ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNOKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021
****

Present : Shri G. Mohapatra, Officiating Chairperson
Shri S. K. Ray Mohapatra, Member

CASE NOs. 116 of 2023, 119 of 2023, 122 of 2023 &125 of 2023,

DATE OF HEARING :	**05.02.2024 at 11.00 A.M**	**(TPWODL),**
	06.02.2024 at 11.00A.M	**(TPSODL),**
	02.02.2024 at 11.00A.M	**(TPNODL),**
	03.02.2024 at 11.00 A.M	**(TPCODL)**

DATE OF ORDER 13.02.2024

IN THE MATTER OF: Applications of Distribution Companies TPWODL, TPSODL, TPNODL & TPCODL for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff for FY 2024-25 under Sections 62, 64 & 86 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND
CASE NOs. 118 of 2023, 121 of 2023, 124 of 2023 & 127 of 2023

DATE OF HEARING :	05.02.2024 at 11.00 A.M	(TPWODL),
	06.02.2024 at 11.00A.M	(TPSODL),
	02.02.2024 at 11.00A.M	(TPNODL),
	03.02.2024 at 11.00 A.M	(TPCODL)

IN THE MATTER OF: Applications for approval of Open Access Charges for FY 2024-25 in accordance with Paras 22, 23, 24 & 25 of Chapter 5 OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system in view of Section 42 of the Electricity Act, 2003 of DISCOMs namely TPWODL, TPSODL, TPNODL & TPCODL.

AND
CASE NO. 117 of 2023

DATE OF HEARING : 05.02..2024 at 11.00 A.M (TPWODL)

IN THE MATTER OF: **Application for approval of Truing up expenses for the period of FY 2022-23 along with reconsideration/revisit of Truing up for FY2020-21 (3 months) and for FY 2021-22 under Sections 62, 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

AND
<u>CASE NO. 120 of 2023</u>

DATE OF HEARING : 06.02.2024 at 11.00 A.M (TPSODL)

IN THE MATTER OF: **Application for approval of Truing up expenses for the period of FY 2022-23 along with reconsideration/revisit of Truing up for FY2020-21 (3 months) and for FY 2021-22 under Sections 62, 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

AND
<u>CASE NO. 123 of 2023</u>

DATE OF HEARING : 02.02.2024 at 11.00 A.M (TPNODL)

IN THE MATTER OF: **Application for approval of Truing up expenses for the period of FY 2022-23 under Sections 62, 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

AND
<u>CASE NO. 126 of 2023</u>

DATE OF HEARING : 03.02.2024 at 11.00 A.M (TPCODL)

IN THE MATTER OF: **Application for approval of Truing up expenses for the period of FY 2022-23 along with reconsideration/revisit of Truing up for FY2020-21 and for FY 2021-22 under Sections 62, 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

O R D E R

The Distribution Companies in Odisha namely TPNODL, TPWODL, TPCODL and TPSODL are carrying out the business of distribution and retail supply of electricity in their licensed areas as detailed below:

Table – 1

Sl. No.	Name of DISCOMS	Licensed Areas (Districts)	%age area of the State	Nos. of Consumers (As on 31.03.2023)
1.	**TPNODL**	Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.	**18.0**	**2089083**
2.	**TPWODL**	Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda.	**32.3**	**2257722**
3.	**TPCODL**	Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur.	**18.9**	**2927462**
4.	**TPSODL**	Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.	**30.8**	**2027135**
Odisha Total			**100.0**	**9301402**

The Commission had initiated proceedings on the filing of Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2024-25 of these Distribution Companies under relevant provisions of the Electricity Act, 2003. By this common Order, the Commission considers aforesaid Aggregate Revenue Requirement (ARR), Wheeling Tariff and RST applications of the above-mentioned Distribution Utilities and other related tariff matters.

A. PROCEDURAL HISTORY (PARA 2 TO 12)

2. By the Vesting Orders of the Commission in Case No. 09/2021, Case No.82/2020, Case No.11/2020 & Case No.83/2020, the Commission vested the responsibility of erstwhile Distribution Utilities with TPNODL, TPWODL, TPSODL and TPCODL with effect from 01.04.2021, 01.01.2021, 01.01.2021 & 01.06.2020 respectively.

3. As per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 the Distribution Utilities i.e. TPNODL, TPWODL, TPCODL and TPSODL have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff Application (RST) for FY 2024-25 on or before 30th November, 2023.

4. The said Aggregate Revenue Requirement (ARR), Wheeling Tariff & Retail Supply Tariff applications were duly scrutinized and were registered as Case No. 122/2023 (TPNODL), Case No.116/2023 (TPWODL), Case No.125/2023 (TPCODL) and Case No.119/2023 (TPSODL) respectively.

5. As per the direction of the Commission, Applicants have published the Aggregate Revenue Requirement (ARR), Wheeling & RST tariff Applications in the prescribed format in the leading and widely circulated Odia and English newspaper in their area of supply in order to invite objections/suggestions from the general public. The above applications were also posted on the Commission's website (www.orierc.org) including the website of the DISCOMs. The Commission had also directed the applicants to file their respective rejoinder to the objections filed by the all the Objectors. The Commission had also appointed the Consumer Counsels as follows:

Table – 2

Sl. No.	Name of the Organisations/persons with address	Name of the Distribution Utility from where the Consumer Counsel to represent
1	Orissa Consumers' Association, Balasore Chapter, Balasore-756126	TPNODL
2	Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur-678003	TPWODL
3	Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-769012	TPWODL
4	Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9.	TPCODL
5	Grahak Panchayat, Friends Colony, Parlakhemundi, Dist : Gajapati-761200	TPSODL
6	The Secretary, PRAYAS Energy Group, Pune-411004	TPCODL, TPNODL, TPWODL & TPSODL

6. In response to the above public notices, the Commission received objections/ suggestions from the following persons/ associations/ institutions/ organizations as mentioned below against each of the respective distribution companies: -

Objections/suggestions on TPNODL's (Erstwhile NESCO Utility) application by: -
(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No. 302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, 3. Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, 4.) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar-

751029, 5. M/s. Ferro Alloys Corporation Ltd.(FACOR), D P Nagar, Randia, Dist.-Bhadrak-756135, 6. Shaikh Suleman, C/o. Shaikh Mahimud, MIG-29, At-Little Odisha, P.O: Chattabar, P.S.-Chandaka, Near Shivani Engineering College, Chattabar, Khordha-752054,7. Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, 8. M/s. North Odisha Chamber of Commerce and Industry (NOCCI), Ganeswarpur Industrial Estate, Januganj, Balasore-756019, 9. M/s. Visa Steel Ltd., Kalinganagar Industrial Complex, At/P.O: Jakhapura, Dist.-Jajpur-755026, 10. M/s. Jindal Stainless Ltd., Kalinganagar Industrial Complex, Jajpur-755026, 11. Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, 12. M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, 13.M/s. Bharati Airtel Ltd., E-13/1, Infocity, Chandaka Industrial Estate, Chandrasekharpur, Bhubaneswar-751024, 14. Odisha Power Transmission Corporation Ltd., Janpath, Bhubaneswar-751022, 15. M/s. East Cost Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, 16. M/s. Tata Steel Ltd, Kalinganagar Industrial Complex, At/P.O: Duburi, JK Road, Dist.-Jajpur-755026, 17. Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, 18. Odisha Consumers Association, Balasore Chapter, C/O-Shri Nilambar Mishra, At/P.O: Rudhungaon, Simulia, Balasore (Consumer Counsel), 19. Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), 20. The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above-named Objectors had filed their objections/suggestions and out of the above list, the Objectors at Sl. Nos. 11, 12, 17 and 18 and the Consumer Counsels namely Odisha Consumers Association, Balasore Chapter, Balasore were absent during hearing through hybrid mode. All written submissions filed by objectors were taken on record and considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Council- WISE appointed by the OERC and Shri Lalit Kumar Mishra, DGM (Finance), along with Shri B. K. Das, Sr. GM(PP), GRIDCO Ltd. representing M/s. GRIDCO Ltd. during hearing though they did not register their names. However, representatives of GRIDCO have not submitted any written note on their submissions during hearing. All written submissions filed by objectors were taken on record and considered by the Commission.

Objections/suggestions on TPWODL's (Erstwhile WESCO Utility) application by:

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, 3. M/s. D. D. Iron & Steel (P) Limited, H-4/5, Civil Township, Rourkela-769004, Dist.-S undargarh, 4. M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031, 5. M/s. Maa Girija Ispat (P) Ltd., At-BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist.-Sundargarh, 6. M/s. Scan Steels Limited,(Unit-I), At- Rambahal, P.O: Keshramal, Near Rajgangpur, Dist.-Sundargarh-770017,7. M/s. Chunchun Ispat Pvt. Ltd., At-Usra, P.O: Kaurmunda, Dist.-Sundargarh-770039,8. M/s. Bajrang Steel & Alloys Ltd., Plot No.31, Goibhanga, Kalunga, Rourkela, Dist.-Sundragarh-770031,9. M/s. Scan Steels Ltd.(Unit-III),At-Bai-Bai, Tudalaga, Bargaon, Dist.-Sundargarh-770016, 10.M/s. Subha Ispat Ltd., Vill.-Jiabahal, P.O: Kalunga, Dist.-Sundargarh-770031, 11. M/s. Puspanjana Alloys Pvt. Ltd., At- Balanda, P.O: Kalunga, Dist.-Sundargarh-770031,12. M/s. Refulgent Ispat Pvt. Ltd., At-Chikatmati, Plot No.1437, P.O: Belhidi, Sundargarh-770031, 13. M/s. Shri Radha Raman Alloys Pvt. Ltd.,At-T-16, Civil Township, Rourkela, Jharbeda, Kutra, Dist.-Sundargarh-770070, 14. Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, 15. Odisha Power Transmission Corporation Ltd., Janpath, Bhubaneswar-751022, 16. M/s. Vedanta Ltd.,1st Floor, C-2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road,Bhubaneswar-751023,17. Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, 18. Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-755001, 19. M/s. Arun Steel Industries Pvt. Ltd.,At-Plot No.373, Jiabahal Road, Kalunga, Dist.-Sundargarh-770031, 20. M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, 21. M/s. East Cost Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, 22.M/s. Microcosm Reframin Private Ltd., Arya Residency, Flat No.104, Block-C, Sarbahal, P.O/Dist.-Jharsuguda-768201,23. Er.(Dr.) P.K.Pradhan,B-4,Jayadurga Nagar, P.O: Budheswari Colony, Bhubaneswar-751006, 24. M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015,25. Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road,

Berhampur-760010, 26. M/s. B R Steel & Power Pvt. Ltd., At-Patapali/Sikirdi, P.O: Katapalli, Samabalpur-768006,27. Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Dist.-Sambalpur-678003(Consumer Counsel), 28. Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-769012 (Consumer Counsel), 29. Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel) & 30. The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above-named objectors had filed their objections/suggestions and out of the above list, the Objectors at Sl. Nos.14, 19 & 25 and the Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003, Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela- 769012 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were not present during tariff hearing through hybrid mode. All written submissions filed by objectors were taken on record and considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Council- WISE appointed by the OERC and Shri Lalit Kumar Mishra, DGM(Finance), along with Shri B. K. Das, Sr. GM(PP), GRIDCO Ltd. representing M/s. GRIDCO Ltd. during hearing though they did not register their names. However, representatives of GRIDCO have not submitted any written notes on their submissions during hearing. All written submissions filed by objectors were taken on record and considered by the Commission.

Objections/suggestions on TPCODL's (Erstwhile CESU) application by:-

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (3) Shri Prem Kumar, S/O-Shri Bhagaban Ram, Dama Sahi, Ward No.8,Infront of Forest Colony, Main Road, Dist.-Khordha-752055, 4. Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004,5. M/s. OPTCL, Janpath, Bhubaneswar-22, 6. Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, 7.M/s. Jindal Steel & Power Ltd., Chhendipada Road, P.O: Jindal Nagar, Anugul-759111, 8.M/s. Juggernaut Association of Entrepreneurs, Plot No.1294, CRP Square, Nayapalli, Bhubaneswar-751012, 9. M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, 10. Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative

Colony, Rayagada, Dist. Rayagada-765001,11.Shri Jitendra Prasad Das, Flat no.-C3 603, ParkView Apartment, Ghodbunder Road, Anand Nagar, Kasarvadavali, Thane West, Maharashtra-400615,12. M/s. East Cost Railway, Rail sadan, Chandrasekharpur, Bhubaneswar-751017, 13. M/s. New Laxmi Steel & Power Pvt. Ltd.,Sarua Industrial Estate, Khordha-7520551,14. M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, 15. Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, 16. Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), 17. Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009(Consumer Counsel), 18. The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above-named Objectors except Objector at Sl. Nos.12 & 15 and both the Consumer Counsels namely Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were absent during through virtual mode on 03.02.2024 at 11.00 A.M also had not submitted their written note of submissions for consideration of the same by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsel- WISE appointed by the OERC and Shri Lalit Kumar Mishra, DGM(Finance), along with Shri B. K. Das, Sr. GM(PP), GRIDCO Ltd. representing M/s. GRIDCO Ltd. during hearing though they did not register their names. However, representatives of GRIDCO have not submitted any written note on their submissions during hearing. All written submissions filed by objectors were taken on record and considered by the Commission.

Objections/suggestions on TPSODL's (Erstwhile SOUTHCO Utility) application by:

1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, 3. Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, 4. Shri Panchanana Jena, S/O. Late Bairagi Jena,Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, 5. M/s. East Cost Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017,6. Odisha Power Transmission Corporation Ltd., Janpath, Bhubaneswar-751022, 7. Shri Soumya

Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, 8. M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, 9. Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, 10. M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, 11. Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati-761200 (Consumer Counsel), 12. Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), 13. The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above-named objectors had filed their objections/suggestions and out of the above Objectors, the Objector M/s. East Cost Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017 and both the Consumer Counsels were absent during hearing through hybrid mode and also had not submitted their written-note of submissions for consideration by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsel- WISE appointed by the OERC and Shri Lalit Kumar Mishra, DGM(Finance), along with Shri B. K. Das, Sr. GM(PP), GRIDCO Ltd. representing M/s. GRIDCO Ltd. during hearing though they did not register their names. However, representatives of GRIDCO have not submitted any written note on their submissions during hearing. All written submissions filed by objectors were taken on record and considered by the Commission.

7. The dates for hearing were fixed and were duly notified in the leading English and Odia daily newspapers mentioning the date and time of hearing through hybrid mode along-with the names of the objectors. The Commission issued notice to the Govt. of Odisha represented by the Department of Energy to take part in the hearing by participation of their authorized representative in the ensuing tariff proceedings through hybrid mode.

8. In its consultative process, the Commission conducted public hearings in the Hearing Hall of the Commission's Office at Plot No.4, Chunokoli, Sailashree Vihar, Bhubaneswar-751021 through Hybrid Mode (Virtual or by Physical presence) on 02.02.2024 at 11.00 A.M. for TPNODL, on 03.02.2024 at 11.00A.M. for TPCODL, on 05.02.2024 at 11.00 AM. For TPWODL & on 06.02.2024 at 11.00A.M. for TPSODL through hybrid mode. The Commission during hearing heard the Applicants, Consumer Counsel, World Institute of Sustainable Energy, Pune and the persons/institutions/ organizations who had filed their written views and participated in the hearing through

hybrid mode, the Objectors present during hearing and the representative of the DoE, Government of Odisha at length.

9. Distribution Companies of Odisha have filed their Open Access Charges for FY 2024-25 in accordance with Paras 22, 23, 24 & 25 of Chapter 5 OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system read with OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge and Additional Surcharge for FY 2023-24 which were registered as Case Nos. 118 of 2023, 121 of 2023, 124 of 2023 & 127 of 2023 respectively. TPWODL, TPSODL, TPNODL& TPCODL had filed their applications for approval of Truing up expenses for the period of FY 2020-21(3months) and for FY 2021-22 which were registered as Case Nos. 117 of 2023, 120 of 2023, 123 of 2023 & 126 of 2023 respectively were taken up for analogous hearing with their ARR & RST applications for FY 2024-25 in compliance to the directions of the Commission in their Vesting Orders passed in separate Suo Motu proceedings. The Commission had directed the DISCOMs to publish the Public Notice regarding their application in widely circulated Odia and English newspaper inviting views/ suggestion of the public. The Commission had also posted a copy of their applications on its website. Only three persons namely Shri Soumya Ranjan Patnaik, Hon'ble MLA, M/s. BR Steel and Power Ltd. and M/s. Vedanta Ltd. had filed objection / suggestion on the Open Access Charges applications whereas one person namely Shri Soumya Ranjan Patnaik, Hon'ble MLA had filed objection /suggestions to Truing Up applications of DISCOMs.

10. The Commission took up Case Nos. 118 of 2023, 121 of 2023, 124 of 2023 & 127 of 2023 and Case Nos. 117 of 2023, 120 of 2023, 123 of 2023 & 126 of 2023 together with the applications of the Distribution Utilities for determination of ARR, Wheeling Tariff & Retail Supply Tariff for FY 2024-25 for analogues hearing as the matter is inter related to fixation of tariff of the Distribution Companies and posted the matters for hearing through hybrid mode to 02.02.2024 at 11.00 A.M for TPNODL, on 03.02.2024 at 11.00 A.M for TPCODL, on 05.02.2024 at 11.00A.M for TPWODL & on 06.02.2024 at 11.00A.M. for TPSODL with due notice to the applicants and the Objectors.

11. We heard the Applicants, Consumer Counsel, Objectors present in the hearings, along with representative of DoE, GoO on the applications for Aggregate Revenue Requirement, Wheeling Tariff & Retail Supply Tariff for the Financial Year 2024-25, application for Open Access Charges for FY 2024-25 & truing up for FY 2022-23, FY 2020-21(3months) & 2021-22 of the DISCOMs of Odisha on different dates as mentioned above.

12. The Commission convened the State Advisory Committee (SAC) meeting on 07.02.2024 at 11.00 AM through hybrid mode to discuss the Aggregate Revenue Requirement, Wheeling Tariff and Retail Supply Tariff application proposals of the Distribution Utilities for FY 2024-25. The Members of SAC, Special Invitees, the Representative of DoE, Govt. of Odisha actively participated in the discussions and offered their valuable suggestions and views on the matter for consideration of the Commission.

B. ARR & RETAIL SUPPLY TARIFF PROPOSAL FOR THE FY 2024-25 (Para 13 to 22)

13. Energy Sales, Purchase and Distribution Loss

A statement of Energy Purchase, Sale and Overall Distribution Loss from FY 2017-18 to 2024-25, as submitted by DISCOM of Odisha namely TP Central Odisha Distribution Ltd. (TPCODL, erstwhile CESU), TP Western Odisha Distribution Ltd (TPWODL, erstwhile WESCO Utility), TP Southern Odisha Distribution Ltd. (TPSODL, erstwhile SOUTHCO Utility) and TP Northern Odisha Distribution Limited. (TPNODL, erstwhile NESCO Utility) is given below.

Table – 3
Energy Sale, Purchase and Loss (considering railway traction demand)

DISCOMs	Particulars	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Rev-Est)	2024-25 (Est)
TPCODL	Energy Sale (MU)	5781.64	6310.92	6273.19	6202.32	6728	7639.10	8834.71	9944.35
	Energy Purchased (MU)	8467.09	8783.92	8160.1	8370.43	8817	9901.98	11212.99	12305.84
	Overall Distribution Loss %	31.72	28.15	23.124	25.90	23.69	22.85	21.21	19.19
TPNODL	Energy Sale (MU)	4234.96	4530.91	4722.18	3921.63	4346	5410.05	6463.71	7007.108
	Energy Purchased (MU)	5448.99	5575.60	5439.43	4941.19	5327	6473.32	7717.86	8161.085
	Overall Distribution Loss %	22.28	18.74	13.19	20.63	18.40	16.43	16.25	14.14
TPWODL	Energy Sale (MU)	5378	5972	6115	5714	7356	10609.62	10714.5	9614.10
	Energy Purchased (MU)	7248	7590	7524	7625	9313	13002.41	13080.0	11524.0
	Overall Distribution	25.81	21.32	18.73	25.07	21.02	18.4	18.08	16.57

DISCOMs	Particulars	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Rev-Est)	2024-25 (Est)
	Loss %								
TPSODL	Energy Sale (MU)	2334.11	2555.88	2619.97	2768.94	3021	3155.37	3446.00	3708.00
	Energy Purchased (MU)	3468.18	3638.94	3468.62	3599.29	3941	4188.45	4594.67	4917.51
	Overall Distribution Loss %	32.70	29.76	24.47	23.07	23.34	24.67	25.00	24.60

14. **Sales Forecast**

TPCODL has submitted that FY 2020-21 and FY 2021-22 were challenging years on account of COVID-19. However, with COVID-19 situation improving, the power consumption has increased since FY 2022-23 owing to increase in commercial and industrial consumption. The LT sales were significant during Covid period but has not grown much in FY 2022-23. Considering the present trend of growth, LT sales are expected to be quite high in the ensuing year. Accordingly, higher growth is anticipated in all categories of Consumers for the FY 2024-25.

TPNODL has relied on the trend of consumption pattern for last ten years & actual sales data for the first six months of FY 2023-24. Various factors have also been considered for projection of sales for the ensuing year such as actual addition/ reduction of load, present trend of drawl of power through open access, additional drawl on account of special tariff for industries having CGP (CD up to 20MW), revival of closed unit under HT/EHT Category with proposed concessional tariff and post Covid-19 pandemic era.

TPWODL has projected the consumption of different categories of Consumers based on past trends and consumption pattern for first six months of FY 2023-24, actual addition/reduction of loads and other important aspect of market condition. The said licensee has submitted that, it has identified around 2 lakhs ghost Consumers during its data sanitization/ filtration activity resulting in reduced number of Consumers as compared to the previous year.

TPSODL has submitted its sales trend for last two financial years and estimated revised sales for current FY. The sales figures show substantial load growth in LT category for FY 2023-24. But, the HT and EHT sales have fallen in the current FY over last FY 2022-23, even though there has been significant increase in sales for the said categories in FY 2022-23 over FY 2021-22. Accordingly, the licensee-TPSODL has projected the sales for ensuing FY 2024-25, based on past trend of consumption for all categories of Consumers and estimated future load growth.

Table – 4
Proposed Sales Forecast

Licensee	LT Sales for 2024-25 (Estimated)		HT Sales for 2024-25 (Estimated)		EHT Sales for 2024-25 (Estimated)		Total Sales 2024-25 (Estimated in MU)
	(MU)	% Rise over FY23-24	(MU)	% Rise over FY23-24	(MU)	% Rise over FY23-24	
TPCODL	5591.94	12.43%	2287.73	9.83%	2064.68	11.16%	**9944.35**
Remarks	Projected the sales based on previous years growth trend.		Higher HT sales projections due to normalization of Industrial Loads post COVID		Higher EHT sales projections due to normalization of Industrial Loads post COVID.		
TPNODL	2678.78	7.29%	773.05	13.90%	3555.28	6.77%	**7007.11**
Remarks	Domestic category growth is highest in current year and thus expected slight growth in ensuing year. Other LT category growth is expected to be high with further growth due to implementation of KRISHI SUDHAR yojana.		Reallocation of mining, Installation of giant industries and its ancillary industries, upcoming rural water schemes of govt., mega irrigation projects, prawn cultivation & upcoming processing industries and past growth trends indicate substantial growth under HT sales.		With increase in special tariff for industries with CGP, two industries have forgone the scheme and sales has reduced accordingly. Further majority of the industries have CPP. Normal load growth for EHT sales has been considered.		
TPWODL	3544.10	5.74%	2590	5.64%	3480	(-)	**9614.10**
Remarks	With improvement in domestic Consumer metering, increased load in LT irrigation Consumers and load growth under other LT categories as per past trend, the LT sales is expected to increase.		Improvement in steel, cement & aluminium sector and load growth as per past trends with possibility of new industries with concessional tariff, the HT sales has been estimated.		No TPA sales has been considered in projection due to unpredictable behavioural changes in drawl of Vedanta, JSW & RSP, Megalift is billed under HT and industries having CGP or solar plants draw very less compared to their CD, EHT sales is not expected to increase.		
TPSODL	2545	8.13%	436	4.82%	727	4.68%	**3708.00**
Remarks	Based on the past trend, the LT sales is expected to increase.		Past trend of consumption under HT sales indicates increase in sales for ensuing year.		As per the load growth under EHT category over the past years, the sales is expected to increase in the ensuing year.		

15. **System Losses and Collection Efficiency:**

The actual system loss, collection efficiency and the target fixed by OERC in respect of AT&C Loss for the four DISCOMs since FY 2017-18 onwards, along with the losses considered by the DISCOMs for FY 2023-24 and FY 2024-25 in their respective proposals are given hereunder.

Table - 5
System Losses

DISCOMs	Particulars	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Rev.-Est.)	2024-25 (Est)
TPCODL	Dist. Loss (%)	31.72	28.15	23.124	25.90	23.69	22.85	21.21	19.19
	Collection Efficiency (%)	96.6	96.75	90.51	95.09	97.36	102.45	99.00	99.00
	AT&C Loss (%)	34.04	30.49	30.42	29.54	25.70	20.96	22.00	20.00
	OERC Approved (AT&C Loss %)	23.77	23.77	23.77	23.70	23.70	23.70	22.00	20.00

DISCOMs	Particulars	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Rev.-Est.)	2024-25 (Est)
TPNODL	Dist. Loss (%)	22.28	18.74	13.19	20.63	18.40	16.43	16.25	14.14
	Collection Efficiency (%)	93.38	94.10	86.38	94.28	94.20	106.06	99.00	99.00
	AT&C Loss (%)	27.43	23.53	25.01	25.17	23.13	11.36	17.09	15.00
	OERC Approved (AT&C Loss %)	19.17	19.17	19.17	19.17	19.17	19.17	17.09	15.00
TPWODL	Dist. Loss (%)	25.81	21.32	18.73	25.07	21.02	18.40	18.08	16.57
	Collection Efficiency (%)	87.87	86.87	87.91	97.71	92.93	100.14	99.00	99.00
	AT&C Loss (%)	34.80	31.64	28.56	26.78	26.60	18.29	18.90	17.41
	OERC Approved (AT&C Loss %)	20.40	20.40	20.40	20.40	20.40	20.40	18.90	17.40
TPSODL	Dist. Loss (%)	32.70	29.76	24.47	23.07	23.34	24.67	25.00	24.60
	Collection Efficiency (%)	91.44	86.95	84.34	91.00	88.06	102.46	99.00	99.00
	AT&C Loss (%)	38.46	38.93	36.30	29.99	32.49	22.81	25.75	25.35
	OERC Approved (AT&C Loss %)	26.25	26.25	26.25	26.25	25.75	25.75	25.75	25.35

16. **Revenue Gap Proposed by the DISCOMs**

The Revenue Requirement, Expected Revenue at existing tariff and Gap as submitted by the DISCOMs are summarized in the table below**:**

Table - 6

Proposed Revenue Requirement, Expected Revenue and Gap (Rs. In Crs.)

Description	TPCODL		TPNODL		TPWODL		TPSODL		Total	
	Approved FY 2023-24	Proposed FY 2024-25	Approved FY 2023-24	Proposed FY 2024-25	Approved FY 2023-24	Proposed FY 2024-25	Approved FY 2023-24	Proposed FY 2024-25	Approved FY 2023-24	Proposed FY 2024-25
Total Revenue Requirement	5205.50	5952.88	3556.28	4173.25	6192.72	5752.41	1988.22	2302.66	16942.72	18181.20
Recovery of ASL	-	32.89	-	-	-	-	-	-	-	32.89
Expected Revenue at Existing Tariff	5170.68	5814.35	3559.02	4048.92	6251.99	5751.16	1990.77	2077.15	16972.46	17691.58
Surplus / (Gap)	(34.82)	(171.43)	2.74	(124.33)	59.27	(1.26)	2.55	(225.51)	29.74	(522.53)

The Non-Tariff Income has been considered in factoring the Total Revenue Requirement of the DISCOMs in the above table.

17. **Inputs in Revenue Requirement Proposals for FY 2024-25**

a) Power Purchase Expenses

The Licensees have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. They have also projected their SMD for the FY 2024-25 based on load mix, consumption patterns and other economic policies. Petitioner-TPWODL has submitted that the projected SMD for FY 2024-25 is without considering TPA power. The details of power purchase cost and SMD proposed by the licensees are as shown in the Table given below.

Table - 7

Proposed SMD and Power Purchase Cost FY 2024-25

DISCOMs	Estimated Power Purchase in (MU)	Estimated Sales (MU)	Distribution Loss (%)	Current BSP (Paise/Unit)	Estimated Power Purchase Cost (Rs.in Cr.) (Including Transmission and SLDC Charges)	SMD proposed (MVA)
TPCODL	12305.84	9944.35	19.19	305.00	4050.46	2568
TPNODL	8161.085	7007.108	14.14	335.00	2930.99	1400
TPWODL	11524.00	9614.10	16.57	390.00	4770.69	1850
TPSODL	4917.51	3708.00	24.60	210.00	1151.46	862

b) Employees Expenses

TPCODL, TPNODL, TPWODL and TPSODL have projected the employee expenses for FY 2024-25 and revised estimates for FY 2023-24 based on the six months' actual expenses. The projected employee expenses are based on the current employee strength, recruitment plans, retirements and include expenses towards terminal benefits and employee health & wellness programs. Out of these proposed employee expenses, Rs. 246.93 Crs., Rs. 174.44 Crs., Rs. 157.58 Crs. and Rs. 116.65 Crs. respectively are proposed for employee terminal benefit trust requirement for the ensuing year by the all four (4) DISCOMs (TPCODL, TPNODL, TPWODL & TPSODL). TPCODL, TPNODL & TPWODL have also considered the interest cost on such advances in employee proposed for ex-gratia/ performance incentives for its employees. TPNODL has further submitted for adoption of Electric Vehicle Advance Policy and consequential expenses. The Net Employee Expenses after capitalization vis-à-vis current year's projection is summarized in the following table:

Table -8

Proposed Employee Expenses after Capitalization

Employee Expenses after Capitalization	TPCODL	TPNODL	TPWODL	TPSODL
Employee Expenses in 23-24 (Rs. Crs.)	809.10	488.35	560.43	384.80
Employee Expenses in 24-25 (Rs. Crs.)	856.19	532.72	606.50	419.50
% Rise YOY	5.82%	9.08%	8.22%	9.02%

c) Administrative and General Expenses

As per OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022, 7% escalation factor needs to be considered on approved A&G Expenses (excluding additional or special A&G expenses) to arrive at permissible A&G expenses for each year of the control period, i.e. FY 2022-23 to FY 2027-28. But the licensees have submitted that they have considered the said escalation factor on account of inflation over the actual estimated A&G expenditure for the FY 2023-24 and have proposed accordingly for the ensuing year.

The licensees have further submitted that they have implemented many schemes, undertaken various activities, imparted necessary training and engaged agencies to improve the billing efficiency, collection efficiency and AT&C loss reduction. TPCODL has submitted that the estimated expenditure under A&G Expenses for FY 2023-24 has increased from approved Rs. 142 Crs. to Rs. 168 Crs. pertaining to higher MBC contract price, additional expenditures towards AMR and Consumer awareness related activities. TPWODL has proposed for additional A&G expenses for covering expenses towards GIS, SCADA, Communication, OT, Data Charges and IT automation, Meter Replacement (Recurring costs other than meters), Call Centre additional cost, enforcement activities etc. TPWODL has further proposed for re-establishment of Energy Police Station (EPS) considering the fact that their employees are sometimes being manhandled by the public while carrying out their duties and has considered its cost in the said additional A&G expenses. TPCODL has also proposed for additional A&G expenses stating that all the activities planned to be undertaken in the ensuing year such as customer related activities, Demand Side Management initiatives, Statutory and compulsory finance related charges, administrative expenses, advertisements, legal expenses etc. cannot be accomplished with the eligible normative expenditure.

TPSODL has submitted that some of the expenditure under 'Outsourced Manpower' has been categorized under A&G Expenditure for the FY 2023-24 resulting in higher expenditure as compared to its approval.

The approved A&G expenses for the FY 2023-24, revised estimates of A&G expenses for the FY 2023-24, A&G expenses and additional A&G expenses proposed for the FY 2024-25 by all the four licensees are summarized in Table below:

Table - 9

Proposed A&G Expenses (Rs. In Crs.)

Description	TPCODL	TPNODL	TPWODL	TPSODL
A&G expenses approved by OERC for FY 2023-24	142.01	120.13	158.12	112.66
Revised estimated A&G expenses for FY 2023-24	168.12	123.13	191.09	179.54
Estimated Normal A&G expenses for FY 2024-25	179.91	134.40	204.46	191.41
Additional A&G expenses proposed for FY 2024-25	54.00	-	41.40	-
Total A&G expenses proposed in ARR for FY 2024-25	233.91	134.40	245.87	191.41

d) Repair and Maintenance (R&M) Expenses

As per OERC Tariff Regulations, 2022, the R&M expenses are permitted at specified rate (%) of opening Gross Fixed Assets (GFA) owned by the licensee and @3.00% for the assets added under State and Central Government. The Commission may also allow special R&M for undertaking critical activities which are not covered under CAPEX plan.

The licensees have submitted their estimates covering proper maintenance of the entire network (33KV, 11KV and LT lines/cables), power system equipment, protection system and technology equipment/infrastructures. TPNODL, TPSODL and TPWODL have included Annual Maintenance Contracts (AMC) for various maintenance activities in their proposals. TPNODL, TPSODL and TPCODL have submitted that the commission has advised them during Performance Review, to increase the number of shifts in rural areas and NACs. The licensees have therefore proposed for manpower addition and deployment for the said purpose and have provided estimates for the same under this head. TPCODL has proposed for special R&M expenses for the above-mentioned manpower requirement, uniforms for Business Associates, enforcement and de-hooking activities. TPNODL has prayed for inclusion of actual expenses incurred for maintenance of standalone micro grids/ solar installations in its area of operation. TPWODL has submitted that government's Megalift schemes have longer spans of connectivity to the PSSs owing to its distance and its maintenance is difficult with Elephant Corridor. The petitioner-TPWODL further submits that its area of operation basically constitutes hilly terrain and maintenance of these assets cannot be treated under equal footing as that of urban area.

Accordingly, the licensees have projected the R&M expenses for the FY 2024-25 as detailed in the Table below:

Table - 10
Proposed R&M Costs (Rs. In Cr)

R&M Expenses	TPCODL	TPNODL	TPWODL	TPSODL
Opening GFA of DISCOMS own assets in Rs. Cr as on 1st April, 2024	6346.95	3595.02	3906.89	2195.48
% of GFA on DISCOM's own assets approved towards R&M	4.00%	4.50%	4.20%	4.50%
R&M Expenses for DISCOM's own assets	253.88	161.78	164.09	176.30
Opening GFA of assets created through grants in Rs. Cr as on 1st April, 2024	2064.35	3700.04	4359.15	2590.00
% of GFA on assets created through	3%	3%	3%	3%

R&M Expenses	TPCODL	TPNODL	TPWODL	TPSODL
grants, approved towards R&M				
R&M Expenses for assets created through grants	61.93	111.01	130.77	77.70
Total R&M Expenses as per Tariff Regulation, 2022	315.81	272.78	294.86	254.00
Special R&M proposed	42.00	48.66	42.00	-
Total R&M Expenses Proposed for FY 2024-25	**357.82**	**321.45**	**336.86**	**254.00**

e) Provision for Bad and Doubtful Debts

The OERC Tariff Regulations, 2022, allows provision towards Bad and Doubtful Debt at the rate of 1% of the revenue billed for sale of electricity. This 1% revenue is allowed to pass through in the ARR. The provision for the bad and doubtful debts proposed by the licensees are as hereunder:

Table - 11
Proposed Bad and Doubtful Debt (Rs. In Crs.)

DISCOMs	Total revenue billed for the FY 2024-25	1% Provision towards Bad and Doubtful Debt	Proposed Bad Debts for FY 2024-25
TPCODL	5814.35	58.14	58.14
TPNODL	4048.92	40.49	40.49
TPWODL	5751.16	57.51	57.51
TPSODL	2077.15	20.77	20.77

f) Depreciation

As per the OERC Tariff Regulations 2022, the depreciation on the assets transferred through Vesting Order is calculated on the pre-up valued cost of assets at pre 1992 rates on the asset base approved by the Commission. For the new assets created, the depreciation is calculated annually based on the straight line method by all the licensees at the rate defined in the Regulation. Accordingly, the depreciation projected by TPCODL, TPNODL, TPWODL and TPSODL for the ensuing financial year is Rs.137.77 Crs., Rs. 97.29 Crs., Rs. 125.98 Crs. and Rs. 99.03 Crs. respectively. TPCODL has further submitted that depreciation on meters has not been claimed in ARR, since Metering cost is to be recovered through monthly meter rents. The licensee has further deducted the depreciation on assets created against Consumer Contribution and Govt. Grant for claiming the depreciation for ARR.

g) Interest Expenses

TPCODL, TPNODL, TPWODL & TPSODL have submitted the interest expenses for the FY 2024-25 as detailed below:

i) Interest on Capital Loan

As per the Tariff regulation, 2022, the licensees have proposed the interest on loan for Capex works considering 70% debt component for the ensuing FY 2024-25. TPCODL has proposed an amount of Rs. 73.0 Crs. considering 8.5% interest rate. TPSODL has considered rate of interest as 8.25 % and has proposed an amount of Rs. 59.49 Crs. as interest on long term debt. Similarly, TPNODL has estimated the interest rate at 8.5% on long term debt and has proposed an amount of Rs. 61.95 Crs. TPWODL has estimated the interest on long term debt as Rs.45.10 Crs. considering 11.60% rate of interest. TPWODL has further submitted that the repayment of loan has been taken as 30% and has proposed an amount of Rs. 13.53 Crs. as Interest Capitalised, resulting in a net Interest on Capital Income for the ensuing FY 2024-25 as Rs. 31.57 Crs.

ii) Interest on Working Capital

According to the Wheeling and RST Regulations, 2022, the components for interest on Working capital includes O&M expenses for one month, Maintenance Spares @20% of average R&M for one month and one month power purchase cost. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on working capital as Rs. 53.89 Crs., Rs. 51.86 Crs., Rs.67.12 Crs. and Rs.19.98 Crs. respectively for the FY 2024-25. The licensees have considered the rate of interest for working capital as SBI base rate plus 300 basis points and have estimated it as 11.6%, 11.5% by TPCODL & TPNODL and 13.1% by TPWODL and TPSODL. TPWODL has further submitted that, its proposal of Rs. 67.12 Crs. includes Rs. 5.0 Crs. as interest on account of other borrowings. The amount proposed by TPCODL in the submission has been taken into consideration for Commission's perusal and approval.

iii) Interest on Security Deposit (SD)

As per the OERC Tariff Regulation, 2022 and the OERC Distribution (Conditions of Supply) Code, 2019, the licensees are mandated for payment of interest on Consumer security deposit along with various other conditions. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on SD as Rs. 84.84 Crs., Rs. 63.16 Crs., Rs. 85.89 Crs., and Rs. 21.03 Crs. respectively for the FY 2024-25.

