector has suggested that instead of 8%, 1% T&D loss should be approved while calculating open access charges for HT category. In this connection it is to submit that Hon'ble Commission is approving Zero % loss for EHT category as because around 3.5% normative transmission loss is being approved to STU. So there is no such prudence in submission of 1% loss in favour of HT category instead of 8% normative level, through which the entire power is being wheeled for distribution purposes.

Suggestion for procurement of energy from Renewable Sources by the industries opting for open access is an well come suggestion which may kindly be incorporated in the open access order.

**Calculation of Distribution Cost:**

Suggestion for calculation of applicable cost for HT industry while calculating wheeling cost instead of total cost is not acceptable as the entire energy sourced by the DISCOM are step down to HT system after factoring in EHT. So per unit wheeling cost is required to be calculated as per cost allocation statement submitted by the Utility. The method of allocation has been already approved by Hon'ble Commission.

**CSS during power failure:**

As such during power failure the industries are not availing open access power, hence question of levy of CSS does not arise.

**Security Mechanism for availing Open Access Charges:**

Presently there is no such security mechanism insisted upon by SLDC while approving STOA, as a result the Discom is not able to protect its CSS amount receivable from the open access consumer. Even though as per regulation security mechanism is compulsory, till date it is not being adhere. As per regulation for STOA the approving & billing agency is SLDC, after billing the consumer is making payment to Discoms directly with an intimation to SLDC. So before approval for open access by SLDC/GRIDCO to any industry, appropriate security mechanism may be insisted, so that no financial threat would be persist for non recovery of CSS charges.

The suggestion is a welcome suggestion may kindly be incorporated.

**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

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

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And

**In the matter of :** M/s D.D. Iron & Steel (P), H-4/5, Civil Township, Rourkela-769004,  
Sundargarh, Odisha.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

The 1<sup>st</sup> Open Access Charges order of Hon'ble Commission was made effective from 01-04-2010 where in the following CSS & Wheeling charges for EHT & HT industries were pronounced.

<b>Cross Subsidy Surcharge in EHT in P/KWH</b>									
FY 2010-11 & 2011-12	<b>LF</b>								
	<b>100%</b>	<b>90%</b>	<b>80%</b>	<b>70%</b>	<b>60%</b>	<b>50%</b>	<b>40%</b>	<b>30%</b>	<b>20%</b>
CESU	179	188	199	214	233	250	265	291	342
NESCO	147	150	161	176	195	212	227	253	304
WESCO	142	151	162	177	196	213	228	254	305
SOUTHCO	246	253	266	281	300	317	332	358	409

<b>Cross Subsidy Surcharge in HT in P/KWH</b>									
FY 2010-11 & 2011-12	<b>LF</b>								
	<b>100%</b>	<b>90%</b>	<b>80%</b>	<b>70%</b>	<b>60%</b>	<b>50%</b>	<b>40%</b>	<b>30%</b>	<b>20%</b>
CESU	95	105	116	131	151	168	183	209	260
NESCO	57	66	78	93	113	130	145	171	222
WESCO	71	80	92	106	126	144	159	184	235
SOUTHCO	142	152	163	178	198	215	231	256	307

Wheeling Charges in case of HT Industries (FY 2010-11 & FY 2011-12)

(Paise/Kwh)

CESU	72.80
NESCO	69.53
WESCO	56.97
SOUTHCO	97.22

The above CSS rate with different load factor was discontinued w.e.f. 4<sup>th</sup> July-2012 & Hon'ble Commission had made CSS rate with 100% LF.

