

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR

Case No. 66/2016

IN THE MATTER OF: NESCO Utility (NESCO), Januganj, Balasore, Odisha

... Applicant

AND

IN THE MATTER OF: Rejoinders to the objections received against the Aggregate
Revenue Requirement & Wheeling and Retail Supply Tariff
Application filed by NESCO Utility for the FY 2017-18.

Affidavit verifying the submissions on behalf of the petitioner NESCO Utility

I, Bijaya Ku. Sahoo, Son of Duryodhan Sahoo, aged about 57 years, residing at Balasore,
do hereby solemnly affirm and state as follows:-

I am the Authorized Officer of the NESCO Utility, Head. Office-Januganj, Balasore-
756019.

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

DEPONENT

Date: 25.01.17

Bijaya Kumar Sahoo.
Authorized Officer

[Handwritten Signature]
25/1/17



**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
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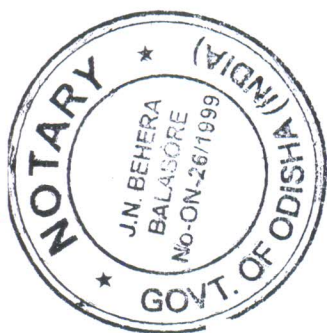
THE HUMBLE PETITIONER MOST RESPECTFULLY SEWETH:

That, with regard to the Public Notice dated: 14.12.2016 issued by NESCO Utility in the matter of case no. 66 of 2016, the rejoinders to the objections received on the ARR application of NESCO Utility for the FY 2017-18 are enclosed herewith for favour of kind consideration of the Hon'ble Commission

For and on Behalf of
NESCO Utility

Date: 25.01.16

Bijaya Kumar Sahoo.
Authorized Officer



**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
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**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR**

Case No. 66/2016

In The Matter of: NESCO Utility (NESCO)

.....Applicant

AND

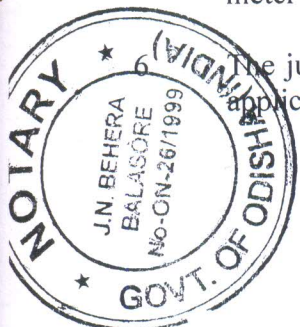
In The Matter of: Sri A.K. Sahani, Electrical Inspector (Retd), Bhubaneswar

.....Objector

Rejoinder to the objection filed by Sri A.K. Sahani, Bhubaneswar against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the FY 2017-18

1. The licensee has duly regarded all the regulatory norms in filling the ARR application and the expenses, incomes are projected with regard to the base line figures and the norms fixed by the Commission. The projection been made is with due regard to the past performance and accordingly the loss level has been projected The modus operandi of the projection with the proper cause and justification has been elaborated in the Application.
2. The licensee has rightly and competent enough to project the LT Sales and the same may please accepted. The ARR and the revenue gap have been derived based on the realistic approach and the norms fixed by the Hon'ble Commission. The proposal of marginal increase of tariff in Domestic Category has been done with the purpose of gradual decrease of cross subsidy.
3. The penalty under section 126 is no way relevant to the tariff application and the quantum of collection with the imposition of penalty u/s 126 is not formed part in our application. The imposition of penalty is to deter the unholy consumers doing illegal practice and the respondents objections to the fact is not just and proper. It is the duty of the licensee to go for enforcement activities to arrest the theft which shall have cascading effect on effective distribution and justice to the honest consumers and in long term shall have positive impact on reduction of overall AT & C Loss.
4. The applicant has proposed the tariff revision factors in case of Kutir Jyoti and Domestic Consumers to reduce the cross subsidy and to maintain prudent cost of supply.
5. In order to overcome the difficulty in installation of meters in case of Irrigation Category of Consumers due to inaccessibility resulting the cover up the cost of supply, the licensee has proposed to go for LF billing in these particular consumers where ever there is no meter or defective to cover up the losses.

The justification behind the tariff rationalization measures under para 7.4 to 7.15 in the application may be taken into record.

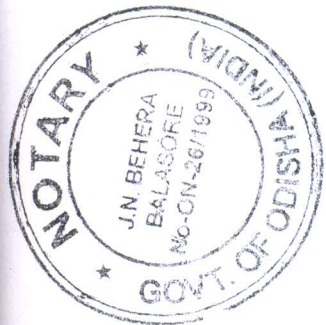


7. The factors and views of the proposal of Overdrawal Beyond CD and Charges and other issues are clearly spelt in our application which may be deliberated and taken into record.
8. The fact and means of imposition of penalty under section 126 of EA has no relevance in the tariff setting and there is no locus standi of the respondents in these issue so far as the ARR application is concerned.
9. Most of the queries made by the objector have been addressed in our ARR and the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18, which have been placed in NESCO website www.nescoodisha.com, and may please be referred.

For and on behalf of
NESCO Utility

Bijaya Kumar Sahoo.
Authorized Officer

C.C. to: - Sri A.K.Sahani, B/L-108, VSS Nagar, Bhubaneswar-751007. Tel: 9437071622



**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: M/s. Swain & Sons Power Tech (P) Ltd.

.....Objector

**Rejoinder to the objection filed by M/s. Swain & Sons Power Tech (P) Ltd against the
Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by
NESCO Utility for the FY 2017-18**

1. The Annual Revenue Requirement and Wheeling and Retail Supply Tariff Application for the financial year 2017-18 has been filed 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 Tariff) Regulations,2004 and OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2014

2. EMPLOYEE COST :

NESCO has estimated employee expenses in its ARR application based on the best judgment taking the approach of historical cost and loading the normative increase, expected DA dose and projection of terminal benefits as derived by the expert. NESCO is getting some of the works through outsource activities and the payments so made are of statutory in nature and tantamount contractual obligations being the principal employer and as such disclosed in the ARR as Contractual Obligations under Employee Cost.

The rise of employee cost despite being the reduction of nos. of employees is due to the consideration of impact of 7th Pay Wage Revision and the regular increase of DA dose to which the NESCO is duty bound as the service conditions of all the employees shall apply mutatis mutandis to that of the parent company GRIDCO's/OPTCL's employees.

NESCO being duty bound in discharging the employee payments as per the statute and is linked directly with the Central/State Govt. Payment scale viz. implementation of regular increase of DA dose and contribution to the trust for terminal benefits. For other details Objector may refer ARR application.

Hence, the Commission may be pleased to allow the Employee Cost so estimated and submitted by NESCO Utility.



3. A& G EXPENSES :

The A&G expenses for FY 2016-17 are estimated at Rs.50.71 Crore based on actual expenses till September 2016 including the additional expenses of Rs. 5.74 crores as against the approved A&G expenses of Rs 40.31 Crore.

The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2016-17 in line with Hon'ble Commission's earlier Orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase over the estimated A&G expenses for FY 2016-17 along with additional expenses Rs.27.36 cr as detailed in the ARR application. The 7% increase is taken on account of inflation on the normal A&G expenses.

4. Depreciation Cost:

Depreciation has been provided only on assets available at the beginning of year and no depreciation has been provided on assets created during the year. The method adopted for calculating depreciation is Straight Line Method at pre-1992 rates .

5. Estimated Expenses:

The details of estimated expenses with regard to employee cost, depreciation, R&M expenses, provision of Bad & Doubtful debts, etc have been submitted in detail in the ARR & RST application with further clarification in reply to queries raised . Both are available in NESCO web-site .

The projection of Repair and Maintenance Expenses in the ARR so calculated and submitted is in accordance to the norms fixed by the Hon'ble Commission @ 5.4 % of opening G.F.A. The utility has not given any additional R&M on RGGVY & BGJY.

The utility is taking all measures to collect the arrear outstanding.

6. Revised slabs of HT, EHT consumers

As more and more industries are running in higher load factors, the graded slab has been modified by the Hon'ble Commission.