Table - 12
Proposed Summary of Interest Expenses (Rs. In Crs.)

DISCOMs	Interest on Capital Loan	Interest on Working Capital	Interest on Security Deposit	Total Interest Expenses
TPCODL	73.01	53.89	84.84	211.74
TPNODL	61.95	51.86	63.17	176.98
TPWODL	31.57	67.12	85.89	184.58
TPSODL	59.49	19.98	21.03	100.50

TPCODL has submitted that it has incurred an expenditure of Rs. 1.92 Crs. towards upfront payment fees, commitment charges, processing charges levied by Banks for Lending as well as Credit Rating charges and annual Surveillance charges etc. which are over and above the interest rate charged by banks in FY 2022-23. Therefore, the petitioner-TPCODL has further proposed an amount of Rs. 1.92 Crs. as Finance Cost for FY 2024-25.

h) Return on Equity and Income Tax

TPCODL has projected the RoE of Rs. 118.93 Crs. and tax on Income of Rs. 40.00 Crs. for the FY 2024-25. Similarly, TPWODL has projected the RoE of Rs.135.42 Crs. and tax on Income of Rs. 45.55 Crs. and TPNODL has projected RoE of Rs.102.54 Crs. and tax on Income of Rs. 34.49 Crs. for the FY 2024-25. TPSODL has projected the RoE of Rs. 90.26 Crs. and Income tax of Rs. 30.36 Crs. for the FY 2023-24.

i) Non-Tariff Income (NTI)

TPCODL, TPNODL, TPWODL and TPSODL have propose non-tariff income for FY 2023-24 to the tune of Rs.114.00 Crs., Rs. 207.34 Crs., Rs. 386.02 Crs. and Rs.54.62 Crs. respectively from the wheeling business and retail supply business which is mainly through receipts of licensee from meter rent, service connection charges, reconnection charges, Over Drawl Payment (ODP), Delayed Payment Surcharge (DPS), rebate on power purchase, interest on Fixed Deposit (FD) etc.

18. **Revenue at Existing Tariff**

The Licensees have estimated the expected revenue from sale of power by considering the sales projected for FY 2024-25 and by applying various components of existing tariffs. The total revenue based on the existing tariffs applicable for the projected sales is estimated at Rs. 5814.35 Crs. by TPCODL, Rs. 4048.92 Crs. by TPNODL, Rs. 5751.16 Crs. by TPWODL and Rs. 2077.00 Crs. by TPSODL.

19. **Additional Serviceable Liability (ASL)**

TPCODL has submitted ASL expenditure estimated to be settled in FY 2024-25 as Rs. 279.79 Crs. and has proposed for ASL recovery of an amount of Rs. 32.89 Crs. in ARR for the ensuing FY 2024-25.

20. **Summary of Aggregate Revenue Requirement and Revenue Gap**

The proposed revenue requirement and expected revenue of DISCOMs at existing tariff and the resulting Gap/Surplus for the FY 2024-25 have been summarized below:

Table – 13
Proposed Revenue Requirement of DISCOMs for the FY2024-25 (Rs In Crs.)

	Particulars	TPCODL	TPNODL	TPWODL	TPSODL	Total
A	Total Power Purchase, Transmission & SLDC Cost	4050.46	2930.99	4770.69	1151.46	12903.6
1	Employee Expenses	856.19	532.72	606.50	419.50	2414.91
2	A&G Expenses	233.91	134.40	245.87	191.40	805.58
3	R&M Expenses	357.82	321.45	336.86	254.00	1270.13
4	Provision for Bad & Doubtful Debt	58.14	40.49	57.51	20.77	176.91
5	Depreciation	137.77	97.29	125.98	99.03	460.07
6	Interest Expenses	213.66	176.98	184.58	100.50	675.72
7	Return on Equity	118.93	102.54	135.42	90.26	447.15
8	Tax on ROE	40.00	34.49	45.55	30.36	150.4
B	Total Distribution Cost	2016.42	1440.36	1738.27	1205.82	6400.87
C	Total Special Appropriation	-	9.24	0.59	-	9.83
D	Total expenditure including special appropriation (B+C)	2016.42	1449.60	1738.87	1205.82	6410.7
E	Less: Miscellaneous Receipt	114.00	207.34	386.02	54.62	761.98
F	Net Distribution Cost (D-E)	1902.42	1242.26	1352.85	1151.20	5648.72
G	Total Revenue Requirement(A+F)	5952.88	4173.25	6123.54	2302.66	18552.32
H	Expected Revenue at Existing Tariff	5814.35	4048.92	5751.16	2077.15	17691.58
I	Less: Surplus carried over from past true ups	-	-	371.12	-	371.12
J	(GAP)/ Surplus (G-H-I)	(138.54)	(124.33)	(1.26)	(225.51)	(489.63)
K	Recovery of ASL	32.89	-	-	-	32.89
L	**Net (GAP)/ Surplus**	(171.43)	(124.33)	(1.26)	(225.51)	(522.53)

21. **Truing Up of expenses for the FY 2020-21, FY 21-22 and FY 2022-23**

TPCODL, TPNODL, TPWODL & TPSODL have submitted their true-up expenses for the different financial years as provided in the table below:

Table – 14
Truing Up Requirement Amount in Crs.

DISCOM	FINANCIAL YEAR	(GAP)/ SURPLUS
TPCODL	FY 2020-21 (10 months)	(43.5)
	FY 2021-22	(70.28)
	FY 2022-23	(154.67)
TPNODL	FY 2022-23	(13.72)
TPWODL	FY 2020-21 (3 Months)	81.90
	FY 2021-22	538.22
	FY 2022-23	602.41
TPSODL	FY 2020-21 (3 Months)	(18.62)
	FY 2021-22	(15.05)
	FY 2022-23	198.00

22. **Tariff Proposals and Rationalization Measures:**

The licensees have proposed some tariff rationalization measures to improve the revenue and recovery of the cost of supply. The brief details of their proposal are as under:

(a) Levy of DPS on Electricity Bills

(TPCODL, TPNODL, TPWODL & TPSODL)

All the four licensees have submitted that rescinding the levy of DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers since dated 01.04.2023, as per Tariff Order for FY 2023-24, has resulted in willful delay in payment of bills by these customers. The DPS was acting as the required deterrent and the Consumers were paying in time. In this regard, they have assured that DPS would be applicable only on the undisputed portion. Hence when the Bill gets revised due to Disputes, the DPS would be once again computed on the Un Disputed amount. Further, in order to address the issue in payment delay by the Consumers due to late bill delivery, the Due Date may be increased from 7 days to 30 days.

(b) Introduction of Pro rata Billing

(TPCODL, TPNODL, TPWODL & TPSODL)

All the four Distribution Licensees have appealed for introduction of pro rata billing. The current regulation states that meter reading shall normally be done on fixed date ±3 working days for monthly billing cycle. Since the State has extreme climatic conditions and is prone to cyclones and Kalbaisakhi, nor wester the billing gets affected. As per Commission's clarification letter dtd: 06.06.2022, pro-rata billing was denied in all cases other than in cases of commencement or termination of supply on a day other than the first day of a month. Considering that billing on fixed date every month (± 3 days) may not be feasible for un-avoidable reasons as explained above, the Petitioners have proposed for permitting pro-rata adjustment of slab limits based on actual days of billing vis-à-vis the standard norm of 30 days (365 Days/ 12) to ensure that the Consumers get the full slab benefits under all actual billing period scenarios.

(c) Additional Rebate of Rs.10/ - p.m. if opted E-Bill

(TPCODL, TPNODL, TPWODL & TPSODL)

The Distribution Licensees have emphasized the shift in lifestyle from conventional ways to digital platform. Even though, information to the extent of billed amount and due date of payment to the Consumer has been mandated to be sent through registered E-mail Id/ Mobile number/Smart meters etc., but serving of bill to the Consumers physically through courier/ special messenger/ spot billing has been strictly mandated. Therefore, all the four DISCOMs have proposed that shifting towards E-Bill is in the interest of the DISCOMs as well as the Consumers. While the Consumer benefits by witnessing the E-Bill through electronic media obviating the need to print and store the bill, the DISCOMs too saves the cost of bill printout. Consumers with smart meters can be served with E-bill without any additional cost. Going forward, all the Consumers will be covered under Smart Meter fold. In order to promote installation of smart meters and reduction in Meter Reading and Bill Distribution Expenses, the licensees propose Rs.10/ p.m. additional rebate over and above all other rebate as the Consumer is otherwise eligible may please be approved where a Consumer desires/opt for E-bill instead of physical bill. With the above initiative, the MRBD cost will be zero where Consumer is having smart meter. TPCODL has further submitted that such facility of E-Bill Discount should be restricted to Non SBM Consumers.

(d) Meter Cost to be recovered in CAPEX instead of through Meter Rent

(TPCODL, TPNODL, TPWODL & TPSODL)

All the four DISCOMs have submitted that at present the cost of meters are recovered through the approved Meter Rents by the Commission. Further, the Meter rents permitted are for a period of 5 years or 8 years for Single Phase Smart Meters and Meter Rents are different for various kind of meter installed. In addition, the Supply Code also permits recovery of rent even after a period of 5 years after the meter is changed due to technological upgradation. It is noticed that such conditions in the

Supply Code as well as the availability of various types of meters leads to difference in interpretation of various clauses of Tariff Order as well as the Supply Code and thus Consumer disputes with regards to recovery of Meter Rent. In view of the above, the Petitioners propose that the expenditure on Meters for Consumers to be a part of the Capital Expenditure Plan which needs to be approved by the Commission. In case the same is approved, the Meter Rent application can be ceased. Further for those meters that are installed, the Capital Expenditure incurred so far on such meters less the amount of rent recovered can be considered as Capital Expenditure of the DISCOM.

(e) Creation of Corpus for Meeting Natural Calamities

(TPCODL, TPNODL & TPSODL)

TPCODL, TPNODL & TPSODL have submitted that the State of Odisha faces a lot of natural calamities like, cyclone, flood, thunderstorm, wind storm etc. while restoration of power supply becomes a challenge and also requires immediate resources like man and material. To face such unforeseen events, DISCOMs creation of adequate resources is not cost effective. Therefore, the said licensees have proposed for creation of certain funds in order to face such distressed situations. The Licensees have submitted for allowing a separate charge of Rs.2.00 per month from all the Consumers through Energy Charges.

(f) Creation of Energy Police station (EPS)

(TPCODL, TPNODL, TPWODL & TPSODL)

The Distribution Licensees have emphasized the necessity of Energy Police Station in their area of operation. They have submitted that at times there is stiff resistance faced by employees at the time of meter replacement and collection of dues and sometimes they are even manhandled. It is therefore imperative that the support from police is available to the DISCOMs. TPNODL has submitted that it has concurrently taken up with the Government of Odisha for implementation of 3 number of such Police Stations and has written to the DGP, Odisha in the past. Alternatively, the Commission may consider approving the cost of additional Police Personnel earmarked and deployed for working exclusively with DISCOM. TPSODL has submitted that the earlier distribution company SOUTHCO had established EPS in all eight Revenue Divisions, but due to financial crunch and non-reporting of deputed police personnel, the system has remained discontinued. TPWODL has also submitted that in its area of operation, there are 10 Nos. of EPS created under State Government initiatives and proposes that with present management and changed scenario, the EPS would be effective and operational. Accordingly, the licensees TPCODL & TPNODL have proposed for setting up of 3 number of EPS each and TPWODL & TPSODL have proposed for setting up of 2 number of EPS each in the initial phase.

(g) Realistic Assessment of Load for unauthorized use

(TPCODL, TPNODL, TPWODL & TPSODL)

OERC Distribution (Condition of Supply) Code, 2019, has specified guidelines for assessment of unauthorized use of electricity in the regulation. The assessment is made on LDF basis. The licensees have submitted that the Load Factors to be considered as specified in the regulation does not provide a realistic assessment of the Energy and therefore the Energy Bill. Therefore, all the four petitioners have submitted for allowing 30% LF for Domestic Consumers (10% at present), 60% for GP (30% at present) and 100% for continuous process industries for assessment purpose.

(h) Billing of Public Lighting (TPCODL & TPNODL)

TPCODL and TPNODL have submitted that there are many public light points where metering arrangement is not possible due to previous practice to generate one electricity bill against multiple connection points/ connected load under different sections and from multiple sources / transformers. Many such connections are there specifically in Gram Panchayat area where dedicated street light phase have not been drawn for separate metering and switching system are done manually. Further, such connections are present in scattered manner. Hence, the said licensees have proposed that in the absence of meters for public lighting, billing should be considered assuming 11 hours burning time taking the average use of summer and winter seasons. Further, there should be a mandate for periodic maintenance of the timer and other switching apparatus by the concerned local authorities in order to avoid the wastage of energy.

(i) Revision of Reconnection Charges

(TPCODL, TPNODL, TPWODL & TPSODL)

At present, the Reconnection Charges are recovered from Consumers for reconnecting their supply after disconnection. The Charges have been fixed way back on 1st April 2012 while the cost of reconnection has increased over the years. Therefore, all the four DISCOMs have requested to increase the Charges as proposed hereafter:

Table – 15

Description	Prior to 1st April 2012	Continuing since 1st April 2012	Proposed Reconnection Charges
LT Single Phase Domestic Consumer	Rs. 75.00	Rs. 150.00	Rs. 300.00
LT Single Phase other Consumer	Rs. 200.00	Rs. 400.00	Rs. 800.00
LT 3 Phase Consumers	Rs. 300.00	Rs. 600.00	Rs. 1200.00
All HT & EHT Consumers	Rs. 1500.00	Rs. 3000.00	Rs. 6000.00

TPWODL has further submitted that the biggest challenge in the field is that, even after disconnection, Consumers are not willing to reconnect power supply formally, but are found to be reconnected again through their own means and ways. This is not only affecting business of the licensee, but at the same time, the risk of fatal accident cannot be ruled out. It is not possible to monitor post disconnection by 24 X 7 with the available resources as well as it is not cost effective. Therefore, the licensee has proposed for a separate penalty clause of payment of fine amounting to 10 times of the reconnection charges and other action as per law, so as to create punitive fear among such segment of Consumers. In addition to above, upon reconnection if the Consumer fails to clear its dues regularly and the licensee is disconnecting the Consumers, in such case the Consumer has to pay 5 times of the reconnection charges for each subsequent reconnection so made.

(j) Extension of Time period for Temporary Connections

(TPCODL & TPNODL)

As per OERC Supply Code 2019, Temporary power connections can be given to meet temporary needs upto a period of 6 months. However, the power requirement for construction purpose is generally greater than 6 months and may span even to years in case of big projects. Therefore, TPCODL has requested to extend the timeline for temporary connection for construction purpose till the activity is completed. TPNODL has proposed to incorporate the clause in SoP Regulation, dated 16.12.2010 which is, “Temporary connection shall be granted for a period of up to 6 months at a time, which can be further extended depending upon the requirement.” in OERC Supply Code.

(k) Charges for Temporary Supply (TPNODL & TPWODL)

As per the Commission's RST order vide para 238, charges for temporary supply have been allowed with payment of 10% higher on Energy Charges as per relevant Consumer category. TPNODL & TPWODL have submitted that, with the above provision, a person or industry which desires to avail construction supply, applicability of charges as respective category has become a challenge. Because unless construction is completed, they may not be covered under appropriate category as per tariff norms. So, the licensees have requested that more clarity may be provided for ease of doing business. Further they have proposed that, during construction, GP tariff may be made applicable for all types of construction irrespective of future tariff category upon completion of construction activity.

(l) Special tariff for Industries for temporary business requirement (TPNODL & TPWODL)

TPNODL & TPWODL have submitted that there are around 21 and 24 industries in their area of operation having their own CGP either of single unit or multiple units of generators which undergo outages during their annual maintenance. Further, some of the other industries need power intermittently to meet seasonal requirements. For such temporary outages of CGP and short-term business need, these industries approach DISCOM for power, for periods ranging from few days to couple of months. They are also not willing to increase their load for such short-term need as reduction of load has certain restriction. In view of the above, TPNODL & TPWODL have proposed to approve/ permit such temporary additional load beyond CD for short period of maximum 3 months with 10% higher charges on both normal Demand and energy component. Such additional consumption will contribute towards revenue enhancement and will help to protect risk of tariff enhancement. The above temporary arrangement shall be accommodated by the licensees well within its approved/ permitted SMD, without additional burden to GRIDCO.

(m) Billing with Defective Meter (TPNODL & TPWODL)

As per existing regulation the licensee is permitted to raise provisional bill for maximum up to three months and during this time the defective meter has to be replaced with new meter. Thereafter, the Licensees- TPWODL and TPNODL have submitted that the provisional bill so raised shall be revised considering actual meter reading for next six consecutive billing cycles. With the above mechanism the licensees are facing difficulties, since sometimes the Consumers are not paying even the actual bill after replacement of defective meter unless the provisional bill is revised while in many other cases, Consumers are desiring to revise the bill considering past actual consumption in corresponding period. In some cases, Consumers are insisting for bill revision considering actual meter reading after one month's consumption. Most of the Consumers are trying to control the consumption and are tempted to use through other means with an intention to reduce the bill compared to their consumption during meter defective period. Further, with upward revision, Consumers are not willing to pay their dues. Therefore, the licensees have proposed the Commission to give direction for revision of the provisional bill in case of defective meter by considering the past corresponding period's actual consumption. Implying, if meter is found defective in Summer, bill shall be revised considering actual consumption of summer only and if it is in winter past winter period actual meter reading may be taken into consideration. However, basing upon actual consumption during the succeeding six-month period, necessary sundry debit shall be made if the actual consumption in succeeding month is less than or more than the past corresponding period's actual consumption. Further, at present the Commission has allowed bill revision of past period till 15th July-23 (as per OTS order), which may kindly be further extended for one more year.

(n) Minimum offtake by the industries having CGP (TPNODL & TPWODL)

Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite, BST is determined by the Commission and at the same time HT & EHT Consumers have to pay the demand charges @ Rs.250 per kVA per month on Demand Recorded or 80% of CD whichever is higher. The existing Demand charges is continuing since long. In the neighboring states the Demand charges is on the installed capacity @ Rs.375 per kVA per month. However, here in Odisha irrespective of installed capacity, Consumer has the choice to keep the Contract Demand. With increased Consumer mix under LT segment as well as increase of O&M cost meeting fixed cost like Staff cost & R&M by Distribution company is becoming sturdier. The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy and use only on occasional requirement mostly during peak period. As a result, GRIDCO is facing difficulty in arranging power for them as they are drawing without prior intimation or scheduling in the imploration of fixed demand charges. With the present Demand charges of Rs.250 per KVA and occasional power drawal scenarios, has major impact on DISCOM. Therefore, the petitioners- TPNODL & TPWODL have proposed that for Industries having CGP, minimum off take should be 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD.

(o) Special tariff for industries those who have closed their units if reopen/ start the industrial units (TPNODL & TPWODL)

TPWODL & TPNODL have submitted that after wide study in their area of operation, they have found that there are number of industries who have closed their units since long due to different reasons, but resources are getting wasted because of non-operation. To start a business creating all the infrastructure is always a challenge however, having infrastructural set up an industry can start with minimum expenditure, more specifically, with the present market condition which is moving at much faster pace. Therefore, the said licensees have proposed for a suitable tariff structure for these closed units, so as to encourage such industries to restart their units thereby generating revenue, employment etc.

- The proposal is for industries those who have closed their units in complete shape prior to take over.
- Industries those who have arrear outstanding even after adjustment of SD have to clear the dues before availing the benefit.
- The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 24-25.
- The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.
- Closed Industry may be permitted at 11kV or 33kV level with minimum CD of 500 kW.
- As this is a special scheme for revival of the closed units it will be for the year 2024-25 only.
- On account of closure of units, no one is benefited, including Government of Odisha with loss of electricity duty @8% on Energy Charges. So, this will offset the incentive so offered to a large extent.

(p) Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA (TPNODL & TPWODL)

TPNODL & TPWODL have submitted that upon announcement of scheme with Special tariff for Existing industries having CGP with CD >20 MW with minimum offtake 80% of existing CD, few of the other industries who have no CGP, started approaching for similar type of scheme for them so that they can utilize their existing installed capacity in full, beyond CD or may add capacity in the existing premises beyond CD if permitted. In line with special tariff for industry having CGP, a special tariff for non CGP industries connected in 33 KV level or above may kindly be considered. The scheme may be as follows:

a) The agreement shall be between the industry & concerned DISCOM.

b) Under 33 KV level the permissible limit of drawl is 15000 KVA, but licensee has the discretion to allow beyond the limit of 15 MVA on special ground considering the adequacy of system availability. If system does not permit, then the opting industry has to augment the system of supply to higher level to avail this benefit.

c) Industry interested for this scheme has to ensure minimum offtake of 85% L.F. of existing CD

d) Load reduction shall not be allowed during the financial year or those who have reduced their load has to restore before availing the scheme.

e) The power so consumed under this agreement may be treated as surplus power of GRIDCO and this quantum shall be over and above the approved quantum in ARR including SMD.

f) Interested industry has to pay a flat rate for the additional energy so consumed beyond 85% of CD.

g) Consumption upto 85% LF shall be billed as per existing RST

h) No demand charges for the additional quantum beyond existing CD.

i) Open access shall not be permitted during this special arrangement.

j) As this is a special agreement adequate Payment security mechanism shall be in place before power transaction as well as there will not be any rebate on additional power. However, DPS shall be applicable if payment is not made within due date.

k) Industry availing this benefit shall not be permitted to avail benefit of another scheme.

(q) Standard Service Connection charges for Three phase LT connections (TPNODL & TPCODL)

TPCODL & TPNODL have submitted that the OERC Supply code, 2019, defines the Standard Service connection charges for single phase connections upto 5 KW while there is no mention of service connection charges for three phase LT connections in the absence of which, an estimate is required to be prepared for each case. Thus, in order to fasten the process and making the system based on auto Demand Note for three phase connections in line with single phase cases, the petitioners- TPCODL & TPNODL have suggested that based on the average length of service cable, a standard cost of service connection charges for three phase connections may be fixed. The proposal as per TPCODL & TPNODL costing on service cable is as follows:

Table – 16

Sl. No.	Contract Demand	Service Connection Charges (excluding GST) in Rs.
1	Upto 10 KW	4500.00
2	11-20 KW	7000.00
3	21-40 KW	10000.00
4	41-50 KW	19500.00
5	51-63 KW (70 KVA)	33000.00
6	>70 kVA	As per load requirement and Estimated thereof.
The Charges are calculated based on average 25 meters service length and use of armoured cable.		

(r) kVAh billing for LT Small and Medium Industry Consumer (TPCODL)

TPCODL has submitted that on verification of kWh and kVAh consumption pattern of LT Small and Medium industry Consumers, it is noticed that the difference in consumption is more than 50%. Total kWh consumption under both the category during the FY22-23 was around 74.24 MU and no. of Consumers was 9405. On introduction of kVAh billing in HT, such type of Consumers in HT are more billed compared to LT even though there is a tariff difference in LT & HT. In order to make parity in the Consumer category and to reduce the loss and encourage the Consumers to install the capacitor bank, the petitioner-TPCODL has proposed for kVAh billing for LT Small and Medium Industry Consumers. Further to compensate, the tariff may be reduced and a suitable tariff may be fixed as compared to HT Consumers or suitable additional rebate may be allowed to such category of Consumers

(s) Relaxation in Documents to providing new Connections (TPCODL)

TPCODL has submitted that for providing electricity connection, documents in support of identity proof and ownership proof, should suffice in releasing new service connection. Currently some additional documents are required, which can be taken care through a standard undertaking/ self-certification as part of application form citing that "all other necessary documents" like internal wiring certificate on safety approved by the authorised representative of Electrical Inspector of licensed electrical contractor, NOC from co-owner, NOC for agriculture, Industrial license etc. are available with Applicant. However, these additional documents should not be a prerequisite for energising the connection. The undertaking will also indemnify the utility for any loss/dispute arises out of it and supply will be liable for disconnection in case of any dishonest declaration.

(t) Agreement for supply (TPCODL)

TPCODL has submitted that currently in all three phase connection categories other than Domestic and GPS, an agreement in the standard format is required to be executed by applicant with DISCOM officials and thereafter supply gets effective. The Petitioner-TPCODL has suggested that there should not be any requirement of agreement for all LT connections and HT connections up to 1 MVA. Their initial application shall be considered as standard agreement.

(u) Combined Application form replacing Form-I & Form-II (TPWODL)

TPWODL has submitted that presently, as per Regulation 3, a Domestic & GP Consumer is opting Form-I for New Service Connection / Load enhancement/ Load reduction/ Reconnection / Change of Name/ Shifting/ Temporary Supply/ Conversion of Service/ Change of Consumer category and Form-II is applicable to other category of Consumers to the extent of New Connection/Load Reduction/Load Enhancement/ Change of Name. With this, Consumers get confused about the Application form they must choose (Form I or Form II). Also, Licensee is also unable to capture the detailed information about the Consumer. Hence, TPWODL has proposed to introduce a single application form, which is beneficial for both the Consumers and the licensee. Even though it requires amendment of Regulations, TPWODL has requested the Commission to give direction with its discretionary power to allow through Practice Direction to adopt a common Application Form till the necessary Regulation is amended.

(v) Processing fee for each service as per Regulation (TPWODL & TPNODL)

TPNODL & TPWODL have submitted that presently, the licensees are directed to serve the Consumers for their different requirement apart from Billing and collection activities. As per existing Regulation, for new connection, the processing fee has been defined as Rs.50/-per application, however, there are no charges for other services like Change of name, Change of category, correction of name, correction of address/Change etc. But the licensees are spending considerable amount for such services. Therefore, the said licensees have proposed the following application processing charges:

- Change of Category - Rs. 100/-
- New Connection / Load Change - Rs. 100/-
- Change/Correction of Name/Address, Ownership change/modification-Rs. 100/-

(w) Creation of Category for Mega lift points under EHT and applicability of Demand Charges (TPWODL & TPNODL)

TPWODL & TPNODL have submitted that the Consumer mega lift with CD of 13500 kVA is availing power supply with 132 kV level. As there is no such tariff category under EHT for such supply, it is billed under HT irrigation as per applicable tariff. As per the Tariff Order dated 23.03.2023, Mega Lift Consumers (using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system are treated as GP Consumers and do not pay any demand charges and get an additional rebate of Rs.2 per unit (kVAh) on the respective Energy Charges. The licensees submit that extending rebate of Rs.2 per unit on Energy Charges may be permitted, but waiver of Demand charges is a discrimination with other Consumers and the licensees are heavily affected. Therefore, the said licensees have requested to kindly create separate category under EHT with demand charges of Rs.250 per kVA and Energy Charges under graded slab method for Mega lift points connected at HT & EHT level.

(x) Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply (TPWODL)

TPWODL has submitted that, presently a few of the Consumers are covered under LT & HT for Tariff purposes considering their Supply Voltage and such categorizations create many confusions and disparity even though as per existing RST, irrespective of voltage of Supply, considering type of metering (LT or HT) tariff is applicable, in practical implementation and acceptability to Consumers, it is becoming more cumbersome and confusing. Therefore, to avoid all sorts of confusion the licensee has proposed that, basing upon the Consumers' Contract Demand/ connected load and metering type, (LT or HT), tariff may be fixed instead of voltage of supply. This would further benefit as follows:

- Transformer loss can be recovered for all Consumers if the meter side is HT and HT tariff for load >=70 kVA.
- LT Consumers (Load < 70 kVA) to be billed as per slab rate and transformer loss will not be levied.
- There may be uniformity in tariff category and Metering side.

(y) Approval of Interest for purchase of EVs (TPCODL)

TPCODL has submitted that the employees' wellbeing related policies and procedures, as and when framed/adopted by GRIDCO/ Odisha Power Transmission Corporation Limited (OPTCL) for their employees, were subsequently adopted by erstwhile CESU and other DISCOMs. Recently, vide its Circular No.AW/E&M-EV-1/2023(PT)/3358 dated 3rd March 2023, OPTCL announced its Electric Vehicle Advance Policy (EVAP) for its employees which is in line with the guidelines issued by the Finance Department, Government of Odisha (GoO) vide Memorandum No. 8524/F dated 05th April 2022. Therefore, the licensee has requested the Commission to approve the implementation of EVAP for erstwhile Utility employees in line with the OPTCL with actual expenditure on account of interest on such interest free advances to employees being a pass through for the DISCOMs based on their actual expenditure

(z) Continuation of existing Consumer Benefit Schemes

(TPWODL & TPNODL)

TPNODL & TPWODL have proposed for continuation of following Consumer Benefit Schemes:

- Digital rebate of 4% for LT single phase Domestic (including Kutirjyoti) and LT single phase GP Consumers.

  TPWODL & TPNODL have proposed for extending the same benefit to LT Single-phase irrigation Consumers.

- Discount of 10 paise to Domestic Rural Consumers if consumed on actual meter reading.
- Levy of CSS and Wheeling charges on RE power availed through open access form other source (other than Odisha).
- Special tariff to steel industries connected at 33 kV level, without having CGP.
- Special tariff for Existing industries having CGP with CD >20 MW with minimum offtake 80% of existing CD with TPA among GRIDCO, DISCOM & Consumer.
- Continuation of Green Tariff Premium (GTP) mechanism.

For the said scheme, TPNODL has submitted that with reduction in price of RE power in the market, RE certification charges are also reduced. Previously, industries were avoiding RE certificate and opting GTP mechanism from DISCOM, because it was competitive. Therefore, the licensee has proposed that the GTP may be fixed at 20 paise for the ensuing year, which would be win-win for all the stake-holders.

- Continuity of Special tariff for industries having CGP with CD upto 20 MW but have requested for consideration of the following submissions:

TPWODL and TPNODL have submitted that as per the RST Order dated 23.03.2023, Commission has made certain departure and directed for prior permission from GRIDCO. As the scheme is purely within the approved SMD of DISCOM, prior permission on monthly basis is not gaining acceptability to the Consumers. So, they find difficulty in planning their business as well as the operation of their own power plant. Therefore, for sustainability of the scheme, the TPWODL has requested that the scheme may kindly be approved for ensuing year without prior permission from GRIDCO, while TPNODL has proposed for one time approval from GRIDCO before facilitating the provision to any particular Consumer. TPWODL has submitted that, in addition to this, an industry availing this benefit shall not be permitted to avail the benefit of another scheme. TPNODL has further submitted that for the FY 2023-24, the applicable charges have been increased to Rs.5.00 paise per kVAh from earlier Rs. 4.30 paise per kVAh. Due to substantial rise in charges, out of 4 number of Consumers availing power supply under special tariff in FY 2022-23, only two Consumers are availing the benefit in FY 2023-24, resulting in lower actual drawl of 165.18 MU in 2023-24 against projected drawl of 641.29 MU in the ARR for the FY 2023-24. Therefore, TPNODL has requested that the scheme may kindly be approved for ensuing year with reduced rate of Rs 4.30per kVAh as was approved in RST Order for FY 2022-23.

Accordingly, the licensees have requested the Commission for necessary directions in the Tariff Order for the ensuing FY 2024-25.

23. **OBJECTIONS AND QUERIES RAISED DURING THE HEARING & THEIR REJOINDERS BY THE PETITIONERS (Para 23 to 79)**

Public hearing on ARR and Tariff Applications of all the four DISCOMs for the FY 2024-25 was initiated with PowerPoint Presentation by DISCOMs. This was followed by the presentation of the Consumer Counsel appointed by the Commission, i.e. World Institute of Sustainable Energy (WISE), Pune. The Consumer Counsel presented the summary of the submissions made by the licensees and their analysis & observation on the ARR.

Consumer Associations, stakeholders and individuals had raised various issues with their views / suggestions on the proposal made by the DISCOMs in their written submissions. The Commission has considered all the issues raised by the participants in their written as well as oral submissions made during the public hearing. The views/ suggestions of Objector and Rejoinders submitted by the Licensees addressing the Objections & queries of the Objectors are summarized in following paragraphs.

24. **Cash flow Statement (reconciled)**

Views/ Suggestions of Objector(s)

The prudent checking of Tariff documents by the Regulator is completed only after reconciliation of Cash Flow Statements (CFS) filed by the Licensees & GENCOs. The CFS should be reconciled and duly audited by the Auditor. Further, Cash Flow statement does not show any short-term loan floated by Licensee during FY 22. Therefore, interest on working capital may be set aside.

Rejoinder of the Licensee

TPCODL has submitted that the ARR for any DISCOM or any utility has to be prepared on the basis of the Tariff Regulations. The Tariff Regulations do not specify as such any requirement of claiming of expenditure on Cash Flow basis.

TPNODL has submitted that it abides by the Regulations and Vesting Order of the Commission. Regulation 3.10 of the New Tariff Regulations, 2022 provides for interest on the estimated level of working capital for the Wheeling and Retail supply business for the Financial Year to the DISCOM. Furthermore, the variation between the normative interest on working capital is recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee, substantiated by documentary evidence, shall be considered.

TPNODL submitted that it is maintaining its accounting as per the Companies Act, 2013 guided by Regulation 1.2.1 (30) of the New Tariff Regulations, 2022.

25. **Section 61(D) and Section 64(2) of the Act**

Views/ Suggestions of Objector(s)

The issue is relating to non-refund of excess tariff billed/collected by DISCOMs to the Consumers along with interest. Average billing rate for various Consumer categories determined so far should be factored further to determine the RST per kWh. However, the Average Tariff approved for Odisha has neither considered nor factored for determination of the RST per kWh.

Rejoinder of the Licensee

TPNODL has submitted that the licensee is recovering the tariff from different group of Consumers as per the rate specified by the OERC in the ANNEXURE-B of DISCOM RST Order, FY 2023-24. The licensee has charged the electricity bills strictly adhering to the tariff order approved by the Commission. There is no provision of excess billing in a regulated business-like distribution of electricity to Consumers.

26. **Excess tariff collected by DISCOMs over approved average tariff**

Views/ Suggestions of Objector(s)

DISCOMs have billed/collected more tariff @Rs.1.27 per unit for a sum of Rs. 2727 Crs. over & above the approved average tariff from the Consumers during the three years period from FY 2021 to FY 2023. Coincidentally, the PFC Report for FY 2022 agrees with the above observation which states that the Average Tariff per KWh billed/collected from Consumers of Odisha for FY 2022 is Rs 6.35 whereas the Average Cost of Supply (ACoS) per KWh stands at Rs. 4.61 per unit and thereby the revenue surplus (excess tariff collected) of Odisha DISCOMs is arrived at Rs. 1.74 per kWh. The above-mentioned excess tariff collected is required to refund with interest to the Consumers. As per said PFC report, the surplus revenue of Odisha DISCOMs (difference between Revenue and Cost) stands at Rs.1.74 per Unit in comparison to national average of 99 paisa per Unit.

Rejoinder of the Licensee

TPWODL has submitted that in line with Clause 8.3(2) of the Tariff Policy 2016, the average tariff is well within (+/- 20%) of ACoS.

TPCODL has submitted that while computing the ACS - ARR Gap/Surplus, the Objector has referred to Annexure-1.1 (b) which gives ARR on energy sold basis and Annexure-1.2 (a) which gives ACS on Energy Input basis. The CEA guideline No-CEA/DPD/AT&C losses/2017/1169-1291 dated 02.08.2017 stipulates computation of ACS – ARR gap on energy input basis. For the purpose of computation of ACS-ARR Gap, Annexure-1.1 (a) and Annexure-1.2 (a) of the PFC Report is provided below.

Average Revenue Realized (ARR) from Annexure-1.1 (a) of PFC Report & ACS-ARR Gap

Revenue Structure (ARR) -Gross Input Basis (FY 2021-22) in Rs/kwh (Annexure-1.1 (a) , page -7,8 of the PFC Report for FY 2021-22)

Sr No	Particular	Gross input Energy (MU)	Revenue from Operations	Tariff Subsidy	Regulatory Income	Revenue Grant under UDAY for loan takeover	Other Income and Revenue Grants	ARR on Tariff Subsidy Billed basis	Tariff Subsidy Received	ARR on Tariff Subsidy Received (excluding Regulatory Income and Revenue Grant under UDAY for loan takeover)	ARR-ACS (Revenue Surplus /(Gap)
		A	B	C	D	E	F	G	H	I	J =I-Q
1	State Sector	12,37,284	4.35	1.14	-0.02	0.04	0.51	6.01	1.24	6.11	-0.18
2	Private Sector	88,678	6.04	0.37	0.14	-	0.14	6.68	0.36	6.54	0.32
3	Grand Total	13,25,962	4.47	1.08	-0.01	0.03	0.49	6.06	1.19	6.14	-0.15
4	Odisha	27,396	4.87	-	-0.26	-	0.11	4.73	0.00	4.99	0.38
5	Difference (4-3)										0.53

Average Cost of Supply (ACS) from Annexure-1.2 (a) of PFC Report

Cost Structure (ACS) -Gross Input Basis (FY 2021-22) in Rs/kwh-Annexure 1.2 (a), Page 25,26

Sr No	Particular	Gross Input Energy (MU)	Cost of Power (incl. own generation)	Employee Cost	Interest Cost	Depreciation	Other Costs	ACS on Energy Input basis
		K	L	M	N	O	P	Q
1	State Sector	1237284	4.79	0.51	0.45	0.25	0.3	6.29
2	Private Sector	88678	4.49	0.59	0.38	0.27	0.5	6.22
3	Grand Total	1325962	4.77	0.51	0.45	0.25	0.31	6.29
4	Odisha	27396	3.21	0.74	0.07	0.12	0.47	4.61
5	Difference (4-3)							-1.68

As can be observed, when calculated at energy input basis, the surplus revenue for Odisha stands at Rs. 0.38 per unit against Rs. 1.74 per unit as computed by the Objector. The issue of surplus /shortfall in revenue collection will be accounted for during the Truing up process by the Commission.

TPCODL has further submitted that the National Tariff being lower than Odisha is attributable to the tariff subsidy provided by State Sectors (Rs. 1.37 p/u for State sector and Rs. 1.31 p/u at National Level).