Financial Year	Cross Subsidy Surcharge in EHT in P/KWH			
	CESU	NESCO	WESCO	SOUTHCO
2012-13	197	157	158	276
2013-14	197	157	158	276
2014-15	164.71	152.71	147.91	228.71
2015-16	144.12	132.22	126.62	203.62
2016-17	143.58	126.03	126.68	191.03
2017-18	146.19	128.64	128.64	194.94
2018-19(Proposed)	225	255	366	368
Financial Year	Cross Subsidy Surcharge in HT in P/KWH			
	CESU	NESCO	WESCO	SOUTHCO
2012-13	101	55	76	165
2013-14	101	55	76	165
2014-15	95.44	63.09	81	150.04
2015-16	78.58	58.47	66.02	128.68
2016-17	98.58	65.82	83.45	141.02
2017-18	98.82	63.39	80.76	142.92
2018-19(Proposed)	206	139	121	316
Financial Year	Wheeling Charges in HT in P/KWH			
	CESU	NESCO	WESCO	SOUTHCO
2012-13	78.09	81.29	61.3	99.94
2013-14	78.09	81.29	61.3	99.94
2014-15	68.38	92.61	63.75	86.53
2015-16	73.82	84.19	64.76	94.05
2016-17	53.18	66.91	43.58	62.03
2017-18	50.32	77.02	50.30	65.53
2018-19 (Proposed)	87.83	102	99	127

From the above it is quite indicative that the CSS & Wheeling charges as compared to initial years has reduced progressively. Hence, the objection of the objector regarding higher CSS of Wesco is not correct.

The objector has claimed that higher CSS & wheeling is an impediment to power trading activity in Odisha power market. The statement made by the respondent is not acceptable because of suitable/ favourable open access charges in Odisha more specifically of Wesco, the following quantum of open access drawal has been made by different industries in last two years.

	EHT (in MU)	HT (in MU)	Total (in MU)
FY 2015-16	480.811	49.965	530.776
FY 2016-17	302.206	201.989	504.195
FY 2017-18(till Dec-17)	920.556	77.427	997.983

The approval HT & EHT sale during FY 2015-16, 2016-17 & 2017-18 is 2947 MU, 2500 MU & 2685 MU respectively. The quantum of open access transaction during the above period is around 18.01%, 20.16% & 37.17% (till Dec-17) of the approved figure.

**CGPs Surplus power price determined by OERC is very low:**

The objector has opinion that OERC has fixed only Rs 2.75 P/Kwh for sale of surplus power to Gridco for which industries are not able to meet their generation cost. The objector's prime objection that Discom's power purchase cost should be nominal so that 'C' component would be reduced as a result CSS amount will also be reduced. But at the same time intends to have higher cost for Gridco to facilitates the CGPs.

**Direction of Hon'ble ATE in order dt.02.09.11 in Appeal No.57,67 and 73 of 2011.**

The objection regarding non adherence of direction of Hon'ble ATE by the state commission in the above appeals are not correct.

It is pertinent mentioned here that the above Appeals have been stayed by Hon'ble Supreme Court vide civil appeal no.9398-9401 of 2013 dt.22-11-2013.

**Guiding Principle of National Tariff Policy:**

The objector's opinion regarding adoption of guiding principle as per National Tariff Policy for determination of open access charges has been duly considered by Hon'ble Commission during approval of ARR & open access charges of the licensee. However, as per National tariff policy permission/authority has also been given to the SERC to frame their own regulation as deemed fit to their state commensurate with category of consumers, consumer mix, availability of power. Sources of supply etc. but keeping in mind the overall objectives of the Electricity Act 2003. Therefore, State Commission may differ from suggestive methodology provided as per National tariff policy depending on the requirement of the consumers of the state.

**Calculation of Cross Subsidy Surcharge & Wheeling Charges:**

The view of the objector that CSS & Wheeling charges are not calculated as per applicable norms. Hence a suggestive calculation has been made where in CSS for EHT is 33 paise/Kwh & for HT industry no CSS is applicable rather the Utility has to refund 55 paise/Kwh if a consumer is opting for open access. The wheeling charges calculated is 50.30 paise/Kwh. Now considering negative CSS & 50.30 paise/Kwh as wheeling cost the Utility has to refund 4.70 paise/Kwh to the consumer who is opting open access under HT category.

The suggestion made by the respondent seems to be without application of mind. One way suggestion has been made why the Utility has not considered the actual tariff payable while deriving 'T' & at the same time considering the normative rate 'T' has been derived in their calculation. While deriving cost or supply average cost or surplus for entire category of consumer has been considered, where as the cost of supply for HT & EHT is limited to power purchase cost, transmission charges, SLDC charges at present it is 326 paise/Kwh.