7. Distribution loss:

Hon'ble APTEL has already given direction to State Commission to re-determine the distribution loss trajectory keeping in view the ground realities .

8. Projection of EHT, HT < sales

The justification regarding sales forecast has already been submitted to Hon'ble Commission. Regarding actual sales figure category wise for first six months of current FY, it is already submitted in the form T-I. The consumer wise sales forecast for consumers (HT & EHT) with CD above 1 MVA is also submitted to Hon'ble Commission and same is available in applicant's website. For projecting the consumption of different categories, the Licensee has analyzed the past trends of consumption pattern for last ten years i.e. FY



2006-2007 to FY 2016-17. The same has been explained in detail under Para 2.2 of ARR application for FY 2017-18. From the past trend, it can be seen that the projection submitted by the licensee is justified.

9. Take or Pay Benefit

The idea of introduction of 'Take or Pay' tariff was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and NESCO. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor.

As per introduction of 'Assured Energy' concept no such industries are coming forward to avail the same. That means in the previous method there was no such efficiency gain, but they were benefited because of Commission's order only. The purpose of take or pay tariff was defeated and accordingly the same was discontinued by Hon'ble Commission in the Tariff order for FY 13-14.

10. Power Factor Incentive

The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintaining power factor close to unity the consumer's are able to kept their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintain higher power factor is not justified.

The applicant has also suggested the adoption of KVAH billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAH billing and power factor penalty in ARR application FY 2017-18 may please be referred .

11. ToD benefit

There is no justification in changing the TOD tariff from 20paisa to 50paisa.

12. The, reply to the queries of the Hon'ble OERC regarding the Annual Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bejaya Kumar Sahoo.

Authorized Officer

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: M/s. Tata Steel Limited, Plot No.273, Bhouma Nagar, Unit-IV ,
Bhubaneswar, represented by its Chief Resident Executive Sri
Manikanta Naik

.....Objector

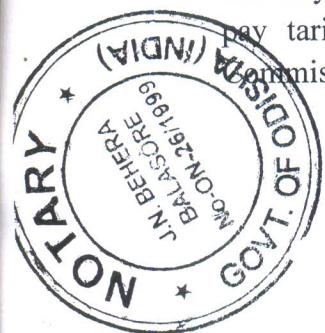
Rejoinder to the objection filed by M/s. Tata Steel Limited, represented by its Chief Resident Executive Sri Manikanta Naik, against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

1. The objector has compared the growth in BST & Transmission charges/pu to the RST of EHT only whereas it should be BST vs Avg RST (including all categories).
It may be mentioned here that the analysis made in shape of P/u will not give the correct picture as the Avg. RST taken in shape of per unit will only hold good when the Utility would be able to bill on the basis of normative loss level approved by Hon'ble Commission.

2. Special Tariff:

The idea of introduction of 'Take or Pay' tariff was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and NESCO. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor.

As per introduction of 'Assured Energy' concept no such industries are coming forward to avail the same. That means in the previous method there was no such efficiency gain, but they were benefited because of Commission's order only. The purpose of take or pay tariff was defeated and accordingly the same was discontinued by Hon'ble Commission in the Tariff order for FY 13-14.



3. **Distribution Loss :**

The distribution loss as set by Hon'ble OERC in different years has not been achieved due to various reasons beyond the control of the Utility. The adverse geographical scenario, poor socio-economic conditions of the consumers in Utility area, erratic climatic conditions (cyclone and flood prone area), negative mind set of the consumers including inadequate administrative support are the main reasons of not achieving the bench mark of loss level fixed by OERC.

Hon'ble Commission is approving the Distribution loss of the Utility on normative basis without considering the ground reality. Regarding steps taken by Utility to improve performance has been submitted in ARR Application.

4. **Graded slabs :**

As more and more industries are running in higher load factors, the graded slab structure has been modified by the Hon'ble Commission.

5. **Determination of Power Purchase:**

The justification regarding sales forecast has already been submitted to Hon'ble Commission. Regarding actual sales figure category wise for first six months of current FY, it is already submitted in the form T-I. The consumer wise sales forecast for consumers (HT & EHT) with CD above 1 MVA is also submitted to Hon'ble Commission and same available in applicant's website. For projecting the consumption of different categories, the Licensee has analyzed the past trends of consumption pattern for last ten years i.e. FY 2006-2007 to FY 2016-17. The same has been explained in detail under Para 2.2 of ARR application for FY 2017-18. From the past trend, it can be seen that the projection submitted by the licensee is justified.

6. **Provision of Bad & Doubtful Debts**

Hon'ble commission will decide the matter relating Provision of Bad and doubtful debts on the basis of the report of the independent Auditors appointed by the Hon'ble Commission. The collection inefficiency may be considered as bad debt. NESCO is also taking action against the defaulting consumers for disconnection of power supply and collection efficiency at LT level has also increased during first six months of current FY.

7. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Retail Supply Tariff Application filed by NESCO for the year 2016-17 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bajaya Kumar Saha,

Authorized Officer

C.C. to Sri Manikanta Naik, Chief Resident Executive, Tata Steel Ltd, Plot No. 273, Bhouma Nagar, Unit-IV, Bhubaneswar.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
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Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Balasore, Odisha.

.....Applicant

AND

IN THE MATTER OF: M/s.Ferro Alloys Corporation Ltd., GD-2/10, C.S.Pur, Bhubaneswar.

.....Objector

Rejoinder to the objection filed by Sri M.V. Rao, Resident Manager, M/s. Ferro Alloys Corporation Ltd, GD.2/10, Chandrasekharpur, Bhubaneswar-751023 against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

1. The distribution loss as set by Hon'ble OERC in different years has not been achieved due to various reasons beyond the control of the Utility. The adverse geographical scenario, poor socio-economic conditions of the consumers in Utility area, erratic climatic conditions (cyclone and flood prone area), negative mind set of the consumers including inadequate administrative support are the main reasons of not achieving the bench mark of loss level fixed by OERC.

Further, Hon'ble APTEL has given direction to the State Commission to re-determine the distribution loss trajectory keeping in view the ground realities .

2. Power factor incentive

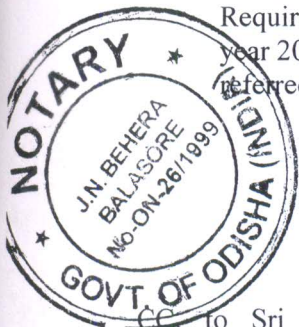
The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintaining power factor close to unity the consumer's are able to kept their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintaining higher power factor is not justified.

The applicant has also suggested the adoption of KVAh billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAh billing and power factor penalty in ARR application FY 2017-18 may please be referred.

3. Introduction of KVAh billing :

The objective of introduction of KVAh billing is to ensure reduction of losses which occur due to low power factor. In many of the neighboring states, KVAh billing has already been adopted.

4. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 has been placed in NESCO website www.nescoodisha.com, which may please be referred by the objector for further clarification.



For and on behalf of
NESCO Utility

Bijaya Kumar Saha

Authorized Officer

cc. to Sri M.V. Rao, Resident Manager, M/s Ferro Alloys Corporation Ltd., GD.2/10, Chandrasekharpur, Bhubaneswar-751023.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
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Case No. 66/2016

IN THE MATTER OF: North Eastern Electricity Supply Company of Orissa Limited
(NESCO)

AND

IN THE MATTER OF: Sri Prabhakar Dora, 3rd Lane, Vidya Nagar (Co-operative Colony),
PO/Dist- Rayagada - 765001

**Rejoinder to the objection filed by Sri Prabhakar Dora, PO/Dist- Rayagada against the
Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by
NESCO Utility for the year 2017-18**

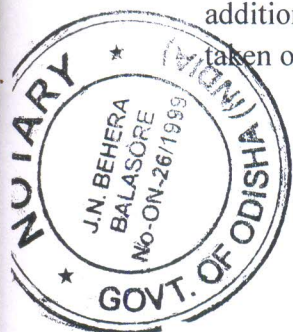
1. Sales forecast:

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2. A&G Expenses:

The A&G expenses for FY 2016-17 are estimated at Rs.50.71 Crore based on actual expenses till September 2016 including the additional expenses of Rs. 5.74 crores as against the approved A&G expenses of Rs 40.31 Crore.