27. **Uncompetitive Odisha RST and hence dismal FDI in Odisha**

Views/ Suggestions of Objector(s)

The tariff in the **State** is uncompetitive as Odisha Consumers are paying excess tariff of 79 paise per unit than national average (as computed by the Respondent from the PFC report) resulting in dismal FDI in the State. The Objector has also referred to the reply to a Lok Sabha Starred Question No-258 for FDI details and has observed that Maharashtra, Karnataka and Gujrat are the top three recipients of FDI.

Rejoinder of the Licensee

With regards to the observation of FDI in the state, TPCODL has submitted that FDI depends on many factors, electricity tariff being one of the factors i.e. electricity tariff may not be the only parameter for FDI investment in a State. In this regard, TPCODL has compared the tariff of Odisha with the top three FDI recipient State. TPCODL has further submitted that on the basis of energy input & energy sold, Odisha Tariff is lower than the three States mentioned by the Objector. Considering 'Revenue from Sale of Power' Odisha's DISCOM revenue is lower than the State of Maharashtra.

28. **Truing up exercises of Tariff Orders**

Views/ Suggestions of Objector(s)

The Licensees and GENCOs have not filed previous ARR Petition by carrying out truing up exercises for previous year's tariff. The Truing up & performance review exercises cannot be filed separately bypassing the ARR & Tariff Petition.

Rejoinder of the Licensee

TPNODL has submitted that the Licensee had relied on the existing regulation along with OERC (Conduct of Business) Regulation 2004 and in conformity with Section 62 of Electricity Act 2003 and had filed the Petition for Revised Truing Up of FY 2020-21

(3 months), Truing up of FY 2021-22 along with original ARR for FY 2023-24 on 30.11.2022 before the Commission. In the meantime, the Commission, vide its letter No. OERC/RA/TPCODL-33/2020/1380 dated 30.11.2022, had directed the DISCOMs to file the revised ARR for FY 2023-24 within 15 days from the date of the Gazette Notification of the New Tariff Regulations. Accordingly, the licensee in accordance with the new Tariff Regulations, 2022 had only filed the revised ARR for FY 2023-24.

29. **Mismatch between data submitted by DISCOMs, GRIDCO and SLDC**

Views/ Suggestions of Objector(s)

There lies discrepancies and differences in the SMD submitted by the DISCOMs and SLDC data as available in their daily status report. Further the energy input figures submitted by GRIDCO is also less compared to the total energy input submitted by the DISCOMs for the first six months of FY 2024. Thus, these data need reconciliation. Such mismatch in energy input and SMD by the Seller (GRIDCO), the Purchaser (DISCOMs) and the Record Keeper (SLDC), would lead to wrong projections and approval for FY 2025.

Rejoinder of the Licensee

TPSODL has submitted that the SMD of SLDC includes Open Access drawl by different industries which do not find a place either in GRIDCO's or DISCOMs SMD. TPWODL has submitted that GRIDCO in its BSP bills computes Input energy considering TPA power up to 80% CD, however, the Distribution Licensee considers the total TPA power including up to 80% CD and > 80% CD for computation of Input Energy. TPWODL has further replied that the Objector may not be aware of the various special agreements made by the Consumers with the Licensee, which have been approved by the Commission. Accordingly, the Licensee projects the total energy input considering all the special agreements which may seem different. However, the same is reconciled with GRIDCO during due course of time.

30. **Power Interruption during peak**

Views/ Suggestions of Objector(s)

Several unscheduled and forced outages of 132 KV & 33 KV lines were taken up by SLDC & DISCOMs during last peak summer days. This resulted in trading failure of GRIDCO. This may be alarming during upcoming summer days. Therefore, it is necessary to approve the normative SMD inclusive of growth plus additional 500 MW for the ensuing Peak summer so as to overcome the unscheduled and forced outages of 132 KV & 33 KV Lines in order to supply 24x7 hours reliable electricity to the Consumers of Odisha.

Rejoinder of the Licensee

TPWODL, TPNODL and TPSODL have submitted that through continuous patrolling, network augmentation, periodic maintenance etc., the number of tripping has been gradually reducing. Information regarding the outages in their area is passed on to Consumers before 48 hrs. Every major breakdown and planned outages are informed to centralized Call Centre and Consumers benefit through it.

31. **Misappropriation of Govt. Grant investment.**

Views/ Suggestions of Objector(s)

The Objectors has referred about misappropriation of Rs. 20,000 Crs. Govt Grant investment done during last decade.

Rejoinder of the Licensee

TPWODL has submitted that as per segregation Order dated 25.11.2021, unspent grant of Rs. 136.06 Cr. as on 31.12.2020 was transferred to the licensee. TPNODL, TPSODL and TPWODL has mentioned that it is required to maintain the (grant) bank balance in separate bank accounts and this amount is to be used for which the grant is received. As per terms of Vesting Order & Segregation Order, Licensees are mandated to comply with the directions. Accordingly, a third party audit is being conducted and the report is submitted before the Commission periodically.

32. **Incomplete ARR fillings of DISCOMs and Website issue.**

Views/ Suggestions of Objector(s)

Incomplete ARR filings are being registered by the Commission. The websites operated by the DISCOMs are not user friendly.

Rejoinder of the Licensee

Under the provisions of the New Wheeling & Retail Supply Tariff Regulations, 2022 of OERC, the Licensee shall furnish such information as and when required by the Commission to get access to such calculations for determining the tariff. TPNODL has submitted that it abides by the directions of the Commission in true letter and spirit. As part of compliance to the Commission’s directives, the details of the ARR are uploaded in their website. However, respecting the views of the Objectors, TPNODL would try to simplify the same for better accessibility by its Consumers.

33. **Capital Expenditure**

Views/ Suggestions of Objector(s)

The Objector has asked for the division-wise report on construction, maintenance & renovation of Lines & Sub-Station expenditure incurred for F.Y 2021-22, 2022-23, and 2023-24 under the CAPEX Scheme. The Objector requested the Commission for prudent check of the CAPEX plan, ongoing work, completed work and interest on capex through third party audit.

Rejoinder of the Licensee

TPWODL has mentioned that information on CAPEX is submitted before the Commission on quarterly basis for better monitoring. Upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a great extent. TPWODL has submitted the financial year wise and head wise expenditure incurred.

TPCODL has submitted the Division wise and year wise detailed report of works completed under capital investment for FY 2020-21, 2021-22 and 2022-23 along with Supplementary Capex for FY 2022-23.

TPNODL has submitted that the AT&C loss has been reduced from 25.17% in FY 21 to 15.68% as on September,2023 and the power supply hours is 23 Hrs. in average as on September, 2023. The corresponding extra billing and collection are the derived impact of the capital investments done so far. It has submitted the details of year-wise CAPEX approved, Amount Capitalised and Work-In-Progress.

TPSODL has submitted that an amount of Rs. 187.54 Crs. and Rs. 463.84 Crs. has been spent towards construction, maintenance & renovation of Lines & Sub-Stations for FY 2021-22 and FY 2022-23 respectively.

34. **Substations created under ODSSP Scheme**

Views/ Suggestions of Objector(s)

The Objector has asked the details of 33/11 kV Sub-Station under ODSSP scheme, average demand of the areas and steps taken by the licensee based on the average demand and AT&C loss.

Rejoinder of the Licensee

TPWODL has submitted that under ODSSP scheme, WESCO Utility was allotted 142 number of 33/11 kV Sub-Stations. New 33/11 kV Sub-Stations are constructed and connected to existing 11 kV lines in order to reduce line length and losses therein. TPWODL Network Engineering Team has conducted Load flow study of Distribution network. Based on it, TPWODL has proposed the list of PSS including ODSSP PSS where Augmentation / Swapping of Transformation capacity is required. The Licensee has submitted Substation wise & existing overhead lines (11 kV & 33 kV) wise detailed augmentation plan along with justification in the CAPEX DPR Voll-II for FY 25 & 26 itself. Further, while doing load flow study, the Licensee has identified the requirement of new PSS for load management, new load addition, low voltage mitigation. Out of 50 Nos. of identified PSS, 37 Nos. PSS are under execution in ODSSP, 5 Nos. PSS are already approved by OERC in previous CAPEX in which work is under progress.

TPCODL has submitted that total 134 Nos. of new 33/11kV PSS with associated 33kV and 11kV linking lines proposed in different ODSSP schemes under Ph-I, II& III. However, 131 Nos. PSS have been charged and 126 Nos. have been handed over to TPCODL. All these 134 number PSS proposals were planned during erstwhile CESU period, however TPCODL is working towards optimizing these as per plan, for reliable and quality power supply to Consumers. Considering present and forecast load with load growth, TPCODL has planned various schemes for utilization of these PSS.

TPNODL has submitted that 94 Nos. of 33/11 kV PSS have been charged under ODSSP Scheme. All the PSS are under loaded except 2 Nos. of PSS. They are exploring the feasibility for optimal loading of Sub-Stations by necessary load shifting via new 11 kV link lines.

TPSODL has submitted that under various schemes of GoO like ODSSP, asset addition is being taken up to improve the voltage profile which is in addition to new GRID Sub-Stations being established at OPTCL level.

35. **AT&C loss and HT loss**

Views/ Suggestions of Objector(s)

The Objector has suggested that AT&C loss and T&D loss projection should be based on audited values. Since all the feeders and substations are not completely metered, these figures may not be correct. Despite reduction in EHT and LT losses, HT loss is still approved at 8% and passed on to the Consumers. The Objector proposed for reduction in HT losses to 4%.

Rejoinder of the Licensee

The licensees have submitted that as per Vesting Order and new Wheeling & Retail Supply Tariff Regulation, 2022 of OERC, the Commission has already approved normative AT& C loss trajectory for Tariff Determination. Hence, the tariff of the Consumers is not impacted by the actual distribution loss of the licensee.

TPWODL has submitted that it has undertaken various initiatives for AT&C loss reduction. Such initiatives include installation of Smart Meters for all 3 Phase Consumers and 1 Phase Consumers with high consumption, replacement of defective meters with new meters by March, 2024, Installation of 1 Phase bluetooth enabled meters for billing, strengthening of Energy Audit for all 33kV, 11kV & DTR up to 250kVA, identification of loss pocket and action for loss reduction.

TPCODL has submitted that the loss figures presented for the previous years of operation are based on Audited figures for the Distribution Licensee as a whole.

TPSODL has submitted that it is committed to provide quality power supply and better Consumer services in its area of operation. It has taken many steps for improvement of supply voltage through various initiatives like augmentation of conductors, installation of new S/S, up gradation of existing S/S and Power Transformers. TPSODL has also added additional transformers into the existing system to cater the needs of the Consumers and to overcome the low voltage pockets.

TPNODL has submitted that the Commission in its Tariff Order has approved the HT loss to the tune of 8% which is justified in the current situation.

36. **High Employee Cost**

Views/ Suggestions of Objector(s)

Some of the Objectors have pointed out the hike in expenditure w.r.t. Employees Cost, Repair & Maintenance Cost and A&G expenditure. One of the Objectors has requested the licensee to submit the outsourcing manpower deployed for various purposes. The manpower cost and the total manpower deployed needs to be assessed by considering the regular and outsource manpower. The 1999 benchmark includes the manpower like Drivers, billing and meter Readers, Office Assistants etc. which are at present outsourced. Lot of field activities are also outsourced and the regular employees of the licensees are doing supervisory work. Further, the recruitment and deputation of employees have increased. One of the Objector has submitted that TPWODL should consider paying the premium of the Group Health Insurance of existing pensioners.

Rejoinder of the Licensee

TPWODL has submitted that Erstwhile WESCO had on its rolls 2,388 number of regular employees. The present employee strength with respect to Consumer strength (ratio of employee per 1000 Consumers) is well within the limit specified by the Commission i.e. 1.40. TPWODL has further submitted that there are around 500 legacy outsourced manpower who were transferred from the erstwhile company. With a continuously increasing Consumer base and to maintain the employee to Consumer ratio, the recruitment plan of 330 number of employees is justified. TPWODL has appointed various agencies which employ outsourced manpower for the Licensee's works. During WESCO tenure, maintenance of line, Grid and Sub-Stations were carried out through short term outsourcing of manpower only on breakdown occurrence. TPWODL has outsourced the overall maintenance job (preventive maintenance, breakdown maintenance, attending no current complaints) of both 33kV & 11 kV network assets to ensure 24 X 7 uninterrupted quality power to all its Consumers.

TPCODL has submitted that bulk of the proposed cost is towards Employee Costs of inherited employees who are governed by the OSEB Structure and it cannot be altered. All fresh recruitments are being done taking into account resource & skill gaps and with due approval of the Commission. There has been substantial number of retirements of Linemen in TPCODL which is around 600. This needs to be replenished as it severely affects the field works. TPCODL has proposed recruitment of 150 Lineman in FY 2024-25. Increase by 6 % in Total Employee Cost is very much reasonable and not very high as observed by the Objector. The O&M expenditure incurred has resulted in reduction of AT&C loss and Distribution Transformers (DTs) failures.

TPNODL has submitted that in order to achieve the stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning. The applicant has made a comprehensive recruitment plan and has done recruitments at strategic locations after due approval of the Commission. The employee cost over the years should have been seen along with the inflation over the years. Further, the audited accounts are submitted before the Commission during Truing up exercise.

TPSODL has submitted that the employee expenditure includes employees cost of the existing manpower, newly recruited manpower, outsourced manpower engaged in O&M activities, terminal benefits and arrear pay and other staff welfare expenses. Further reference may be made to forms submitted F-12 (A-B-C-D-E) along with the application.

TPWODL has further submitted that the Objector welcomed the payment of premium for group health insurance of existing employees and suggested to do the same for the pensioners. Therefore, TPWODL has requested the Commission to realize that through ARR, so the expense towards wellness may be approved.

37. **Expenditures projected by DISCOMs**

Views/ Suggestions of Objector(s)

Some of the Objectors have submitted that the projection under the employee expenses/ A&G expenses/ R&M expenses for FY 2024-25 seems to be unrealistic. Strict third party audit of technical and financial parameters needs to be conducted to know the prudent level of expenses.

Rejoinder of the Licensee

TPWODL has submitted that during pre-vesting period, the erstwhile utility was unable to spend towards A&G where escrow mechanism acted as a hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting, the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities etc. were carried out. Hence, the corresponding A&G is more compared to pre-vesting period.

TPCODL has submitted that any expenditure allowed by the Commission on True-Up of expenditure is based on extensive prudence check and expenditure appearing in the DISCOM's Audited Accounts. The detailed explanation for increase in A&G cost has already been provided in the ARR petition.

TPNODL has submitted that it has prepared the ARR as per the norms and terms of the Wheeling and Retail Supply Tariff Regulation of OERC. The justification behind the projected cost has been mentioned in the ARR application against the respective expenditures.

TPSODL has submitted that the norms for A&G expenditure approval is inadequate as the base (previous year's allowed expenditure), is insufficient considering the actual requirements.

38. **Repair and Maintenance (R&M) expenses**

Views/ Suggestions of Objector(s)

The Distribution Licensees have been asked to furnish the detailed break-up of gross fixed assets and the detailed lists of State and Central Scheme assets taken over by the DISCOMs. Proper audited balance sheets are required for truing up of R&M expenses.

Rejoinder of the Licensee

The Distribution Licensees have submitted that they have proposed the R& M expenses based on the norms stipulated by the Commission in the Wheeling & Retail Supply Tariff Regulations, 2022 of OERC. The detailed justification has already been provided by the Licensees in ARR Applications for FY 2024-25.

They have further submitted that the Licensee is responsible to maintain all the assets without any discrimination which includes Government funded assets also. Therefore, they have proposed the expenses as per the eligible Regulation.

39. **Depreciation Cost**

Views/ Suggestions of Objector(s)

The Depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

Rejoinder of the Licensee

The licensees have pointed out that they have already provided detailed justification regarding the depreciation cost in its Applications. They have further submitted that depreciation is calculated as per the prescribed norms of the Commission under Regulation 3.8 of Wheeling & Retail Supply Tariff Regulations, 2022 of OERC.

40. **Wasteful Expenditure under R&M and A&G**

Views/ Suggestions of Objector(s)

The waste full expenditures in R&M and A&G needs to be curtailed by the Licensees, so that the burden to the poor Consumers of Odisha may avoided.

Rejoinder of the Licensee

TPCODL has submitted that the DISCOMs are only two to three years old. The O&M Expenditure would depend on the level of activities in the areas of Repairs, Maintenance, Billing, Collection, statutory fees and recruitment of personnel as per the approval of the Commission (to cover the deficit on account of no recruitment in the past). Hence such expenditure cannot be considered as wasteful. Further, since the takeover of the erstwhile Utilities, various new activities/initiatives have been undertaken to provide better Consumer services and improvement in reliability. The O&M expenditure incurred has resulted in reduction of AT&C losses from about 30.4% in FY 2019-20 to 20.96% in FY 2022-23 i.e a reduction of 10% in the three years.

41. **Details of Employee Information**

Views/ Suggestions of Objector(s)

The Licensees have been requested for submission of number of Executive and non-Executive employees, Odia speaking at both levels, their CTC, number of new recruits and deputed personnels for analysis. Another Objector has submitted that a mass dharana has been in progress at TPSODL's Corporate Office for five months. In 2018, a bipartite agreement was reached with SOUTHCO UTILITY to regularize 200 outsourced employees, but it was not upheld due to Commission's disapproval. From 2021, TPSODL has hired around 1200 employees, with a significant number of non-Odia Executives while the out-sourced employees are yet to be regularised.

Rejoinder of the Licensee

All the four DISCOMs have provided the data and also mentioned that such information has already been provided at the time of ARR filling.

TPCODL has submitted that the Commission has been approving the CTC Employee costs as a whole and not providing the detailed breakup in their Tariff Order. The breakup in the Tariff Order is available for erstwhile employees.

TPSODL has replied to the issue conveying that there is no such policy or law for regularisation of outsourced persons working under TPSODL. Recently 99 Nos. of Non-Executive employees were recruited from existing outsourced persons working under TPSODL area through different agencies with certain relaxation in eligibility such as reduction in percentage of marks as compared to earlier advertisement. Further, opportunities have been provided for outsource persons who are not qualified/ under matriculation to undergo 12-months training course “Uddan” to make them eligible for participation in future employment opportunities.

42. **Non-Tariff income**

Views/ Suggestions of Objector(s)

The Licensees have been requested to submit the details of division wise changed and scraped material. He has further submitted that the non-tariff income like DPS, overdrawl penalty and supervision charges should be completely passed on to Consumers instead of 1/3rd as proposed by the licensees.

Rejoinder of the Licensee

The Licensees have submitted that details of scrap disposal/ identified for disposal are already being intimated to the Commission on a regular basis. Further, it has been furnished in Format F-28 of ARR Application which may please be referred.

TPWODL has submitted that the Commission while approving the provisional truing up for FY 20-21 (3 months) in ARR for FY 22-23 has set a principle that Meter rent, Delayed Payment Surcharge and Over drawl penalty are to be excluded from miscellaneous receipt. However, the Licensee has offered 1/3rd of such charges, to be passed on, in accordance with the regulation.

43. **Accidents, Deaths and Compensation paid**

Views/ Suggestions of Objector(s)

The Licensees have been requested to submit details of compensation paid in case of fatal accident faced by any human being since 2003 to 2023. The steps taken by the Licensee should also be produced.

Rejoinder of the Licensee

TPWODL, TPSODL & TPNODL have submitted the details of the information sought. They also mentioned that the details of electrical accidents are furnished before the Commission every month as well as in SOP report.

TPWODL has submitted that the licensee is disbursing compensation amounts in accordance with the directives/ orders issued by various forums like NHRC (National Human Rights Commission) & OHRC (Odisha Human Rights Commission) on case-to-case basis.

44. **No Remunerative benefit extended to the Consumers**

Views/ Suggestions of Objector(s)

No remunerative benefit was extended to any of the Consumers which is a clear violation of Regulation 29 of OERC Distribution (Conditions of Supply) Code, 2019.

Rejoinder of the Licensee

All the Licensees have submitted that they are strictly adhering to the guidelines as mentioned in Regulation. However, if any Consumer is aggrieved with non-fulfillment of the Commission directives, the Objector may kindly bring such cases to the notice of the Licensee for further necessary action.

45. **Demand Charges**

Views/ Suggestions of Objector(s)

In case of Consumers below 110 kVA, even though there is provision of recording of kVA demand, it is not reflected in the bills. For these single-phase Domestic Consumers, Demand Charges are being levied on Contract Demand and not as per the actual demand. Even after permanent disconnection of line, demand charges are raised by the Licensees.

Rejoinder of the Licensee

All the Distribution Licensees have submitted that, billing to the Consumers is strictly observed as per direction of the Commission. As per Supply Code, 2019, Contract Demand for a connected load below 110 kVA shall be the same as connected load. In case of Meter having provision of recording demand, billing is done on the recorded demand. If any specific case remains unattended, it may please be intimated.

TPWODL and TPSODL submitted that there is no such manual intervention in DISCOM billing. It is digitalized through FG system & the billing system is designed to capture all the parameters as per the RST Order.

46. **GRIDCO equity in kind and RoE**

Views/ Suggestions of Objector(s)

ODSSP is a State sponsored scheme of GOO and expenditure is met from State budget duly approved by Cabinet. This implies that the money is already recovered from the taxpayers. Therefore, the said equity infusion cannot earn ROE as well as depreciation, which will increase the tariff. It is double recovery cost from the Consumers of Odisha. Further, DERC has fixed RoE as 10%, which is much below the RoE fixed by OERC.

Rejoinder of the Licensee

TPWODL referred to the applicable regulation of DERC regarding fixation of RoE, i.e. DERC (Business Plan) Regulations, 2019 at Regulation 20 provides as under:

"20. RATE OF RETURN ON EQUITY

(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.

(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."

Accordingly, the said statement of the Objector is erroneous, as RoE fixed by DERC is 16%, which is still continuing.

TPCODL has submitted that in its Tariff Petition under Para 31 and 32 and Table 3-6, it has explained the need to include the GRIDCO's contribution in the computations, as the same is in kind. Hence, there is a need to consider the transfer of Government Assets, which represent the GRIDCO's Equity in kind for computation of Return on Equity.

TPSODL has submitted that it is a prudent financial practice example if the Government forms one Company. The Government subscribes the equity of such Company from its Budget. Any return earned in the form of Dividend/RoE from such venture is again ploughed back to by the Government.

47. **Extension of Special Rebate to Aluminum Industries**

Views/ Suggestions of Objector(s)

Some of the Objectors submitted that there should be an additional rebate of 10% on energy charges beyond 60% Load factor for the power availed by the Aluminum/ Power Intensive Industries under EHT category. The alumina processing unit will be viable for more production, in case the same rebate is extended to all HT industrial Consumers without CGP having a contract Demand of 1 MW and above.

Rejoinder of the Licensee

TPWODL has submitted that the Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring States. This was done to provide competitive advantage to the local industries operating in the State of Odisha. Alumina Processing units which operate with electric arc furnaces can achieve the load factor within an hour. In case of induction furnace, achievement of load factor takes considerable time. However, Tariff Fixation is the sole prerogative of the Commission and it may take a suitable decision in this regard.

48. **Railway Tariff**

Views/ Suggestions of Objector(s)

East Coast Railways has requested for reduction in Energy Charge and Demand Charge and to allow load factor incentive from 40% instead of 60%. It has requested to adopt uniform system of Traction energy billing for all DISCOMs in Odisha state basing on the kWh & kVARh (Lag) from 'Q1' quadrant only or else the OERC should advise all DISCOMs to provide Lag Only energy meters for all RTSSs. It is further requested to ignore the MD rise/ overshoot of both side RTSSs of same or other DISCOMs during their feed extension over the RTSS where incoming supply fails due to tripping at OPTCL end.

Rejoinder of the Licensee

TPWODL has submitted that considering the nature of load and consumption of Railways, it cannot run at higher load factor. Therefore, the Commission in RST Order FY 2023-24 has allowed a rebate of 25 paise per unit. Railway Traction tariff in Odisha is much less than that of most of the other States. The proposed reduction in L.F discount from 40% will affect the licensee business. The Licensee is mandated to serve different category of Consumers where tariff is less than the cost of supply in the existing mechanism. If the Railway tariff requires reduction, the tariff of cross-subsidized category needs to be increased.

TPCODL has submitted that it is desirable that the Consumers operate with high load Factor. Accordingly, if the Load Factor beyond which the lower tariff (i.e. Rs 4.70 per KVAH) is applicable is set higher, it incentivizes the Consumer to consume more energy from DISCOM. Hence the reduction of Load Factor threshold would not be in the interest of the above objective.

TPSODL & TPNODL have submitted that it is not in agreement of ECoR proposal.

TPWODL has further submitted that presently the Railways is being charged well within the limits of +/- 20% of the average cost of supply. This is evident from the fact that the Average cost of supply for the State is Rs. 6.04 per unit. As per the RST Order FY 2023-24, the average revenue realization for the category as a whole is Rs. 7.01 per unit including demand charges. Hence, the same is equal to 16% above the average cost of supply.

TPCODL has submitted that as per the present practice adjustment of any excess "Demand Charge" is regularized in the next billing on proper verification of the report of Central MRT/OPTCL on feed extension. So, the proposal of Railways to ignore the recorded MD within the same month is not correct.

49. **Electricity Duty and ED Audit**

Views/ Suggestions of Objector(s)

Another Objector requested the Commission to appraise the Government for proper E.D. Audit. He submitted that Government is at loss due to less payment of E.D. by the licensee against full payment of the bill by the Consumer. Arrear E.D. should be Collected first against the payment made by the Consumer. The Government of Odisha, Energy Dept. should enforce such Regulations. ED should be limited to, not more than 40 paise per unit.

Rejoinder of the Licensee

TPWODL, TPNODL and TPSODL have submitted that Supply Code Regulations, 2019, para 152 specifically addresses the manner of Recovery of Arrears. The Licensees are adhering to the same scrupulously. Specific observation, if any that remains unattended to, may please be brought to the notice for redressal.

50. **Collection out of the imposition of penalty under Section-126**

Views/ Suggestions of Objector(s)

The Petitioner has not mentioned their collection out of the imposition of penalty under Section-126 of the Electricity Act 2003 (hereafter Act 2003) and collection against arrear dues. Further, Para-82 of the RST Order 2014-15 has not been followed.

Rejoinder of the Licensee

TPWODL and TPSODL have submitted that, penalty under Section 126 is not the normal practice to earn revenue. Assessment under Section 126 is being made only when there is theft or unauthorized use of electricity. Information regarding such collection has already been provided in F-9 (b) format.

TPNODL has submitted that the applicant has been assigned a target of collecting 400Crs past arrear in first 5years of operation in the Vesting Order and the licensee has been performing its task accordingly.

51. **Allied Agricultural Activities and Allied Ago-Industrial Activities**

Views/ Suggestions of Objector(s)

Allied Agricultural Activities and Allied Ago-Industrial Activities Consumers should be billed as per RST order and remunerative benefit should be extended to all such Consumers. The Objector also requested for Classification of mushroom Farming as Allied Agriculture Activity and Cold storage & seed processing plants under 'Allied Agricultural Activities'.

Rejoinder of the Licensee

The Licensees submitted that they are strictly adhering to the directions given by the Commission & also honouring the directions of GRF & OMBUDMAN scrupulously. TPWODL & TPSODL have submitted that in cases of dispute/ambiguity, DISCOM is challenging before appropriate forum for the interest of all stakeholders.

52. **Interest on the CAPEX loan**

Views/ Suggestions of Objector(s)

Interest on the CAPEX loan is charged for whole years. He requested the details of loan availed and interest rates. He further asked the DISCOMS to submit the details of financial benefits derived from CAPEX plan on account of loss reduction and its impact on tariff.

Rejoinder of the Licensee

TPWODL has submitted that for carrying out the CAPEX works, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions for an amount of Rs. 350 Crs. The proposed rate of interest has been considered at 11.60% p.a. (10.10% +1.50%).

TPCODL has submitted that it has provided the extracts of sanction letters under Page No 31 and 33 of the petition which specify the details of the loans and also provide the applicable interest rate.

TPNODL has submitted that the interest on CAPEX loan has been charged in a staggered manner instead of the whole year as submitted by the Objector. Further, interest on Capex loan has been capitalized instead of charge into revenue.

TPSODL has submitted that the benefits will be accrued in future in shape of loss reduction, network safety, reliability and improved Consumer services.

The Licensees have submitted that they have provided a detailed cost benefit analysis in their CAPEX Proposal for FY 2024-25. It provides the annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies.

53. **Projection of EHT, HT and LT sales**

Views/ Suggestions of Objector(s)

The EHT and LT sales proposed by the DISCOM is very high while it is on lower side as per past trends. The DISCOM needs to submit the justification for such high projection.

Rejoinder of the Licensee

TPWODL has submitted that the sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year, if approved. Further, concessional scheme with flat rate of Rs.5.00 per kVAh for drawl beyond 80% of CD (Industries having CGP can draw up to double the CD, those who are having CD upto 20 MW) also helped in increase in consumption. Regarding LT projection, TPWODL has strived to bring all the Consumers into billing fold and installing new meters against defective meter and smart meter installation for all three phase Consumers. Further, in case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered Consumers and implementation of PM KUSUM-C scheme.

TPCODL has submitted that increase in HT/EHT sales is expected due to various factors like Rs. 10.5 Trillions of investment announced by GoO in recently concluded Make in Odisha Conclave etc. and has requested for reduction of Industrial Tariff. Considering the new connection/ additional demand requests received by TPCODL, as well as taking into account the physical progress of new and prospective industries, the growth in EHT/ HT Sales has been estimated.

TPNODL has submitted that it has analyzed and relied on the past trends of consumption pattern for last ten years and actual sales data for the first six months of

FY 2023-24, actual addition/reduction of loads and other factors like increasing drawl of power through open access. The projection for the FY 2024-25 has been done based on the actual of recent months sales, keeping in view the past trend and considering the EHT and HT sales of individual Consumers and their plan for expansion.

TPSODL has submitted that currently there is an increasing trend in sales of additional home appliances as well as lifestyle products by Domestic Consumers. Looking into the above aspects, higher projections are done in case of LT Consumers.

54. **Reduction in Contract Demand**

Views/ Suggestions of Objector(s)

DISCOM should be directed to reduce the Contract Demand within the Financial Year as per the Regulations and should not delay citing irrelevant reasons.

Rejoinder of the Licensee

TPWODL has submitted that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

55. **Additional supply to MSMEs**

Views/ Suggestions of Objector(s)

The electrification of Industrial Park and MSME cluster should be taken up by the DISCOM in high priority in consultation with IDCO. Odisha based MSME should be given priority by Tata Power for procurement by respective DISCOMs. Commission is requested to direct the DISCOMs to pay the pending payment / Bank guarantee of the MSME vendors of earlier Utilities as per the provisions under Vesting Orders issued by the Commission.

Rejoinder of the Licensee

TPCODL has submitted that for any upcoming Industrial Estate / MSME Cluster, IDCO applies for the electrification of that Estate or Cluster and TPCODL carries out the joint site visit along with the representative of IDCO for finalizing the Scope of Work and the estimate for electrification. IDCO carries out the electrification work i.e. all 33kV / 11kV & LT network in the Estate / Cluster and pays 6% supervision charges to TPCODL. Hence, the responsibility of developing Electrical infrastructure in any

Industrial Estate and MSME Cluster lies with IDCO. TPCODL is also facing difficulty for releasing new connections in the absence of network in the Industrial area. Therefore, TPCODL is proactively interacting with IDCO Executives for giving early application for electrification of such prospective Estates.

TPCODL has further submitted that it carries out its procurement process as per its established Procurement Policy. In order to promote local MSMEs, TPCODL has implemented preferential norms for MSME which is part of its procurement policy.

Regarding payment of legitimate dues to MSME Vendors, TPCODL has submitted that as per the norms defined in its Vesting Order, it submits such legitimate claims to the Commission for approval. It has also published an advertisement in Newspaper (in Odia and English language) on accepting any past claims till 30th Sep 2023 only.

56. **Statutory Finance charges**

Views/ Suggestions of Objector(s)

The Licensees expenditure for the services of legal firms and legal advice are misquoted with exorbitant expenses. It disputes the genuine judgments of GRF/OMBUDSMAN before the Hon'ble High Court without bothering to check the legal tenability. The DISCOMs prefer to challenge the orders of the Ombudsman, only to bring the order of stay and to go for multiplicity of litigations. The Objector requested the Commission to issue necessary guidelines in this regard.

Rejoinder of the Licensee

TPWODL has submitted that as per terms of the Vesting Order, past outstanding with the Consumers has not been transferred along with some liability. Therefore, for redressal, the Licensee must act according to para 49(b) of the Vesting Order. During the whole process, the Licensee does not intend its Customer to suffer.

57. **Infrastructure through Consumer contribution**

Views/ Suggestions of Objector(s)

In case where the line extension/ infrastructure creation is required for providing supply to the Consumer, the Consumer pays deposits of the entire cost. The Licensees do not absorb any cost. The licensees have not reimbursed the cost of investment made by the Consumers for getting supply as per Appendix-(I) read with Regulation-27 of the Supply Code-2019, from the date of Vesting Orders. Hence, the Objector requested the Commission to direct the Licensees to verify all such cases where the extensions have been made, but Licensee's contribution has not been derived and adjusted in bills as per Regulation-150 of the code-19. Another Objector has requested the Licensees to provide the number of Consumers to whom capital expenditure was adjusted as Consumer contribution as per Appendix-I and Regulation-27 of the Supply Code-2019.

Rejoinder of the Licensee

TPWODL has submitted that para 27 of the OERC Supply Code, 2019 provides as under:

"27. The cost of extension of distribution main or its up-gradation up to the point of supply for meeting demand of a Consumer, whether new or existing, and any strengthening/ augmentation/up-gradation in the system starting from the feeding substation for giving supply to that Consumer, shall be payable by the Consumer or any collective body of such Consumers as per norms fixed at Appendix I."

Furthermore, Para 63 of the said Codes provides as stated hereunder:

"63. The entire service line, notwithstanding that whole or portion thereof has been paid for by the Consumer, shall be the property of the licensee/supplier and shall be maintained by the licensee/supplier who shall always have the right to use it for the supply of energy to any other person unless the line has been provided for the exclusive use of the Consumer through any arrangement agreed to in writing."

It would be pertinent to mention here that the Hon'ble Supreme Court of India, vide its judgment dated 25.04.2014 in C.A. No. 5479 of 2013, have upheld the matter in favour of the Licensees.

TPCODL has submitted that such assets have been considered under the Head of Assets created against Consumer contribution. TPCODL has not claimed any Interest on Debt or Return on Equity on such Assets. Depreciation has also not been considered in the ARR as they have been funded by the Consumer.

58. **Information regarding arrear amount collected and remitted to GRIDCO**

Views/ Suggestions of Objector(s)

The Licensees are requested to submit the data of collection of old arrears and its utilisation towards payment of old arrears of GRIDCO. Also, the licensee should inform whether they are following the regulatory procedure for imposing penalty on Consumers.

Rejoinder of the Licensee

TPWODL has submitted that it has been collecting the arrear amount which were due, prior to takeover period as per the Vesting Order commitment and the same is being remitted to GRIDCO. The Vesting Order has mandated a target collection of Rs. 300

Crs. till FY 2025-26. Till November 2023, the Licensee has remitted Rs. 312 Crs. to GRIDCO. A monthly MIS on same is also being sent to GRIDCO. TPWODL further submitted that it is strictly adhering to the regulations of the OERC Distribution (Conditions of Supply) Code, 2019 for penalty imposition.

TPNODL has submitted that as per its Vesting Order, TPNODL is mandated to collect Rs.400 Crs. out of past arrears. Accordingly, an amount of Rs. 374 Crs. till December, 2022) has been collected and remitted to GRIDCO after deducting the Incentive and GST thereof.

59. **Billing related to Defective Meter**

Views/ Suggestions of Objector(s)

As per Regulation 157 of the OERC Distribution Code of Supply 2019, disputed bill older than two years may please be allowed.

Rejoinder of the Licensee

TPWODL has replied that the Objector suggested for disputed bill revision older than two years. The Consumers, having erroneous/wrong /provisional bills were reluctant to opt for OTS Scheme. As a result, after closure of OTS scheme, most of the Consumers with provisional/erroneous bills covering a period of more than 2 years have been deprived of due correction / rectification for the entire period due to the ceiling of 2 years period as per the said regulation. The licensee had presented the facts in details before the Commission and also requested to issue a Practice Direction for settlement of disputed bills beyond two years period.

60. **Meter rent recovery**

Views/ Suggestions of Objector(s)

The regulation on meter rent recovery should be followed as per the regulation. The DISCOM must have declared the meter cost and recover the same through meter rent, but the rent should not be allowed beyond 60 months.

Rejoinder of the Licensee

TPWODL has submitted that the Licensee charges meter rent as approved by the Commission in its RST Order basing on types of meters. Consumer always has an option to install his/ her own meter. Apart from rent, the expenditure towards the meter provided by the Licensee includes the cost of associated accessories, finance cost on capital borrowed for purchase of meter, set up of back-end IT infrastructure, installation cost, site visit and periodical meter testing as per the OERC Supply Code 2019. So, the present level of recovery of meter rent to the extent of 60 months and 96 months (single phase smart meter) is justified as fixed by the Commission.

61. **Collecting money from existing & non existing Consumers**

Views/ Suggestions of Objector(s)

TPWODL is collecting money from the existing & non existing Consumers under Section 142 of the Act. TPWODL may intimate how the money is so collected and accounted for.

Rejoinder of the Licensee

TPWODL has submitted that the licensee is collecting from the bonafide Consumers only. However, action as per OERC Distribution (Condition of Supply) Code, 2019 and Electricity Act, 2003 is being taken in case of unauthorised use of electricity, without being a Consumer.

62. **E-Mobility initiative**

Views/ Suggestions of Objector(s)

To introduce e-mobility programme at Division and Corporate level so that there will be saving in operation cost, reduction in fuel consumption and it may also result in reduction in associated A&G cost and ARR.

Rejoinder of the Licensee

TPCODL has replied to the objection mentioning the fact that it has already signed an MOU with OREDA for providing 10 EVs under its 'E-Mobility Solution'. It has already installed a number of EV Charging Stations in Bhubaneswar.

63. **Standard agreement**

Views/ Suggestions of Objector(s)

The licensee and Consumer should enter into standard agreement for supply of power as per the Contract Act.

Rejoinder of the Licensee

TPCODL has submitted that it has provided the rationale under para 184 of the Tariff Petition. The Commission may kindly take appropriate decision in this regard.

64. **Business plan**

Views/ Suggestions of Objector(s)

TPNODL has not submitted its Business Plan for the entire control period. Year wise details of Sales, Demand Forecast for each Consumer category and sub category, distribution loss trajectory, collection efficiency trajectory and Power Procurement Plan have not been made.