The Utility has calculated the CSS & wheeling charges on the principle adopted by Hon'ble Commission however in absence of approved parameters for FY 2018-19 the licensee has calculated the charges on the basis of its proposal.

In view of the above it is humbly submitted that the calculation submitted by the Utility may kindly be considered for FY 2018-19.

**Other Suggestions:**

- The suggestion regarding no CSS for drawal beyond contract demand is not correct which may please be rejected.

The objector has pleaded that most of the states have very low open access charges so open access drawal are more in their states, at the same time submission has been made that most of the states are having cheaper RST as compare to Odisha. It is surprise to note how both is possible with higher generation cost/bulk purchase price.

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And

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And

**In the matter of :** M/s Shree Salasar Castings Pvt Ltd, at/vill. Balanda, PO. Kalunga-770031,  
Dist. Sundargarh, Odisha.

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**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

**C.C. :** M/s Shree Salasar Castings Pvt Ltd, at/vill. Balanda, PO. Kalunga-770031, Dist. Sundargarh, Odisha.

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**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION  
BHUBANESWAR.**

**6**

Case No.84 of 2017

**In the matter of :** WESCO Utility

And

**In the matter of :** M/s Shree Radharaman Alloys (P) Ltd, P4/20, Civil Township, Rourkela-769004, Dist-Sundargarh, Odisha.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

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Burla

**Chief Operating Officer**

Dated

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**In the matter of :** WESCO Utility

And

**In the matter of :** M/s Vedanta Ltd., Vill-Bhurkamunda, P.O: Kalimandir, Dist.-Jharsuguda-768202.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

**Guiding Principle of National Tariff Policy:**

The objector's opinion regarding adoption of guiding principle as per National Tariff Policy for determination of open access charges has been duly considered by Hon'ble Commission during approval of ARR & open access charges of the licensee. However, as per National tariff policy permission/authority has also been given to the SERC to frame their own regulation as deemed fit to their state commensurate with category of consumers, consumer mix, availability of power. Sources of supply etc. but keeping in mind the overall objectives of the Electricity Act 2003. Therefore, State Commission may differ from suggestive methodology provided as per National tariff policy depending on the requirement of the consumers of the state.

**Issue regarding determination of CSS:**

The objector has the opinion that the Utility has not calculated the CSS as per terms instituted in the Regulation or Act. Further, it has been suggested that the cost of supply has to be calculated in different voltage wise.

In view of the above it is humbly submitted that the Utility has calculated the CSS as per norms of the regulation framed by Hon'ble Commission. In this regard the following regulation may kindly be referred.

As per OERC (Terms and Condition for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation 2014 vide clause 7.74 surcharge has been defined as

*"Surcharge to be levied on wheeling consumers shall be determined by the Commission keeping in view the loss of cross subsidy from the consumers or category of consumers who have opted for open access to take supply from a person other than the incumbent distribution licensee. Such surcharge determined shall be as per OERC (Determination of Open Access Charges) Regulation, 2006 and subsequent amendment to the same."*

Now as per OERC (Determination of Open Access Charges) Regulation, 2006 vide clause 4(2)(iv),

*"Cross Subsidy Surcharge shall be computed by the licensee as the difference between (1) the tariff applicable to relevant category of consumers and (2) the cost of the distribution licensee to supply*

*electricity to the consumers of the applicable class, and the same shall be submitted for necessary approval of the Commission.”*

Accordingly, the Utility has derived the cost of distribution to the applicable class (i.e. EHT industry in this case) which is nothing but BST, Transmission Charges & SLDC charges which is the avoidable cost only.

Further, coming to cross-subsidy which has been defined as per OERC (Term and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation 2014 vide Clause 7.77 is appended below:-

*“The Commission, while determining tariff, shall see that the tariff progressively, reflects the cost of supply of electricity and the cross-subsidy is reduced. For the purpose of computing Cross Subsidy payable by a certain category of consumers the difference between average cost of supply to all consumers of the state taken together and average voltage wise tariff applicable to such consumers shall be considered.”*

From the above it is quite clear that cross-subsidy and cross subsidy surcharge both are different and should not be mixed together. In this context Hon’ble Commission RST order dated 23.03.2017 vide para 335 may please be referred.