The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2016-17 in line with Hon'ble Commission's earlier Orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase over the estimated A&G expenses for FY 2016-17 along with additional expenses Rs.27.36 cr as detailed in the ARR application. The 7% increase is taken on account of inflation on the normal A&G expenses.



3. R&M Expenditure

The projection of Repair and Maintenance Expenses in the ARR so calculated and submitted is in accordance to the norms fixed by the Hon'ble Commission @ 5.4 % of opening G.F.A. The utility has not given any additional R&M on RGGVY & BGJY.

4. Delayed Payment Surcharge

No such proposal has been given for levy of D.P.S. on single phase Domestic /Commercial consumers . Rather the utility has proposed 'Additional rebate of 1% to LT category of consumers over and above normal rebate if payment made through online, credit card, debit card etc.'

5. Claiming Meter Rent on Meter:

Meter rent on meters are claimed from the consumers when the consumer opts to pay meter rent in place of procuring the meter as per the provisions of the regulations and the direction of the Hon'ble Commission in the Tariff Order.

6. Consumer Service :

The allegation of the objector regarding expectation of justice from a body that comprises the same licensee's officials is not correct. From the review of the no. of cases disposed off by the GRFs , it has been observed that majority of the decisions go against the licensee.

7. MMFC :

As per the current tariff structure, the Monthly Minimum Fixed Charges are to be levied to consumers with contract demand less than 110 KVA on the recorded demand rounded to nearest 0.5 KW requiring no verification irrespective of the agreement. For billing purposes this adversely affects the Utility in case of the recorded demand is lower than the contract demand/connected load. As the Utility is reserving the contracted capacity for the consumers at the same time they are also liable to pay the MMFC/Demand charges on the basis of CD or MD whichever is higher as like of consumers with CD of >110 KVA. Therefore, the Utility has submitted in its ARR application that the Monthly Minimum Fixed Charges for such consumers may be levied at Contract Demand or Maximum Demand whichever is higher



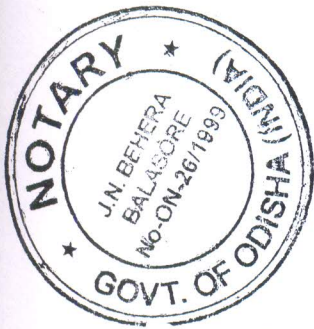
The suggestion of the objector to reflect the MD in the bill of consumers has been noted for necessary action.

8. Consumer Indexing :

NESCO Utility has completed consumer tagging of all the 11KV Feeders i.e 519nos. of 11KV feeders.

9. Regarding the information asked by the objector, most of the information are available in the ARR application and the reply to queries submitted by the utility, which are available in the utility's website as well as Commission's website.

10. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bejaya Kumar Sahoo.
Authorized Officer

C.C. to Prabhakar Dora, 3rd Line, Vidya Nagar (Co-operative Colony), PO/Dist-
Rayagada- 765001

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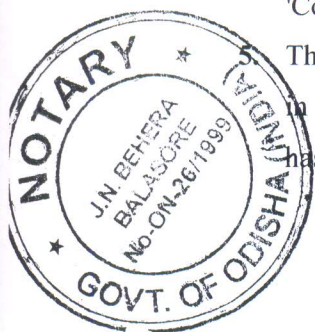
IN THE MATTER OF: Sri Ananda Kumar Mohapatra, Power Analyst, Odisha

.....Objector

**Rejoinder to the objection filed by Sri Ananda Kumar Mohapatra, Power Analyst, Odisha
against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application
filed by NESCO Utility for the year 2017-18**

1. The utility has filed its Application based on the base line actual data of FY 2015-16 and the actual upto the period Sept'16 of FY 2016-17 to determine the ARR for the FY 2017-18. The ARR so far computed includes the 1/3rd amortization of the Gap estimated for the FY 2016-17. The respondents point of disagreement to the modus operandi of the filling of the ARR as regards the Truing Up which are not necessarily decided by the Commission while determination of the Tariff. With revocation of license and due to clarity in legal lexicons, the audit of the accounts of the utility has got delayed and the contention of the respondents of poor accounting and financial report is premature. The truing up exercise can only be decided based on the audited accounts of the utility taking into the uncontrollable measures into consideration.
2. The utility has followed the directions given by the Hon'ble Commission in the RST order 2016-17. Compliances to the directions have been furnished in the ARR application of the utility which may please be referred.
3. The utility is raising bills and supplying power to the consumers observing the provisions of the Regulations of Supply Code and other applicable rules and regulations..
4. The progress of energy audit has been submitted in the ARR application under 'Compliances to directions', which may please be referred.

The development so far in the process of development of billing software has been given in detail in the ARR application. Further the reason of non-adoption of CESU software has also been furnished for kind perusal of the Hon'ble Commission.



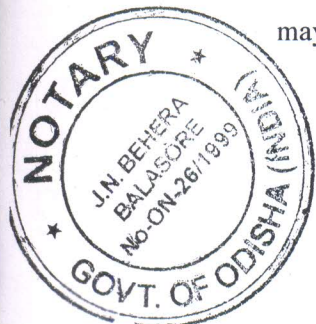
6. In long term demand forecast, an estimated projection upto the FY 2022-23 has been submitted basing on the past trend. However, the requirement of power for the ensuing financial year category wise is projected in the ARR application basing on the previous year's consumption, the power drawl of the first six months of the current year, taking into consideration the monthwise drawl of individual consumers with load more than 1MVA.

The contention of the objector that the utility has failed in supplying power to consumers from 2014-15 and shall be upto 2022-23 is premature. Out of the above period only 2015-16 is over. Based on the actual drawl, again projection for power requirement for the ensuing year is given in the ARR application.

7. The utility is taking all steps to clear the BST dues of GRIDCO .
8. The utility is taking all possible steps to distribute more and more numbers of LED bulbs through extensive advertisement and providing more number of distribution counters.
9. The applicant has filed the ARR and Wheeling and Retail Supply application for and on behalf of NESCO Utility on the capacity of the powers conferred by the Administrator, NESCO utility. Urging before the Hon'ble Commission under oath to put a specific person behind bars is just defeating the very cause of this public hearing and is just very unfortunate as well as unprofessional.

The submissions of the applicant should be analyzed with a view to bring overall improvement in the power sector of Odisha, not with an intention to bring out personal discontentment and grudge which tantamount unprofessional attitude. The utility expects co-operation as well as views of all the objectors to bring overall improvement in the performance of distribution utility.

10. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bejaya Kumar Sahoo.
Authorized Officer

C.C. to Sri Ananda Kumar Mohapatra, Power Analyst, Plot No.L-II/68, SRIT COLONY, Budharaja, Sambalpur, Odisha

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: Babuli Sahoo, Balipatna, Samantarapur, Kabirpur, Jajpur

.....Objector

Rejoinder to the objection filed by Babuli Sahoo, Balipatna, Jajpur against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

1. The applicant has filed the Aggregate Revenue Requirement and Retail Supply Tariff Application for the FY 2016-17 under Section 62 and other applicable provisions of Electricity Act 2003 .
2. The utility is taking all possible measures to reduce AT&C loss. Vigilance activities have been strengthened . Checking squads have been deployed to arrest unauthorised abstraction of energy. All the consumers have been covered under GPRS based photo –billing. The utility has also provided online cash collection counters. To improve the reach to the consumers , the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely.
3. Regarding other points raised, the objector is requested to bring specific cases before the Utility, for their redressal.
4. The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred

For and on behalf of

NESCO Utility

Brijendra Kumar Sahoo.