Rejoinder of the Licensee

TPNODL has submitted that it has filed Business plan for the entire control period before the Commission with all the necessary details in annexure BPC-1 of the application. The Commission has already approved the Business Plan vide order dated 14.09.2023.

65. **OERC is the Regulator of State electricity and not an Arbitrator.**

Views/ Suggestions of Objector(s)

The State Commission is not an Arbitrator to adjudicate the issues relating disputes, but it is a Regulator to regulate State electricity through notification of regulations.

Rejoinder of the Licensee

TPWODL and TPSODL has submitted that, prior to Electricity Act, 2003, Odisha Electricity Regulatory Commission has been established as an independent autonomous Regulator of the Odisha State. It became functional on 01.08.1996 for achievement of the objectives enshrined in the Odisha Electricity Reform Act, 1995. Upon coming into force of the Electricity Act, 2003, Section 82 of the Act empowers all the States to create Regulatory Commissions and Section 86 also states about the functions of the Regulatory Commissions.

66. **Withdrawal of kVAh billing**

Views/ Suggestions of Objector(s)

kVAh billing system was introduced in the RST Order for FY 2021-22. In this process of adoption of kVAh billing, the SI, MI & other HT Consumers, who were not under P.F folder, were affected.

Rejoinder of the Licensee

TPWODL has referred to para-212 of RST Order dated 23.03.2023, and mentioned that the Commission has established the fact that kVAh billing system would give benefit to both the Consumer as well as the licensee in maintaining system stability, ensuring power quality and achieving loss reduction. In this regard, it would be prudent to submit that the Hon'ble APTEL has dealt with the issue of kVAh billing on several occasions.

TPCODL has further submitted that the Commission had moved away from kWh billing to kVAh billing for HT and EHT Consumers after a long time. This type of billing takes care of Power Factor incentive and Power Factor penalty which were earlier there in the tariff order. Accordingly, the Commission has abolished PF incentive/penalty. This sort of billing encourages Consumer to improve their power factor. This is an improved form of billing and has been implemented in many other States including Odisha. It has no relationship with standardization of DTRs which is a separate activity and is not related to tariff.

TPNODL & TPSODL have submitted that adoption of kVAh billing will help in maintaining the power factor and hence very much effective in maintaining system stability from technical point of view. The objective of introduction of kVAh billing is to ensure reduction in losses, which occurs due to low power factor and for encouraging the Consumers to maintain their power factor near to unity Power factor.

67. **Allied-Agricultural Activities**

Views/ Suggestions of Objector(s)

Some of the Objectors have submitted that Mushroom farming should be considered as an agricultural activity and the electricity consumption for such purpose should be covered under Allied-Agricultural activities category. He also suggested for consideration of Honey and Seed culture under Allied-Agricultural activities.

68. **Lift Irrigation in Urban areas**

Views/ Suggestions of Objector(s)

The Regulation 138 (e) of Supply Code, 2019 exempts the LI points in Municipality/ NAC limit of the State. He suggested for extending the tariff for Consumers under Irrigation Pumping and Agriculture Consumers to LI Consumers in urban areas upto 10 HP.

Rejoinder of the Licensee

TPWODL has submitted that, the list of NACs having more than 20,000 population is also provided in the Supply code, 2019 Appendix-II. DISCOMS are following the Regulation 138(e) of the Supply Code. If this benefit will be extended to urban areas, for the sake of irrigation, proper/judicious purpose would be at stake and may be misused by affluent people residing in urban areas in the pretext of Farmhouse. To bring an amendment in the regulation is the prerogative of the Commission.

TPNODL has submitted that classification of Consumers has been made by the Commission basing on their purpose of supply. The licensee categorizes the Consumers as per the provisions of the Supply Code and raises bill to the Consumers as per the applicable tariff from time to time.

TPSODL has submitted that the Commission may examine the proposal.

69. **Introduction of e-Filing in the Secretariat of OERC**

Views/ Suggestions of Objector(s)

The Constitutional bodies like CERC, Hon'ble APTEL, Hon'ble High Courts & Hon'ble Supreme Court have introduced effectively the electronic filing of Petitions, Appeals, Cases etc. Application of e-Filing is not a difficult task for the OERC. Therefore, the Objector urged upon the OERC to issue an order for commissioning of electronic filing (e-Filing) system in the office of the OERC.

Matter concerns the Commission and therefore **no comments** have been submitted by the Licensees.

70. **Order of the Hon'ble Supreme Court and Multi Year Tariff Principle**

Views/ Suggestions of Objector(s)

The Hon'ble Supreme Court of India, while disposing of the Civil Appeal No. 1933 of 2022 (TPCL Transmission vs MERC), have held that Section 61 of the Act is mandatory for ERCs and accordingly directed the State Electricity Regulatory Commissions (SERCs) for compliance of the guiding principles of Section 61 of the Act in making/notifying the desired regulations within three months from the date of the said Order. The Objector has submitted that the OERC does not carry out the MYT principles as provided under Section 61(f) in real sense. The Objector has further submitted that the Tariff has been determined without any valid Business Plan & MYT since FY 2008-09. Moreover, the span of Business Plan & MYT Generation Tariff Period is required to be equal and consistent in between the various Licensees DISCOMs, OPTCL & SLDC, GRIDCO and GENCOs OPGC, OHPC, Vedanta etc. for vibrant application of MYT.

Rejoinder of the Licensee

TPWODL and TPSODL have submitted that upon vesting of the License to the TP DISCOMs, the existing Regulation was supposed to be amended in line with terms of the Vesting Order. Hence, the Commission had sought public opinions/views on

Determination of (Wheeling & Retail Supply Tariff) Regulations, 2022 through draft consultative paper dated 14.10.2022. Accordingly, the Commission vide its Notification No. 1472-OERC/RA/RST.REGU.-36/2021, dated 20.12.2022 had brought out its New Regulation i.e. the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 superseding the old Regulation of 2014 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022 which in turn coincided with the judgment of Hon'ble Supreme Court of India. However, the determination of tariff that is to be charged from different Consumer categories is the prerogative of the Commission under Section 62 & Section 86 of the Electricity Act, 2003. As per the new Regulation, the DISCOMs were directed to submit the different filings as per the given timelines (as mentioned under Annexure-I of Gazette Notification). Accordingly, the DISCOMs had filed their Business Plan for FY 23-24 to FY 27-28 i.e. the 1st Control Period and the Commission vide its order dated 14.09.2023 had accorded in principle approval to the Business Plan of all 4 DISCOMs.

71. **Revision of Contract Demand**

Views/ Suggestions of Objector(s)

The Commission may approve load reduction period to be 12 months instead of the existing norms of 36 months.

Rejoinder of the Licensee

TPWODL has submitted that it is strictly adhering to the OERC Supply Code, 2019 regarding load reduction. Regulation 120 of OERC Supply Code, 2019 states as under:

"Contract demand above 20 KW shall not be allowed to be reduced more than once within a period of thirty-six months from the date of initial supply or from the date of last reduction. Contract demand of 20 KW and below shall not be allowed to be reduced more than once within a period of twelve months from the date of last reduction. However, the designated authority of the licensee/supplier may for sufficient reasons to be recorded, allow such reduction more than once within the aforesaid period of thirty-six months or twelve months as applicable."

Suggestion beyond the above guidelines requires amendment of regulation which is out of the purview of the licensee.

TPNODL has submitted that as a substantial amount is spent in providing power supply to a Consumer, any reduction of load within a short span makes the scheme unviable. Further, the licensee makes its demand projection, considering the contracted load of its Consumers basing on which its power purchase cost and tariff is decided. Therefore, the revision of load within a short span will deprive the licensee of the anticipated cross subsidy in case of subsidizing Consumer along with shortfall in recovering the distribution cost.

72. **Special tariff for industries for temporary business requirement**

Views/ Suggestions of Objector(s)

Regarding DISCOMs proposal for fixing special tariff for temporary business requirements, the Objector has submitted that there is justification in the proposal; however, release of additional load in the same system and bifurcating it for levy of additional charges for temporary loads may be complex. Detailed proposals with case studies are requested before implementing the proposal.

Rejoinder of the Licensee

TPSODL has submitted that it would like to request the Commission to consider the suggestions as proposed as it would further industrial development in the supply area.

73. **Smart Meters**

Views/ Suggestions of Objector(s)

Regarding Smart prepaid meters for Government connection, one of the Objector has submitted that the Commission may allow for replacement of all the meters for Government connections available, in all the Block level and above, with smart prepaid meters during the ensuing year. He further submitted that under the Smart Meter Project, there is no clarity regarding Consumers who have purchased meter at their own cost. Cost of assets created on Government scheme goes to waste and DISCOMs claim R & M at the rate of 3% on funded assets. He also submitted that the meter rent recovered from Consumers is not adjusted in the cost of smart meter. Consumer may be given an option to opt between prepaid and post-paid meter, rather than the Licensee forcibly converting the Consumers from post-paid to pre-paid and vice versa.

Rejoinder of the Licensee

TPWODL has submitted that replacement of smart meters is carried out on priority basis as per the directions of the Commission.

TPSODL has submitted that it has made suitable proposal for consideration of the Commission.

TPNODL has submitted that in the RST Order for FY 2023-24 of DISCOM, the Commission has already notified the revised meter rent for smart meter with effect from 01.04.2023 (i.e. Rs. 60 per month for ninety-six (96) months only).

74. **Revision of Reconnection Charges**

Views/ Suggestions of Objector(s)

The proposal for revision of Reconnection Charges should not be accepted. The argument of the Licensees that enhancement of Reconnection Charges after the supply is disconnected will act as a deterrent for non-payment of bill. It would not also insulate the Licensee from theft of energy by unscrupulous Consumers through unauthorized hooking of the system. Moreover, if Smart Meters are installed there will be no requirement of manual reconnection and it will not require any charges to be imposed.

Rejoinder of the Licensee

TPWODL has submitted that, the disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, Consumer behavior cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time, non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting Consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved.

TPCODL has submitted that it has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained unchanged since 2012. As per the regulation, it is the responsibility of the Consumer to pay the electricity dues in time. Further, to encourage the Consumer to pay their dues on time, the Commission has provided prompt rebate, rural rebate and digital rebate. Still around 44% of the Consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the Consumers to make payment of electricity dues and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time.

TPNODL has submitted that the biggest challenge in the field even after disconnection, the Consumers are reconnecting the power supply through their own means and ways.

This is not only affecting business of the licensee, at the same time risk of fatal accident cannot be ruled out. It is not possible to monitor 24 X 7 post disconnection with available resources. Further, the reconnection charges are continuing for last 10 years even though BST and RST of DISCOMs have increased number of times.

TPSODL has submitted that the Reconnection Charges have been the same for the last 12 years and thus, need to be relooked into for reflecting the actual cost of such re-connection. Further the Reconnection charges should also be a deterrent to the Consumers who do not pay the bills and face the risk of being disconnected.

75. **Reintroduction of DPS**

Views/ Suggestions of Objector(s)

The Order passed by the Commission at Para-87 of RST order 2023-24 with regard to DPS on electricity bills should not be changed. It should be continued. The Commission should consider more Consumer-friendly approaches to address late payments, such as education campaigns, billing transparency and improved customer communication.

Rejoinder of the Licensee

All the Licensees have submitted that there was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no Delayed Payment Surcharge (DPS) was applicable.

TPWODL has submitted that the Licensee never intends for its Consumers to pay DPS, rather encourages for payment within due date and avail rebate. Charging of DPS is in line with neighboring States and acts as a deterrent for non-payment of bills in time.

TPCODL has submitted that for the Domestic and GPS category the current billing is more than 90% of total LT billing and compared to total billing, these Consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, Consumers should proactively pay in time and for which it is requested to introduce DPS for this category of Consumers. Further, rescinding the levy of DPS has resulted in willful delay in payment.

TPNODL has submitted that the observation of the Commission for withdrawl of this DPS provision was to reduce bill disputes where DPS was a hurdle and the revenue was also not significant. However, the DPS provision will persuade the small Consumers to pay in time. It will instill the culture of payment within due date in them.

TPSODL has submitted that the proposal will act as a deterrent to such Consumers who do willful delay in making regular payment due.

76. **Pro-rata billing**

Views/ Suggestions of Objector(s)

The LT domestic and Commercial Consumers are suffering a lot because of irregular monthly billing which should be strictly for 30 days or (+/-) 3 days. Hence, the proposal for pro-rata billing may not be accepted.

Rejoinder of the Licensee

TPWODL has submitted that it abides by the regulations of OERC and the billing cycle of thirty days is religiously followed by the licensee.

TPCODL has submitted that despite best efforts of the DISCOMs, due to uncontrollable climatic conditions, the normal billing period beyond the + 3 working days for monthly billing cycle gets exceeded. The pro-rata billing for slab adjustment based on actual number of days of billing vis-a-vis the standard norm of 30 days is just and equitable for the Consumers as it compensates the Consumers for any deficit in slab benefit in a particular month (less than one month). Various States have adopted similar methodology of pro-rata Slab adjustment and the State of Odisha can follow the same too.

TPNODL has submitted that the detailed justification for the licensee's request of pro-rata billing has been given in the application of the licensee.

TPSODL has submitted that the pro-rata billing may be introduced to have a proper billing system.

77. **Open Access**

Views/ Suggestions of Objector(s)

The Objector has mentioned that the Surcharge levied for open access is compensatory in nature and this cannot be levied on total cost basis. The Cross-subsidy surcharges are very high and need to be reduced to encourage open access, power trading and to bring in competition in the power market. The Commission should take steps to reduce cross subsidy and wheeling charges.

Objector M/s. Vedanta Ltd. has submitted that the very concept of additional surcharge under Section 42 (4) of the Electricity Act, 2003 is only for the stranded cost in relation to the obligation of supply by distribution licensee which is the stranded power purchase cost. Consumers who are having contract demand with TPWODL have obligation to pay the demand charges to 80% LF irrespective of actual drawl of power. Hence, the loss of fixed cost has already been recovered by TPWODL.

Rejoinder of the Licensee

All the Licensees have submitted that Open Access charges majorly comprise of Cross Subsidy Surcharge, Additional surcharge, Wheeling Charge, & Standby charges which are liable to be paid by the Consumers opting for Open Access. The same is in line with the OERC (Terms & conditions of Intra-state Open Access) Regulations, 2020. The Licensees charges the Consumers in accordance with the approved Open Access charges. They have further submitted that the revenue earned on account of CSS is passed on to the Consumers by way of Non-tariff Income.

TPWODL has explained that Cross subsidy surcharge is a surcharge which is levied if open access facility is availed of by a subsidising Consumer of a Distribution Licensee of the State. Also, the Commission vide its RST Order decided the CSS and wheeling charges to be levied from such Consumers. In addition, as the Objector has submitted that the CSS is a compensatory surcharge levied to recover the cost of lost demand is incorrect. It is the Additional surcharge that is levied on Open Access Consumers only if the obligation of the Licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. However, the Commission in its RST order considers no additional surcharge over and above the Cross-Subsidy Surcharge. Moreover, the Commission has already cleared in all the previous RST order that Cross Subsidy and Cross Subsidy Surcharge payable are two different aspects. While Cross Subsidy is applicable in deciding the retail supply tariff applicable to different category of Consumers keeping the National Tariff Policy guidelines of (+/-)20%, however, the CSS payable is the recovery of CSS due to loss of margin in certain %, which is in reducing trend. TPWODL has further submitted that from the Open Access charges schedule applicable for FY 2023-24 is very cheaper as compared to other DISCOMs of Odisha. Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 2023-24 till December, 2023 is 1993.82 MUs (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS.

All the Licensees have mentioned that the Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time.

TPNODL has submitted that the contentions of the Objectors that due to high cross subsidy surcharge, the industries are not able to go for availing power supply through open access is not true. It has been seen that the number of Consumers availing Open Access as well as the quantum of power availed through open access has increased year on year.

78. **Open Access related issues by M/s Vedanta Limited**

Views/ Suggestions of Objector(s)

Objector-Vedanta has brought forward the following objections/ suggestions.

- It opposed the proposal of TPWODL to implement differential Cross Subsidy Surcharge in line with TOD tariff concept, as the same cannot be allowed under the provisions of the EA 2003.
- It is not in agreement with the idea of TPWODL that who intends to draw power under open access should at least give their annual tentative plan, as OA Consumers already have contract demand for fixed quantum of power as per their requirement.
- Availing open access by industries and reduction of their contract demand have no relationship and hence, the open access approval cannot be based on the Contract Demand.
- When CGP's load centre when connected to dedicated transmission line with its own generating station cannot be termed as 'Consumer'. Therefore, no liability arises on part of wheeling charges when CGPs, through its dedicated transmission line, supply power to its own load centre.
- No Cross-Subsidy charges should be payable by Consumers availing renewable power through Open Access.
- There should not be any reservation of distribution capacity, and the DISCOM is obliged to give appropriate connectivity to Consumers seeking Open Access charge under STOA.

- The normative Wheeling loss for HT level is considered as 8%. However, for Consumers with a contract demand of 1MW and above, the HT loss level is actually much less. The surcharge formula should consider the HT loss level is below 3%.
- Cross subsidy surcharge should not be levied on Consumers once they exceed the forecasted consumption. The Consumer whose consumption is more than the contract demand due to open access should not be charged for the units consumed beyond the contract demand.
- No CSS will be payable by OA Consumer during period of Statutory power cut or restriction due to major breakdown in the transmission system.
- Open Access Charges Regulations 2020 may be amended to limit Cross Subsidy Surcharge within +/- 20% of Applicable tariff in line with Tariff Policy.

Rejoinder of the Licensee

TPWODL has replied to the objections made by the Objector- M/s Vedanta Limited as stated hereinafter:

- The intention of different CSS for both peak and off peak is to maintain harmony with regard to drawl from DISCOM during peak & off peak, as the Consumer is eligible for TOD. Tariff in off peak hours, is trying to offset the open access drawl with drawl from DISCOM and vice versa. As regards to applicability of CSS charges for peak & off-peak period, the difference may be to the tune of TOD benefit.
- The licensee is planning its Aggregate Revenue Requirement (ARR) wherein power purchase & sales are based on the CD and drawl pattern of the Consumers. Hence, deviation if any due to open access drawl is affecting the revenue of the licensee as well as power purchase price. Therefore, a tentative annual plan would facilitate the licensee to plan its Bulk power requirement in the ARR.
- The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets has its own capacity and limit, continuous stress would affect the network assets adversely for which needs to be compensated. Further, the licensee is forced to create adequate provision in the system at the cost of the other genuine customer.
- As per Section 9 & 10 of Electricity Act 2003 an industry can carry its own power to destination for its own use under open access mechanism. As regards to non-levy of

wheeling charges is concerned it is permissible if the CGP is operating in isolated manner i.e., without having GRID connectivity. Once it is grid connected, failure in generation unit, if any, does not prevent the flow of GRID power to the destination where it is used. Hence wheeling charges is a must when the CGP is grid connected and intend to carry the power to its destination for own use. However, CSS is not applicable for use of own CGP power.

- According to para 23.5 of RE Policy,2022, no CSS shall be applicable to industries on harnessing RE power through GRIDCO, which appears to be a different mechanism than prevailing Open Access. On other hand, MoP, GoI has amended its Open Access Green Energy Rules, 2022 vide notification dated 27.01.2023 where in it has been mentioned that

  "(1) The charges to be levied on Green Energy Open Access Consumers shall be as follows, namely: - (a) transmission charges; (b) wheeling charges; (c) cross subsidy Surcharge; (d) standby charges wherever applicable; (e) banking Charge; and (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission."

  However, as per RE policy of Govt of Odisha, availing RE power generated in Odisha is exempted from levy of CSS and the wheeling charges is only 25%. So, in promotion of RE generation here in Odisha levy of CSS and transmission/wheeling charges for open access RE power from outside (other than Odisha) should be made mandatory.

- The Commission had introduced levy of CSS on RE power with effect from FY 2022-23. Accordingly, the Consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to Consumers availing conventional power.

- It may be appreciated that, sourcing of power by the DISCOM from OPTCL network at different voltage level, for which the loss and related cost is recovered by OPTCL. So, for DISCOM the power availed by EHT Consumers, the wheeling charges is nil. The balance power flows in HT system, therefore the distribution cost as per extant regulation for determination of wheeling charges is correct as followed by the Commission.

- The licensee is of the similar view that if a Consumer desires to avail open access for any ensuing year prior to approval of ARR may submit in advance, in such scenario levy of CSS and its quantum can be decided by the Commission suitably. So, if the objector desires to avail power other than DISCOM may submit in writing in advance. At the same time drawal from DISCOM if any should be at emergency rate apart from demand charges.

- Presently, the imposition of Cross-Subsidy Surcharge (CSS) is levied by the licensee on the actual drawl quantum of power, even though the Consumer is purchasing power on schedule basis. Further, during periods of power cuts or transmission breakdowns, the actual drawal of power by the Open Access (OA) Consumer contributes to the overall system costs. Therefore, the applicability of CSS aligns with the underlying principle of cost recovery based on the real-time consumption patterns rather than adhering to a predefined schedule, ensuring a more equitable sharing of the financial burden across Consumers.

79. **Minimum offtake for the Industries having CGP**

Views/ Suggestions of Objector(s)

The Petitioner's prayer on Minimum offtake for the industries having CGP should not be accepted. This will put huge financial burden on the industries having CGP. They have to draw 25% of their requirement while they may not actually need it. GRIDCO is not having enough surplus; however, there is requirement of power by industry which TPNODL has failed to supply within stipulated time. Therefore, TPNODL should discuss with GRIDCO and make required power available for the needy industries and not to push the CGP to consume 25% of Power.

Rejoinder of the Licensee

TPWODL has submitted that the major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. They use DISCOM energy only on occasional requirement mostly during peak period. As result, GRIDCO is facing difficulty in arranging power for them as they are drawing without prior intimation or scheduling in the imploration of fixed Demand Charges. Therefore, the proposal is well justified.

TPNODL submitted that presently the BST of all the DISCOMs is with composite of Energy and Demand Charges. Considering the approved SMD, the composite BST is determined by the Commission. With increased Consumer mix under LT segment as well as increase of O&M cost, meeting fixed cost like Staff cost & R&M by Distribution company is becoming sturdier.

C. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) (Para 80)

80. The Commission convened the SAC meeting for discussion on the ARR and Tariff proposals of the Licensees on 7th February, 2024. During the meeting, the Consumer Counsel appointed by the Commission, i.e. World Institute of Sustainable Energy (WISE), Pune, made brief presentation on the important issues in the Tariff Applications filed before the Commission. The Advisory Committee discussed the various issues involved in the tariff application. The Learned Members of the Committee made valuable suggestions on the proposals. A brief summary of the suggestions imparted by the Members during the meeting, with respect to DISCOMs is given below:

(a) Huge CAPEX investments have been made by each DISCOM while the expected results and performances have not been achieved. The DISCOMs have not been successful in reaching out to the Consumers and should take necessary initiatives to improve their Consumer satisfaction and efficiency.

(b) DISCOMs need to indulge in proper planning for implementation of PM's Suryoday Scheme, 2024. The scheme provides for installation of rooftop solar for low & medium income households, with 60% Central Government component and 40% DISCOM component, which will be recovered through additional derivations from household Consumers rooftop solar extra availability.

(c) With regard to the proposal of the DISCOMs for creation of a separate corpus to meet Natural Disasters, some Members acknowledged the proposal and suggested that the DISCOMs may create the necessary fund on their own while they should focus on providing reliable quality power on priority basis.

(d) GRIDCO in collaboration with the DISCOMs should prepare long term power procurement plan. The State surplus is reducing with time and planning is necessary for economical power purchase and adequate resource utilisation. Further, there should be a formal agreement between GRIDCO and the DISCOMs after the Tariff Orders are passed by the Commission.

(e) New Smart Meters may be procured under the CAPEX which would reduce the psychological burden on the Consumers, even though the cost is ultimately borne by them indirectly. This would further reduce the AT&C losses and improve the collection efficiency.

(f) Regarding DISCOMs proposal for minimum offtake clause for Industries with CGP, some Members opined such principle should not be adopted while some others agreed to the proposal, implying that the return on backend investment done will not be adequate.

(g) The DISCOMs proposal for introduction of various kinds of processing fees was disagreed unanimously since the DISCOMs are yet to achieve the expected level of performance. Regarding doubling of reconnection charges, the proposal carried both affirmation and disagreement regarding its implementation.

(h) The maintenance of generating stations, transmission grid substations and Distribution substation must be preplanned and streamlined, so that the Consumers are not harassed with repeated power interruptions. The 11kV overhead lines must be converted to AB cables which encounter frequent tree fault and earth fault.

(i) Registration of Roof Top Solar Distributors by Distribution companies was appraised in order to ensure quality product and service. The quality of rooftop solar panels already installed is of poor and the Vendors services are found unsatisfactory.

(j) The tribal people should be given proper information and awareness Programmes may be conducted regarding use of digital mode of payment. This would facilitate timely payment of bills through digital mode and would further benefit the Consumer/ the Distributor.

(k) Necessary amendments required in the OERC, Distribution (Conditions of Supply) Code, 2019 may be carried out by the Commission for facilitating the new Consumer categories and also clarity for consideration of Mushroom, seed and Honey culture industries under Allied-Agricultural Activities instead of Allied Agro-Industrial Activities.

(l) The Retail Supply Tariff should not be increased, rather it may be decreased. Government have already made huge investments in infrastructural development of the licensees to reduce the burden on the Consumers of the State.

D. VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (Para 81)

81. Government of Odisha vide their Letter No. ENG-TDER-OERC-0001-2021/1704, dated: 09.02.2024 have submitted their views in the matter of the tariff for the FY 2024-25 which are stated as hereafter:

(a) State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low (Statement of Govt. funding is as shown in the Tables below, Table-A to Table-C**)**.

(b) Govt. can't provide any support for smart meters. The Commission may consider recovery of the smart meter cost over an extended period. so that, there is no additional burden on Consumers. The backend infrastructure for smart metering may be allowed in the CAPEX of DISCOMs.

(c) BSP of 3 DISCOMs namely TPCODL, TPNODL & TPWODL may be decided as thought prudent by the Commission, to the extent not to increase RST during FY 2024-25. Remaining unrealized cost may be recognized as Regulatory Asset of GRIDCO to be recovered during subsequent years. The RST for FY 2024-25 may not be increased from present level.

(d) As intimated already vide this Department letter No.3333 dated 24.03.2021 (Copy enclosed at Annexure-B). Government have agreed to extend the status-quo on up-valuation of assets till FY 2025-26.

(e) Commission would have taken note of the submissions made by the Department's representatives during public hearings as well as SAC meeting. Hence, it is not necessary to provide further details in this regard.

Also, the following specific suggestions may kindly be considered.

- Damages to Power Distribution infrastructure due to natural calamities are not covered under Insurance Schemes. Therefore, a "Contingency Reserve Fund", preferably one fund for all DISCOMs needs to be created to have a self-insurance fund to insure against probable damage to Distribution Network. The Commission may create provisions in the ARR of DISCOMs in this regard including the administration of the "Contingency Reserve Fund" under the Commission.

- Large-scale green energy, particularly Solar power, has been added in the generation capacity for energy transition across the Country. Availability of the peak power during the evening time is comparatively less and market price of peak power is very high. Hence the Commission is requested to introduce necessary measures for demand side management and as well as designing the TOD tariff (both with incentives and penalty) to discourage large Consumers to consume power during peak evening hours. This will help in flattening demand curve as well as reduce the overall cost of power. Further. GRIDCO can be encouraged to procure more green power by sharing the additional revenue of green tariff introduced by the Commission.

Statement on funds released under different State & Central sector schemes/ programmes for strengthening of the Distribution Infrastructure

Table-A (From State Budget)

SI. No.	Name of Scheme/Programme	Funds released
1	ODSSP (Ph-I to III)	3843
2	ODSSP (Ph-IV)	1073.88
3	SCRIPS	806.65
4	System Strengthening in Elephant Corridor	740.20
5	BGJY	1841.16
6	BSVY	148.16
7	DESI	180.64
8	Puri Nabakalebar	172.00
9	ODAFF	151
10	Shifting of transformers from School & AWCs	117.20
11	RLTAP	110.65
12	Underground Cabling of important locations	82.27
13	SETU	18.17
14	CAPEX of DISCOMs	427.49
	Total	9712.47

Table-B (As State Share in Central Sector Schemes)

SI No	Name of Scheme	Funds released
1	DDUGJY (12^{th} plan)	1354.33
2	DDUGJY (New)	621.72
3	DDG (New) to OREDA	67.49
4	IPDS	423.22
5	IPDS (IT Phase-II)	121.51
6	Saubhagya	386.40
7	R-APDRP	175.47
8	RGGVY (10^{th} & 11^{th} plan)	99.07
	Total	3249.21

Table-C (As Central Share)

SI. No	Name of the Scheme	Funds released
1	DDUGJY (12^{th} plan)	2620.42

SI. No	Name of the Scheme	Funds released
2	DDUGJY (New)	772.67
3	DDG (New) to OREDA	51.32
4	IPDS	598.55
5	IPDS (IT Phase-II)	13.36
6	Saubhagya	497.46
7	R-APDRP	168.37
8	RGGVY (10^{th} & 11^{th} plan)	1072.47
10	SACI	825.49
	Total	6620.11

- *Grant from 13^{th} Finance Commission towards CAPEX : Rs. 450 Crs.*

Grand Total (A+B+C) = Rs. 20031.79 Crs.

E. OBSERVATIONS AND DIRECTIONS OF THE COMMISSION (Para 82 to 272)

New Tariff Regulations

82. The Commission, in order to improve operational efficiency, commercial sustainability of the sector and to improve reliability, availability (24 x 7) and quality power to every citizen of the State, took initiative and reformed the Distribution sector by vesting the utilities of CESU, WESCO, SOUTHCO & NESCO with TPCODL, TPWODL, TPSODL & TPNODL respectively. M/s Tata Power Company Limited (TPCL) purchased 51% of equity share capital of those companies and rest 49% of the equity shares is held by Government of Odisha through GRIDCO. The Vesting Orders issued under Section 21 of the Electricity Act, 2003 have imposed certain conditions on the new DISCOMs and they are duty bound to follow the same. AT&C loss trajectory, infusion of CAPEX and Past Arrear Recovery are some of the goals set for the DISCOMs in their Vesting Orders. In the meantime, the Commission has also notified the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 on 20.12.2022. Subsequently, the Commission has also approved the Business Plan of the four Distribution Companies for the FY 2023-24 in Case No. 10 of 2023, Case No.11 of 2023, Case No.12 of 2023 & Case No.13 of 2023 on 23.03.2023 in compliance with Regulation 2.1 of the OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. One of the Objector had raised the issue of the tenure of the Business Plan. We would like to clarify that the Commission had issued Business Plan Order for one year vide Case Nos. 10,11,12 & 13 of 2023 on dtd: 23.03.2023 for FY 2023-24. This was necessitated due to the fact that the present Retail Supply Tariff Regulation came into force on 20.12.2022 and the Licensees could not find time to file their Business Plan for entire five years of control period before the

issuance of Retail Supply Tariff Order for FY 2023-24 on 23.03.2023. Therefore, on the first instance they had submitted Business Plan for first one year of the control period of five years basing on the conditions of their business specified in their Vesting Order issued by the Commission under Section 21 of Electricity Act, 2003. The Vesting Order issued under Section 21 has force of law and not withstanding anything mentioned anywhere the DISCOMs are bound to submit their Business Plan within the perimeter of that Order. Subsequently they have filed Business Plan as per Retail Supply Tariff Regulation, 2022 for balance period of the control period i.e. from FY 2024-25 to FY 2027-28 which has been approved by the Commission in Case No.43 of 2023, Case No.44 of 2023, Case No.45 of 2023 & Case No.46 of 2023 on 14.09.2023. There is no necessity of making Business Plan of different Licensees coterminous since their nature of businesses are different. Even the Commission in future date may go for differential control period for different DISCOMs if requirement so arises.

DISCOMs have filed their ARR & Tariff Applications and Truing up Applications under the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, which have been notified under Section 61, Section 62 and Section 86 read with Section 181 of the Electricity Act, 2003. We shall dispose of these Applications of the DISCOMs along with their Open Access Charges Applications under the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020.

83. **Sales Forecast, Normative Loss, Input Energy and Power Purchase Cost**

The ARR and Tariff Applications of DISCOMs are considered under the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 in short "OERC Wheeling & RST Regulations, 2022" framed under Section 61, Section 86 and Section 181 of the Electricity Act, 2003 and respective Vesting Orders, issued under Section 21 of the said Act.

85. The DISCOMs have been advised for segregation of their accounts into Wheeling Business and Retail Supply Business for approval of the Commission under Regulation 2.5 of the OERC's Wheeling & RST Regulations, 2022. The wheeling charges have to be determined on the basis of the segregated accounts of Wheeling Business. Regulation 2.5.2, 1st proviso, of the said Regulations provides the allocation matrix for segregation of expenses into Wheeling Business and Retail Supply Business till the licensees submit audited and certified segregated accounts for Wheeling and Retail

Supply Business. Accordingly, the Commission has considered the allocation matrix for necessary approval in this Order.

86. The tariff design exercise carried out by the Commission is a balancing act in which revenue is matched with expenditure in such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply as per Clause 8.3 of Tariff Policy. Ultimate objective is that tariff should be the reflection of cost of supply. EHT and HT Consumers are cross subsidizing LT Consumers of the State. Further, Regulation 5.15.2 of the OERC Wheeling & RST Regulations, 2022 provides that the Commission shall make endeavour to reduce the cross subsidy gradually between the Consumer categories with respect to the Average cost of Supply. Also, the Commission is guided by the provisions under the Regulation 5.15.3 wherein the Commission has to ensure that the tariff progressively reflects the cost of supply of electricity. The Commission has determined the category wise tariff considering the above provisions under the OERC's Wheeling & RST Regulations, 2022.

87. The Commission has scrutinized the sales estimate submitted by the licensees for FY 2024-25 as per the provisions in Regulations 5.3.4 of the OERC Wheeling & RST Regulations, 2022 as reproduced herein below:

"The Commission shall examine the forecasts for their reasonableness based on growth in the number of Consumers, pattern of consumption, losses and demand of electricity in previous years and anticipated growth in the subsequent year(s) and any other factor, which the Commission may consider relevant and approve the sales forecast with such modifications as deemed fit. The Distribution Licensee(s) shall develop a robust database of all Consumers with desired particulars regarding their demand to facilitate the forecasting process in accordance with the direction given by the Commission".

88. The Licensees have submitted category wise (voltage wise) actual sales data for the last FY i.e. 2022-23, actual sales of current FY till December, 2023, revised estimated sales for FY 2023-24 and the estimated sales data for the ensuing FY 2024-25. Further, the information about new and additional load at HT and EHT category for FY 2024-25 was also submitted by the licensees. The Commission has considered the submission of the licensees while approving the sales for FY 2024-25. The details of voltage wise sales approved by the Commission is submitted below.

- **EHT sales**: The Commission has estimated the sales for EHT category for FY 2023-24 by analysing sales of last nine months and extrapolating the same for the whole year in case of TPNODL and TPSODL. However, in case of TPCODL, the sales for FY 2023-24 has been estimated by adding the actual sales for nine months with the least monthly sale of current year for the next three months. In case of TPWODL, the EHT sales has been estimated for the current financial year using the same pro-rata principle as was done in case of TPNODL & TPSODL without considering the TPA sales.

The Commission has estimated the EHT sales for FY 2024-25 by adding the load growth projected by the licensees for ensuing year over current year in their proposal to the above estimated energy for FY 2023-24. After comparing estimated sales for FY 2024-25 and licensee's proposal for FY 2024-25, the higher of two value has been considered for approval for FY 2024-25 without considering TPA sales. Further, the Commission has estimated TPA Sales of 1250 MU in case of TPWODL for FY 2024-25.

Table- 17
EHT Sales (In MU)

DISCOM	OERC's Estimate for FY 2023-24 (1)	Licensees Estimate for 2023-24 (2)	Licensees Proposal for 2024-25 (3)	Additional sale projected by Licensee for EY over CY (4) = (3)-(2)	OERC's Estimate for 2024-25 (5) = (1) + (4)	OERC's Approval for 2024-25 [Higher of (3) or (5)]
TPCODL	1959.900	1861.698	2064.676	202.978	2162.878	**2162.878**
TPNODL	3149.125	3314.566	3555.280	240.714	3389.839	**3555.280**
TPWODL	2370.817 (excl. TPA sales)	4930.000 (2430 +2500 TPA sales)	3480.000 (2637 + 843 TPA sales)	207.000 (excl. TPA sales)	3827.817 (2577.817 + 1250 TPA sales)	**3827.817**
TPSODL	697.663	693.000	727.000	34.000	732.000	**732.000**

The Commission has considered additional sale by DISCOMs based on achievement in FY 2023-24 and feedback of DISCOM. The DISCOMs shall co-ordinate with GRIDCO for facilitation of such sale within their approved SMD. Any constraint in this regard experienced by GRIDCO/ DISCOM may be brought to the notice of the Commission for the benefit of the Consumers of the state.

- **HT Sales**: The Commission has estimated the energy sales for current FY 2023-24 by considering the actual average monthly sales during nine months of FY 2023-24, i.e. April, 2023 to December, 2023 and prorating the same for twelve months. The Commission has added the additional sales proposed by the licensees for FY 2024-25 in comparison to the revised projection of FY 2023-24. The Commission analysed and approved the energy sales in HT category for FY 2024-25 by considering the higher of the estimated energy as calculated by the Commission and energy sales proposed by the licensee in HT category.

Table- 18
HT Sales (In MU)

DISCOM	OERC's Estimate for FY 2023-24 (1)	Licensees Estimate for 2023-24 (2)	Licensees Proposal for 2024-25 (3)	Additional sale projected by Licensee for EY over CY (4) = (3)-(2)	OERC's estimate for 2024-25 (5)= (1)+(4)	OERC's Approval for 2024-25 [Higher of (3) or (5)]
TPCODL	2,145.333	2,076.375	2,287.733	211.357	2,356.691	2,356.691
TPNODL	667.264	665.568	773.046	107.478	774.742	774.742
TPWODL	2,423.363	2,444.000	2,590.000	146.000	2,569.363	2,590.000
TPSODL	407.131	415.000	436.000	21.000	428.131	436.000

- **LT Sales**: The Commission has estimated the LT sales of current financial year 2023-24 for the licensees using the same pro rata principle. The load growth projected by the licensees for the ensuing financial year was added to the estimated sales for FY 2023-24, while estimating the energy sales for FY 2024-25. The Commission observed that the estimated energy for the FY 2024-25 was matching with the licensee's proposal. Therefore, the licensees' proposed LT sales has been considered for approval.