*“Para 335 some objectors submitted that cross subsidy & cross subsidy surcharge are equal. It is to note that the cross subsidy surcharge is levied for loss of cross subsidy for a consumer who opts out from the supply chain of Discom Utility. The tariff, the consumer pays, consist of not only the demand & energy charges but also includes parameters dependent on various other charges and costs. Therefore, the cross subsidy surcharge that is changed on consumers going out of the distribution system will have to be seen different from cross subsidy that is part of the tariff structure for certain types of consumers within the distribution system.”*

#### **Cross Subsidy Surcharge during peak & off-peak Hours:**

The reason as suggested by the objector is not absolutely correct. Now the load curve is almost flat irrespective of peak & off-peak load. So with the benefit of TOD differential CSS would be appropriate mechanism to streamline drawal pattern.

#### **Annual Plan for Open Access Drawal:**

As long as the consumer is drawing power within the contract demand on the basis of which the licensee is estimating its consumption considering actual trend. If the mix of consumption would be from licensee as well as from other source, unless estimated open access drawal is disclosed how the licensee would file its ARR. In absence of proper estimation of sales the licensee’s ARR will have wide variation and cost may not be recovered if sales would be lower & vice versa.

Hence, annual plan for open access drawal is a must which may kindly be considered.

**Drawal of Open Access more than Contract Demand:**

No doubt the Utility is getting cross subsidy & wheeling charges for the drawal more than the CD under open access but at the same time due to congestion in transmission corridor other normal consumers are affected. Hence, the Utility proposes for non-approval of open access beyond contract demand.

**Wheeling of Power by Industries having CGP:**

The contention of the objector citing section 2(19) & 2(15) of Electricity Act 2003 to the extent of non-payment of related open access charges when dedicated transmission line has been drawn for carrying own power is not correct. In this connection the objector itself was the petitioner before Hon'ble Supreme Court where in Hon'ble Court has directed that the transmission line constructed by Sesa Sterlite as part of distribution system vide para 34 & 35 in Civil Appeal No. 5479 of 2013.

**For and on behalf of WESCO Utility**

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**Chief Operating Officer**

Dated

**C.C. :** M/s Vedanta Ltd., Vill-Bhurkamunda, P.O: Kalimandir, Dist.-Jharsuguda-768202.

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**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION  
BHUBANESWAR.**

**8**

**Case No.84 of 2017**

**In the matter of :** WESCO Utility

And

**In the matter of :** M/s. Vishal Ferro Alloys Pvt Ltd, Plot No -1562/2565, Vill-Balanda, Post-Kalunga, Sundergarh (Odisha)-770031.

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	<b>100%</b>	<b>90%</b>	<b>80%</b>	<b>70%</b>	<b>60%</b>	<b>50%</b>	<b>40%</b>	<b>30%</b>	<b>20%</b>
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NESCO	147	150	161	176	195	212	227	253	304
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<b>Cross Subsidy Surcharge in HT in P/KWH</b>									
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Wheeling Charges in case of HT Industries (FY 2010-11 & FY 2011-12)

(Paise/Kwh)

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2018-19(Proposed)	225	255	366	368
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From the above it is quite indicative that the CSS & Wheeling charges as compared to initial years has reduced progressively. Hence, the objection of the objector regarding higher CSS of Wesco is not correct.

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The objector has opinion that OERC has fixed only Rs 2.75 P/Kwh for sale of surplus power to Gridco for which industries are not able to meet their generation cost. The objector's prime objection that Discom's power purchase cost should be nominal so that 'C' component would be reduced as a result CSS amount will also be reduced. But at the same time intends to have higher cost for Gridco to facilitates the CGPs.

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**Guiding Principle of National Tariff Policy:**

The objector's opinion regarding adoption of guiding principle as per National Tariff Policy for determination of open access charges has been duly considered by Hon'ble Commission during approval of ARR & open access charges of the licensee. However, as per National tariff policy permission/authority has also been given to the SERC to frame their own regulation as deemed fit to their state commensurate with category of consumers, consumer mix, availability of power. Sources of supply etc. but keeping in mind the overall objectives of the Electricity Act 2003. Therefore, State Commission may differ from suggestive methodology provided as per National tariff policy depending on the requirement of the consumers of the state.