Authorised Officer



C.C.to: Sri Babuli Sahoo, Balipatna, Samantarapur, Kabirpur, Jajpur-755009

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility (NESCO), Januganj, Balasore

AND

IN THE MATTER OF: North Orissa Chamber of Commerce and Industry (NOCCI), Balasore.

**Rejoinder to the objection filed by the North Orissa Chamber of Commerce and Industry (NOCCI),
against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed
by NESCO Utility for the year 2017-18**

1. The Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2017-18 has been filed 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 Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2014
2. **EMPLOYEE COST :**

NESCO has estimated employee expenses in its ARR application based on the best judgment taking the approach of historical cost and loading the normative increase, expected DA dose and projection of terminal benefits as derived by the expert. NESCO is getting some of the works through outsource activities and the payments so made are of statutory in nature and tantamount contractual obligations being the principal employer and as such disclosed in the ARR as Contractual Obligations under Employee Cost.

The rise of employee cost despite being the reduction of nos. of employees is due to the consideration of impact of 7th Pay Wage Revision and the regular increase of DA dose to which the NESCO is duty bound as the service conditions of all the employees shall apply mutatis mutandis to that of the parent company GRIDCO's/OPTCL's employees.

NESCO being duty bound in discharging the employee payments as per the statute and is linked directly with the Central/State Govt. Payment scale viz. implementation of regular increase of DA dose and contribution to the trust for terminal benefits. For other details Objector may refer ARR application.

Hence, the Commission may be pleased to allow the Employee Cost so estimated and submitted by NESCO.



3. A & G EXPENSES :

The A&G expenses for FY 2016-17 are estimated at Rs.50.71 Crore based on actual expenses till September 2016 including the additional expenses of Rs. 5.74 crores as against the approved A&G expenses of Rs 40.31 Crore.

The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2016-17 in line with Hon'ble Commission's earlier Orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase over the estimated A&G expenses for FY 2016-17 along with additional expenses Rs.27.36 cr as detailed in the ARR application. The 7% increase is taken on account of inflation on the normal A&G expenses.

4. Depreciation Cost:

Depreciation has been provided only on assets available at the beginning of year and no depreciation has been provided on assets created during the year. The method adopted for calculating depreciation is Straight Line Method at pre-1992 rates .

5. Estimated Expenses:

The details of estimated expenses with regard to employee cost, depreciation, R&M expenses, provision of Bad & Doubtful debts , etc have been submitted in detail in the ARR & RST application with further clarification in reply to queries raised . Both are available in NESCO web-site .

The projection of Repair and Maintenance Expenses in the ARR so calculated and submitted is in accordance to the norms fixed by the Hon'ble Commission @ 5.4 % of opening G.F.A. The utility has not given any additional R&M on RGGVY & BGJY.

The utility is taking all measures to collect the arrear outstanding.

6. Revised slabs of HT, EHT consumers

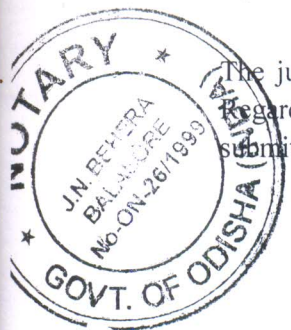
As more and more industries are running in higher load factors, the graded slab has been modified by the Hon'ble Commission.

7. Distribution loss:

Hon'ble APTEL has already given direction to State Commission to re-determine the distribution loss trajectory keeping in view the ground realities .

8. Projection of EHT, HT & LT sales

The justification regarding sales forecast has already been submitted to Hon'ble Commission. Regarding actual sales figure category wise for first six months of current FY, it is already submitted in the form T-I. The consumer wise sales forecast for consumers (HT & EHT) with CD



above 1 MVA is also submitted to Hon'ble Commission and same available in applicant's website. For projecting the consumption of different categories, the Licensee has analyzed the past trends of consumption pattern for last ten years i.e. FY 2006-2007 to FY 2016-17. The same has been explained in detail under Para 2.2 of ARR application for FY 2017-18. From the past trend, it can be seen that the projection submitted by the licensee is justified.

9. Take or Pay Benefit

The idea of introduction of 'Take or Pay' tariff was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and NESCO. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor.

As per introduction of 'Assured Energy' concept no such industries are coming forward to avail the same. That means in the previous method there was no such efficiency gain they were benefited because of Commission's order only. The purpose of take or pay tariff was defeated and accordingly the same was discontinued by Hon'ble Commission in the Tariff order for FY 13-14.

10. Power Factor Incentive

The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintaining power factor close to unity the consumer's are able to keep their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintain higher power factor is not justified.

The applicant has also suggested the adoption of KVAH billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAH billing and power factor penalty in ARR application FY 2017-18 may please be referred .

11. ToD benefit

There is no justification in changing the TOD tariff from 20paisa to 50paisa.

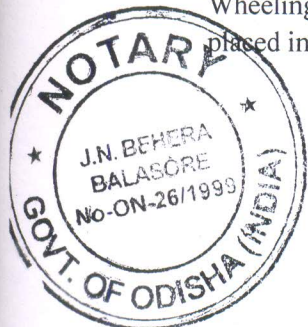
12. The, reply to the queries of the Hon'ble OERC regarding the Annual Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.

For and on behalf of

NESCO Utility

Bijaya Kumar Saha

Authorized Officer



CC to Sri Devashish Mahanti, President, NOCCI, At- Ganeswarpur Industrial Estate, Januganj, Balasore-756019.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: M/s. Emami Paper Mills Ltd, Balgopalpur, Rasulpur, Balasore

.....Objector

Rejoinder to the objection filed by the M/s Emami Paper Mills Ltd, Balgopalpur, Balasore against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18.

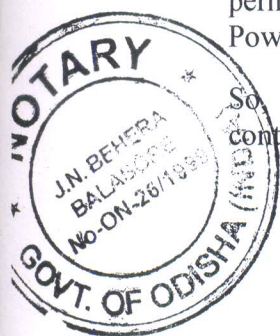
1. The petitioner has filed the Aggregate Revenue Requirement and Retail Supply Tariff Application for the FY 2017-18 under Section 62 and other applicable provisions of Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations 2004.
2. Regarding enhancement of CD to 18.75MVA, no application for enhancement of CD, in complete shape as per the provisions of regulations, is pending before the utility for consideration. However, the objector may apply for enhancement of load to the utility, if required.
3. Under regulation 80(15) of OERC Distribution (Condition of Supply) Code 2004- the category of Industries owning generating stations and Captive Power Plants availing Emergency Supply is defined as :

Quote:

“This category relates to supply of power with generating stations including Captive Power plants only for start –up of the unit or to meet their essential auxiliary and survival requirements **in the event of failure of their generation capacity**. Such emergency assistance shall be limited to 100% of the rated capacity of the largest unit in the Captive Power plant of Generating Stations.”

The regulation provides that, this category of consumers can draw power for start –up or to meet their essential auxiliary and survival requirements, in the event of failure of their generation capacity. However, no where under the regulation the consumer has been permitted to run the industry for maintaining its normal production with the Emergency Power, the consumer has been allowed to avail only the essential survival loads.

So, the submission of the utility is as per the provisions of Regulation and not in contravention.



insufficient to cover any charge.

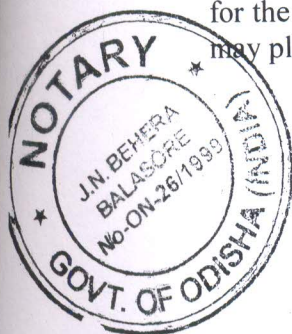
5. The prayer of the objector to provide a separate lower tariff for drawl of power in a month upto 25% should be rejected and provision of demand charge must be made for Emergency supply category.