Table- 19
LT Sales (In MU)

DISCOM	Licensees Estimate for 2023-24	Licensees Proposal for 2024-25	OERC Approval for 2024-25
TPCODL	4,896.638	5,591.939	5,591.939
TPNODL	2,483.577	2,678.782	2,678.782
TPWODL	3,340.500	3,544.100	3,544.100
TPSODL	2,338.000	2,545.000	2,545.000

89. The details of Licensee sales estimates proposed, Commission's estimated sales and approved sales for the FY 2024-25 are given in the Table below.

Table- 20
Approved Sales for FY 2024-25 (MU)

DISCOM	Category	Licensees Proposal for FY 2024-25	OERC Approval for FY 2024-25
TPCODL	EHT	2,064.676	2,162.878
	HT	2,287.733	2,356.691
	LT	5,591.939	5,591.939
	Total	**9,944.348**	**10,111.508**
TPNODL	EHT	3,555.280	3,555.280

DISCOM	Category	Licensees Proposal for FY 2024-25	OERC Approval for FY 2024-25
	HT	773.046	774.742
	LT	2,678.782	2,678.782
	Total	**7,007.108**	**7,008.804**
TPWODL	EHT	3,480.000	3,827.817
	HT	2,590.000	2,590.000
	LT	3,544.100	3,544.100
	Total	**9,614.100**	**9,961.917**
TPSODL	EHT	727.000	732.000
	HT	436.000	436.000
	LT	2,545.000	2,545.000
	Total	**3,708.000**	**3,713.000**
ALL ODISHA	EHT	9,826.956	10,277.975
	HT	6,086.779	6,157.433
	LT	14,359.821	14,359.821
	Total	**30,273.556**	**30,795.229**

90. Projection of the Power Purchase quantum has to be done as per the Regulations 5.4 of the OERC Wheeling & RST Regulations, 2022. It mentions that Power Purchase quantum would be based on energy sales and calculated distribution loss derived from the approved AT&C loss i.e. **bottom-up approach has to be followed**. The Commission has already approved the AT&C Loss trajectory in their corresponding Vesting Orders of the Licensees. The losses proposed by the Licensees and approved by the Commission are given in the Table below.

Table-21
Proposed and Approved Losses of DISCOMs

Description	FY 2022-23 Actual	FY 2023-24 Approved	FY 2023-24 Estimated by licensees	FY 2024-25 Proposed by licensees	FY 2024-25 Approved by the Commission
TPCODL					
Distribution Loss	22.86 %	21.21 %	21.21 %	19.19 %	19.19 %
Collection Efficiency	102.45 %	99.00 %	99.00 %	99.00 %	99.00 %
AT and C Loss	20.96 %	22.00 %	22.00 %	20.00 %	20.00 %
TPNODL					
Distribution Loss	16.43 %	16.25 %	16.25 %	14.14 %	14.14 %
Collection Efficiency	106.06 %	99.00 %	99.00 %	99.00 %	99.00 %
AT and C Loss	11.36 %	17.09 %	17.09 %	15.00 %	15.00 %
TPWODL					
Distribution Loss	18.40 %	18.08 %	18.08 %	16.57 %	16.57 %
Collection	100.14 %	99.00 %	99.00 %	99.00 %	99.00 %

Description	FY 2022-23 Actual	FY 2023-24 Approved	FY 2023-24 Estimated by licensees	FY 2024-25 Proposed by licensees	FY 2024-25 Approved by the Commission
Efficiency					
AT and C Loss	18.29 %	18.90 %	18.90 %	17.41 %	17.40 %
TPSODL					
Distribution Loss	24.67 %	25.00 %	25.00 %	24.60 %	24.59 %
Collection Efficiency	102.46 %	99.00 %	99.00 %	99.00 %	99.00 %
AT and C Loss	22.81 %	25.75 %	25.75 %	25.35 %	25.35 %
ODISHA					
Distribution Loss	20.12 %	19.58 %	19.52 %	17.98 %	17.97 %
Collection Efficiency	102.78 %	99.00 %	99.00 %	99.00 %	99.00 %
AT &C Loss	17.90 %	20.39 %	20.33 %	18.80 %	18.79 %

91. Following the provisions given in Regulations 5.4 of OERC Wheeling & RST Regulations, 2022, the Commission has approved the Power Purchase quantum for each licensee by considering the approved sales and approved distribution loss. Accordingly, the Power Purchase quantum and Sales proposed by the Licensees and approved by the Commission for FY 2024-25 are given in the Table below.

Table-22
Purchase and Sales of DISCOMs for FY 2024-25 (In MU)

DISCOM		PURCHASE	SALES			
			EHT	HT	LT	Total
TPCODL	Proposed	12305.838	2064.676	2287.733	5591.939	9944.348
	Approved	12513.000	2162.878	2356.691	5591.939	10111.508
TPNODL	Proposed	8161.085	3555.280	773.046	2678.782	7007.108
	Approved	8163.000	3555.280	774.742	2678.782	7008.804
TPWODL	Proposed	11524.000	3480.000	2590.000	3544.100	9614.100
	Approved	11940.000	3827.817	2590.000	3544.100	9961.917
TPSODL	Proposed	4917.510	727.000	436.000	2545.000	3708.000
	Approved	4924.000	732.000	436.000	2545.000	3713.000
ODISHA	Proposed	36908.433	9826.956	6086.779	14359.821	30273.556
	Approved	37540.000	10277.975	6157.433	14359.821	30795.229

92. **Revenue Assessment**

The Commission examined the Licensees' proposals and approved the energy sales for each category of Consumers. Based on normative parameters like Distribution loss, AT&C loss and Collection Efficiency as approved in this Retail Supply Tariff Order and billing figure for FY 2023-24, the Commission approves the Retail Supply Tariff for all categories of Consumers which is attached as **Annexure-B**. Considering the above, the RST for every Consumer category, the estimated revenue (voltage wise) of DISCOMs for FY 2024-25 is as follows:

Table – 23
Revenue of DISCOM Utilities for FY 2024-25 (Rs. In Crs.)

	TPCODL	TPNODL	TPWODL	TPSODL
EHT	1,412.93	2,213.25	2,380.36	473.26
HT	1,586.40	514.55	1,593.23	289.84
LT	2,826.88	1,321.59	1,765.00	1,260.44
Total	**5,826.21**	**4,049.39**	**5,738.59**	**2,023.54**

93. **Tariff Related Issues**

Objectors and Licensees have raised certain issues and suggested some proposals which are addressed below:

- **Issue of MYT, Business Plan and other related Issues**

The MYT Principles are specified in the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. The Commission has also dealt in this matter at para-64 of its Order on ARR and RST for FY 2022-23. The Commission is determining tariff under the above mentioned Regulation. Business Plan was submitted by Distribution Licensees upto FY 2027-28 as per Regulation 2.1 of OERC's Wheeling & RST Regulations, 2022 and has been approved by the Commission. The Commission has notified its RST Regulation since 2004 as per Section 61 of the Electricity Act, 2003 and the last Regulation being the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 was notified in the year, 2022. Therefore, the observations of Hon'ble Supreme Court to make Regulation under Section 61 of the Electricity Act has been complied with by this Commission since the year 2004. The Commission notifies every Regulation following the principle mentioned under Section-181 of the Electricity Act, 2003 particularly keeping in view the Section 181 (3) of the said Act, which mandates pre-publication of the Regulation. All the suggestions/ objections received from the stakeholders are duly scrutinised by the Commission and relevant objections/ suggestions are accepted by the Commission for incorporation in the draft Regulation before finalising the same. While determining Tariff, the Commission not only adheres to the Tariff Regulation, but also is guided by the Tariff policy notified by Government of India. This is evident from the determination of Cross subsidy, Cross subsidy surcharge etc. of this Order.

- **Introduction of e-filling of Cases in OERC**

One of the Objectors has suggested for e-filling of cases in OERC. This is a welcome proposal and Commission is seisin of the matter and has taken steps to implement it soon.

- **Issues of Open Access**

Considering objections/ suggestions of different stakeholders, it is clarified that in the meantime OERC has notified the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023. Regarding imposition of Cross subsidy surcharge and other open-access charges on renewable energy, it shall be governed under that Regulation and Renewable Energy Policy of Government of Odisha. Regarding imposition of additional surcharge, it shall be strictly imposed under the OERC's Intra state Open Access Regulations, 2020. Regulation 24 of OERC's Intra state Open Access Regulations, 2020 elaborately deals with the matter. The additional surcharge shall be levied to meet the fixed cost of such distribution licensee arising out of its obligation to supply as provided under sub-section 4 of Section 42 of the Act which may also include the power purchase commitment and continues to be stranded. The Commission has not levied any additional surcharge as on date to any Consumer. DISCOM should not insist the Open Access applicant to give annual tentative drawl plan as Open Access drawal is allowed for any duration based on permission from SLDC/ OPTCL. The Commission has considered normative HT loss as 8% for calculation of Wheeling Cost in the absence of detail energy audit to evaluate the actual HT loss level of each DISCOM. Commission may review normative HT loss % at a future date after completion of energy audit by all DISCOMs.

- **Issue of classification of Mushroom Farming, Honey and Seed culture under Allied-Agricultural Activities**

The Commission has classified Consumers into different categories such as Domestic, Agriculture and Allied-Agricultural activities etc. The Allied- Agricultural activities relates to supply of power for aquaculture, horticulture, floriculture, sericulture, animal husbandry and poultry in areas other than areas coming under municipality/ NAC limit of the state. The meaning of the word "Horticulture" as per Oxford Learners Dictionary is the study or practice of growing flowers, fruits and vegetables. Similarly, Vegetable has been defined as a plant or part of a plant used as food such as cabbage, potato, carrot or bean. "Mushroom" is grown commercially in our state and utilised as a vegetable for consumption by the people. Therefore, it is evident that the **Consumer growing Mushroom in our State shall be classified under Allied-Agricultural activities**. The rearing of honey bees which is Apiculture, similarly seed culture which is a part of tissue culture cannot be covered under the meaning "Allied-Agriculture Activities".

The request for including Apiculture and Seed Culture in Allied-Agricultural Activities can only be considered after necessary amendment of the Supply Code, 2019 which is likely to be taken up soon.

- **Issue of Levy of Delay Payment Surcharge (DPS) on Electricity Bills**

On the issue of levy of DPS on LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers, it is clarified that, since FY 2023-24, this has been abolished. It is not out of place to mention here that, levy of DPS is a deterrent for defaulting Consumers who pay the bill after lapse of one month of the due date. However, from the performance of DISCOM, it is seen that the overall collection efficiency has improved significantly. The Act empowers the DISCOMs to disconnect the supply of electricity in case of non-payment of Bills. Therefore, it will not be prudent to reinforce the DPS.

- **Introduction of pro-rata Billing**

The issue of introduction of pro-rata billing has been specifically clarified by the Commission in their letter No.619 dated 06.06.2022 addressed to all the DISCOMs. The Supply Code, 2019 is very specific on this matter. Unless Supply Code is amended with new procedures, pro-rata billing cannot be imposed.

- **Issue of Additional Rebate of Rs. 10.00 per month if the Consumer opts for e-bill**

We fully agree with the proposal of the DISCOMs for allowing additional rebate of Rs. 10 per month, if the Consumer opts for Electronic Bill. It will certainly reduce the cost of printing the bill and distribution of the same. However, e-bill instead of physical bill should be made optional since some Consumers may like to continue with the printed bill. This will be applicable for the Consumers who are not provided with the Smart Meters. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

- **Meter Cost to be recovered under CAPEX**

The Commission thoughtfully analysed the proposal. Though the proposal appears to be plausible, still it requires thorough analysis. There will be no issue as far as inclusion of meter cost in CAPEX, where the new meters will be installed. But there may be many Consumers who have already paid the meter rent in full and there may be other Consumers those who have paid the meter rent in part. In those cases, abolishing meter rent may create problem in financial adjustment. Therefore, the DISCOMs are required to file a fresh proposal by giving all the details related to meter rent, number of Consumers in different metering categories, legal implications, if any, and detail plan for implementation etc. Accordingly, the Commission will examine the proposal for recovery under CAPEX.

- **Issue of Billing of public lighting**

Some DISCOMs have requested the Commission to reintroduce the billing on the basis of average hours of burning of street lights. They have pointed out that it is difficult to provide meters because street lights have been fed from multiple sources/ transformers particularly in rural areas. There is no separate metering for individual feeding points of the same Consumer of the street lights. To obviate this problem, DISCOMs have requested the Commission to reintroduce billing on the basis of burning hours. We agree to the request of the DISCOMs on the condition that all the feeding points of street light/ public light shall be provided with timer to disconnect the electricity supply at stipulated hours to avoid wastage of electricity. In that event, billing shall be made uniformly irrespective of seasons of the year, for 11 Hours of burning basing on the Contract Demand.

- **Issue of charges for Temporary Supply**

Some DISCOMs have requested for imposition of General-Purpose Tariff to all category of Consumers during construction phase. It has been submitted that future use of electricity and category of Consumers (as per Supply Code, 2019) cannot be ascertained unless the construction is complete. The General-Purpose tariff is imposed in case of Commercial activity or any activity not covered under the Supply Code. The Code defines this category and covers fair, festival to construction of residential and commercial complexes. The imposition of uniform tariff across all types of construction activity will affect the temporary drawal of power for residential construction activities. It would be a major financial jolt to them and shall be contrary to the Regulation.

Therefore, this suggestion cannot be accepted and DISCOMs should undertake due diligence before deciding a tariff for temporary supply.

- **Issue of Special Tariff for Industries for Temporary Business Requirement**

The DISCOMs have suggested for temporary increase in CD of Industries having CGP when some of the units of such CGP undergoes maintenance. This suggestion cannot be accepted in view of the codal provision for enhancement of Contract Demand under Regulation 127 of the Supply Code, 2019. Over and above, this will affect the power purchase planning of DISCOMs and GRIDCO.

- **Issue of Minimum Off take by Industries having CGP**

When Industries having CGP keep a CD with the DISCOM, they have the freedom for drawal of energy at anytime within the CD. The demand on the power system is based on the CD of the Consumers. The power purchase and design of transmission and distribution network should be made in such a way that it caters to the SMD of DISCOMs. Therefore, if there is any intermittent drawal, then the consequence of such drawal must be absorbed by DISCOM and GRIDCO. Minimum off take for industries with CGP need not be fixed as suggested by DISCOM(s).

- **Issue of Standard Service Connection charges for 3 Phase LT connection**

Some of the DISCOMs have stated that the Commission in the Supply Code, 2019 has standardised service connection charges for LT Single phase connection upto 5 kW. There is no mention about connection charges beyond 5 kW and in absence of which DISCOM prepare estimate on case-to-case basis. Therefore, DISCOMs have requested for standardisation of service connection charges for LT 3 Phase Customers upto the load 70 kVA. We have examined the issue and found that due to gradual increase of load, the service connection may undergo change in configuration frequently. So, demanding uniform service connection charge from all the Consumers for a particular load is not fair. However, for similar configuration of service connection for a particular load, the DISCOMs can standardise them.

- **Mail Id, Mobile/ Telephone Numbers of Officials**

Many Consumers brought to the notice of the Commission that they are unable to find out Designated Officers responsible for a particular work. Therefore, they run from pillar to post to get their work done by the DISCOM’s staff. The DISCOMs are advised to display the name, designation, email Id & Mobile/Telephone number of the

Designated Officers, assigned in public service, from Section level upto Corporate level in their website and so also at public interface points.

- **Issue of Bill in Odia language**

The Commission had earlier directed the DISCOMs to issue bilingual electricity bill. It is yet to be fully implemented down to the level of single-phase LT Consumers. DISCOMs are advised to complete the project by the end of ensuing financial year 2024-25.

- **Meter Rent**

As per the Commission's directions, meter rent is to be collected basing on the category of meter and not on the category of the class of Consumer. One of the Objectors brought this to the notice of the Commission. The DISCOMs are expected to bestow attention and to take appropriate remedial measures in this regard.

- **Remunerative Calculation**

Regulation 27 of Supply Code, 2019 provides for payment of cost of extension of Distribution main or its upgradation/ strengthening etc. from the feeding Sub-station to the Consumer premises by the Consumer if the scheme is financially unviable. In that case, the Licensee shall submit a remunerative calculation to the Consumers to bear part or full cost. But it is alleged that the Licensees are not attaching detail calculation as per the OERC norms in their Demand Note to the Consumer. Therefore, the licensees are impressed upon to attach detail remunerative calculation with each Demand Note where it is required without fail.

- **Adding of Transformer loss in LT GP category when metering is at HT side**

One of the Objectors has brought to the notice of the Commission that some Consumers though availing power supply at 11 kV are categorised as LT GP Consumers for billing purposes since they are drawing less than 70 kVA. The transformer loss is added to the metered units basing on the placement of meters. Therefore, they should be governed under Regulation 97 (vii) of the Supply Code, 2019.

For the Consumers with CD < 70 kVA (connected at LT or HT level), the Commission has provided a special dispensation since long which runs as follows:

"*General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019 the supply for load above*

5 KW upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases."

The DISCOMs are directed to adhere to this Order and Tariff Regulation scrupulously, failing which the Consumers are at liberty to approach the Learned GRF.

- **Issues Concerning Supply Code, 2019.**

Certain proposals relating to Supply Code, 2019 have been received by the Commission from the Objectors/Licensees and individuals during the ARR proceedings. Such proposals are regarding reclassification of some category of Consumers, load factor for different type of load/ category of Consumers, time period extension of temporary connection, procedure of billing for defective meter, revision of load factor considered during un-authorised use of electricity, revision of reconnection charges, combined application of Form-I and Form-II etc. These suggestions requires amendment of the Supply Code, 2019. Accordingly, the Commission would consider these proposals for necessary amendment in due course of time.

94. **Cross-Subsidy in Tariff**

Cross Subsidy has been defined in Clause 7.77 of the OERC Wheeling & RST Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of the National Electricity Policy. This is reproduced below:

"7.77 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."

95. According to above Regulation, the Cross Subsidy is to be worked out basing on the Average Cost of Supply (ACoS) to all Consumers of the State taken together and average voltage-wise tariff applicable to such Consumers. The Average Cost of Supply for Odisha for FY 2024-25 is follows:

Table – 24
Average Cost of Supply (per Unit) FY 2023-24 (Rs. In Crs.)

Description	2024-25 (Approved)
Cost of Power Purchase	12339.40
Transmission Charge	900.96
SLDC Charge	7.34
Total cost of Power Purchase including Transmission and SLDC Charge(A)	**13247.70**
Net Employee costs	2383.49
Repair and Maintenance Expenses	901.23
Administrative and General Expenses	570.22

Description	2024-25 (Approved)
Provision for Bad and Doubtful Debts	176.38
Depreciation	304.06
Interest Expenses including Interest on S.D	591.49
Sub-Total	**4926.85**
Less: Employee Cost capitalised	101.91
Less: Interest capitalised	13.53
Total Operation & Maintenance and Other Cost	**4811.42**
Return on Equity	352.31
Tax on ROE	96.88
Total Distribution Cost (B)	**5260.60**
Total Cost (C) =[(A) + (B)]	18508.30
Approved Saleable Units (MU) (D)	30795.229
Average CoS (paisa per unit) [(C) x 1000 / (D)]	**601.01**

For the purpose of calculating average tariff, the estimated revenue realization from a Consumer category (LT/HT/EHT) and total sale of energy to that category have been taken into consideration.

Average Tariff realization = [Total expected revenue realisation for a category of Consumer as per ARR (EHT/HT/LT) / Total anticipated sales of energy to that category (EHT/HT/LT) as per ARR]

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

Table – 25
Cross Subsidy Table for FY 2023-24

Financial Year	Level of Voltage	Avg. CoS for the State (paise/unit)	Average Tariff (paise/unit)	Cross-Subsidy (paise/unit)	Percentage of Cross-subsidy above/below of CoS	Remarks
(1)	(2)	(3)	(4)	(5) =(4)–(3)	(6)=(5)/(3)	(7)
2018-19	EHT	489.47	576.88	87.41	17.86%	The tariff for HT and EHT categories has been calculated based on average tariff of that category.
	HT		579.18	89.71	18.33%	
	LT		398.72	-90.76	-18.54%	
2019-20	EHT	499.71	577.21	77.50	15.51%	
	HT		579.38	79.67	15.94%	
	LT		406.21	-93.50	-18.71%	
2020-21	EHT	524.62	595.77	71.15	13.56%	
	HT		596.18	71.56	13.64%	
	LT		433.81	-90.81	-17.31%	
2021-22	EHT	548.40	626.50	78.10	14.24%	
	HT		623.90	75.49	13.77%	
	LT		466.07	-82.33	-15.01%	
2022-23	EHT	587.77	654.61	66.84	11.37%	
	HT		640.36	52.59	8.95%	
	LT		478.44	-109.33	-18.60%	
2023-24	EHT	604.22	622.71	18.50	3.06%	
	HT		652.90	48.68	8.06%	

Financial Year	Level of Voltage	Avg. CoS for the State (paise/unit)	Average Tariff (paise/unit)	Cross-Subsidy (paise/unit)	Percentage of Cross-subsidy above/below of CoS	Remarks
	LT		497.71	-106.51	-17.63%	
2024-25	EHT	601.01	630.45	29.44	4.90%	
	HT		647.03	46.02	7.66%	
	LT		499.58	-101.43	-16.88%	

96. The Commission has managed to keep cross-subsidy among the subsidised and subsidising category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy. The above cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture) and should not be confused with Cross Subsidy Surcharge (CSS) payable by Open Access Consumers to the DISCOM(s). The Cross Subsidy Surcharge (CSS) is applicable only to Open Access Consumers which is discussed hereinafter.

97. **Open Access Charges (Cross Subsidy Surcharge and Wheeling Charges)**

The tariff for HT and EHT Consumers for determination of cross subsidy surcharge has been assumed at 100% load factor since open access drawal is made to utilise the full quantum of the power so availed. The formula prescribed in Tariff Policy in Para 8.5.1 for determination of Cross Subsidy Surcharge is as follows:

Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where:

S is the surcharge

T is the tariff payable by the relevant category of Consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including power purchase to meet the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses (expressed as a percentage applicable to the relevant voltage level)

R is the per unit cost of carrying regulatory assets.

98. As prevalent in the previous year, the Commission accepts 'C' equal to BSP of respective DISCOMs as explained above. Similarly, 'T' is the tariff at 100% load factor including demand charges for the respective voltage level. The wheeling charges 'D' is as determined from the distribution cost approved for the FY 2024-25 and 'L' is assumed 8% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

99. The determination of Wheeling Charges is independent of distribution voltage level i.e. 11 kV & 33 kV. The wheeling as per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, means the operation whereby the distribution system and associated facilities of a Distribution Licensee are used by another person for the conveyance of electricity on payment of charges, to be determined under these Regulations. Therefore, Regulation does not differentiate distribution system in terms of voltage level and includes both 33 kV and 11 kV network. Therefore, the Commission determines a single wheeling charge for 11 kV and 33 kV.

Based on the above, the Wheeling Charge and Cross Subsidy Surcharge for the four DISCOMs is determined as follows:

Table – 26
Wheeling Charges Approved for FY 2024-25

Description	TPCODL	TPNODL	TPWODL	TPSODL
Energy Handled at HT (MU)	10,350.12	4,607.72	8,112.18	4,192.00
Net Distribution Cost (Rs. In Crs.)	1,050.10	701.45	789.28	657.38
Wheeling Charge calculated for 2024-25 (paise/unit)	101.46	152.23	97.30	156.82

Table – 27
Computed Surcharge for Open Access Consumer 1MW and above for FY 2024-25 (In paise / unit)

Description	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer	232.86	197.86	167.86	347.86
Surcharge for HT Consumer	108.90	20.08	42.41	178.54

100. As per mandate of the Electricity Act, 2003 under Section 42, the Cross Subsidy Surcharge (CSS) is to be reduced progressively. The Commission is authorized to evolve a methodology for such reduction. Accordingly, the Commission has fixed the leviable surcharge, wheeling charges and transmission charges for open access customer for FY 2024-25 as given in Table below:

Table – 28
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open Access Consumer(s) of 1MW and above for FY 2024-25

Name of the licensee	Cross Subsidy Surcharge (paise/unit)		Wheeling Charge applicable to HT Consumers only (paise/unit)	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	163.00	76.23	101.46	The Open Access Customer availing Open Access shall pay Rs.5760/MW/Day (Rs.240/MWh) as Transmission charges
TPNODL	138.50	14.06	152.23	
TPWODL	117.50	29.69	97.30	
TPSODL	243.50	124.98	156.82	

101. **Additional Surcharge**

As per principle followed in the previous Order, the Commission has not determined additional surcharge over and above the surcharge to be paid to the DISCOMs to meet the fixed cost of licensee arising out of his obligation to supply power as provided under Sub-Section 4 of Section 42 of the Electricity Act, 2003. This is because no such case has been brought before the Commission by the DISCOMs.

102. The Commission has notified the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 on 27th December, 2023. The said Regulation and The Renewable Policy, 2022 of Government of Odisha shall be taken into consideration for availing Renewable Power through Open Access.

103. In summary,

(i) The wheeling charge, transmission charge and surcharge as indicated in above Table shall be applicable from 01.04.2024.

(ii) The normative transmission loss at EHT (3%) and normative wheeling loss at HT level (8%) shall be applicable for the year 2024-25.

(iii) Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge is to be levied at present.

(iv) 100% Cross Subsidy Surcharge (CSS) is payable by the Consumers availing Renewable power through Open Access.

(v) 100% Transmission & Wheeling charge is payable by the Consumers drawing power through Open Access from Renewable sources.

However, certain exemptions under Odisha Renewable Energy Policy 2022 (OREP-2022) are allowed over and above the Open-Access charges :

(i) Fifty percent (50%) of Cross Subsidy Surcharge (CSS) shall be payable by the Open Access Consumers, on consumption of energy from RE projects, commissioned in the State during the policy period for fifteen (15) years.

(ii) No Cross-subsidy surcharge is payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(iii) Twenty five percent (25%) exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period for Fifteen (15) years.

(iv) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access Consumers on consumption of energy from RE projects commissioned in the State, during the policy period for fifteen (15) years. This exemption shall be allowed for five (5) more years i.e. twenty (20) years in case of projects commissioned before 31.03.2026.

FINANCIAL ISSUES FY 2024-25

Employee Expenses

104. The four DISCOMs (TPWODL, TPNODL, TPSODL and TPCODL), in their ARR and tariff petition for the FY 2024-25, have projected higher employee expenses compared to the approved cost in the ARR order for FY 2023-24. A comparison of the Employee expenses approved for FY 2023-24 and proposed for FY 2024-25 by DISCOMs is shown in the following table.

Table – 29
Employee Expenses (FY 2024-25)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Approved 2023-24	Proposed 2024-25	Approved 2023-24	Proposed 2024-25	Approved 2023-24	Proposed 2024-25	Approved 2023-24	Proposed 2024-25	Approved 2023-24	Proposed 2024-25
1	Basic Pay + GP	106.45	125.44	114.48	100.01	92.23	96.39	206.60	206.06	519.75	527.90
2	DA	47.90	66.48	51.52	49.99	41.50	50.12	92.97	108.51	233.89	275.10
3	Reimbursement of HR	20.40	22.58	18.14	20.00	16.71	17.35	39.45	40.19	94.71	100.12
4	Other allowance	2.13	5.46	4.25	15.91	7.93	14.67	6.51	9.25	20.82	45.29
6	Bonus	0.35			9.32				0.21	0.35	9.53
7	Outsource and contractual employee expenses	39.01	43.71	59.14	62.96	95.00	127.00	64.90	71.39	258.05	305.06
8	Additional employee expenses-CTC	129.30	150.59	53.09	117.81	111.44	124.53	95.80	152.89	389.63	545.82
9	Total Emoluments (1 to 8)	**345.54**	**414.26**	**300.61**	**376.00**	**364.81**	**430.06**	**506.24**	**588.50**	**1517.20**	**1808.82**
10	Med. Allowance/ Reimbursement of	5.07	6.27	4.85	5.00	4.54	1.07	10.69	10.30	25.15	22.64

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Approved 2023-24	**Proposed 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2023-24**	**Proposed 2024-25**
	medical expenses										
11	LTC/UL	1.07	0.58	2.75	0.11		0.1			3.82	0.79
12	Honorarium	0.50					0.03			0.50	0.03
13	Payment under workmen compensation Act	0.10								0.10	0.00
14	Employees uniform Expenses								4.00	0.00	4.00
15	Ex-gratia	6.50	15.97	5.00	0.23			18.04	10.64	29.54	26.84
16	Other Staff expenses	6.00	20.56	0.36			7.71	19.61		25.97	28.27
17	Total Other Staff expenses (9 to 16)	19.24	**43.38**	12.96	**5.34**	**4.54**	**8.91**	48.34	**24.94**	1602.28	82.57
18	Staff Welfare Expenses	10.37	13.83	4.08	5.34	20.33	19.76	11.21	24.74	45.99	63.67
19	Terminal liabilities (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	205.41	155.12	211.73	163.03	136.31	116.65	237.44	246.93	790.89	681.73
20	Total (9+ 17+18+19)	**580.57**	**626.59**	**529.37**	**549.71**	**526.00**	**575.38**	**803.22**	**885.11**	**2439.17**	**2636.79**
21	Less : Employee Expenses capitalized	25.66	20.09	16.58	16.99	30.24	35.90	26.29	28.93	98.77	101.91
22	Total Employees expenses	**554.91**	**606.50**	**512.79**	**532.72**	**495.76**	**539.48**	**776.93**	**856.18**	**2340.40**	**2534.88**
% rise over approved 2023-24			**9.30**		**3.89**		**8.82**		**10.20**		**8.31**

105. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee expenses compared to the approval for the FY 2023-24. The percentage increase in employee expenses of TPWODL, TPNODL, TPSODL and TPCODL over the approval of FY 2023-24 are 9.30%, 3.89%, 8.82% and 10.20% respectively. The overall increase in employee expenses of all DISCOMs is 8.31% over the approval of FY 2023-24.

106. TPCODL in the ARR petition for FY 2024-25 has projected Rs.856.18 cr. towards employee expenses for FY 2024-25 which include the expenditure for the inherited employees to the tune of Rs.703.29 crore and for new employees to the tune of Rs.152.89 cr. This includes salaries, allowances, terminal benefits and expenses of outsource and contractual employees. Total expenditure projection for the new employees includes carry forward of the existing CTC employees from the previous years along with new recruitment during the FY 2024-25. TPCODL has stated that the new employees are required to fulfil operational needs and to achieve organisational objectives. TPCODL has stated that the present estimated expenditure for FY 2023-24 will be Rs.809.10 crore against Commission’s approval of Rs 776.93 crore for FY 2023.24.

107. TPWODL has proposed the total employee expenses aggregating to Rs.606.50 crore for the FY 2024-25 which include Rs.455.91 crore for inherited employees and Rs. 150.59

crore for CTC employee against the Commission's total approved expenditure of Rs.554.91 crore for FY 2023-24.

108. TPSODL has proposed the total employee expenses aggregating to Rs.539.48 crore for the FY 2024-25 which include Rs.414.95 crore for inherited employees and Rs.124.53 for CTC employee against the Commission's total approved expenditure Rs 495.76 crore for FY 2023-24. The outsource and contractual employee expenses of Rs.127.00 cr. proposed for the FY 2024-25 is the highest among all DISCOMs.

109. TPNODL has proposed the total employee expenses aggregating to Rs.532.72 crore for the FY 2024-25 which include Rs.414.91 crore for inherited employees and Rs.117.81 crore for CTC employee. TPNODL has estimated expenditure of Rs. 488.34 crore for the FY 2023-24 against the Commission's approved expenditure of Rs.512.79 crore.

110. The Commission in order to arrive at the estimates of the inherited employees ascertained the requirement under Basic Pay including Grade Pay, the number of employees etc. as on 31.3.2023, 31.03.2024 and 31.03.2025 from the submissions. DISCOMs have also provided the existing CTC employees and their requirement during the ensuing year. The position of the employees up to the end of FY 2024-25 as proposed by the Licensees is shown in the following table:-

Table – 30
Employees Proposed (2024-25)

Employees Proposed (2024-25)	TPWODL	TPNODL	TPSODL	TPCODL
Inherited				
No. of employees as on 01.04.2023	1981	1954	1779	4272
Add: Addition during 2023-24	0	0	0	
Less: Retirement/Expired Resignation during 2023-24	94	62	75	136
No. of employees as on 31.03.2024	1887	1892	1704	4136
Add: Addition during 2024-25	0	0	0	
Less: Retirement/Expired/ Resignation during year 2024-25	55	38	36	138
Proposed No. of employees as on 31.03.2025	**1832**	**1854**	**1668**	**3998**
CTC Employee				
No. of employees as on 01.04.2023	1062	1007	908	798
Add: Addition during 2023-24	511	162	385	250
Less: Retirement/Expired Resignation during 2023-24	55	80	0	
No. of employees as on 31.03.2024	1518	1089	1293	1048
Add: Addition during 2024-25	330	130	186	150
Less: Retirement/Expired/ Resignation during year 2024-25	0	60	0	

Employees Proposed (2024-25)	TPWODL	TPNODL	TPSODL	TPCODL
Proposed No. of employees as on 31.03.2025	**1848**	**1159**	**1479**	**1198**
Total no. of employees including CTC employee expected by the end of FY 2024-25	3680	3013	3147	5196

111. TPCODL has stated that there have been substantial retirements including 600 linesmen who are required for maintenance across Sections, PTW and for attending fuse call camps. TPCODL has therefore proposed to approve an additional recruitment of 150 linesmen as operational trainee in the FY 2024-25.

112. TPNODL has stated that as on 01.04.1999, the number of employees was 4557 with a consumer base of 2.5 lakh. During the FY 2020-21 the consumer base has increased 8 times to around 20 lakh and number of employees was 2159 which has reduced by 52%. The Commission in its order has directed to keep the number of employees per thousand consumers within the ratio of 1.40. TPNODL has accordingly given details of recruitments planned for FY 2023-24 and 2024-25 in the above table keeping in mind the number of employees per thousand consumers within the ratio of 1.40.

113. TPWODL has stated that during FY 2013-14 the number of employees were 3785 against the total number of consumers of 11.81 lakh. During the FY 2022-23 the number of consumers has increased to 26.73 lakh where as the number of employees have reduced to 3043. TPWODL has stated that the consumer base as on 30th September, 2023 excluding ghost consumers is 25.10 lakh. The licensee has recognised additional ghost consumers of about 2 lakh till such date which makes the total consumer base to 27.19 lakh. The employees per thousand consumers for FY 2024-25 against such consumer base is below the ratio of 1.40 (with projection of 3680 employees for the FY 2024-25).

114. Commission had earlier analysed the manpower position, retirements and number of consumers for each DISCOMs. A comparison was made regarding the manpower position vis-à-vis the consumers in each DISCOM in Odisha with that of the various DISCOMs in the country. It was found that in most of the DISCOMs of the country, the manpower position varies from 1.5 to 1.75 per 1000 consumers. After analysis, the Commission taking into cognizance of this fact and in order to rationalize the manpower requirement in each DISCOM, allowed the replenishment of the retiring

manpower in the DISCOMs This was communicated to the DISCOMs, vide Commission's letter dated 17.01.2021.

115. For the purpose of calculation of Basic pay, the Commission has considered average no. of employees during the FY 2023-24 and FY 2024-25. Similar methodology is also followed for calculation of CTC employee expenses considering the average no. of employee for FY 2023-24 and FY 2024-25, keeping the ratio of employees per 1000 consumers within 1.40. Accordingly, Commission approves following number of employees for the DISCOMs for FY 2024-25 for the purpose calculation of employee expenses.

Table – 31
Employees Approved (2024-25)

Employees Approved (2024-25)	TPWODL	TPNODL	TPSODL	TPCODL
Inherited				
No. of employees as on 01.04.2023	1981	1954	1779	4272
Add: Addition during 2023-24	0	0	0	0
Less: Retirement/Expired Resignation during 2023-24	94	62	75	136
No. of employees as on 31.03.2024	1887	1892	1704	4136
Add: Addition during 2024-25	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2024-25	0	38	36	138
No. of employees as on 31.03.2025	1887	1854	1668	3998
Average no. of employees for FY 2023-24	1934	1923	1742	4204
Average no. of employees for FY 2024-25	**1887**	**1873**	**1686**	**4067**
CTC Employee				
No. of employees as on 01.04.2023	1062	1007	908	798
Add: Addition during 2023-24	511	162	385	250
Less: Retirement/Expired Resignation during 2023-24	55	80	0	0
No. of employees as on 31.03.2024	1518	1089	1293	1048
Add: Addition during 2024-25	120	100	65	0
Less: Retirement/Expired/ Resignation during year 2024-25	0	60	0	0
No. of employees as on 31.03.2025	1638	1129	1358	1048
Average no. of employees for FY 2023-24	1290	1048	1101	923

Employees Approved (2024-25)	TPWODL	TPNODL	TPSODL	TPCODL
Average no. of employees for FY 2024-25	**1578**	**1109**	**1326**	**1048**
Total no. of employees including CTC	3525	2983	3026	5046

116. All the Licensees have projected their employee expenses for FY 2024-25 taking into account the impact of the new recruitments. The DISCOMs in their reply to queries of the Commission furnished the actual cash outflow on Basic Pay + GP from April, 2023 to November, 2023 (for a period of 8 months). Accordingly, the Basic pay and GP for FY 2023-24 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2024-25 for the inherited employees. The Commission allows 3% escalation on Basic Pay and Grade Pay (based on Govt. of Odisha notification on the escalation of annual salary increments) towards normal annual increment on year over year basis for the inherited employees. The same principle has been followed for the estimation of Basic pay and GP for ARR of FY 2024-25. The actual Basic pay and GP drawn for the period April, 2023 to November, 2023 is prorated for the entire year and the Basic pay and GP for FY 2024-25 is estimated by factoring the average no. of employees for FY 2023-24 and FY 2024-25.

117. The DA as per the 7th Pay Commission recommendations and the projections thereof for FY 2024-25 is 54%.

Table – 32

Effective Date	Rate	Status
01.01.2023	42%	Approved By GoO.
01.07.2023	46%	Approved By GoO.
01.01.2024	50%	Projected
01.07.2024	54%	Projected
01.01.2025	58%	Projected

The Commission considers average DA rate of 54% for FY 2024-25.

House Rent Allowance and Medical Allowance

118. House rent allowance and Medical Allowance have been allowed for FY 2024-25 as a proportion of the basic pay as submitted by the DISCOMs.