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The suggestion made by the respondent seems to be without application of mind. One way suggestion has been made why the Utility has not considered the actual tariff payable while deriving 'T' & at the same time considering the normative rate 'T' has been derived in their calculation. While deriving cost or supply average cost or surplus for entire category of consumer has been considered, where as the cost of supply for HT & EHT is limited to power purchase cost, transmission charges, SLDC charges at present it is 326 paise/Kwh.

The Utility has calculated the CSS & wheeling charges on the principle adopted by Hon'ble Commission however in absence of approved parameters for FY 2018-19 the licensee has calculated the charges on the basis of its proposal.

In view of the above it is humbly submitted that the calculation submitted by the Utility may kindly be considered for FY 2018-19.

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**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

**C.C. :** M/s. Adhunik Metalliks Limited, IPICOL House, 3<sup>rd</sup> Floor, Annexe Building, Janapath,  
Bhubaneswar-751022.

**Note- This is also available at the licensee's website-[www.wescoodisha.com](http://www.wescoodisha.com)**

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION  
BHUBANESWAR.**

**10**

**Case No.84 of 2017**

**In the matter of :** WESCO Utility

And

**In the matter of :** M/s. Top tech Steels (P) Ltd, Hati bari road, Kuamunda, Vedvyas,  
Rourkela, Odisha-770039.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

The 1<sup>st</sup> Open Access Charges order of Hon'ble Commission was made effective from 01-04-2010 where in the following CSS & Wheeling charges for EHT & HT industries were pronounced.

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Dated

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**In the matter of :** WESCO Utility

And

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Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

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**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

**C.C. :** M/s Maa Girja Ispat (P) Ltd, BB-2, Ground Floor, Civil Township, Rourkela-4,  
Sundergarh, Odisha.

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**In the matter of :** WESCO Utility

And

**In the matter of :** Open Access Users Association, D 21, Corporate Park, 2<sup>nd</sup> Floor, Block-201B, Dwarka, Sector-21, New Delhi-110075.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

It has been objected that the cross subsidy surcharge has not been calculated by the licensee as per OERC (Determination of Open Access Regulation 2006). The submission of the objector is not correct as the objector is in opinion that the cost of the distribution licensee to supply electricity to the applicable class of consumers means it has to be computed various category wise. Here cost for applicable class of consumer means the BSP, Transmission charges & SLDC charges only. Hon'ble Commission in its RST order for FY 2017-18 vide para 325 & 326 has already confirmed. Similarly the permitted distribution loss of 8% under HT category has been considered by the licensee while calculating open access charges for ensuing year. The incumbent licensee has considered 'D' as the aggregate of Transmission, distribution & wheeling charges applicable to the relevant voltage level. In this case it is only wheeling charges transmission charges for EHT are permitted to be recovered by STU i.e. OPTCL.

**Additional Surcharge:**

The reason of levy of additional surcharge has been clearly indicated in the open access application, the suggestion made by the objector is not correct.

**Guiding Principle of National Tariff Policy:**

The objector's opinion regarding adoption of guiding principle as per National Tariff Policy for determination of open access charges has been duly considered by Hon'ble Commission during approval of ARR & open access charges of the licensee. However, as per National tariff policy permission/authority has also been given to the SERC to frame their own regulation as deemed fit to their state commensurate with category of consumers, consumer mix, availability of power. Sources of supply etc. but keeping in mind the overall objectives of the Electricity Act 2003. Therefore, State Commission may differ from suggestive methodology provided as per National tariff policy depending on the requirement of the consumers of the state.

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**In the matter of :** M/s. Indian Energy Exchange Limited, Fourth Floor, TDI Centre, Plot No. 7, Jasola District Centre, New Delhi-110025.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Open Access Charges Application by WESCO for the year 2018-19.

**Wheeling Charges:**

To arrive per unit wheeling cost the relevant distribution cost has been divided with the estimated quantum of energy to be wheeled in HT network. How the Utility would be able to know about the probable open access consumers, what would be their open access drawal before 6 months of the ensuing year. So, the method adopted by the Utility is correct & may kindly be considered.