6. The Hon'ble Commission in para 33A of the RST order dated 23.3.2015 has directed that, "the concerned Chief Electrical Inspector is directed to supply the information to the Commission for declaration of any Generator owned by any industry as Captive Generating Plant annually." However a time bound procedure for submission of data by the CEI to the Hon'ble Commission, evaluation of the information and notification /declaration of the status has not been devised yet. For the above reason, in spite of the direction of the Hon'ble Commission on dated 23.3.2015, the CGP status of generators have not been notified till date. Therefore, the utility requests before the Hon'ble Commission to approve a time bound procedure, for evaluation of CGP status, to avoid accumulation of dues.

7. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.

For and on behalf of
NESCO Utility

Brijaya Kumar Sahoo
Authorized Officer

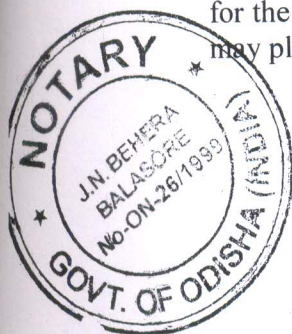


C.C.to M/s Emami Paper Mills Ltd, AT: Balgopalpur, Balasore-756020. Ph: 06782-275778

4. The quantum of power is kept reserved for the industry both in normal industrial supply as well as emergency supply. However, in case one 'Emergency supply industry will not draw power in a month it will not be charged any energy charge or demand charge, even though the quantum of power may be in terms of MWs are kept reserved for them. The tariff fixed for emergency supply may take care of the demand charge component, in case the unit draws above a threshold quantum of power. But in case of no drawl or drawl below this quantum the charges, the marginal charges that are billed are very insufficient to cover any charge.

Therefore, provision of demand charge must be done for Emergency supply category, which the consumer must pay irrespective of its drawl.

5. The prayer of the objector to provide a separate lower tariff for drawl of power in a month upto 25% should be rejected and provision of demand charge must be made for Emergency supply category.
6. The Hon'ble Commission in para 334 of the RST order dated 23.3.2015 have directed that, "the concerned Chief Electrical Inspector is directed to supply the information to the Commission for declaration of any Generator owned by any industry as Captive Generating Plant annually." However a time bound procedure for submission of data by the CEI to the Hon'ble Commission, evaluation of the information and notification /declaration of the status has not been devised yet. For the above reason, in spite of the direction of the Hon'ble Commission on dated 23.3.2015, the CGP status of generators have not been notified till date. Therefore, the utility requests before the Hon'ble Commission to approve a time bound procedure, for evaluation of CGP status, to avoid accumulation of dues.
7. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bijaya Kumar Sahoo
Authorized Officer

C.C.to M/s Emami Paper Mills Ltd, AT: Balgopalpur, Balasore-756020. Ph: 06782-275778

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

AND

IN THE MATTER OF: M/s. Visa Steel Ltd., Kalinganagar Industrial Complex, Jajpur.

Rejoinder to the objection filed by M/s. Visa Steel Ltd, Jajpur against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

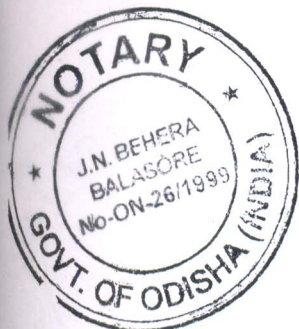
1. The Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2017-18 has been filed under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2014

2. EMPLOYEE COST :

NESCO has estimated employee expenses in its ARR application based on the best judgment taking the approach of historical cost and loading the normative increase, expected DA dose and projection of terminal benefits as derived by the expert. NESCO is getting some of the works through outsource activities and the payments so made are of statutory in nature and tantamount contractual obligations being the principal employer and as such disclosed in the ARR as Contractual Obligations under Employee Cost.

The rise of employee cost despite being the reduction of nos. of employees is due to the consideration of impact of 7th Pay Wage Revision and the regular increase of DA dose to which the NESCO is duty bound as the service conditions of all the employees shall apply mutatis mutandis to that of the parent company GRIDCO's/OPTCL's employees.

NESCO being duty bound in discharging the employee payments as per the statute and is linked directly with the Central/State Govt. Payment scale viz. implementation of regular increase of DA dose and contribution to the trust for terminal benefits, the contention of the objector being the Employee Cost as controllable doesn't hold good. For other details Objector may refer ARR application. Hence, the Commission may be pleased to allow the Employee Cost so estimated and submitted by NESCO.



3. A& G EXPENSES :

The A&G expenses for FY 2016-17 are estimated at Rs.50.71 Crore based on actual expenses till September 2016 including the additional expenses of Rs. 5.74 crores as against the approved A&G expenses of Rs 40.31 Crore.

The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2016-17 in line with Hon'ble Commission's earlier Orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase over the estimated A&G expenses for FY 2016-17 along with additional expenses Rs.27.36 cr as detailed in the ARR application. The 7% increase is taken on account of inflation on the normal A&G expenses.

4. Depreciation Cost:

Depreciation has been provided only on assets available at the beginning of year and no depreciation has been provided on assets created during the year. The method adopted for calculating depreciation is Straight Line Method at pre-1992 rates .

5. Estimated Expenses:

The details of estimated expenses with regard to employee cost, depreciation, R&M expenses, provision of Bad & Doubtful debts, etc have been submitted in detail in the ARR & RST application with further clarification in reply to queries raised . Both are available in NESCO web-site .

The projection of Repair and Maintenance Expenses in the ARR so calculated and submitted is in accordance to the norms fixed by the Hon'ble Commission @ 5.4 % of opening G.F.A. The utility has not given any additional R&M on RGGVY & BGJY.

The utility is taking all measures to collect the arrear outstanding.

6. Revised slabs of HT, EHT consumers

As more and more industries are running in higher load factors, the graded slab has been modified by the Hon'ble Commission.

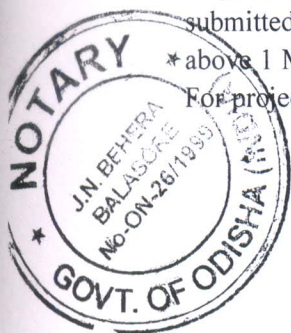
7. Distribution loss:

Hon'ble APTEL has already given direction to State Commission to re-determine the distribution loss trajectory keeping in view the ground realities .

8. Projection of EHT, HT & LT sales

The justification regarding sales forecast has already been submitted to Hon'ble Commission. Regarding actual sales figure category wise for first six months of current FY, it is already submitted in the form T-I. The consumer wise sales forecast for consumers (HT & EHT) with CD

*above 1 MVA is also submitted to Hon'ble Commission and same available in applicant's website. For projecting the consumption of different categories, the Licensee has analyzed the past trends of



consumption pattern for last ten years i.e. FY 2006-2007 to FY 2016-17. The same has been explained in detail under Para 2.2 of ARR application for FY 2017-18. From the past trend, it can be seen that the projection submitted by the licensee is justified.

9. Take or Pay Benefit

The idea of introduction of 'Take or Pay' tariff was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and NESCO. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor.

As per introduction of 'Assured Energy' concept no such industries are coming forward to avail the same. That means in the previous method there was no such efficiency gain, but they were benefited because of Commission's order only. The purpose of take or pay tariff was defeated and accordingly the same was discontinued by Hon'ble Commission in the Tariff order for FY 13-14.

10. Power Factor Incentive

The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintaining power factor close to unity the consumer's are able to kept their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintain higher power factor is not justified.

The applicant has also suggested the adoption of KVAH billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAH billing and power factor penalty in ARR application FY 2017-18 may please be referred .

11. ToD benefit

There is no justification in changing the TOD tariff from 20paisa to 50paisa.

12. The, reply to the queries of the Hon'ble OERC regarding the Annual Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.