Outsource and Contractual employee expenses

119. As per the submission of the DISCOMs, in view of the large-scale rural electrification, addition of new consumers, reorganization, MRT, Energy Audit, maintenance of DTRs

and vigilance activities etc., the present manpower is inadequate. Consequently, in order to improve condition of supply, reduction of distribution loss and to improve collection, DISCOMs have engaged contractual personnel and outsource agencies for maintenance of existing Grid substations, sub stations under ODSSP, watch and ward activity, vigilance activities etc. DISCOMs were asked to submit the actual expenses on these activities during the current financial year 2023-24. The Commission after scrutiny allows the expenses on Contractual and outsource employees for the ensuing FY 2024-25 on the basis of the submission of DISCOMs and actual cash outgo for the current FY 2023-24.

Analysis of LT Division-wise Performance and Employee Performance

120. The Commission analysed the LT loss level of various divisions of DISCOMs as submitted by the DISCOMs. The performance in respect of LT segment of all four DISCOMs (Division wise) for FY 2022-23 on the various parameters is as given in the following tables.

Table – 33

L.T. PERFORMANCE OF TPCODL FOR THE FY 2022-23

Sl. No.	Name of Division	No of Consumers	Energy Input(MU)	Energy Sold (MU)	LOSS (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumers (Cr.)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C LOSS (%)	LT Realization Per LT Input P/U
1	BCDD-1	63750	239.642	255.11	-6.5%	106.5%	155.41	160.26	103.1%	-9.8%	669
2	BCDD-2	200423	533.3	566.32	-6.2%	106.2%	325.87	337.98	103.7%	-10.1%	634
3	BED	151484	525.9	486.34	7.5%	92.5%	280.82	285.58	101.7%	6.0%	543
4	NEDN	203612	396.7	209.75	47.1%	52.9%	105.88	106.21	100.3%	47.0%	268
5	PED	207420	407.9	253.39	37.9%	62.1%	140.17	163.50	116.6%	27.5%	401
6	NED	219220	230.0	178.13	22.6%	77.4%	87.84	95.16	108.3%	16.1%	414
7	KED	200524	380.2	250.04	34.2%	65.8%	129.59	146.42	113.0%	25.7%	385
8	BEDB	120126	170.8	124.34	27.2%	72.8%	61.63	68.49	111.1%	19.1%	401
9	CED	173033	391.2	203.15	48.1%	51.9%	107.67	118.21	109.8%	43.0%	302
10	CDD-I	84661	303.1	293.33	3.2%	96.8%	169.45	179.07	105.7%	-2.3%	591
11	CDD-II	84433	275.7	250.86	9.0%	91.0%	144.19	154.52	107.2%	2.5%	561
12	AED	132845	250.0	118.55	52.6%	47.4%	59.83	65.34	109.2%	48.2%	261
13	SED	121345	207.7	118.79	42.8%	57.2%	59.84	65.86	110.1%	37.1%	317
14	KED-I	211936	296.8	240.60	18.9%	81.1%	120.89	118.01	97.6%	20.9%	398
15	KED-II	98025	111.6	78.39	29.7%	70.3%	37.78	40.93	108.4%	23.9%	367
16	PDP	116678	195.9	129.23	34.0%	66.0%	65.80	71.35	108.4%	28.5%	364
17	JED	140531	187.3	140.91	24.8%	75.2%	68.25	74.89	109.7%	17.4%	400
18	DED	208984	393.5	238.42	39.4%	60.6%	123.82	133.18	107.6%	34.8%	338
19	ANED	175884	270.4	185.03	31.6%	68.4%	99.55	111.60	112.1%	23.3%	413
20	TED	160516	320.8	190.38	40.7%	59.3%	100.12	105.24	105.1%	37.6%	328
TOTAL TPCODL		**3075430**	**6088.522**	**4511.072**	**25.9%**	**74.1%**	**2444.42**	**2601.79**	**106.4%**	**21.14%**	427

Table - 34
L.T.PERFORMANCE OF TPNODL FOR THE FY 2022-23

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per LT Input P/U
1	BED, BALASORE	65307	163.681	147.511	9.88%	90.12%	82.70	85.45	103.32%	6.89%	522
2	BTED, BASTA	84498	136.987	83.323	39.17%	60.83%	40.44	43.23	106.90%	34.98%	316
3	JED, JALESWAR	120699	177.382	125.619	29.18%	70.82%	56.78	61.22	107.82%	23.64%	345
4	CED, BALASORE	116174	204.780	131.097	35.98%	64.02%	67.21	73.00	108.61%	30.47%	356
5	SED, SORO	153708	173.372	129.701	25.19%	74.81%	65.33	74.13	113.48%	15.10%	428
6	BNED, BHADRAK (N)	182851	318.431	211.761	33.50%	66.50%	113.20	121.03	106.92%	28.90%	380
7	BSED, BHADRAK (S)	111998	150.547	101.082	32.86%	67.14%	51.15	65.33	127.72%	14.24%	434
8	BPED, BARIPADA	224386	287.791	223.337	22.40%	77.60%	121.25	127.62	105.26%	18.32%	443
9	UED, UDALA	106701	92.693	77.545	16.34%	83.66%	40.48	44.84	110.77%	7.34%	484
10	RED, RAIRANGPUR	207566	197.249	156.676	20.57%	79.43%	81.46	87.43	107.33%	14.75%	443
11	JRED, JAJPUR ROAD	98931	222.683	165.227	25.80%	74.20%	92.88	100.36	108.05%	19.83%	451
12	JTED, JAJPUR TOWN	100323	162.974	121.636	25.36%	74.64%	61.48	65.10	105.89%	20.97%	399
13	KUED, KUAKHIA	113810	211.716	130.060	38.57%	61.43%	68.94	77.05	111.77%	31.34%	364
14	KED, KEONJHAR	120348	112.706	103.355	8.30%	91.70%	59.66	63.72	106.81%	2.05%	565
15	JOED, JODA	95153	122.400	110.104	10.05%	89.95%	63.61	69.13	108.67%	2.24%	565
16	AED, ANANDAPUR	139135	154.873	114.670	25.96%	74.04%	61.02	65.83	107.89%	20.12%	425
	TOTAL TPNODL	**2041588**	**2890.265**	**2132.704**	**26.21%**	**73.79%**	**1127.59**	**1224.47**	**108.59%**	**19.87%**	**424**

Table – 35
L.T.PERFORMANCE OF TPWODL FOR THE FY 2022-23

SL. NO.	NAME OF DIVISION	No of LT Consumers	ENERGY INPUT (MU) (Assuming HT Loss 8%)	ENERGY SOLD (MU)	LOSS % (Assuming HT Loss 8%)	BILLING EFFICIENCY (%)	BILLING TO CONSUMERS (Rs.Crs.)	COLLECTION RECEIVED (Rs. IN Crs.)	COLLECTION EFFICIENCY (%)	AT & C LOSS (%)	LT P/U REALISATION
1	ROURKELA	73989	105.944	123.361	-16.44%	116.44%	68.77	79.46	115.53%	-34.53%	750
2	ROURKELA-SADAR	115379	175.353	153.321	12.56%	87.44%	80.07	89.26	111.48%	2.53%	509
3	RAJGANGPUR	135055	101.530	144.430	-42.25%	142.25%	77.11	86.97	112.78%	-60.43%	857
4	SUNDERGARH	116746	156.632	105.926	32.37%	67.63%	57.29	70.37	122.84%	16.93%	449
5	SAMBALPUR	66774	247.966	175.596	29.19%	70.81%	101.56	102.49	100.92%	28.53%	413
6	SAMBALPUR(E)	121312	277.239	159.836	42.35%	57.65%	83.11	86.97	104.64%	39.67%	314
7	JHARSUGUDA	135962	251.154	172.025	31.51%	68.49%	93.83	113.94	121.42%	16.83%	454
8	BRAJRAJNAGAR	52467	107.885	79.376	26.43%	73.57%	41.50	46.74	112.61%	17.15%	433
9	DEOGARH	75916	68.529	53.850	21.42%	78.58%	28.38	33.43	117.81%	7.42%	488
10	BARGARH	136193	528.208	236.604	55.21%	44.79%	115.35	101.50	87.99%	60.58%	192
11	BARGARH(W)	192085	636.883	232.250	63.53%	36.47%	87.60	73.05	83.39%	69.59%	115
12	BOLANGIR	155228	381.068	189.125	50.37%	49.63%	92.17	83.31	90.38%	55.14%	219
13	SONEPUR	151684	294.328	165.317	43.83%	56.17%	73.19	64.61	88.29%	50.41%	220
14	TITLAGARH	237916	377.725	194.900	48.40%	51.60%	92.08	91.63	99.51%	48.65%	243
15	KEED	179747	234.259	142.546	39.15%	60.85%	74.52	85.89	115.26%	29.86%	367
16	KWED	185965	205.385	124.889	39.19%	60.81%	60.64	62.45	102.98%	37.38%	304
17	NUAPADA	146986	253.501	128.633	49.26%	50.74%	63.23	64.33	101.75%	48.37%	254
	TOTAL TPWODL	**2279404**	**4403.589**	**2581.984**	**41.37%**	**58.63%**	**1290.40**	**1336.39**	**103.56%**	**39.28%**	**303**

Table – 36
L.T. PERFORMANCE OF TPSODL FOR THE FY 2022-23

Sl. No.	Name of Division	No. of Consumer	Energy Input(MU)	Energy Sold (MU)	LOSS (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C LOSS (%)	LT Realisation per LT Input p/u
1	AED- I, ASKA	171197	121.554	51.714	57.46%	42.54%	26.33	29.81	113.22%	51.83%	245
2	AED- II, ASKA	89193	121.461	49.508	59.24%	40.76%	25.50	27.75	108.83%	55.64%	228
3	NED, NABARANGPUR	75696	307.950	209.504	31.97%	68.03%	102.33	73.78	72.11%	50.94%	240
4	KED, KORAPUT	162189	173.663	118.275	31.89%	68.11%	61.23	48.26	78.81%	46.33%	278
5	GNED, CHATRAPUR	154007	188.364	104.117	44.73%	55.27%	54.36	59.76	109.93%	39.23%	317
6	MED, MALKANGIRI	126256	146.546	109.126	25.53%	74.47%	56.12	52.20	93.01%	30.74%	356
7	BOED, BOUDH	135292	114.866	76.202	33.66%	66.34%	36.23	39.08	107.86%	28.44%	340
8	PSED, PURUSOTTAMPUR	145218	153.068	88.540	42.16%	57.84%	44.54	56.78	127.49%	26.26%	371
9	HED, HINJILICUT	147765	122.804	74.281	39.51%	60.49%	35.41	44.35	125.24%	24.25%	361
10	BNED, BHANJANAGAR	130876	152.149	107.924	29.07%	70.93%	54.75	61.24	111.86%	20.66%	402
11	JED, JEYPORE	172238	174.989	141.152	19.34%	80.66%	70.43	69.99	99.38%	19.84%	400
12	PED, PHULBANI	148702	138.516	103.273	25.44%	74.56%	55.75	62.59	112.26%	16.30%	452
13	PKED,PARALAKHEMUND	130262	123.879	110.170	11.07%	88.93%	58.71	60.26	102.65%	8.71%	486
14	GSED, DIGAPAHANDI	107748	109.451	87.273	20.26%	79.74%	43.58	50.69	116.30%	7.27%	463
15	GED, GUNUPUR	176600	74.760	66.495	11.06%	88.94%	33.56	35.02	104.36%	7.18%	468
16	BED- III, BERHAMPUR	112540	99.067	88.872	10.29%	89.71%	45.54	47.81	104.99%	5.82%	483
17	RED, RAYAGADA	68513	147.023	131.622	10.48%	89.52%	70.35	74.13	105.37%	5.67%	504
18	BED- II, BERHAMPUR	88132	151.453	140.616	7.16%	92.84%	77.50	79.89	103.09%	4.28%	528
19	BED- I, BERHAMPUR	82200	171.532	169.565	1.15%	98.85%	94.00	99.10	105.43%	-4.22%	578
	TOTAL TPSODL	**2424624**	**2793.000**	**2028.227**	**27.10%**	**72.90%**	**1046.21**	1072.49	**102.51%**	**25.27%**	385

121. The Commission has always expressed concern regarding high losses at LT level. There is marginal reduction in losses over the previous FY 2021-22 and but it continues to be quite high in many divisions. In the TPWODL there is large variance in the LT p/u realisation as the divisions such as Bargarh, Sonepur, Bolangir etc continue to have much lower LT realisation than the average realisation. Fluctuations have also been observed in other DISCOMs. Almost all divisions have, therefore, been spending more on establishment cost in comparison to revenue realization.

122. The AT&C Loss at LT level needs to be addressed soon in order have a fair view of the overall AT&C loss in the DISCOMs. The AT&C Loss for the four DISCOMs are 39.28% (TPWODL), 25.27% (TPSODL), 21.14% (TPCODL) and 19.87% (TPNODL). The Commission observes that low LT realisation is primarily due to low Billing efficiency. The Billing Efficiency of all four DISCOMs are 58.63% (TPWODL), 72.90 % (TPSODL), 73.79 % (TPCODL) and 74% (TPNODL). This needs improvement in order to have an all-round growth of the DISCOM.

123. The respective vesting orders for the four DISCOMs elaborately deals with many performance parameters, loss reduction targets, capital expenditure, recovery of past

arrears, treatment of employee liabilities etc. The Commission has also elaborated review of performance and commitments provided by the TPCL while acquiring these utilities. The Commission has also set the terms for revocation of license in addition to the provisions related to Revocation of License under Section 19 of the Act.

124. The new Distribution companies have taken over the management of the distribution system of Odisha during the FY 2020-21 & FY 2021-22. The Commission expects significant improvement in functioning, consumer service, billing and collection efficiency and financial health of the new distribution companies. The Commission have also approved required expenses in respect of employee cost, Repair and Maintenance and A&G expenses for the FY2023-24 in order to allow the new distribution licensees to plan and execute their actions in all required areas for improvement of the services.

Terminal Liability

125. All the DISCOMs have projected their terminal liability for the ensuing year. A comparative statement of the approved terminal liability in ARR of FY 2023-24 vis-a-vis projection made by the DISCOMs for FY 2024-25 is given in the following table:

Table – 37
Terminal Liability proposed for FY 2024-25

Terminal Liability	Approved FY 2023-24	Proposed FY 2024-25	Percentage increase (in %)
TPWODL	205.41	155.12	-24.48%
TPNODL	211.73	163.03	-23.00%
TPSODL	136.31	116.65	-14.42%
TPCODL	237.44	246.93	4.00%
Total	**790.89**	**681.73**	-13.80%

126. All the four DISCOMs have projected the terminal liabilities (Pension, Gratuity and Unutilized Leave) on the actual outgo basis. Except TPCODL, all other DISCOMs have projected lower expenses for the terminal liabilities for FY 2024-25 compared to expenses approved in ARR for FY 2023-24.

127. The Commission allows the terminal liabilities on the actual cash out go basis for the ensuing year. As per the vesting order, the Commission, in the ARR, will allow to fund the trusts on the cash outgo requirement and not on the actuarial projection. For the present ARR analysis, DISCOMs were asked to submit actual cash outgo in respect of terminal liability for the current FY 2023-24 up to Nov 2023. On the basis of their

submission of cash outgo up to Nov 2023, the terminal liability was extrapolated for the FY 2023-24 and after prudent analysis by the Commission, the expected terminal liability for FY 2024-25 has been approved. The Commission after analysis approves the terminal liabilities to all the four DISCOMs as per their projection in their respective ARR petitions, the details of which is given in the following table.

Table – 38
Terminal Liability proposed and approved for the FY 2024-25
(Rs. in Crore)

Terminal Liability	Proposed by DISCOM FY 2024-25	Approved FY 2024-25
TPWODL	155.12	155.12
TPNODL	163.03	163.03
TPSODL	116.65	116.65
TPCODL	246.93	246.93
Total	**681.73**	**681.73**

128. In light of the discussions in the above paragraphs, the Employee expenses proposed by the DISCOMs vis-à-vis approval by the Commission for FY 2024-25 is given in the following table:

Table – 39
Employee expenses proposed and approved for the FY 2024-25
(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25
1	Basic Pay + GP	125.44	106.00	100.01	99.32	96.39	91.71	206.06	200.97	527.90	497.99
2	DA	66.48	57.24	49.99	53.63	50.12	49.52	108.51	108.52	275.10	268.92
3	Reimbursement of HR	22.58	19.08	20.00	18.06	17.35	16.53	40.19	37.36	100.12	91.02
4	Other allowance	5.46	3.00	15.91	5.00	14.67	8.00	9.25	7.00	45.29	23.00
6	Bonus			9.32				0.21		9.53	0.00
7	Outsource and contractual employee expenses	43.71	43.71	62.96	59.85	127.00	100.00	71.39	65.00	305.06	268.56
8	Additional employee expenses-CTC	150.59	130.00	117.81	115.00	124.53	112.00	152.89	120.00	124.53	477.00
9	Total Emoluments (1 to 8)	**414.26**	**359.03**	**376.00**	**350.86**	**430.06**	**377.76**	**588.50**	**538.86**	**1387.53**	**1626.50**
10	Med. Allowance/ Reimbursement. of medical expenses	6.27	5.19	5.00	4.52	1.07	1.07	10.30	9.87	22.64	20.65
11	LTC/UL	0.58	0.58	0.11	0.11	0.1	0.1			0.79	0.79
12	Honorarium					0.03	0.03			0.03	0.03
13	Employees uniform Expenses							4.00	0.00	4.00	0.00
14	Ex-gratia	15.97	7.00	0.23	0.23			10.64	8.64	26.84	15.87
15	Other Staff Costs	20.56	6.00			7.71				28.27	6.00
16	Total Other Staff Costs (9 to 16)	**43.38**	**18.77**	**5.34**	**4.86**	**8.91**	**1.20**	**24.94**	**18.51**	82.57	43.34
17	Staff Welfare Expenses	13.83	10.83	5.34	5.34	19.76	5.75	24.74	10.00	63.67	31.92

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25	Proposed 2024-25	Approved 2024-25
18	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+ NPS/CPS)	155.12	155.12	163.03	163.03	116.65	116.65	246.93	246.93	681.73	681.73
19	Total (9+ 17+18+19)	**626.59**	**543.75**	**549.71**	**524.09**	**575.38**	**501.36**	**885.11**	**814.29**	**2636.79**	**2383.49**
20	Less : Employee. cost capitalized	20.09	20.09	16.99	16.99	35.90	35.90	28.93	28.93	101.91	101.91
21	Total Employee expenses	**606.50**	**523.66**	**532.72**	**507.10**	**539.48**	**465.46**	**856.18**	**785.36**	**2534.88**	2281.58

129. The Commission approves above Employee expenses for FY 2024-25 along with any other directions of the Commission in this regard.

Administrative and General (A&G) Expenses

130. The Administrative and General (A&G) Expenses covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance and travelling expenses, material related expenses and other expenses including metering, billing and collection activities etc. The DISCOMs have projected their estimates for FY 2024-25 in their ARR in the following manner which are compared with approved A&G expenses for previous FY 2023-24.

Table – 40
A&G Expenses

(Rs. in Cr.)

A&G Expenses	Approved FY 2023-24			Proposed FY 2024-25		
DISCOM	Normal A&G	Additional A&G	Total A&G	Normal A&G	Additional A&G	Total A&G
TPWODL	118.12	40.00	158.12	204.47	41.40	245.87
TPNODL	90.13	30.00	120.13	134.40		134.40
TPSODL	82.66	30.00	112.66	191.00		191.00
TPCODL	142.01	0.00	142.01	180.00	54.00	234.00

131. TPWODL has projected the A&G cost for ensuing year increasing the estimated expenses of the current FY 2023-24 by 7%. TPWODL has stated that the Commission for FY 2023-24 had allowed A&G expenses of Rs.158.12 crore whereas the licensee has already incurred an amount of Rs.95.27 crore in the first six months of the current year mainly on account of Meter Reading and Collection (MBC) activity, vehicle hire and running expenses, collection-based franchisee expenses, consultancy expenses and other administrative expenses. As a result of these activities including vigilance and enforcement activities substantial collection from LT consumers has been achieved as compared to last five years. Accordingly, for the current, year the licensee has projected

expenses of Rs.191.09 crore for FY 2023-24 as against the approval of Rs.158.12 in the ARR. The licensee has applied escalation factor of 7% on the estimated enhanced amount of Rs.191.09 crore to arrive at A&G expenses for FY 2024-25. The licensee has further claimed an amount of Rs.41.40 crore on account of special/additional expenses towards Energy Police Station, improve reliability, reduce losses and to increase performance towards GIS, SCADA, Communication, OT, IT automation, meter replacement, call centre additional cost etc.

132. TPNODL has estimated A&G expenses of Rs.123.13 crore for the current FY 2023-24 and Rs.134.40 crore for the ensuing FY 2024-25 on the basis of actual commitments, reducing the A&C loss and to improve performance standards. TPNODL has stated that due to their efforts the AT&C loss for FY 2022-23 was lower than the loss of FY 2021-22 by about 10%. The lower loss levels would also be maintained for FY 2023-24 and FY 2024-25. TPNODL has therefore submitted that adequate A&G expenditure may be allowed for providing efficient service.

133. TPSODL has further stated that they have incurred more expenditure in actual terms. TPSODL has categorised A&G expenditure into three categories viz normal A&G, statutory A&G and MBC related activities. For the current FY 2023-24, TPSODL has estimated expenses of Rs.180 crore under above three elements and Rs.191 crore for FY 2024-25.

134. TPCODL has stated that the total estimated expenditure for the current FY 2023-24 will be Rs.168 crore against Rs.142.01 allowed in the ARR. For FY 2024-25 TPCODL has applied 7% escalation over the estimated expenses for FY 2023-24 (Rs.168 crore) which is calculated as Rs.180 crore. TPCODL has further submitted for approval of Rs.54 crore towards additional/special expenditure thereby estimated A&G expenses comes out to Rs.234 crore for FY 2024-25 towards A&G expenses. The major escalation has been observed in the MBC and DSM activities.

135. The Commission observes that A&G expenses as per the OERC Tariff Regulations 2022 is controllable cost and the DISCOMs would not be allowed more than the approved amount in the truing up exercise. The DISCOMs should make efforts to spend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. In the present changed scenario, the management of all the four DISCOMs has been handed over to the private entity through a competitive bidding process. The new management in the DISCOMs have projected enhanced A&G expenses which is more

than the norms under the OERC (Tariff Determination) Regulation 2022. The Commission finds that the proposals for A&G expenses in the petition relates to improving metering, billing and collection activities, energy audit, AMR metering, implementation of PAT scheme, IT automation etc.

136. The Commission allows A&G as per the Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff Regulations, 2022 by escalating 7% over the expenses for the previous year of the control period. The A&G expense shall be allowed on normative basis in the ARR for the ensuing year and shall be subject to true up. The Commission analyses the A&G expenses submitted by DISCOMs and approves A&G expenditure for FY 2024-25 by escalating the A&G expenses by 7% approved over the expenses for FY 2023-24 considering strengthening the meter billing and collection activities in order to reduce the AT&C losses. The Commission has also analysed the AT&C loss achieved by the respective DISCOMs and observed that the trend is downward which is a good indicator of performance of DISCOMs. The Commission, accordingly, after prudence check, approves the A&G expenses for FY 2024-25 to all the four DISCOMS in the following manner:

Table – 41
A&G Expenses approved for FY 2024-25

A & G Expenses Approved for FY 2024-25	TPWODL	TPNODL	TPSODL	TPCODL
Normal A&G expenses for FY 2023-24 (Approved)	118.12	90.13	82.66	142.01
Additional A&G for FY 2023-24 (Approved)	40.00	30.00	30.00	0.00
Total A&G for FY 2023-24 (Approved)	158.12	120.13	112.66	142.01
A&G approved for FY 2024-25 (Escalated 7% approved amount for FY 2023-24)	169.19	128.53	120.55	151.95

137. The Commission further observes that in case of any statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the truing up for FY 2024-25.

Repair and Maintenance (R&M) Expenses

138. The DISCOMs in their ARR and tariff petition for FY 2024-25 have proposed higher requirement for R&M over the previous year's approved expenses which is given below:

Table – 42
R & M Proposal for FY 2024-25

(Rs. in Cr.)

R & M Expenses	Approved for FY 2023-24	Proposed for FY 2024-25	% rise of proposed over FY 2023-24 approved
TPWODL	281.99	336.86	19.46%
TPNODL	214.34	321.45	49.97%
TPSODL	152.57	212.00	38.95%
TPCODL	279.38	358.00	28.14%
TOTAL	**928.28**	**1228.31**	**32.32%**

139. TPWODL has stated that the opening Gross Fixed Assets (GFA) as on 01.04.2024 owned by the licensees amounting to Rs.3906.25 crore which includes assets out of consumer contribution, grant assets, own inherited assets and own CAPEX Assets. As per the Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff Regulations, 2022, the R&M expenses for such assets is @ 4.20% which works out to Rs.164.09 crore. Similarly, licensee maintains Govt. owned assets and the opening GFA for such assets is estimated at Rs.4359.15 crore. The Regulation allows R&M expenses of 3% on such assets which calculates to Rs.130.77 crore. Therefore, the total R&M expenses by including these two components is estimated at Rs.294.86 crore. TPWODL has further stated that the R&M expenses as per the entitlement is not sufficient and has sought additional expenses due to ageing of distribution system, leading to higher failure of distribution transformers, substations and consequent interruption in power supply to the consumers. TPWODL has therefore submitted to allow Rs.42 Crore for FY 2024-25 as additional R&M expenses. The total R&M expenses proposed for FY 2024-25 Rs.336.86 Crore (Rs.294.86 Cr.+Rs.42 Cr.)

140. TPNODL has stated that based on the contract/ orders issued for network maintenance, the estimated expenditure for the current year FY 2023-24 has been worked out to Rs.257.11 crore and for the ensuing FY 2024-25 to Rs 321.45 crore. TPNODL further stated that as sufficient manpower was not available for maintenance of 33/11 kV primary substations, post take over separate AMC has been introduced for proper maintenance of network. Performance based maintenance contract for maintenance of LT, 11kV and 33kV infrastructure covers both the infrastructure in the Books of TPNODL as well as Govt. funded infrastructure.

141. TPSODL has stated that in order to address the issues required to maintain high reliability, they have put in place a dedicated team through Annual Maintenace

Contract (AMC) which takes care for the entire 33kV and 11kV and LT network circle-wise so that utmost focus can be given to this network for optimised availability. TPSODL has submitted that the estimated expenditure for the ensuing FY 2024-25 shall be Rs 212.00 Crore.

142. TPCODL has submitted that the estimated expenditure for the ensuing FY 2024-25 shall be Rs.358.00 crore, considering the present condition of network to maintain all its assets in healthy condition for providing reliable power supply and to ensure longevity of the electrical equipment.

143. As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022, Repair and Maintenance expenses shall be allowed as a percentage of the opening Gross Fixed Assets (GFA) on the assets owned by the distribution company, for each year of the control period. The R&M expenses to be allowed as per the Wheeling and RST Regulations, 2022 for FY 2024-25 is shown in the following table:

Table - 43

DISCOM	TPCODL	TPWODL	TPNODL	TPSODL
R&M expenses allowed (% of opening GFA)	4.00%	4.20%	4.20%	4.50%

144. Further as per Regulation 3.9.22 of Wheeling and RST Regulations, 2022, the assets added under State and Central Govt. Scheme will be allowed R&M at the rate of 3% of the opening GFA of such assets.

145. The Regulation 3.9.20 of OERC's Wheeling & RST Regulations, 2022 provides that '*The licensee shall prepare a plan and prepare budget for periodic preventive maintenance of distribution network including emergency repairs and restoration works under each division*'. Regulation 3.9.21 provides that '*The Distribution Licensee (s) shall provide the breakup details of R&M expenses in the ARR along with requirement of annual maintenance spares for smooth operation with minimum downtime of the system*.' Regulation 3.9.22 provides that *The Commission shall allow 3% of the opening GFA of assets added under the state and Central Government schemes for maintenance of such assets.* Regulation 3.9.23 provides that '*The commission may also allow special R&M in order to enable the Distribution Licensees to undertake critical activities which are not covered under capital investment plan approved by the Commission'*.

146. The Commission analysed the proposed CAPEX and the proposed addition to the fixed assets. The asset addition up to December 2023 and the assets which are likely to be added during the FY 2023-24 has been considered by the Commission after prudence check. The assets provided under various schemes of Government of India and Government of Odisha, which were not handed over to DISCOMs, have not been considered as addition to fixed assets. Accordingly, the addition of fixed assets during FY 2023-24 is given in the following Tables for all four DISCOMs.

Table – 44

TPWODL TPWODL (Old Assets - Audited)

Gross Fixed Assets	As on 01.04.2023	90% depreciated asset	GFA approved FY 2023-24	Govt. Assets /Consumer Contribution	Balance old asset considered for GFA
Land	0		0		0
Buildings	16.05	0.00	16.05		16.05
Plant & Machinery	1937.3	169.57	1767.73	1242.37	525.36
Vehicles	0.48	0.3	0.18		0.18
Furniture & Fixtures	2.02	1.38	0.64		0.64
Office Equipment	2.43	1.03	1.4		1.4
Office equipment -computer	5.02	3.53	1.49		1.49
Total	1963.30	175.81	1787.49	1242.37	545.12
Net depreciation approved					

Table -45

TPWODL TPWODL (New Assets)

Gross Fixed Assets	As on 01.04.2023 (Audited)	Approved Addition FY 2023-24	GFA approved FY 2023-24	Govt. Assets/ Consumer Contribution	Balance new asset considered for GFA
Land			0		0
Buildings	42.12	38	80.12		80.12
Plant & Machinery	398.28	400.00	798.28	150.00	648.28
Vehicles	5.27	3	8.27		8.27
Furniture & Fixtures	6.82	5.5	12.32		12.32
Office Equipment	74.92	4.0	78.92		78.92
Office equipment - computer	117.52	31	148.52		148.52
Software			0		0
Total	644.93	481.50	1126.43	150.00	976.43
Net depreciation approved					

Table - 46

TPNODL (OLD ASSETS)

Gross Fixed Assets	As on 01.04.2023 (Audited) Net of Govt. assets	90% depreciated asset	GFA approved FY 2023-24	Govt. Assets /Consumer Contribution	Balance old asset considered for GFA
Land			0		0
Buildings	5.59		5.59		5.59
Plant & Machinery	2184.68	274.60	1910.08	1652.17	257.91
Vehicles	0.55	0.4	0.15		0.15
Furniture & Fixtures	2.26	1.9	0.36		0.36

Gross Fixed Assets	As on 01.04.2023 (Audited) Net of Govt. assets	90% depreciated asset	GFA approved FY 2023-24	Govt. Assets /Consumer Contribution	Balance old asset considered for GFA
Office Equipment	6.33	4.6	1.73		1.73
Total	2199.41		1917.91		265.74
Net depreciation approved					

Table - 47
TPNODL (New assets)

Gross Fixed Assets	As on 01.04.2023 (Audited)	Approved Addition FY 2023-24	GFA approved FY 2023-24	Govt. Assets/ Consumer Contribution	Balance new asset considered for GFA
Land			0		0
Buildings	64.3	25	89.30		89.3
Plant & Machinery	298	573.00	871	551.70	319.30
Vehicles	1.5		1.5		1.5
Furniture & Fixtures	6.00	2	8		8
Office Equipment	7.70	2	9.7		9.7
Office equipment - computer	40.6	5	45.6		45.6
Software	56.9	8	64.9		64.9
Meter	0	56	56		56
Total	475.00	671.00	1146.00	551.70	594.30

Table - 48
TPSODL (OLD assets)

Gross Fixed Assets	As on 01.04.2023	90% depreciated asset	GFA approved FY 2023-24	Govt. Assets/ Consumer Contribution	Balance old asset considered for GFA
Land			0		0
Buildings	5.98		5.98		5.98
Plant & machinery	984.96	159.11	825.85	622.54	203.31
Vehicles	1.28	1.28	0.00		0
Furniture & Fixtures	2.19	1.72	0.47		0.47
Office Equipment	5.47	4.85	0.62		0.62
Total	999.88		832.92	622.54	210.38
Net depreciation approved					

Table - 49
TPSODL (New Assets)

Gross Fixed Assets	As on 01.04.2023 (Audited)	Approved Addition FY 2023-24	GFA approved FY 2023-24	Govt. Assets /Consumer Contribution	Balance new asset considered for GFA
Land			0		0
Buildings	79.93	27.59	107.52	0.05	107.47
Plant & Machinery	337.68	200.00	537.68	31.2	506.48
Vehicles	3.39		3.39		3.39
Furniture & Fixtures	10.55		10.55		10.55
Office Equipment	69.82		69.82		69.82
Software	77.98		77.98		77.98
O/E Computer		21.26	21.26		21.26
Meter	51.9	10.09	61.99	2.26	0
Total	631.25	258.94	890.19	33.51	856.68

Table - 50

TPCODL (Old Assets)

Gross Fixed Assets	As on 01.04.2023 (Audited)	90% assets depreciated	GFA approved FY 2023-24	Assets created out of Consumer contribution	Balance old asset considered for GFA
Land			0		0
Buildings	23.47	1.77	21.70		21.7
Plant & Machinery	3328.06	1021.94	2306.12	1974.00	332.12
Vehicles	0.08	0.07	0.01		0.01
Furniture & Fixtures	3.43	3.41	0.02		0.02
Office Equipment	10.02	9.79	0.23		0.23
Office equipment -computer					0
Total	3365.06	1036.98	2328.08	1974.00	354.08
Net depreciation approved					

Table - 51
TPCODL (New Assets)

Gross Fixed Assets	As on 01.04.2023 (Audited)	Approved Addition FY 2023-24	GFA approved FY 2023-24	Govt. Assets / Consumer Contribution	Balance new asset considered for GFA
Land			0		0
Buildings	39.92	13	52.92		52.92
Plant & Machinery	1544.58	400.00	1944.58	741.4	1203.18
Vehicles	3.24	1	4.24		4.24
Furniture & Fixtures	17.07	3	20.07		20.07
Office Equipment	7.15	2	9.15		9.15
Office equipment -computer	69.78	4	73.78		73.78
Software	48.96	0	48.96		48.96
Meter	209.1	49	258.10	49	209.10
Total	1939.80	472.00	2411.80	790.40	1621.4
Net depreciation approved					

147. The Gross Fixed Assets as on 01.04.2024 has been computed based on the audited accounts for FY 2022-23 and additional assets approved for FY 2023-24. The R&M for FY 2024-25 is calculated at the rates provided as per OERC's Wheeling & RST Regulations, 2022. In order to ensure maintenance of the, assets by DISCOMs, created under RGGVY, DDUGVY & Biju Gram Jyoti Scheme, which continue to be with the Govt. of Odisha, the Commission also allows 3% of such assets as R&M expense as per the Regulation subject to detailed scrutiny in next tariff proceedings. The approved R&M for FY 2024-25 is accordingly shown in the following table:

Table – 52
R&M Approved for FY 2024-25

(Rs. in Cr.)

R&M for FY 2024-25	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
DISCOM's Gross fixed assets (GFA) as on 01.04.2024(pre vesting)	1963.30	1787.49	2199.41	1917.91	1000.58	832.92	3365.46	2328.08
DISCOM's Gross fixed assets (GFA) as on 01.04.2024(post vesting)	1943.59	1126.43	1395.61	1146.00	1194.9	890.19	2981.54	2411.80
Total GFA as on 01.04.2024	3906.89	2913.92	3595.02	3063.91	2195.48	1723.11	6347.00	4739.88
Rate of R & M on GFA	4.20%	4.20%	4.50%	4.20%	4.50%	4.50%	4.00%	4.00%

R&M on GFA	164.09	122.38	161.78	128.68	98.80	77.54	253.88	189.60
Govt. (Funded/Grant) Assets as on 01.04.2024	4359.15	3728.42	3700.07	3051.85	2590	2590	2064.00	2064.00
Rate of R & M on Govt. (Funded/Grant) Assets	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R&M on Govt. funded Assets	130.77	111.85	111.00	91.56	77.70	77.70	61.92	61.92
Disaster Resilliant Fund		10.00		10.00		10.00		10.00
Additional R&M	42.00		48.67		35.50		42.00	
Total R & M incl. Spl. R & M	**336.86**	**244.24**	**321.45**	**230.24**	**212.00**	**165.24**	**357.80**	**261.52**

148. The Commission observes that the DISCOMs shall make the expenses under R&M in a prudent manner and achieve the objectives for which these expenses are being made. The expenses in R&M shall reflect in achieving a robust and reliable system network, lower network down time, desirable voltage profile and automation of Substations. The Commission will take into account such parameters while scrutinizing R&M expenses through data verification, field visits and third-party audit. Accordingly, the Commission approves R&M expenses in the ARR for the FY 2024-25.

149. The Commission in the ARR order FY 2023-24 had directed that the TPWODL & TPNODL shall keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. Accordingly, Commission had allowed an amount of Rs 60.00 Cr to TPWODL and Rs 35.00 Cr TPNODL to keep the amount in a separate fund which will be required towards restoration of disaster affected network for all DISCOMs.

150. In line with the previous ARR order the Commission now in the ARR for FY 2024-25 approves to create a designated ‘Disaster Resilient Fund’ by all the four DISCOMs to meet any unforeseen contingencies/ disaster in future. For this the Commission now allows Rs 10.00 Cr to each DISCOMs in addition to normal R&M as per Regulation 2022 as Disaster Resilient Fund. The Commission directs for disaster resilient activities all the DISCOMs shall transfer such allocated amount to the ‘Disaster Resilient Fund’ to be managed by the TPWODL. The total fund availability under Disaster Resilient Fund shall be an opening balance of Rs 95.00 crore (allowed Rs 60.00 Cr to TPWODL and Rs 35.00 Cr to TPNODL in ARR order of FY 2023-24) with a closing balance of Rs 135.00 crore for FY 2024-25. The Commission further directs that the directions given in the ARR of FY 2023-24 to keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. This inventory will be used by other DISCOMs on transfer basis.

Interest on Loan

151. The loans from various sources for different purposes and interest burden as proposed by the four DISCOMs for FY 2024-25 is given in the following table:

Table – 53
Interest on Loan (Proposed) for FY 2024-25

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on capex loan/long term debt	45.1	61.95	59.49	73.00
Interest on security deposit	85.89	63.16	21.03	84.86
Interest on Working Capital	62.12	51.86	19.98	53.89
Other Finance cost	5.00			2.00
Total interest before capitalisation	198.11	176.97	100.50	213.75
Total Interest proposed	**198.11**	**176.97**	**100.50**	**213.75**

152. The Commission analysed the interest on loans, interest on working capital and Security deposit proposed by the DISCOMS in the ARR petition.