**Calculation of Cross Subsidy Surcharge:**

Calculation of CSS based on the proposed formula by the Utility is as per old method. However, as per new method as because proposed regulatory asset is Zero the CSS for EHT would remain same and for HT industry the proposed CSS would be 118 paise/Kwh instead of 121 paise/Kwh. The revised CSS of 118 paise/Kwh for HT category may please be considered. The calculation as per old method & new method is appended below.

**Old Table**

**EHT**

Total EHT Sales proposed for FY 2018-19 in Mu	Proposed ARR for EHT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Surcharge (P/KWH) (T-C(1+L/100)+D)
1000	691.98	691.98	326.00	0	0	366

**HT**

Total HT Sales proposed for FY 2018-19 in Mu	Proposed ARR for HT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Surcharge (P/KWH) (T-C(1+L/100)+D)
1550	885.97	571.59	326.00	99	8	121

**New Table****EHT**

Total EHT Sales proposed for FY 2018-19 in	Proposed ARR for EHT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (P/KWH) (T-(C/(1-L/100))+D+R))
1000	691.98	691.98	326.00	0	0	0	366

**HT**

Total HT Sales proposed for FY 2018-19 in	Proposed ARR for HT Category Rs in crore	Average Tariff (P/KWH) (T)	Cost of Power Purchase (P/KWH) (C)	Wheeling Charge (P/KWH) (D)	System Loss (%) (L)	Regulatory Asset (P/KWH)	Surcharge (T-(C/(1-L/100))+D+R))
1550	885.97	571.59	326.00	99	8	0	118

**Guiding Principle of National Tariff Policy:**

The objector's opinion regarding adoption of guiding principle as per National Tariff Policy for determination of open access charges has been duly considered by Hon'ble Commission during approval of ARR & open access charges of the licensee. However, as per National tariff policy permission/authority has also been given to the SERC to frame their own regulation as deemed fit to their state commensurate with category of consumers, consumer mix, availability of power. Sources of supply etc. but keeping in mind the overall objectives of the Electricity Act 2003. Therefore, State Commission may differ from suggestive methodology provided as per National tariff policy depending on the requirement of the consumers of the state.

**Cross Subsidy Surcharge during peak & off-peak Hours:**

The reason as suggested by the objector is not absolutely correct. Now the load curve is almost flat irrespective of peak & off-peak load. So with the benefit of TOD differential CSS would be appropriate mechanism to streamline drawal pattern.

**Additional Surcharge:**

The reason of levy of additional surcharge has been clearly indicated in the open access application, the suggestion made by the objector is not correct.

**Open Access should not be restricted up to Contract Demand:**

No doubt the Utility is getting cross subsidy & wheeling charges for the drawal more than the CD under open access but at the same time due to congestion in transmission corridor other normal consumers are affected. Hence, the Utility proposes for non-approval of open access beyond contract demand.

**Short term Open Access Consumers should not be asked to submit Annual Plan:**

As long as the consumer is drawing power within the contract demand on the basis of which the licensee is estimating its consumption considering actual trend. If the mix of consumption would be from licensee as well as from other source, unless estimated open access drawal is disclosed how the licensee would file its ARR. In absence of proper estimation of sales the licensee's ARR will have wide variation and cost may not be recovered if sales would be lower & vice versa.

Hence, annual plan for open access drawal is a must which may kindly be considered.

**Recovery of Regulatory Assets through Additional Surcharge:**

The Utility has suggested for recovery regulatory assets in shape of additional surcharge as per concept paper circulated by ministry of power during August-2017. The suggestion of MOP towards recovery of RA through additional surcharge has certain force & it is vital to be incorporated in open access order.

**For and on behalf of WESCO Utility**

Burla

**Chief Operating Officer**

Dated

**C.C. :** M/s. Indian Energy Exchange Limited, Fourth Floor, TDI Centre, Plot No. 7, Jasola District Centre, New Delhi-110025.

**Note- This is also available at the licensee's website-[www.wescoodisha.com](http://www.wescoodisha.com)**