For and on behalf of
NESCO Utility

Br. Jaya Kumar Sahoo.
Authorized Officer



C.C.to M/S Visa Steel Ltd., Kalinganagar Industrial Complex, At/Po: Jakhapura, Jajpur-755026.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

AND

IN THE MATTER OF: Ramesh Ch. Satpathy, Plot No-302(B), Behera Sahi, Nayapalli,
Bhubaneswar

Rejoinder to the objection filed by Ramesh Ch. Satpathy against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

1. The Annual Revenue Requirement and Wheeling and Retail Supply Tariff Application for the financial year 2017-18 has been filed 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 Tariff) Regulations,2004 and OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2014
2. Quality of power supply has been substantially improved as compared to past period. Voltage condition has improved due to SI work, upgradation of Sub-stations and replacement of old conductors. Augmentation in system network has also been made due to capacity addition on account of RGGVY scheme, CAPEX etc.
3. The required information are given hereunder
 - No. of 33KV lines upgraded =22
 - No. of 11KV lines upgraded =54
 - No. of LT lines upgraded =53
 - No. of 33/11KV s/s. upgraded =30
 - No. of 33/11KV s/s. constructed =12
4. The details of energy audit report is being submitted to the Hon'ble Commission from time to time. The progress of energy audit has been given under para 5.1 in the ARR application.



5. The status of franchisee operation has been submitted in the reply to queries raised on ARR application for kind perusal of the Hon'ble Commission , which may please be referred.
6. The utility is meeting the employee cost after paying the current power purchase bills. Reconciliation statements signed with GRIDCO are being submitted before the Hon'ble Commission from time to time.
7. The details of expenditure incurred under different schemes and details of all the expenses incurred by the licensee have already been submitted in prescribed formats before the Hon'ble Commission in the ARR application
8. The details of the amount outstanding have been furnished before the Hon'ble Commission .
9. The licensee is taking all possible measures to bring down the loss level. Regarding reduction of loss as per the target set by Hon'ble Commission, it is to bring out that Hon'ble ATE has given direction to OERC to re-determine the loss levels in view of the ground realities.
10. The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred.



For and on behalf of
NESCO Utility

Bt'jaya Kumar Sahoo.
Authorized Officer

C.C. to: - Sri Ramesh Ch. Satpathy, Plot No-302(B), Behera Sahi, Nayapalli, Bhubaneswar

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: Sri Nilambar Mishra, Rudhugaon, Simulia, Balasore

.....Objector

Rejoinder to the objection filed by Sri Nilamber Mishra against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

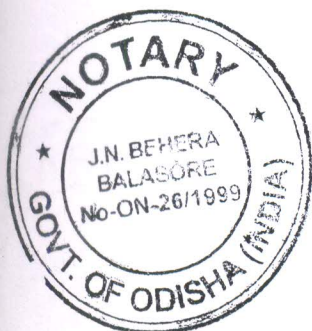
The matters raised by the objector are out of the ARR application filed by the utility. The utility observes all the applicable rules and regulations and directions of the Hon'ble Commission.

The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred

For and on behalf of
NESCO Utility

Bejaya Kumar Sahoo.
Authorized Officer

C.C.to: Sri Nilambar Mishra, Rudhugaon, Simulia, Balasore-756126



**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR**

Case No.66 of 2016

IN THE MATTER OF: NESCO UTILITY (NESCO)

.....Applicant

AND

**IN THE MATTER OF: R.P.Mohapatra, Retired Chief Engineer & Member (Gen.), OSEB,
Bhubaneswar -751013**

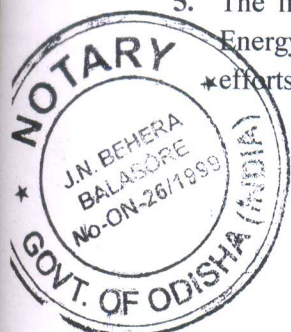
.....Objector

**Rejoinder to the objection filed by R.P.Mohapatra, Retired Chief Engineer & Member (Gen.),
OSEB, Bhubaneswar -751013 against the Aggregate Revenue Requirement & Wheeling and
Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18**

1. The petitioner has filed the Aggregate Revenue Requirement and Wheeling and Retail Supply Tariff Application for the FY 2017-18 under Section 62 and other applicable provisions of Electricity Act 2003.
2. The petitioner's contention of unprecedented increase in tariff to EHT & HT consumers from the year 2010-11 has relevance to the equal increase of BST Bills during the even periods. The corresponding BSP and Transmission Charges are tabulated as under:

	Rs./kWh							
FY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
BSP	1.300	1.950	2.620	3.010	2.900	2.800	3.020	2.970
Transmission Charges	0.205	0.235	0.250	0.250	0.250	0.250	0.250	0.250
Total Charges	1.505	2.185	2.870	3.260	3.150	3.050	3.270	3.220

3. The petitioner's contention of higher tariff of electricity has resulted in closure of the industry is not true. The mine based industries are facing recession and the industries export is affected due to stiffer international competition. Moreover, apart from the electricity other services including the labour cost has increased.
4. The licensee is duty bound in reducing the T & D losses over the years and the ground realities, infusion of subsidised consumers by way of Rural Electrification is mainly attributable to contain the T & D losses. Despite the adverse condition the licensee is able to contain the T & D Losses. The utility is taking all possible measures to reduce AT&C loss. Vigilance activities have been strengthened. Checking squads have been deployed to arrest unauthorised abstraction of energy. All the consumers have been covered under GPRS based photo-billing. The utility has also provided online cash collection counters. To improve the reach to the consumers, the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely.
5. The licensee in its application has already elaborated their performance and efforts in the Energy Audit in the application which may kindly be taken into record. The following are the efforts taken by the licensee in case of Energy so far.



Energy Audit report of 50nos of 33KV feeders & 474 nos of 11KV feeders have been submitted to Hon'ble commission covering approximately 51500 DTRs and 12Lacks consumer.

By 31st March 2017 Energy Audit of all the 33KV feeders (62 nos) and 11KV Feeders (519 nos) will be completed.

6. The licensee has segregated the ARR as per the assumptive % taking into the scope and business activities. The segregation of accounts can only be possible if the entire business is segregated alongwith the personnel and assets. The licensee has already made a call to devise a policy to segregate the business, pending of which the total expenses and incomes are segregated and accordingly placed in our ARR Application.
7. The licensee has rightly and competent enough to project the LT Sales and the same may please accepted. The ARR and the revenue gap have been derived based on the realistic approach and the norms fixed by the Hon'ble Commission.

TARIFF RATIONALISATION

8. i) The applicant has proposed the tariff revision factors in case of Kutir Jyoti and Domestic Charges to reduce the cross subsidy and to maintain prudent cost of supply.

ii) In order to overcome the difficulty in installation of meters in case of Irrigation Category of Consumers due to inaccessibility resulting the cover up the cost of supply, the licensee has proposed to go for LF billing in these particular consumers where ever there is no meter or defective to cover up the losses.

iii) The inadequacy in recovering the fixed cost at 80 % of CD is the reason behind to propose for 85 % of the CD. Moreover the proposal shall help in reducing the Gap by insulating the financial risk.

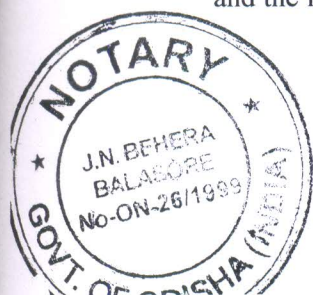
iv) The reason and requisite information justifying the introduction of KVah Billing has already elaborated in the ARR Application which may please taken into record.

v) The power factor penalty has the relevance to the proposal of introduction of KVah Billing.