Interest on CAPEX loan/long term debt

153. The proposed interest on CAPEX loan the four DISCOMs is shown in the following table.

Table – 54

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on capex loan/long term debt	45.10	61.95	59.49	73.00

154. The Commission in its queries to DISCOMs has sought for additional information on latest position of the year-wise actual CAPEX loan availed by the each DISCOM. From the replies of the DISCOMs it is observed that all the DISCOMs have availed CAPEX loan till the date of submission of the ARR. The Regulation 3.7 of OERC's Wheeling & RST Regulations, 2022 provides that '*The loan taken for the assets put to use shall be considered as gross normative loan for calculation of interest on Loan. Provided that the interest and finance charges on Capital Work in Progress (CWIP) shall be excluded*'. Further at Regulation 3.7.2 it is provided that '*The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission upto 31st March of the previous year*'. At Regulation 3.7.5 it is provided that '*The rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year as applicable to the respective distribution licensee*'. It further provided that *'If The distribution Licensee as a whole does not have actual loan, then the base rate plus 150 basis points at the beginning of the respective year shall be as the rate of interest for*

the purpose of allowing the interest on the normative loan'. At Regulation 3.7.6 it is provided that '*The interest on loan shall be calculated based on the weighted average rate of interest at the time of truing up on the normative average loan of the year and the actual asset capitalisation approved by the Commission for the year*'.

155. The Commission after a prudent verification and in terms of the provisions of the Regulation mentioned above, allows interest on Long term loan, as per the table below;

Table – 55
Interest on Loan approved for FY 2024-25

(Rs. in Cr.)

Source	TPWODL	TPNODL	TPSODL	TPCODL
Assets (net of Govt/ consumer contribution) at the beginning of 2024-25	976.43	594.30	856.68	1,412.30
30% considered as Equity	292.93	178.29	257.00	423.69
70% considered as Loan	683.50	416.01	599.68	988.61
Less: Repayment (Dep. Allowed in ARR 2024-25)	61.79	45.47	59.23	85.96
Normative Loan considered	621.71	370.54	540.44	902.65
Actual interest rate	9.00%	8.03%	8.37%	8.37%
Interest allowed on capex loan	55.95	29.75	45.23	75.55

156. Commission further observes that **a**ny variances with the actual amount shall be addressed at the appropriate stage of truing up.

Interest on Security Deposit

157. The OERC Distribution (Conditions of Supply Code), 2019 provides for the payment of Interest on security deposit to be allowed by the Commission. Para 57(i) of the Supply code provides that '*The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate (SBI Base Rate as on 1st April of the relevant year)*'. The prevailing bank rate considered is 6.75% per annum (latest data taken on 28 January 2024). The Commission, accordingly, allows the interest at the rate of 6.75% on the proposed closing balance on consumer's security deposit as on 31.3.2024 as shown in the table below:

Table - 56
Interest on Security Deposit approved (2024-25)

(Rs. in Cr.)

Interest on Consumer's Security Deposit	Proposed interest on Consumer's SD for FY 2024-25	Consumer's Security deposit as on 31.03.2024 (Proposed)	Approved interest on Consumer's SD @ 6.75% for FY 2024-25

TPWODL	85.89	1239.98	83.70
TPNODL	63.16	855.82	57.77
TPSODL	21.03	315.19	21.28
TPCODL	84.86	1128.53	76.18

Interest on working capital loan

158. DISCOMs have proposed the interest on working capital loan as per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 mentioned as below.

Table – 57

(Rs. in Cr.)

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on Working Capital	62.12	51.86	19.98	53.89

159. The OERC Wheeling & Retail Supply Tariff Regulations, 2022, at regulation 3.10.1 provides that*:*

"*The DISCOMs shall be allowed interest on the estimated level of working capital for the wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:*

(a) O&M expenses for one month plus

(b) Maintenance spares @twenty (20) percent of average R&M expense for one month plus

(c) Power purchase cost for one month

Working capital requirement may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the vesting orders and as approved by the Commission. The interest on working capital shall be at a rate equal to the SBI base rate or any replacement thereof by SBI from time to time as applicable as on 1st April of the financial year plus 300 basis point or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the DISCOMs whichever is lower."

Accordingly, the Interest rate considered for FY 2024-25 is given in the following table;

Table - 58

SBI base rate (Latest data available on dated 28.01.2024)	10.10%
Plus 300 basis points	3.00%
Normative Working Capital interest rate applicable as per Regulation	13.10%

160. The Commission after taking into account such provisions in the Regulation has arrived at the interest on working capital in the following manner and accordingly approves the following.

Table – 59

(Rs. in Cr.)

Source	TPWODL	TPNODL	TPSODL	TPCODL
Working Capital (Proposed)	62.12	51.86	19.98	53.89
Working Capital (Allowed)	50.40	38.27	15.85	41.77

161. Accordingly, the total interest on loan proposed by DISCOMs under various loan components such as Capex loan, Interest on security deposits and Interest on working capital loan and approved by the Commission for FY 2024-25 is summarized below:

Table - 60
Total Annual Interest approved for the FY 2024-25

(Rs. in Cr.)

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on capex loan/long term debt	55.95	29.75	45.23	75.55
Interest on security deposit	83.70	57.77	21.28	76.18
Interest on WC loan	50.40	38.27	15.85	41.77
Total interest before capitalisation	190.05	125.79	82.36	193.50

Depreciation

162. DISCOMs have calculated depreciation for FY 2024-25 on the existing assets (before vesting) as well as the new assets created after taken over date. The depreciation amounts claimed by the four DISCOMs are given as under.

Table – 61
Depreciation Proposed (FY 2024-25)

(Rs. in Cr.)

Depreciation	TPWODL	TPNODL	TPSODL	TPCODL
On existing (Transferred) assets	74.73	221.48	19.76	28.45
On newly created assets	124.04		79.27	109.32
Consumer Contribution	72.79	124.19		
Total Depreciation proposed (Excluding Depreciation on Consumer Contribution)	125.98	97.29	99.03	137.77

163. The Commission analysed the same relating to the depreciation on existing assets (pre vesting) and on the newly created assets as per the vesting orders. The Regulation 3.8.1 of Wheeling & RST Regulation 2022 provides that 'The depreciation shall be computed separately for assets capitalized prior to the effective date and the assets put to use after the effective date'. Regulation 3.8.2 further provides that:

"The assets achieving the date of commercial operation prior to the effective date would continue to earn depreciation as per depreciation rates approved by Commission prevailing at the time of effective date. Since no loan has been availed by the new

distribution licensee for these assets the depreciation allowed to be recovered from tariff must be utilized in the manner as per the following terms of the vesting order'.

a. *For the purpose of determination of ARR, the depreciation on the GFA as on effective date, as determined by the Commission, subject to prudence check shall be utilized as per the following priority order.*

i) *Funding of ASL as per the vesting order*

ii) *Capital Investment*

iii) *Working capital requirement computed as per tariff regulations*

b. *The manner of utilisation of such depreciation shall be as per the directions of the Commission. The distribution licensee shall maintain the separate account for such depreciation.*

c. *No depreciation shall be allowed to be recovered on the assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not."*

Regulation 3.8.4 provides that '*For the assets of erstwhile DISCOMs transferred to the new Distribution Licensee through vesting orders, that depreciation shall be calculated on pre-upvalued cost of assets at pre-1992 rate on the asset base approved by the Commission*'.

Regulation 3.8.5 provides that '*For assets achieving date of commercial operation (COD) in this control period, depreciation shall be computed in the following manner.*

(a) *Approved original cost of the project/fixed assets shall be base value for calculation of depreciation.*

(b) *Depreciation shall be computed annually based on straight line method at the rates specified in the Annexure-II to these Regulations'*.

164. The Commission analysed the audited accounts for FY 2022-23 to assess the inherited assets and new assets. The DISCOMs were further asked to provide separately the assets created out of Government grants and Consumer contributions, inherited assets and assets created by the new DISCOMs. Commission also analysed the assets to be added during the year FY 2023-24 as per their submissions to arrive at the opening GFA for FY 2024-25.

165. The OERC's Wheeling & RST Regulations 2022, defines separately the rate of depreciation for the assets created out of inherited assets (assets created out of Government grants and Consumer contributions). These assets would be allowed depreciation at the pre 92 rates. However, for the assets owned by the DISCOMs the depreciation would be allowed as per the rates provided in the Regulation. These rates were applied separately to arrive at the approved depreciation for FY 2024-25 and

accordingly the Commission approves the following amount towards depreciation for the FY 2024-25.

Table – 62
Depreciation approved for the FY 2024-25

(Rs. in Cr.)

Depreciation	TPWODL	TPNODL	TPSODL	TPCODL
On existing (Transferred) assets	20.56	10.09	7.91	13.03
On newly created assets	61.79	45.47	59.23	85.96
Total Depreciation approved	82.35	55.56	67.15	99.00

Manner of utilization of depreciation:

166. The Commission in light of these facts directs that the depreciation of old assets shall be used only for the purpose as stipulated in the respective vesting order.

Provision for Bad & doubtful debts

167. The TPWODL, TPNODL, TPSODL and TPCODL have proposed Bad and doubtful debts @1% of proposed revenue in the ARR for FY 2024-25 which is shown in the table below:

Table – 63
Bad & Doubtful Debts

(Rs. in Cr.)

DISCOM	TPWODL	TPNODL	TPSODL	TPCODL
Proposed revenue	5751.16	4048.92	2077.15	5814.00
Bad and Doubtful debt	57.51	40.49	20.77	58.14

168. The OERC Wheeling & Retail Supply Tariff Regulation, 2022 at Regulation 5.8.1 provides that *"The commission shall allow a provision for bad debts as a pass through in the ARR as a prudent commercial practice in the revenue requirement of the licensee. The provision of bad and doubtful debts during the control period shall be allowed on normative basis of 1% of the total annual revenue billed for sale of electricity."*

169. Therefore, according to the above provisions of the Regulation, the Commission allows the amount of Bad and doubtful debt is approved on the revenue approved by the Commission in this ARR for FY 2024-25. The approved the Bad and Doubtful debt is accordingly given in the table:

Table – 64
Bad & Doubtful Debt FY 2024-25 (Approved)

(Rs. in Cr.)

DISCOM	TPWODL	TPNODL	TPSODL	TPCODL
Approved revenue	5738.59	4,049.39	2023.54	5826.21
Bad and Doubtful debt	57.39	40.49	20.24	58.26

Additional Serviceable Liabilities (ASL)

170. TPCODL in the ARR petition has submitted that the funding of ASL is to be considered which may be allowed in the ARR. TPCODL stated that it has filed a Petition for determination of ASL and subsequently an independent audit was carried out and a reworked ASL was submitted for the Commission ‘s approval. TPCODL has estimated ASL payment of Rs.54.57 crore for FY 2023-24 and Rs.8 crore for FY 2024-25.

171. The Commission observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider provision for ASL in the present ARR for FY 2024-25 for TPCODL.

Return on Equity

172. The DISCOMs have projected the ROE based on their equity capital and the normative equity on the proposed CAPEX in the following manner

Table- 65
Return on Equity (FY 2024-25)

(Rs in Cr.)

DISCOM	**TPNODL**	**TPWODL**	**TPSODL**	**TPCODL**
Opening balance	596.17	480.20	487.70	648.00
Additions	89.34	365.08	152.87	190.68
Closing balance	**685.51**	**845.28**	**640.57**	**838.68**
ROE rate	16.00%	16.00%	16.00%	16.00%
ROE on Opening Balance (16%)	95.39		78.03	103.68
ROE on Additions (8%)	7.15		12.23	15.25
Return on Equity (post tax)	102.53	135.24	90.26	118.93

173. The Commission has considered allowing the ROE as per the OERC (Determination of Wheeling and Retail Supply Tariff) Regulation, 2022. As per the said Regulation, the ROE shall be allowed on the approved reserve price of the utility from the effective date of operation at the rate of @16% per annum (post tax) in Indian Rupees terms on pro-rata basis as per Vesting orders. ROE on equity on the assets put to use after Effective date up to date of applicability of OERC’s Wheeling & RST Regulations 2022 will also be allowed under the current Regulations. Assets funded by consumer contributions; capital subsidies/Government grants shall not form part of the capital base for the purpose of ROE. The ROE shall be calculated on the normative average

equity of the year. The assets transferred to Distribution Licensee (s) in lieu of equity investment by GRIDCO shall be allowed in fixed asset base for determination of tariff after prudence check.

174. The Commission observes that as and when the actual Equity is infused by both the shareholders, DISCOM and GRIDCO, this will be considered in the ARR. As per the respective vesting order of the four DISCOMs, GRIDCO who is 49% shareholder is allowed to bring matching equity in kind for any capex infusion along with 51% equity to be bought by the DISCOMs. GRIDCO will infuse the equity by transferring matching Govt. assets lying in the DISCOMs area as per the requirement of capex infusion on which ROE will be allowed in the ARR.

175. Therefore, in terms of the OERC's Wheeling & Retail Supply Tariff Regulations 2022, the Commission has considered the necessary parameters in order to arrive at the ROE. Asset base has been considered excluding assets created out of Government grants and consumer contribution. The Regulation 3.5.2 (b) of OERC's Wheeling & RST Regulations 2022 provides that '*where the actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered and the balance amount in excess of 70% normative loan shall be considered as normative loan*'. ROE for FY 2024-25 has been arrived accordingly based on above provision of the Regulation.

176. Accordingly, the amount of ROE proposed by DISCOMs and allowed by the Commission is given in the following table.

Table – 66
RoE approved for the FY 2024-25

(Rs. in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
a. Reserve Price	300.00	250.00	200.00	300.00
b. Asset put use for FY 23-24 (Approved)	976.43	594.3	856.68	1412.30
c. 30% of asset put to use (b*30%)	292.93	178.29	257.00	423.69
d. Opening Equity for calculation of ROE (a+c)	592.93	428.29	457.00	723.69
e. ROE @16 % (d*16%)	94.87	68.53	73.12	115.79

Non-Tariff Income

177. The Non-Tariff Income proposed by the licensees for the FY 2024-25 against the approved amount for FY 2023-24 are given in the table below:

Table - 67
Non-Tariff Income

(Rs. in Cr.)

DISCOMs	TPWODL	TPNODL	TPSODL	TPCODL
Amount approved for FY 2023-24	400.33	154.99	55.82	109.55
Amount proposed for FY 2024-25	386.02	207.34	54.62	114.00

178. The Non-Tariff Income (NTI) of the DISCOMS, defined in the OERC's Wheeling & Retail Supply Tariff Regulations 2022, is to be deducted from the ARR in calculating the tariff for retail supply of electricity by the Distribution Licensee. The Regulation 5.9.2 of OERC's Wheeling & RST Regulations 2022 further provides the indicative list of items to be considered for NTI like rent of land or building, sale of scrap, income from statutory investments, advances to suppliers and contractors, service charges, advertisements, commission for collection of ED, miscellaneous charges, interest on loans and advances, DPS, over drawl penalty, supervision charges, and other miscellaneous receipts.

179. The Commission observes that the non-tariff income is variable in nature and the reasonable estimate of future receipts would be on the basis of the analysis of past trends. The Commission after scrutiny and analysis allows the Non-Tariff Income (NTI). Any variation with the actual amount shall be addressed at truing up stage.

180. The proposed and approved Non-tariff Income for FY 2024-25 is shown in the following table:

Table – 68
Non-tariff Income proposed and approved for the FY 2024-25

(Rs. in Cr.)

Description of Item	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Rebate on power purchase	66.52	66.52	29.31	29.31	11.51	11.51	40.50	40.50
Rebate allowed to Consumers	0.00	0.00	0.00	0.00	-32.89	-32.89	-63.90	-63.90
Meter rent			0.69					
Supervision charges/Inspection fee	20.00	20.00	17.81	17.81	21.51	21.51		0.00
Interest on FD	80.00	80.00	79.26	79.26	24.79	24.79	53.51	53.51
Open access charges (CSS & wheeling)	180.00	180.00	26.30	26.30		0.00	55.80	55.80

Sale of scraps	10.00	10.00	9.64	9.64	5.96	5.96		0.00
ODP/Delay payment surcharge	19.50	19.50	25.28	25.28	10.85	10.85	15.61	15.61
Miscellaneous Receipt	10.00	10.00	19.05	19.05	12.89	12.89	12.48	12.48
Total	**386.02**	**386.02**	**207.34**	**206.65**	**54.62**	**54.62**	**114.00**	**114.00**

Revenue Requirement

181. In the light of above discussions, the Commission approves the revenue requirement of the FY 2024-25 of four DISCOMs, as shown in Annexure-A.

182. A summary of the proposed & approved revenue requirement, expected revenue (at the approved tariff) and revenue gap for FY 2024-25 is given below:

Table – 69
Proposed & Approved Revenue Requirement & Expected Revenue for the FY 2024-25
(Rs. in Cr.)

Sl. No.	DISCOM	TPWODL	TPNODL	TPSODL	TPCODL	Total
1	**Revenue Requirement**					
2	Proposed	5752.41	4173.23	2302.65	5952.89	18181.18
3	Approved	5833.12	4022.79	2063.53	5827.58	17747.01
4	**Expected Revenue**					
5	Proposed	5751.16	4048.92	2077.15	5814.35	17691.58
6	Approved	5738.59	4049.39	2023.54	5826.21	17637.73
7	**Approved Gap (6-3)**	**-94.53**	**26.60**	**-39.99**	**-1.37**	**-109.28**
8	Add: BSP Surcharge	-409.15				-409.15
9	**Total Gap (7+8)**	**-503.68**	**26.60**	**-39.99**	**-1.37**	**-518.43**
10	Less: Amount allowed out of True up Surplus	510.00		10.04	5.84	525.88
11	**Gap allowed in the ARR (9+10)**	6.32	26.60	-29.95	4.47	7.45

Segregation of wheeling and retail supply business

183. For the Retail Supply business, the ARR proposal shall comprise information such as power purchase expenses, O&M Expenses, Interest on Loan Capital and Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, other allocation of expenses, ARR for wheeling business. The deduction will be made on account of NTI, income from other business, receipt on account of cross subsidy surcharge from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge (CSS).

184. The DISCOMs in their ARR submissions have proposed allocation under wheeling and retail supply business in line with the OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The allocation of wheeling and retail supply cost as per the Regulation is given in the following table.

Table – 70
Allocation of Wheeling and Retail Supply Cost

Sl. No.	Cost/Income Component	Ratio for consideration in Wheeling Business	Ratio for consideration in Retail Supply Business
1	Power purchase expenses	0%	100%
2	Intra-state transmission Charges	0%	100%
3	Employee Expenses	60%	40%
4	Administrative & General Expenses	50%	50%
5	Repair & Maintenance Expenses	90%	10%
6	Depreciation	90%	10%
7	Interest on long term capital	90%	10%
8	Interest on Working capital	10%	90%
9	Provision for bad debts	0%	100%
10	Income Tax	90%	10%
11	Contribution to Contingent Reserve, if any	100%	0%
12	Return on Equity	90%	10%
13	Non-Tariff Income	10%	90%

185. The distribution licensees are yet to segregate the accounts of their licensed business into wheeling and retail supply business as provided in the earlier OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 and also as per the present OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The Commission therefore, based on the above allocation matrix allows cost towards Retail Supply business and Wheeling business in the following manner. The Commission shall monitor the same.

Wheeling Business

186. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 provides that ARR shall contain the proposal for wheeling Tariff and Retail supply tariff including its computation. The licensee shall furnish the required information with regard to technical, commercial and financial parameters. The ARR proposal shall include information for the wheeling business such as detailed capital expenditure, capitalisation, financing plan, distribution system or network usage forecast, O&M expenses, interest on loan capital & working capital, depreciation, ROE, Income tax, other taxes and other relevant expenses, etc. The deduction as per the

regulation will be made on account of NTI, income from other business and income from wheeling charges payable by the existing distribution system users other than the retail consumers including the losses.

187. As per the Regulation "Wheeling Business" means the business of operating and maintaining a distribution system for transfer of electricity in the area of supply of Distribution Licensee. As such the apportioned cost towards wheeling business has been considered while determining Aggregate Revenue Requirement and wheeling charges. The Miscellaneous receipts for the wheeling business, receipts on account of wheeling charges from open access consumers, supervision charges and Service line rentals are considered out of the total approved Miscellaneous receipts in this order from the Annual accounts. However, such segregation is not available in the audited accounts of the DISCOMs. The Commission in order to rationalise the apportionment of the Non-tariff income has considered 10% for the wheeling business and 90% for the Retail business. This is shown in the following table:

Table – 71
Miscellaneous Receipts for the Wheeling business & Retail Supply Business for the FY 2024-25

(Rs. in Cr.)

Descriptions	TPWODL	TPNODL	TPSODL	TPCODL
Total Miscellaneous Receipts Approved for FY 2024-25 (A)	386.02	206.65	54.61	114.04
Approved % for wheeling business	10.00%	10.00%	10.00%	10.00%
Approved Miscellaneous Receipt for Wheeling Business (B)	38.60	20.67	5.46	11.40
Approved Miscellaneous Receipt for Retail Supply Business (C)=(A)-(B)	347.42	185.99	49.15	102.64

188. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of wheeling business of TPWODL, TPNODL, TPSODL and TPCODL is approved for Rs.789.28 Cr., Rs. 701.45 Cr., Rs. 657.38 Cr. and Rs. 1050.10 Cr. respectively. Accordingly, the wheeling charges (per unit) have been calculated for TPWODL, PNODL, TPSODL and for TPCODL at the rate 97.30 paise/unit, 152.23 pase/unit, 156.82 paise/unit and 101.46 paise/unit respectively. The Commission in this order has considered A&G expenses for wheeling and retail business in the proportion of 40% and 60% respectively as per the earlier Regulation, 2014. This is in view of the fact that Capex investment is gradually increasing by the DISCOMs and wheeling charges are reasonable. In the ARR for subsequent year, the A&G expenses for

wheeling and retail business will be in the ratio 50:50 as per the new OERC Tariff Regulations, 2022.The details of the cost allocation in respect of Wheeling Business and determination of wheeling charges is shown in the following table:

Table - 72
Allocation of cost towards Wheeling Business of DISCOMs for the FY 2024-25
(Rs. in Crs.)

	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	**Approved Total**	**Approved Wheeling**	**Approved Total**	**Approved Wheeling**	**Approved Total**	**Approved Wheeling**	**Approved Total**	**Approved Wheeling**	**Approved Total**	**Approved Wheeling**
Employee expenses (After Capitalisation)	523.66	314.20	507.10	304.26	465.46	279.27	785.36	471.22	2,281.58	1368.95
Repair & Maintenance	244.24	219.81	230.24	207.22	165.24	148.72	261.52	235.36	901.23	811.11
A & G Expenses	169.19	67.67	128.53	51.41	120.54	48.22	151.95	60.78	570.22	228.09
Depreciation	82.35	74.12	55.56	50.00	67.15	60.43	99.00	89.10	304.06	273.65
Interest on long term Loan capital	42.42	38.18	29.75	26.78	45.23	40.71	75.55	68.00	192.97	173.67
Interest on Working Capital Loan	50.40	5.04	38.06	3.81	15.85	1.58	41.77	4.18	146.07	14.61
Return on equity	94.87	85.38	68.53	61.67	73.12	65.81	115.79	104.21	352.31	317.08
Tax on ROE	26.09	23.48	18.84	16.96	20.11	18.10	31.84	28.66	96.88	87.20
Gross Total	**1233.22**	**827.89**	**1076.61**	**722.11**	**972.69**	**662.84**	**1562.78**	**1061.50**	**4845.31**	**3274.34**
Less: Miscellaneous receipts	386.02	38.60	206.65	20.67	54.61	5.46	114.04	11.40	761.32	76.13
Total wheeling Cost		**789.28**		**701.45**		**657.38**		**1050.10**		**3198.21**
Total MU approved for LT & HT consumers		8112.19		4607.72		4192.00		10350.12		27262.03
Wheeling charges (P/U)		**97.30**		**152.23**		**156.82**		**101.46**		**117.31**

Retail Supply Business

189. The Retail Supply business comprises of power purchase expenses, O&M Expenses, Interest on Loan Capital & Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, etc. The deduction will be made on account of NTI, income from other business, receipt on account of Cross Subsidy Surcharge (CSS) from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge.

190. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of retail supply business for TPWODL, TPNODL, TPSODL and for TPCODL is given in the following table:

Table – 73
Allocation of cost towards Retail Supply Business of DISCOMs for the FY 2024-25
(Rs. in Cr.)

Expenditure	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**		**TOTAL**	
	Approved Total	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**
Cost of power	4555.95	4555.95	2857.05	2857.05	984.80	984.80	3941.60	3941.60	12,339.40	12339.40

Expenditure	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
	Approved Total	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**
purchase										
Transmission Charges	286.56	286.56	195.91	195.91	118.18	118.18	300.31	300.31	900.96	900.96
SLDC Charges	2.33	2.33	1.60	1.60	0.97	0.97	2.45	2.45	7.34	7.34
Employee costs (After Capitalisation)	523.66	209.46	507.10	202.84	465.46	186.18	785.36	785.36	2,281.58	912.63
Repair & Maintenance	244.24	24.42	230.24	23.02	165.24	16.52	261.52	26.15	901.23	90.12
A & G Expenses	169.19	101.51	128.53	77.12	120.54	72.33	151.95	91.17	570.22	342.13
Bad and Doubtful debt	57.39	57.39	40.49	40.49	20.24	20.24	58.26	58.26	176.38	176.38
Depreciation	82.35	8.24	55.56	5.56	67.15	6.71	99.00	9.90	304.06	30.41
Interest on long term Loan capital	42.42	4.24	29.75	2.98	45.23	4.52	75.55	7.56	192.97	19.30
Interest on Working Capital Loan	50.40	45.36	38.06	34.25	15.85	14.26	41.77	37.59	146.07	131.47
Interest on security deposit	83.70	83.70	57.77	57.77	21.28	21.28	76.18	76.18	238.92	238.92
Return on equity	94.87	9.49	68.53	6.85	73.12	7.31	115.79	11.58	352.31	35.23
Tax on ROE	26.09	2.61	18.84	1.88	20.11	2.01	31.84	3.18	96.88	9.69
Gross Retail Supply Cost	**6219.14**	**5391.25**	**4229.44**	**3507.33**	**2118.15**	**1455.31**	**5941.58**	**5351.29**	**18508.30**	**15233.96**
Less: Miscellaneous Receipts	386.02	347.42	206.65	185.99	54.62	49.16	114.00	102.60	761.29	685.16
Net Retail Supply Cost	5833.12	**5,043.84**	4022.79	**3,321.34**	2063.53	**1,406.15**	5827.58	5248.69	17747.01	14548.80
Net Retail Supply Cost (After special Appropriation)	5833.12		4022.79		2063.53		5827.58		17747.01	

191. In the last RST order the Commission had directed DISCOMs to segregate their accounts for wheeling business and retail supply business as per OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The new Regulation OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 also stipulates that the distribution licensee shall segregate the accounts of the licensed business into wheeling and Retail Supply business within one year of notification of these Regulations as per the guidelines to be issued by the Commission. Pending such guidelines, the Commission directs DISCOMs to take necessary steps in order to segregate their accounts for wheeling business and retail supply business as per the said OERC's Regulation. The compliance on this account must be furnished by 31st August, 2024.

Truing up of DISCOMs

192. Truing-up applications was filed by the three (3) distribution companies (TPCODL, TPWODL and TPSODL) for the FY 2020-21. Similarly, the truing up application was filed by four (4) DISCOMs (TPCODL, TPWODL, TPSODL and TPNODL) for the FY 2021-22 under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for

Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and other related Rules and Regulations. The Commission has taken cognisance of the true up petitions of the respective DISCOMs, respective approvals in the ARR, available audited accounts for FY 2020-21 and 2021-22, additional approvals in respective Annual Business plans and additional recruitment approvals.

193. All the four DISCOMs have also filed the True up application for FY 2022-23 in the ARR petition for FY 2024-25. The Commission has also undertaken truing up for FY 2022-23 as per the submissions made by the DISCOMs in Case Nos117/2023, Case Nos 123/2023, Case Nos 120/2023 and Case Nos 126/ 2023 by TPWODL, TPNODL, TPSODL and TPCODL in terms of OERC (Terms and Conditions of Wheeling and Retail Supply Tariff) Regulations, 2022.

194. The commission has analysed the same to arrive at the true up approval.

Commission's Order:

195. The Commission in the last ARR order for FY 2023-24 had carried out the truing up exercise of all the three DISCOMs TPWODL, TPSODL and TPCODL for the FY 2020-21 and four DISCOMs TPWODL, TPNODL, TPSODL and TPCODL FY 2021-2022. The observation of the Commission in this regard is as follows:

The Commission hereby finalises the truing up of expenses of the new DISCOMs (TPCODL, TPSODL, TPWODL & TPNODL) for the FY 2020-21 and FY 2021-22. The Commission finds that the actual expenses booked in the audited accounts are higher than the approved costs for most of components, particularly for O&M. However, DISCOMs have booked higher Revenues also against the approved Revenues in the ARR. The DISCOMs have proposed to allow the higher costs owing to the operational requirement during these initial two years of the operations i.e FY 2020-21 and 2021-22. The Commission observes these proposed higher costs can only be verified through relevant information/data, field visits and third-party audit.

196. Further, all the four DISCOMs again approached the Commission after the ARR to reconsider the allowance of certain expenses in the true up based on their proposals. The Commission, vide No. Dir(T)-330/2023/691 dated 16.05.2023 had responded to the request DISCOMs and the same is reproduced below:

> *"In view of the above observation, the Commission only after undertaking verification of information/ data through field visits and third-party audit may reconsider higher/ lower cost, if any, in the truing up for the FY 2020- 21 and FY 2021-22 including any variation in the calculation methodology as per the existing Regulations. This will be taken into consideration while finalising the ARR for FY 2024-25."*

197. In the present ARR petition for the FY 2024-25, the DISCOMs have filed truing up application again for FY 2020-21 and FY 2021-22 along with fresh application for FY 2022-23.

198. The Commission has notified OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and the said regulation also clearly defines the methodology of the truing up. The broad frame works of true up in the regulation is given in the following paragraphs.

- *Regulation 2.11.1: "The Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.*
- *Regulation 2.11.4: "The truing up exercise shall be carried out on the basis of actual expenses booked in the audited account of the Distribution Licensee for the particular year, and the expenses allowed in the ARR for the corresponding Financial Yea, subject to prudence by the Commission based on controllable and uncontrollable cost provided in these Regulations."*

Controllable and Uncontrollable costs: (Regulation 2.12)

- *As per the Regulation, the Commission determine some specific Uncontrollable costs like Force Majeure events, change in law, judicial pronouncements, Variation in the price of fuel and/ or price of power purchase including Intra-State transmission and SLDC Charges, Variation in the number or mix of consumers or quantum of electricity supplied to consumers, Transmission Loss, Variation in market interest rates, Taxes and Statutory levies, Taxes on Income. (Regulation 2.12.1)*
- *As per the Regulation the Commission determine some specific controllable costs like Variations in capitalisation on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project; Variation in Operation &Maintenance expenses; Variation in Interest and Finance Charges, Return on Equity and Depreciation on account of variation in capitalisation, as specified in clause (a) above; Variations in interest on working capital; Variations in aggregate technical and commercial (AT&C) losses of Distribution Licensee; Variations in recovery of past arrears pertaining to erstwhile Distribution Licensees as per terms of Vesting Orders Variations in performance parameters; Failure to meet the standards specified by the Commission, as amended from time to time, except where exempted by the Commission; Bad debts written off. (Regulation 2.12.2)*

Mechanism for pass through of gains or losses on account of uncontrollable factors

- *The approved aggregate gains or losses to the Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Distribution Licensee over such period as may be specified in order of the Commission passed under these Regulations. (Regulation 2.13.1)*
- *The Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned, and the figures approved by the*

Commission, in the prescribed format to the Commission, along with the detailed computations and supporting documents as may be required for verification of the Commission (Regulation 2.13.2)

Mechanism for sharing of gains or losses on account of controllable factors after Truing Up

- *The gains or losses accruing to the new Distribution Licensees on account of AT&C loss and incentive on past arrear recovery shall be governed by the terms and conditions of Request for Proposal (RfP) documents and Vesting Orders of respective Distribution Licensees. (regulation 2.14.1)*
- *The Commission shall treat the profit beyond the approved return in the following manner: (Regulation 2.14.2)*
  - *One-third amount to be declared by the licensee as dividends to the shareholders and if it is not paid out as dividend, it shall be eligible to be treated as part of equity to that extent and earn returns on the same*
  - *One-third amount to be returned back to consumers by way of reduction in the consumer bills as rebate*
  - *One-third amount shall be kept as tariff balancing reserve, which shall be used to reduce sharp rise in ARR in future years. The Commission may allow a part of the total reserve to be returned to the consumers every three years by way of reduction in ARR*

Subsidy Mechanism (*Regulation 2.15**)***

- *The licensee shall make an estimate of subsidy to be provided to the consumers or class of consumers as per the Government notification and file the same with the Commission for approval.*
- *The Commission, on according approval forward the same to the State Government with a direction to pay the amount in full with a copy of the approval to the licensee.*
- *The licensee shall pay the subsidy received from the Government to the entitled class of consumers in proportion to their energy consumption on actual basis by way of adjustment in the electricity bill.*
- *The licensee shall keep proper accounts of subsidy in such a manner as approved by the Commission and render the same to the Commission within 30 days of the closure of the Year of account.*
- *The difference between the subsidy received from the Government and actual disbursement to the entitled class of consumers shall be adjusted in the next year."*

199. The truing up for the years FY 2020-21 and FY 2021-22 have been revisited by the Commission with reference to Letter No. Dir(T)-330/2023/691 dated 16.05.2023 taking into account fresh information provided by the DISCOMs and further analysis of the audited accounts vis-à-vis expenses allowed in the ARR. The DISCOMs have requested for reconsideration of the truing up finalisation especially for FY 2020-21 and 2021-22 as they started their operations in the four DISCOMS after vesting during the COVID

period and its after effect. DISCOMs have further stated that expenses in the ARR were approved by the Commission for these years on the basis of the escalation done over the previous year's approvals which was not proper because of limited period of operation. The DISCOMs have stated that the base level of yearly O&M expenses is yet to be achieved which is essential for operational efficiency considering high prevalent AT&C losses.

200. The Commission has taken cognizance of the submission of the DISCOMs for re-consideration of the proposal towards truing up for FY 2020-21 and 2021-22. DISCOMs have submitted to allow expenses in these years on the basis of their proposals rather than as per the ARR approvals. The Commission observes, from the audited accounts, that the DISCOMs have exceeded the expenses allowed in ARR of respective year(s) under various heads, especially O&M costs. The DISCOMs have explained that such expenditure was necessitated to bring efficiency in the operation by maintaining a healthy & stable network and enhancing Metering, Billing and collection activities. The higher expenses under O&M costs have resulted in reduction of AT&C losses in all the four DISCOMs in progressive way. Maintenance of the fragile distribution system network covering huge geographical area of operation poses challenge for distribution companies. This requires engagement of adequate maintenance contracts through outsource agencies. The commission realises that the number of own employees in the DISCOMs are inadequate and therefore these activities need to be undertaken by engagement of outsourced agencies. The Metering Billing and Collection (MBC) activities due to wide spread geographical area of operation of DISCOMs, replacement of unmetered and defective meter require engagement of outsourced Business Associates. Therefore, DISCOMs have exceeded approved cost in ARR. After analysis of data submitted by the DISCOMs, the audited accounts, actual loss reduction achieved, arrear collections and achievement of other performance parameters, the Commission has revisited the truing up exercise carried out earlier for FY 2020-21 and FY 2021-22 as communicated vide their letter dated 16.05.2023.

201. The Commission now finalises the truing up for FY 2020-21 and 2021-22 in this ARR for FY 2024-25 considering all the factors and submissions. The commission hereby directs that no further submission regarding truing up for FY 2020-21 and 2021-22 will be entertained in future.

202. Basing on the application for all the four DISCOMs, the truing up exercise has been carried out by the Commission for FY 2022-23 as per the OERC's Wheeling & Retail Supply Tariff Regulations, 2022, which has taken into account the provisions of vesting orders and other related developments. The Commission observed that the actual expenses booked in the Audited accounts are higher than the approved cost for most of components, particularly for O&M expenses. Although the OERC Wheeling and RST Regulations, 2022 came into force in December, 2022, the relevant expenses have been allowed on the basis of pragmatic approach. In absence of adequate information / data the Commission could not verify higher audited expenses in respect of O&M.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

a) The employee expenses have been termed as controllable factor in the regulation. However, the employee expenses approved in the ARR for the first year of operation was based on the filing of the erstwhile utilities. The Commission has therefore taken into account following facts while approving employee expenses:

   (i) subsequent approvals accorded in the respective Annual Business Plan Orders
   (ii) new recruitment allowed after taking over.
   (iii) the expenditure booked in the audited accounts.
   (iv) the projection towards actuarial valuation for contribution to the trusts have been deducted and only actual cash out go for the terminal benefits as per the vesting orders has been considered.
   (v) the cost of outsourced expenses has been included in the employee expenses in the ARR.

b) The R&M and A&G expenses have been allowed as per the approved expense of Commission or audited figure whichever is lower.

c) Bad and Doubtful Debt have been allowed @1% of the actual revenue.

d) Interest on Security deposit, CAPEX loan and working capital loan has been allowed as per the audited account on actual basis.

e) Income Tax has been allowed as has been actually paid and reflected in the audited accounts.

f) Return on Equity (RoE) has been allowed @16% per annum on the actual equity reflected in the audited accounts.

g) Non-Tariff Income (NTI) has been allowed excluding meter rent, incentive and arrear collection and amortisation of consumer contribution and grant.

h) Revenue has been allowed as per the actuals reflected in the audited accounts.

i) Power purchase cost has been considered as per the audited accounts and further adjusted as per Regulation 3.14 wherein the calculation of gains and loss arising from over achievement or under achievement of AT&C loss reduction vis-à-vis the regulated AT&C loss has been considered.

204. The following tables related to each DISCOMs summarises approvals for FY 2020-21 and 2021-22 and 2022-23.

Table – 74
TPWODL TRUE UP for FY 2020-21 (January 2021 to March 2021)
(Rs. in Cr.)