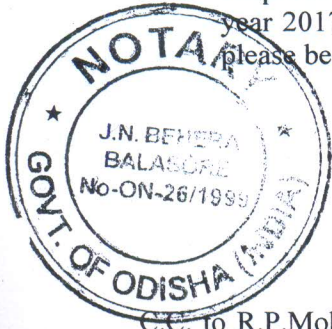
vi) The justification behind the tariff rationalisation measures under para 7.9 to 7.13 in the application may be taken into record.

vii) There is a provision that the billing should have the definite billing cycle not necessarily monthly. It is a fact that the units billed shall be proportionately divided into no. of cycles i.e if the billing is done bi-monthly than the consumption units shall be divided into two months equally to bill the quantum as per the applicable tariff. The motto behind to go for bi-monthly billing is to contain the administrative cost and proper manoeuvring the MBC which will definitely give impetus in reduction of Revenue Gap.

viii) The Amnesty Arrear Clearance has been proposed to go for financial gap fillip measures and the licensee is open and always promote for financial scrutiny through third party audit.



9. The factors and views of the proposal of Overdrawal Beyond CD and Charges and other issues are clearly spelt in our application which may be deliberated and taken into record.
10. Security Deposit other than the cash is not acceptable with the introduction of awarding interest on the Security Deposit to the consumers. Deposit is the normal mechanism applied in every retail business other than electricity. The proposal of Deposit other than cash by the respondent should not be accepted and so also the interest on the Deposit should be at par with the Bank Rate notified by RBI.
11. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO utility website www.nescoodisha.com, which may please be referred by the objector for further clarification.



For and on behalf of
NESCO Utility

Be'ja Kumar Sahoo.
Authorized Officer

C.C. to R.P.Mohapatra, Retired Chief Engineer & Member (Gen.), OSEB, Plot No. 775(P), Lane-3, Jayadev Vihar, Bhubaneswar -751013

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: M/s. Balasore Alloys Limited, Balgopalpur, Balasore-756020

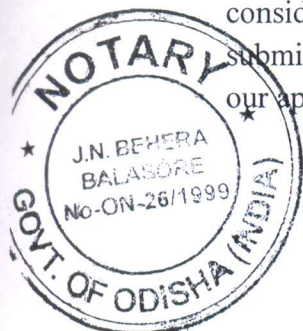
.....Objector

**Rejoinder to the objection filed by M/s. Balasore Alloys, Balgopalpur, Balasore-756020
against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff
Application filed by NESCO Utility for the year 2017-18**

1. The applicant has filed the Aggregate Revenue Requirement and Wheeling and Retail Supply Tariff Application for the FY 2017-18 under Section 62 and other applicable provisions of Electricity Act 2003 .
2. The petitioner's contention of unprecedented increase in tariff to EHT consumers from the year 2010-11 has relevance to the equal increase of BST Bills during the even periods. The corresponding BSP and Transmission Charges are tabulated as under:

	Rs./kWh							
FY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
BSP	1.300	1.950	2.620	3.010	2.900	2.800	3.020	2.970
Transmission Charges	0.205	0.235	0.250	0.250	0.250	0.250	0.250	0.250
Total Charges	1.505	2.185	2.870	3.260	3.150	3.050	3.270	3.220

3. The petitioner's contention of higher tariff of electricity has resulted in closure of the industry is not correct. The mine based industries are facing recession and the industries export is affected due to stiffer international competition. Moreover, apart from the electricity other services the labour cost has increased.
4. Hon'ble Commission may decide the Tariff taking the vulnerable society into consideration. The tariff setting may be decided based on the estimations/projections submitted in the ARR and the gap projected may be filled up as per the prayer made in our application.



5. AT& C loss steps taken :

The licensee is duty bound in reducing the T & D losses over the years and the ground realities , infusion of subsidised consumers by way of Rural Electrification is mainly attributable to contain the T & D losses. Despite the adverse condition the licensee is able to contain the T & D Losses.

The utility is taking all possible measures to reduce AT&C loss. Vigilance activities have been strengthened . Checking squads have been deployed to arrest unauthorised abstraction of energy. All the consumers have been covered under GPRS based photo -billing. The utility has also provided online cash collection counters .To improve the reach to the consumers , the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely.

6. The objectors have no locus standi to comment on the collection of revenue when they are regular defaulter in paying the electricity dues with the huge amount of arrear remaining outstanding.

7. Energy Audit

The licensee in its application has already elaborated their performance and efforts in the Energy Audit in the application which may kindly be taken into record

- Energy Audit report of 50nos of 33KV feeders & 474 nos of 11KV feeders have been submitted to Hon'ble commission covering approximately 51500 DTRs and 12Lacks consumer.
- By 31st March 2017 Energy Audit of all the 33KV feeders (62 nos) and 11KV Feeders (519 nos) will be completed.

8. Segregated accounts:

The licensee has segregated the ARR as per the assumptive % taking into the scope and business activities. The segregation of accounts can only be possible if the entire business is segregated alongwith the personnel and assets. The licensee has already made a call to devise a policy to segregate the business, pending of which the total expenses and incomes are segregated and accordingly placed in our ARR Application.

9. Incentive for higher PF

The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintain power factor close to unity the consumer's are able to kept their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintain higher power factor is not justified.

The applicant has also suggested the adoption of KVAH billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAH billing and power factor penalty in ARR application FY 2017-18 may please be referred for further clarification.



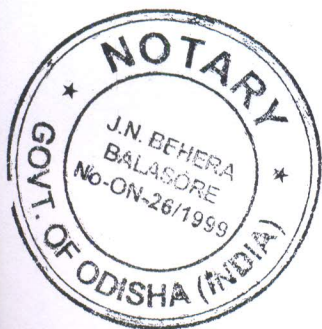
10. Mode of payment of SD

That, in para 249 of RST order dated 21.3.2016 for FY 2016-17, Hon'ble Commission has disposed off the issue with observation that the issue of charging SD in form of Bank Guarantee has been dealt by the Commission in Para 326 of RST order 2010-11. Under para 326, Hon'ble Commission has said that the issue of SD has been dealt with in regulation 19, 20, 21 and other provisions of OERC Distribution code, 2004.

11. Determination of LT Sale

The licensee has rightly and competent enough to project the LT Sales and the same may please accepted. The ARR and the revenue gap have been derived based on the realistic approach and the norms fixed by the Hon'ble Commission. The contention of huge arrear pending to be collected also includes the arrear to be paid by the objector's company.

12. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO Utility website www.nescoodisha.com, which may please be referred by the objector for further clarification.



For and on behalf of
NESCO LTD

Bejaya Kumar Sahoo.

Authorized Officer

C.C. to M/s. Balasore Alloys Limited, Balgopalpur, Balasore-756020

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO UTILITY, JANUGANJ, ODISHA.

.....Applicant

AND

IN THE MATTER OF: M/s. Facor Power Limited, Randia, Bhadrak -756135

.....Objector

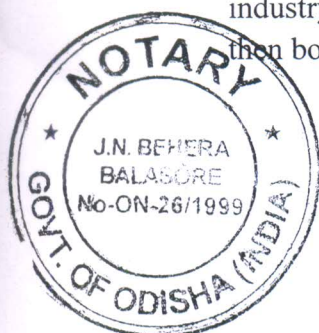
Rejoinder to the objection filed by M/s. Facor Power Limited, Randia, Bhadrak against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18

1. The petitioner has filed the Aggregate Revenue Requirement and Retail Supply Tariff Application for the FY 2017-18 under Section 62 and other applicable provisions of Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations 2004.
2. Under regulation 80(15) of OERC Distribution (Condition of Supply) Code 2004- the category of Industries owning generating stations and Captive Power Plants availing Emergency Supply is defined as :

Quote:

“This category relates to supply of power with generating stations including Captive Power plants only for start –up of the unit or to meet their essential auxiliary and survival requirements **in the event of failure of their generation capacity**. Such emergency assistance shall be limited to 100% of the rated capacity of the largest unit in the Captive Power plant of Generating Stations. “

3. The contention of the objector that the drawl of the emergency power is always subject to technical feasibility is not true in the context of the above regulation. As stated above, the utility has industries owning CGP with capacity around 125MW, whereas the connectivity clearance is only for 50MW. If as per regulation the industry will claim to draw power upto the largest capacity i.e, 125MW on emergency, then both the feasibility and availability of power could not be met with.



4. The Tariff in emergency category is higher than the corresponding Industrial category as because they do not pay the demand charge even though the utility has to always keep the specified quantum reserved for them and they can draw the same as and when required.

The proposal given by NESCO does not violate the provisions of regulation and have been submitted before the Hon'ble Commission for consideration.

5. The Tariff of neighbouring states like Chhattisgarh has provision of demand charge of Rs200/ KVA /month alongwith Energy charge of Rs.7.50 per KVAh for start up power.

6. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO utility website www.nescoodisha.com, which may please be referred by the objector for further clarification.



For and on behalf of
NESCO LTD

Be'ja Kumar Sahoo.

Authorized Officer

C.C. to M/s. Facor Power Limited, Randia, Bhadrak -756135

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR**

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

**IN THE MATTER OF: M/s. IDCOL Ferro Chrome & Alloys Limited , Ferro Chrome
Project, Jajpur Road, Jajpur**

.....Objector

**Rejoinder to the objection filed by : M/s. IDCOL Ferro Chrome & Alloys Limited ,
Jajpur Road, against the Aggregate Revenue Requirement & Wheeling and Retail
Supply Tariff Application filed by NESCO Utility for the year 2017-18**

1. The applicant has filed the Aggregate Revenue Requirement and Retail Supply Tariff Application for the FY 2017-18 under Section 62 and other applicable provisions of Electricity Act 2003 .

2. AT& C loss steps taken :

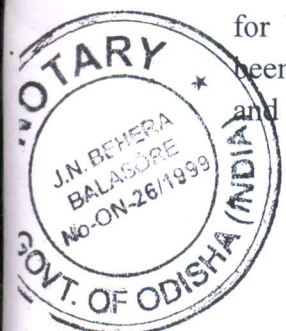
The utility is taking all possible measures to reduce AT&C loss. Vigilance activities have been strengthened. Checking squads have been deployed to arrest unauthorised abstraction of energy. All the consumers have been covered under GPRS based photo-billing. The utility has also provided online cash collection counters .To improve the reach to the consumers , the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely.

3. Energy Audit

- Energy Audit report of 50nos of 33KV feeders & 474 nos of 11KV feeders have been submitted to Hon'ble commission covering approximately 51500 DTRs and 12Lacks consumer.
- By 31st March 2017 Energy Audit of all the 33KV feeders (62 nos) and 11KV Feeders (519 nos) will be completed.

4. Segregated accounts:

In terms of Regulation 4.4of OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014, allocation has been done for Wheeling Business and retail Supply Business and accordingly submission has been made before the Hon'ble Commission in the ARR application for the FY 2016-17 and FY 2017-18.



5. Incentive for higher PF

The Hon'ble Commission has already clarified in the RST order of FY 2013-14 that by maintain power factor close to unity the consumer's are able to kept their KVA demand at lower side and have become conscious of keeping their PF high for their own benefit. Hence incentive for maintain higher power factor is not justified.

The applicant has also suggested the adoption of KVAH billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAH billing and power factor penalty in ARR application FY 2017-18 may please be referred for further clarification.

6. Mode of payment of SD

That, in para 249 of RST order dated 21.3.2016 for FY 2016-17, Hon'ble Commission has disposed off the issue with observation that the issue of charging SD in form of Bank Guarantee has been dealt by the Commission in Para 326 of RST order 2010-11. Under para 326, Hon'ble Commission has said that the issue of SD has been dealt with in regulation 19, 20, 21 and other provisions of OERC Distribution code, 2004.

7. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18 have been placed in NESCO utility website www.nescoodisha.com, which may please be referred by the objector for further clarification.



For and on behalf of
NESCO LTD

Bejga Kumar Sahoo.

Authorized Officer

C.C. to Managing Director, M/s IDCOL Ferro Chrome, PO: Ferro Chrome Project, Jajpur Road-755020.

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR

Case No. 66/2016

IN THE MATTER OF: NESCO UTILITY, JANUGANJ, ODISHA.

.....Applicant

AND

IN THE MATTER OF: Prasanna Kumar Mishra

.....Objector

Rejoinder to the objection filed by Prasanna Kumar Mishra against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18

1. Hon'ble Commission has already given direction to the distribution utilities in the Tariff Order for the FY 2016-17 to explore the possibility of printing the electricity bills in Odia language. The utility has already started the necessary ground works and a pilot in this regard will be done very soon.
2. Regarding other points raised, the objector is requested to bring specific cases before the Utility, for their redressal.
3. The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred



For and on behalf of

NESCO Utility

Bijaya Kumar Saha

Authorized Officer

C.C.to: Prasanna Kumar Mishra, s/o-Ainthu Mishra, Tukuna, Keonjhar-758020.

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

IN THE MATTER OF: Prashanta Ku. Das

.....Objector

Rejoinder to the objection filed by Prashanta Ku. Das against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO for the year 2017-18

Power Cut & Low Voltage

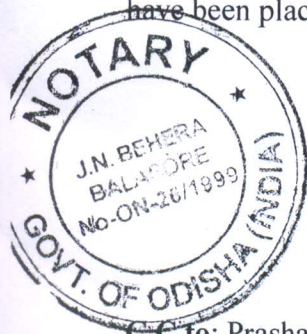
Scheduled power cuts are imposed due to GRID constraints / Maintenance or as per the instruction of SLDC. Quality of power supply has improved substantially. Voltage condition has improved due to SI work, upgradation of Sub-station and replacement of old conductors. System upgradation has also been made due to capacity addition on account of RGGVY, BGJY, CAPEX, ODSSP and other schemes.

Distribution Loss:

The utility is taking all possible measures to reduce the loss. Vigilance activities have been strengthened. Checking squads have been deployed to arrest unauthorized abstraction of energy. All the consumers have been covered under GPRS based photo -billing. The utility has also provided online cash collection counters. To improve the reach to the consumers, the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely.

Details of electrical accidents are furnished in P-2, which may please be referred. The utility is observing all safety precautions to avoid electrical accidents.

The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Wheeling Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred



For and on behalf of
NESCO Utility

Bijaya Kumar Sahoo

Authorized Officer

C.C.to: Prashanta Ku. Das, 204, Sunamani Apartment, Tala Telenga Bazar, Cuttack - 753009.

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
PLOT NO. 4, CHUNUKOLI, SAILASHREE VIHAR, CHANDRASEKHARPUR
BHUBANESWAR

Case No. 66/2016

IN THE MATTER OF: NESCO Utility, Januganj, Odisha.

.....Applicant

AND

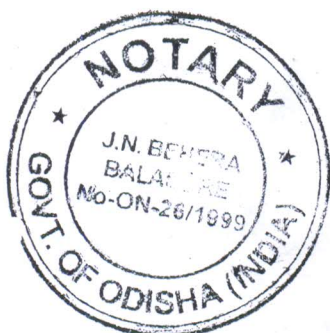
IN THE MATTER OF: Sri Biswa Ranjan Behera, Maguragadia

.....Objector

Rejoinder to the objection filed by Sri Biswo Ranjan Behera, against the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by NESCO Utility for the year 2017-18

That, the submission made by the objector is out of the ARR filing of the NESCO Utility. These matters have been noted and necessary action already initiated as deem fit.

The reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Retail Supply Tariff Application filed by NESCO for the year 2017-18 have been placed in NESCO website www.nescoodisha.com, which may please be referred



For and on behalf of
NESCO Utility

Bijaya Kumar Das

Authorized Officer

C.C.to: Sri Biswo Ranjan Behera, Maguragadia, Bari, Simulia , Balasore