Expenditure	Approved in the ARR 2020-21	TPWODL Jan 21 to March 21 (Pro-rated)	TPWODL Jan 21 to March 21 (Proposed)	Audited (3months)	Allowed in true up
Cost of Power Purchase	2633.22	658.31	665.15	689.80	666.91
Employee expenses	361.02	90.26	116.38	101.70	101.70
Repair & Maintenance	92.24	23.06	5.75	5.75	5.75
Administrative and General Expenses	52.80	13.20	22.07	36.76	22.07
Provision for Bad & Doubtful Debts	22.95	5.74	8.53	8.53	8.48
Depreciation	61.40	15.35	16.40	16.40	16.40
Interest on Working capital	0	0.00	2.95	2.94	2.95
Interest on consumer security deposit	38.62	9.66	8.00	8.00	8.00
Interest on long term loan	14.58	3.65			0.00
Sub-Total	**3276.83**	**819.21**	**845.23**	869.88	832.26
Less: Employee expenses capitalised					
(A)Total expenses	**3276.83**	**819.21**	**845.23**	**869.88**	**832.26**
Income Tax				-0.34	0
(B)Return on equity	7.78	1.95	12.00	0.00	12.00
TOTAL(A+B)	**3284.61**	**821.15**	**857.23**	**869.54**	**844.26**
Less Miscellaneous Receipt	191.39	47.85	44.93	75.70	44.93
Receipt on account of CSS			46.57	-101.38	46.57
Total Revenue Requirement	3093.22	773.31	765.73	895.22	752.76
Revenue from Sale of Power	3128.91	782.23	847.62	894.19	847.62
GAP(+/-)	**35.69**	**8.92**	**81.89**	**-1.03**	**94.86**

Table – 75
Adjustment towards Power Purchase Cost
TPWODL for FY 2020-21 (January 2021 to March 2021)

Approved AT &C loss	%	A	20.40%

Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	19.60%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	1561.53
Actual power purchase	MU	H	2013.06
Normative power purchase	MU	I=[G/(1-C)]	1942.10
Additional power purchase	MU	J=(H-I)	70.96
Approved BSP	Paise/Unit	K	322.6
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	22.89
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	22.89

Table - 76
TPWODL TRUE UP for FY 2021-22

(Rs. in Cr.)

Expenditure	Approved in the ARR 2021-22	Approved in ABP	Total Approval	Proposed 2021-22	Audited FY 2021-22	Allowed in true up
Cost of Power Purchase	3140.48		3140.48	3340.43	3338.17	3339.96
Employee expenses	412.14		412.14	473.45	456.35	456.35
Repair & Maintenance	109.22	50.78	160.00	137.05	137.06	137.06
Administrative and General Expenses	63.66	39.51	103.17	113.27	146.23	113.27
Provision for Bad & Doubtful Debts	27.42		27.42	45.03	45.03	44.65
Depreciation	36.34		36.34	24.45	81.12	24.45
Interest on Working capital	34.37		34.37	9.98	9.98	9.98
Interest on consumer security deposit				32.95	32.95	32.95
Interest on long term loan						
Sub-Total	**3823.63**		**3913.92**	**4176.61**	4246.89	4158.67
Less: Employee expenses capitalised	2.65			5.64	5.64	5.64
(A)Total expenses	**3820.98**		**3913.92**	**4170.97**	**4241.25**	**4153.03**
Arrear collection Incentive						
Return on equity	48.00		48.00	52.79		50.09
Income Tax paid				21.79	21.45	21.45
(B) Sub total	**48.00**		**48.00**	**74.58**	**21.45**	**71.54**
TOTAL(A+B)	**3868.98**		**3961.92**	**4245.55**	**4262.70**	**4224.57**
Less Miscellaneous Receipt	237.45		237.45	142.67	234.36	142.67
Net Movement in Regulatory Deferral Balances					-599.79	
Cross Subsidy Surcharge						227.13
Total Revenue Requirement	**3631.53**		**3724.47**	**4102.88**	**4628.13**	**3854.77**
Revenue from Sale of Power	3705.75		3705.75	4691.86	4691.86	4464.73
GAP(+/-)	**74.22**		**-18.72**	**588.98**	**63.73**	**609.96**

Table – 77
Adjustment towards Power Purchase Cost
TPWODL for FY 2021-22

Approved AT &C loss	%	A	20.40%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	19.60%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	7492.3
Actual power purchase	MU	H	9313
Normative power purchase	MU	I=[G/(1-C)]	9318.31
Additional power purchase	MU	J=(H-I)	-5.31
Approved BSP	Paise/Unit	K	337
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-1.79
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-1.79

Table- 78
TPWODL TRUE UP for FY 2022-23

(Rs. in Cr.)

Expenditure	Approved in the ARR 2022-23	Audited FY 2022-23	Proposed FY 2022-23	Allowed in true up
Cost of Power Purchase	3610.07	5094.8	5169.93	5164.27
Employee costs	474.83	425.83	474.40	425.83
Repair & Maintenance	156.03	249.00	237.56	201.03
Administrative and General Expenses	110.39	183.58	146.45	110.39
Provision for Bad & Doubtful Debts	27.87	129.41	61.81	61.81
Depreciation	46.52	111.99	44.27	45.95
Interest on Working capital	7.00	4.45	53.42	27.03
Interest on consumer security deposit	37.50	63.94	63.94	38.42
Interest on long term loan		16.68	14.13	17.07
Efficiency Gain to be shared :				
A-1/3rd to be declared as Dividend /Equity				6.66
B-1/3rd to be passed on to consumer as rebate				6.66
C-1/3rd to be kept as tariff balancing reserve				6.66
Sub-Total	**4470.21**	**6279.68**	**6265.91**	6111.77
Less: Employee cost capitalised	21.18	15.23	15.23	15.23
Less: Interest capitalised		3.63	3.64	3.63
(A)Total expenses	**4449.03**	**6260.82**	**6247.04**	**6092.91**
Add: Income tax		31.95	22.61	22.61
Add: Return on equity	48.00		67.21	64.11
(B) Sub total	48.00	**31.95**	89.82	86.72
TOTAL(A+B)	**4497.03**	**6292.77**	**6336.86**	**6179.63**
Less Miscellaneous Receipt	267.69	301.7	218.33	195.26
Net Movement in Regulatory Deferral Balances		-638.78		
Cross Subsidy Surcharge			540.07	540.07
Total Revenue Requirement	**4229.34**	**6629.85**	**5578.46**	**5444.30**
Less: Provisional Surplus considered	**150.00**			

Expenditure	Approved in the ARR 2022-23	Audited FY 2022-23	Proposed FY 2022-23	Allowed in true up
	4079.34			
Revenue from Sale of Power	4119.48	6720.93	6180.86	6180.86
GAP(+/-)	**40.14**	**91.08**	**602.40**	**736.56**

Table-79
Adjustment towards Power Purchase Cost
TPWODL for FY 2022-23

Approved AT &C loss	%	A	20.40%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	19.60%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	10609.62
Actual power purchase	MU	H	13002.41
Normative power purchase	MU	I=[G/(1-C)]	13195.38
Additional power purchase	MU	J=(H-I0	-192.97
Approved BSP	Paise/Unit	K	360
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-69.47
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-69.47

Table - 80
TPNODL TRUE UP for FY 2021-22

(Rs.Cr)

	Approved in the ARR 2021-22	Approved in ABP	Total Approval FY 2021-22	Total Proposed FY 2021-22	Audited FY 2021-22	Allowed in true up
Expenditure						
Cost of Power Purchase	2047.25		2047.25	1853.85	1836.76	1853.49
Employee expenses	357.24		357.24	486.55	436.79	417.86
Repair & Maintenance	114.23	33.26	147.49	117.66	130.36	117.66
Administrative and General Expenses	49.20	29.52	78.72	105.24	105.24	105.24
Provision for Bad & Doubtful Debts	14.84		14.84	25.56	25.56	25.56
Depreciation	32.86		32.86	23.58	89.34	23.58
Interest on Working capital					18.98	18.98
Interest on long term loan				3.56		1.54
Interest on consumer security deposit	26.78		26.78	58.92	26.25	26.25
Sub-Total	**2642.40**		**2705.18**	**2674.92**	**2669.28**	**2590.16**
(A)Total expenses	**2642.40**		**2705.18**		**2669.28**	**2590.16**
Income Tax				24.86	24.86	10.62
Return on equity	40		40.00	43.60		43.60
(B) Sub total	40		**40.00**	**68.46**	**24.86**	**54.22**
TOTAL(A+B)	**2682.40**		**2745.18**	**2743.38**	**2694.14**	**2644.38**
Less Miscellaneous Receipt	137.42		137.42	140.43	239.53	140.43
Total Revenue Requirement	2544.98		2607.76	2602.95	2454.61	2503.95

Revenue from Sale of Power	2545.61		2545.61	2555.72	2555.72	2555.72
GAP(+/-)	**0.63**		**-62.15**	**-47.23**	**101.11**	**51.77**

Table – 81
Adjustment towards Power Purchase Cost
TPNODL for FY 2021-22

Approved AT &C loss	%	A	19.17%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C= [1-(1-A)/B]	18.35%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	4392
Actual power purchase	MU	H	5327
Normative power purchase	MU	I=[G/(1-C)]	5379.29
Additional power purchase	MU	J=(H-I)	-52.29
Approved BSP	Paise/Unit	K	320
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-16.73
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-16.73

Table-82
TPNODL TRUE UP for FY 2022-23

(Rs.in Cr.)

Expenditure	**Approved in the ARR 2022-23**	**Actual Audited FY 2022-23**	**Proposed FY 2022-23**	**Allowed in True up**
Cost of Power Purchase	2102.06	2240.22	2290.41	2290.50
Employee costs	417.80	403.3	440.32	417.80
Repair & Maintenance	141.43	248.34	237.53	186.43
Administrative and General Expenses	84.23	162.42	112.55	84.23
Provision for Bad & Doubtful Debts	16.02	64.98	31.65	31.65
Depreciation	44.66	105.09	27.39	27.39
Interest on Working capital		14.52	17.07	14.44
Interest on long term loan		11.77	12.58	13.35
Interest on consumer security deposit	31.98	41.96	41.96	25.83
Other finance cost			3.91	
Efficiency Gain to be shared:				
A-1/3rd to be declared as Dividend /Equity				3.28
B-1/3rd to be passed on to consumer as rebate				3.28
C-1/3rd to be kept as tariff balancing reserve				3.28

Expenditure	Approved in the ARR 2022-23	Actual Audited FY 2022-23	Proposed FY 2022-23	Allowed in True up
Sub-Total	**2838.18**	**3292.60**	**3215.37**	**3101.45**
Less: Employee cost capitalised	23.94	12.85		12.85
(A)Total expenses	**2814.24**	**3279.75**		**3088.60**
Income Tax		34.99	34.99	34.99
Return on equity	40.00		56.99	52.99
(B) Sub total	40.00	34.99	91.98	87.98
TOTAL(A+B)	**2854.24**	**3327.59**	**3307.35**	**3176.58**
Less Miscellaneous Receipt	154.15	288.12	157.43	147.84
Repayment of ASL			0.27	
Total Revenue Requirement	2700.09	3039.47	3150.19	3028.74
Revenue from Sale of Power	2701.03	3164.53	3164.53	3164.53
GAP(+/-)	**0.94**	**125.06**	**14.34**	**135.79**
Expenses disallowed in FY 2021-22 (True up)				
A&G			**-26.52**	
Interest on Long term Loan			**-1.54**	
Net Gap			**-13.72**	

Table – 83
Adjustment towards Power Purchase Cost
TPNODL for FY 2022-23

Approved AT &C loss	%	A	19.17%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	18.35%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	5415.12
Actual power purchase	MU	H	6475.75
Normative power purchase	MU	I=[G/(1-C)]	6632.40
Additional power purchase	MU	J=(H-I)	-156.65
Approved BSP	Paise/Unit	K	321
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-50.28
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-50.28

Table- 84
TPSODL TRUE UP for FY 2020-21 (January 2021 to March 2021)
(Rs. in Cr.)

Expenditure	Approved in the ARR 2020-21	TPSODL Jan 21 to March 21 (Pro-rated)	TPSODL Jan 21 to March 21 (Proposed)	Audited (3 months)	Allowed in true up
Cost of Power Purchase	855.17	213.79	200.29	198.75	208.14
Employee expenses	370.88	92.72	96.66	107.26	96.66

Expenditure	Approved in the ARR 2020-21	TPSODL Jan 21 to March 21 (Pro-rated)	TPSODL Jan 21 to March 21 (Proposed)	Audited (3 months)	Allowed in true up
Repair & Maintenance	45.96	11.49	1.28	1.27	1.27
Administrative and General Expenses	35.49	8.87	13.53	27.04	13.53
Provision for Bad & Doubtful Debts	10.79	2.70	3.53	3.53	3.53
Depreciation	29.03	7.26	6.91	6.9	6.91
Interest on Working capital			0.09	0.09	0.09
Interest on long term debt	11.74	2.94	1.49	1.49	1.49
Interest on consumer security deposit	13.74	3.44	3.15	3.15	3.15
Efficiency gains on account of AT & C losses			10.92		0.00
Sub-Total	**1372.80**	**343.20**	**337.85**	**349.48**	**334.78**
Less: Expenses capitalised					
(A)Total expenses	**1372.80**	**343.20**	**337.85**	**349.48**	**334.78**
Income Tax			4.93	0	4.93
Return on equity	6.03	1.51	8.00	0	8.00
(B) Sub total	**6.03**	**1.5075**	**12.93**	**0**	**12.93**
TOTAL(A+B)	**1378.83**	**344.71**	**350.78**	**349.48**	**347.71**
Less Miscellaneous Receipt	39.77	9.94	14.01	27.72	16.08
Total Revenue Requirement	1339.06	334.77	336.77	321.76	331.63
Revenue from Sale of Power	1345.96	336.49	355.38	353.31	353.31
GAP(+/-)	**6.90**	**1.72**	**18.61**	**31.55**	**21.68**

Table – 85
Adjustment towards Power Purchase Cost
TPSODL for FY 2020-21 (January 2021 To March 2021)

Approved AT &C loss	%	A	25.75%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	25.00%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	718
Actual power purchase	MU	H	902
Normative power purchase	MU	I=[G/(1-C)]	957.33
Additional power purchase	MU	J=(H-I)	-55.33
Approved BSP	Paise/Unit	K	197.40
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-10.92
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-10.92

Table - 86
TPSODL TRUE UP for FY 2021-22

(Rs. in Cr.)

Expenditure	Approved in the ARR 2021-22	Approved in ABP	Total Approval FY 2021-22	Total Proposed FY 2021-22	Audited FY 2021-22	Allowed in true up
Cost of Power Purchase	964.22		964.22	926.33	916.57	934.37
Employee costs	404.76		404.76	421.5	395.60	395.60
Repair & Maintenance	55.36	33.21	88.57	90.68	27.16	90.68
Administrative and General Expenses	45.13	27.07	72.20	96.77	225.62	96.77
Provision for Bad & Doubtful Debts	12.21		12.21	16.55	16.55	16.40
Depreciation	21.47		21.47	28.29	40.63	28.29
Interest on Working capital				15.11		
Interest on consumer security deposit	11.60		11.60	11.92	11.92	11.60
Interest on long term loan				4.6	15.11	15.11
Efficiency gains on account of AT & C losses				17.9		
Efficiency Gain to be shared :						
A-1/3rd to be declared as Dividend /Equity						0.00
B-1/3rd to be passed on to consumer as rebate						0.00
C-1/3rd to be kept as tariff balancing reserve						0.00
Sub-Total	**1514.75**		**1575.03**	**1629.65**	1649.16	1588.82
Less: Employee cost capitalised						
(A)Total expenses	**1514.75**		**1575.03**	**1629.65**	**1649.16**	**1588.82**
Income Tax				20.60	20.60	20.60
Return on equity	32.00		32.00	35.48		35.48
(B) Sub total	32.00		32.00	56.08	20.60	**56.08**
TOTAL(A+B)	**1546.75**		**1607.03**	**1685.73**	**1669.76**	**1644.90**
Less Miscellaneous Receipt	25.56		25.56	46.17	95.52	51.27
Receipt on account of CSS						0
Total Revenue Requirement	1521.19		1581.47	1639.56	1574.24	1593.63
Revenue from Sale of Power	1522.73		1522.73	**1654.63**	1639.92	1639.92
GAP(+/-)	**1.54**		**-58.74**	**15.07**	**65.68**	**46.29**

Table – 87
Adjustment towards Power Purchase Cost
TPSODL for FY 2021-22

Approved AT &C loss	%	A	25.75%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	25.00%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	3021
Actual power purchase	MU	H	3942.00
Normative power purchase	MU	I=[G/(1-C)]	4028.00
Additional power purchase	MU	J=(H-I)	-86.00
Approved BSP	Paise/Unit	K	207.00
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-17.80
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-17.80

Table – 88
TPSODL TRUE UP for FY 2022-23

(Rs. in Cr.)

Expenditure	Total Approval FY 2022-23	Audited FY 2022-23	Total Proposed FY 2022-23	Allowed in true up
Cost of Power Purchase	1120.24	1057.82	1069.26	1062.36
Employee costs	430.79	409.90	362.56	409.90
Repair & Maintenance	90.24	67.46	242.83	112.46
Administrative and General Expenses	77.25	393.02	205.06	77.25
Provision for Bad & Doubtful Debts	12.99	59.25	18.14	17.93
Depreciation	32.03	58.32	40.86	45.95
Interest on Working capital			32.23	9.03
Interest on consumer security deposit	12.26	18.68	18.68	13.05
Interest on long term loan	5.00	38.51	18.06	16.64
Other Borrowing cost		1.43		
Efficiency Gain to be shared :			4.33	
A-1/3rd to be declared as Dividend /Equity				1.29
B-1/3rd to be passed on to consumer as rebate				1.29
C-1/3rd to be kept as tariff balancing reserve				1.29
Sub-Total	**1780.80**	**2104.39**	**2012.01**	**1768.34**
Less: Employee cost capitalised	28.37	28.37		28.37
(A)Total expenses	**1752.43**	**2076.02**	**2012.01**	**1739.97**
Income Tax		19.41	16.36	16.36
Deferred Tax		6.09		
Return on equity	32.00		48.65	48.69
Deferred tax credit		-11.43		
(B) Sub total	32.00	14.07	65.01	65.05
TOTAL(A+B)	**1784.43**	**2090.09**	**2077.02**	**1805.01**
Less Miscellaneous Receipt	35.16	123.79	53.20	66.15
Less Rebate on total Power Purchase Cost			11.44	
Net movement in Regulatory Deferral balances		206.09		0
Provisional surplus considered	60			
Total Revenue Requirement	**1689.27**	**1760.21**	**2012.38**	**1738.86**
Revenue from Sale of Power	1694.00	**1792.96**	1814.05	1792.96
GAP(+/-)	**4.73**	**32.75**	**-198.33**	**54.10**

Table – 89
Adjustment towards Power Purchase Cost
TPSODL for FY 2022-23

Approved AT &C loss	%	A	25.75%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	25.00%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	3156.00
Actual power purchase	MU	H	4188.00

Normative power purchase	MU	I=[G/(1-C)]	4208.00
Additional power purchase	MU	J=(H-I)	-20.00
Approved BSP	Paise/Unit	K	227.00
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-4.54
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-4.54

Table - 90

TPCODL TRUE UP for FY 2020-21 (June 2020 to March 2021)

(Rs. in Cr)

Expenditure	Approved in the ARR 2020-21	Cost further allowed in ABP	Total Approval including ABP	TPCODL June 20 to March 21 (Prorated)	TPCODL June 20 to March 21 (Proposed)	Audited (10 months)	Allowed in true up
Cost of Power Purchase	2709.86		2709.86	2258.22	1985.25	2033.87	1985.25
Employee expenses	606.75	48.36	655.11	553.99	587.17	589.62	587.17
Repair & Maintenance	139.62	26.28	165.90	142.63	142.34	142.34	142.34
Administrative and General Expenses	70.82	37.85	108.67	96.87	84.72	135.53	84.72
Provision for Bad & Doubtful Debts	30.25		30.25	25.21	28.12	28.12	28.12
Interest on security deposit	38.77		38.77	32.31	22.19	22.19	22.19
Depreciation	94.56		94.56	78.80	15.33	75.64	15.33
Interest on Working capital					10.98	10.98	10.98
Interest on long term debt	31.04		31.04	25.87			
Sub-Total	**3721.67**		**3834.16**	**3213.89**	2876.10	3038.29	2876.10
Less: Employee expenses capitalised			0.00	0.00	2.73	2.73	2.73
(A)Total expenses	**3721.67**		**3834.16**	**3213.89**	2873.37	3035.56	2873.37
Income Tax						2.27	0
Return on equity	11.64		11.64	9.70	40.00	0	40.00
(B) Sub total	11.64		11.64	9.7	40.00	2.27	40.00
TOTAL(A+B)	**3733.31**		**3845.80**	**3223.59**	**2913.37**	**3037.83**	**2913.37**
Less Miscellaneous Receipt	178.98		178.98	149.15	57.78	168.32	57.78
Net movement in Regulatory Deferral Balance						64.12	
Total Revenue Requirement	3554.33		3666.82	3074.44	2855.59	2805.39	2855.59
Revenue from Sale of Power	3569.58		3569.58	2974.65	2812.13	2812.13	2812.13
GAP(+/-)	**15.25**		**-97.24**	**-99.79**	**-43.46**	**6.74**	**-43.46**

Table – 91

Adjustment towards Power Purchase Cost

TPCODL for FY 2020-21 (June 2020 to March 2021)

Approved AT &C loss	%	A	23.70%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	22.93%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	5226.13

Actual power purchase	MU	H	6960.62
Normative power purchase	MU	I=[G/(1-C)]	6780.96
Additional power purchase	MU	J=(H-I)	179.66
Approved BSP	Paise/Unit	K	270.6
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	48.62
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	48.62

Table - 92

TPCODL TRUE UP for FY 2021-22

(Rs. in Cr)

Expenditure	Approved in the ARR 2021-22	Proposed FY 2021-22	Audited FY 2021-22	Allowed in true up
Cost of Power Purchase	2890.79	2688.74	2715.66	2688.74
Employee expenses	634.70	777.00	767.76	767.76
Repair & Maintenance	202.94	202.94	203.25	202.94
Administrative and General Expenses	82.94	123.00	174.77	123.00
Provision for Bad & Doubtful Debts	32.05	39.78	39.78	39.47
Depreciation	43.57	41.25	117.80	41.25
Interest on Working capital	0	43.92	0	22.00
Interest on consumer security deposit	33.45	31.64	31.64	31.64
Interest on long term loan	0.00	9.06	55.62	11.55
Financing cost		0.99	0.99	0.99
Sub-Total	**3920.44**	**3958.32**	**4107.27**	**3929.33**
Less: Employee expenses capitalised	29.00	22.34	22.34	22.34
Less: Interest cost capitalised			2.86	2.86
(A)Total expenses	**3891.44**	**3935.98**	**4082.07**	**3904.13**
Deferred tax provision			10.16	
Return on equity	48.00	59.00		59.00
(B) Sub total	48.00	59.00	10.16	59.00
TOTAL(A+B)	**3939.44**	**3994.98**	**4092.23**	**3963.13**
Less: Miscellaneous Receipt	104.80	87.21	255.86	87.21
Net movement in Regulatory Deferral Balance			-80.73	
Total Revenue Requirement	**3834.64**	**3907.77**	**3917.10**	**3875.92**
Revenue from Sale of Power	3835.58	3,978.05	3,946.55	3,978.05
GAP(+/-)	**0.94**	**70.28**	**29.45**	**102.13**

Table – 93

Adjustment towards Power Purchase Cost

TPCODL for FY 2021-22

Approved AT &C loss	%	A	23.70%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=[1-(1-A)/B]	22.93%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	6722
Actual power purchase	MU	H	8817

Normative power purchase	MU	I=[G/(1-C)]	8721.86
Additional power purchase	MU	J=(H-I)	95.14
Approved BSP	Paise/Unit	K	283
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	26.92
Amount eligible for loss or gain to be borne by Distribution Licensee	Rs. Cr.	L	26.92

Table - 94
TPCODL TRUE UP for FY 2022-23

(Rs. in Cr)

Expenditure	Approved in the ARR 2022-23	Proposed FY 2022-23	Audited FY 2022-23	Allowed in true up
Cost of Power Purchase	3212.87	3249.29	3214.58	3217.48
Employee expenses	775.49	776.00	784.53	775.49
Repair & Maintenance	239.85	235.00	234.8	234.80
Administrative and General Expenses	132.72	133.00	212.69	132.72
Provision for Bad & Doubtful Debts	34.28	47.00	136.07	46.22
Depreciation	48.34	67.65	181.55	41.74
Interest on Working capital		21.00		21.00
Interest on consumer security deposit	30.78	62.00	61.67	37.25
Interest on long term loan	20.00	28.00	47.38	27.50
Financing cost		2.00	1.92	1.92
Loss on retirement of assets		5.75		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity				3.03
B-1/3rd to be passed on to consumer as rebate				3.03
C-1/3 rd to be kept as tariff balancing reserve				3.03
Sub-Total	**4494.33**	**4626.69**	**4875.19**	**4545.23**
Less: Employee expenses capitalised	23.9	24	23.94	23.94
Less: Interest cost capitalised			4.14	4.14
(A)Total expenses	**4470.43**	**4602.69**	**4847.11**	**4517.15**
Deferred tax provision			4.86	
Return on equity	48.00	74.00		74.46
Tax on ROE		25		
(B) Sub total	48.00	99.00	4.86	74.46
TOTAL(A+B)	**48.00**	**4701.69**	**4851.97**	**4591.61**
Less: Miscellaneous Receipt	107.21	109.49	281.37	139.98
Gain & Loss due to AT&C loss		3		
Net movement in regulatory deferral balances			-38.26	
Total Revenue Requirement	**-59.21**	**4595.20**	**4608.86**	**4451.63**
Revenue from Sale of Power	4273.00	4,687.00	4,622.14	4,622.14
GAP(+/-)	**4332.21**	**92.23**	**13.28**	**170.51**
Provisional Surplus considered	**140.00**			
Recovery of ASL paid till FY 23		246.90		
Net GAP (+/-)	**4472.21**	**-154.67**		

Table – 95
Adjustment towards Power Purchase Cost
TPCODL for FY 2022-23

Approved AT &C loss	%	A	23.70%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C= [1-(1-A)/B]	22.93%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	7639
Actual power purchase	MU	H	9902
Normative power purchase	MU	I=[G/(1-C)]	9911.68
Additional power purchase	MU	J=(H-I)	-9.68
Approved BSP	Paise/Unit	K	300
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=(JxK/1000)	-2.90
Amount eligible for loss or gain to be borne by Distribution Licensee	Rs. Cr.	L	-2.90

205. The Commission hereby concludes the truing up of expenses of the DISCOMs (TPCODL, TPSODL, TPWODL & TPNODL) for the FY 2020-21 and FY 2021-22.

206. The Summary of True up for FY 2020-2021, FY 2021-22 and FY 2022-23 has been mentioned table below;

Table - 96

(Rs. in Cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**	**Total**
True up Surplus for FY 2020-21	94.86	0.00	21.68	(43.46)	73.08
True up Surplus for FY 2021-22	609.96	51.77	46.29	102.13	810.14
True up Surplus for FY 2022-23	736.56	135.79	54.10	170.51	1,096.96
Total True up Surplus	**1,441.38**	**187.56**	**122.06**	**229.17**	**1,980.17**
Adjusted in ARR 2022-23	150.00	0.00	60.00	140.00	350.00
Adjusted in ARR 2023-24	663.00	65.59	40.49	83.33	853.37
Adjusted in ARR 2024-25	510.00	0.00	21.57	5.84	537.41
Net Total available surplus to be carried forward	117.42	121.97	0.00	0.00	239.39

TARIFF DESIGN

The present Tariff Structure

207. In line with the prevailing tariff design, the Commission has decided to continue with the prevailing practice of single part, two part and three-part tariffs for the ensuing financial year. Single part tariff is applicable only to Consumers covered under Kutir Jyoti. All the other categories of Consumers are covered under two-part and three-part tariff structure.

208. Two part tariff covers LT Consumers with connected load/Contract Demand less than 110 kVA and such Consumers will have to pay Monthly Minimum Fixed Charge (MMFC) (Rs./kW or kVA) and Energy Charge.

209. Three part tariff is applicable to LT, HT and EHT Consumers with Contract Demand of 110 kVA & above and such Consumers will have to pay Demand Charges (Rs./kVA), Energy Charge (Rs./kVAh) and Customer Service Charge (Rs./Month).

LT Consumers

Single Part Tariff

Kutir Jyoti Consumers: Fixed Monthly Charge (Rs./Month) for consumption upto 30 units per month.

Two Part Tariff – for LT Supply less than 100 KW / 110 kVA

All classes of Consumers other than Kutir Jyoti

(a) Energy Charge (kWh) (Paise/unit)

(b) Monthly Minimum Fixed Charge (MMFC) (Rs./kW/Month)

Three Part Tariff - LT Consumers with connected load 110 kVA and above

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

HT Consumers

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

EHT Consumers

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

210. In addition, certain other charges like prompt payment rebate, meter rent, Delayed Payment Surcharge (DPS), over drawl penalty, incentive and other miscellaneous charges, etc. are payable under different circumstances as mentioned in the later part of this order.

211. The Commission has decided that RST structure for the FY 2024-25 will remain unchanged except LT Domestic Category and most of the applicable charges for various category of Consumers will remain same as that of FY 2023-24. The details of charges applicable to various categories of Consumers classified under the OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

<u>Tariff for LT Consumers availing Power Supply</u>

212. The Consumers availing power supply at LT with CD less than 110 kVA or 100 KW have to pay Monthly Minimum Fixed Charge (MMFC) and Energy Charges as described below:

(I) Monthly Minimum Fixed Charge (MMFC)

213. The MMFC is payable by the LT Consumers with Contract Demand less than 110 kVA. The Commission has decided that the rate of MMFC determined for FY 2023-24 shall continue for FY 2024-25. However, the MMFC for Kutir Jyoti Consumers has been reduced by Rs. 10.00 and fixed at Rs. 70.00 per Month.

Table – 97
MMFC for LT Consumers

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge (MMFC) for first KW or part there of (Rs.)*	Monthly Minimum Fixed Charge (MMFC) for any additional KW or part there of(Rs.)
	LT Category	**Approved For FY 2024-25**	
1.	Kutir Jyoti (<=30 Units/month)	70	-
2.	Domestic (other than Kutir Jyoti)	20	20
3.	General Purpose LT (<110 kVA)	30	30
4.	Irrigation Pumping and Agriculture	20	10
5.	Allied Agricultural Activities	20	10
6.	Allied Agro-Industrial Activities	80	50
7.	Public Lighting	20	15
8.	LT Industrial (S) Supply	80	35
9.	LT Industrial (M) Supply	100	80
10.	Specified Public Purpose	50	50
11.	Public Water Works and Sewerage Pumping <110 kVA	50	50

* When agreement stipulates supply in kVA, this shall be converted to kW by multiplying with a power factor of 0.9 as per Regulation 2 (20) of OERC Distribution (Conditions of Supply) Code, 2019.

214. Some Consumers with connected load less than 110 kVA might have been provided with simple energy meters which record energy consumption and not the maximum demand. But the OERC Distribution (Conditions of Supply) Code, 2019, provides that "Contract Demand for connected loads of 110 kVA and above shall be as stipulated in the agreement and may be different from the connected load. Contract Demand for a connected load below 110 kVA shall be the same as connected load. However, in case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, the above stipulation holds good for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA or 100 KW. The licensees are directed to follow the above provision of Regulation strictly.

(II) Energy Charge (Consumers with Connected Load less than 110 kVA)

Domestic

215. The Commission is aware of the paying capability of Below Poverty Level (BPL) Consumers. Therefore, the Kutir Jyoti Consumers will only pay the MMFC @ Rs.70.00 per month for consumption upto 30 units per month. In case, consumption of these Consumers exceeds 360 units per year cumulatively, such Consumer will be billed like any other domestic Consumers depending on their consumption and will lose their BPL status from that year onwards.

216. The Commission is also conscious of affordability of non-Kutir Jyoti Consumers. Keeping this in view the Energy Charges for supply to LT domestic Consumers using Low Tension system has been reduced by 10 paise per unit in each slab for FY 2024-25 over the FY 2023-24 which are given below:

Domestic consumption slab per month	**Energy Charge**
Upto and including 50 units	290 paise per unit
From 51 to 200 units	470 paise per unit
From 201 to 400 units	570 paise per unit
More than 400 units consumption	610 paise per unit

217. In accordance with the provisions under the OERC Distribution (Condition of Supply) Code, 2019, initial power supply shall not be given without a correct meter. Load factor billing has been done away with since 1st April, 2004, as stipulated in the Commission's RST Order for FY 2003-04. As such the licensees are directed not to bill any Consumer on load factor basis.

General Purpose LT (<110 kVA)

218. The Commission reviewed the existing tariff structure and decided to continue with existing rate for GP LT category of Consumers.

Table – 98

Energy Charge for General Purpose LT (<110 kVA)

Slab	Energy Charge (paise/unit)
First 100 units	590
Next 200 units	700
Balance units	760

Irrigation Pumping and Agriculture

219. The Commission decides that the Energy Charge for this category of Consumer shall be 150 paise per unit (kWh) for supply at LT level as usual. Consumers in the Irrigation Pumping and Agriculture category availing power supply at HT level will pay 140 paise per unit (kVAh) as usual.

Allied Agricultural Activities

220. The Commission decides that the tariff of this category of Consumer shall continue at 160 paise per unit (kWh) at LT level and 150 paise per unit (kVAh) at HT level.

Allied Agro-Industrial Activities

221. The Commission decides to continue with the tariff of 310 paise per unit (kWh) at LT level and 300 paise per unit (kVAh) at HT level, as was approved for FY 2023-24. The Commission has also clarified that Mushroom farming is also included in this category.

Energy Charges for Other LT Consumers

222. The Commission, keeping its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following categories of LT Consumers shall pay **Energy Charge of 620 paise per unit** on the entire consumption of electricity.

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

(III) Other Charges for Consumers at LT level with CD of 110 kVA and above.

223. **Customer Service Charge & Demand Charge at LT level**

As explained earlier, these categories of Consumers are required to pay three-part tariff. The existing Customer Service Charge and Demand Charge for Consumers with Contract Demand of 110 kVA and above shall continue for FY 2024-25 as given in Table below.

Table – 99
Customer Service Charge at LT level

Category	Supply Voltage	Customer Service Charge (Rs. per Month)	Demand Charge (Rs./kVA/Month)
Public Water Works and Sewerage Pumping (=>110kVA)	LT	30	200
General Purpose (=>110kVA)	LT	30	200
Large Industry >=110 kVA	LT	30	200

<u>Tariff for HT & EHT Consumers</u>

(I) Customer Service Charge for Consumers with Contract Demand of 110 kVA and above at HT & EHT level

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

Table – 100
Customer Service Charge for Consumers with CD > 110 kVA at HT & EHT

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

(II) Demand Charge for HT & EHT Consumers

225. The Commission examined the existing Demand Charge of Rs.250/kVA/Month payable by the HT and EHT Consumers and Demand Charge of Rs.150/kVA/Month payable by HT Industrial (M) Consumers (>=22 kVA and less than 110 kVA) and decides to continue with the existing rates. The class of Consumers, the voltage level of supply and applicable Demand Charge are listed below.

HT Category (Rs.250 per KVA per month)

Specified Public Purpose
General Purpose (>70 kVA <110 kVA)
General Purpose (>=110 kVA)
Public Water Works and Sewerage Pumping
Large Industry
Power Intensive Industry
Mini Steel Plant
Railway Traction

HT Category (Rs.150 per KVA per month)

HT Industrial (M) Supply

EHT Category (Rs.250 per KVA per month)

General Purpose

Large Industry

Railway Traction

Heavy Industry

Power Intensive Industry

Mini Steel Plant

226. Consumers with Contract Demand 110 kVA & above are to be billed under three-part tariff on the basis of actual reading of the demand meter and the energy meter. They are also allowed to increase their Contract Demand. The Demand Charge reflects the recovery of fixed cost payable by the Consumers as capacity in reserved for them by the licensee. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the Consumer, it is necessary that the Consumer pays at least a certain amount of fixed cost to the licensee. To arrive at Demand Charge, the Commission studied the pattern of demand recorded by the demand meters of all such Consumers of the licensee. Keeping in view the above aspect, the Commission has decided that the existing method of billing the Consumer for the Demand Charge on the basis of the maximum demand recorded or 80% of the Contract Demand, whichever is higher shall continue. The method of billing of Demand Charge in case of Consumers without a meter or with a defective meter, shall be in accordance with the procedure prescribed in the OERC Distribution (Conditions of Supply) Code, 2019. Again, in case of statutory load restriction, the Contract Demand shall be assumed as the restricted demand.

227. As per the OERC Distribution (Conditions of Supply) Code, 2019, for Contract Demand above 70 kVA but below 555 kVA, supply shall be at 3-phase, 3-wire, 11 kV. However, these Consumers connected prior to 01.10.95 may be allowed to continue to receive power at LT level. The Commission decides to continue with the same Demand Charges for following Consumers at HT level.

Table – 101

Demand Charges at HT level

Category	(Rs./kVA/month)
Bulk Supply Domestic	20
Irrigation pumping	30
Allied Agricultural Activities	30
Allied Agro-Industrial Activities	50

228. However, the demand in respect of Consumers with Contract Demand less than 110 kVA (for all categories of Consumers) and having static meters shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. For billing purpose, the highest demand recorded in a month shall be considered from the month it occurred, till the end of the financial year.

229. Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawal penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy drawl (kVAh) beyond CD shall be Rs.5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under other scheme. However, the DISCOMs shall not exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded and no load shedding is imposed during that period.

230. Any industry having CGP with CD above 20 MW willing to avail power from DISCOMs and operating at load factor more than 80% shall be allowed to draw power at the rate not less than Rs.5.00 per kVAh for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO.

(III) Energy Charge for HT and EHT Consumers

231. The Commission always aims for rationalisation of tariff structure by progressive introduction of a cost-based tariff and has set the Energy Charge at different voltage levels to reflect the cost of supply. The principle of higher rate of Energy Charge for supply at low voltage and gradual reduction in rate as the voltage level goes up has been adopted. The Commission has introduced kVAh tariff for HT and EHT Consumers since FY 2021-22. This method of billing for Energy Charge captures both active and reactive energy consumed by the Consumers and the same will continue for FY 2024-25.

For HT Bulk Supply Domestic Consumers, the Energy Charges have been fixed at 490 paise per unit (kVAh).

Graded Slab Tariff for HT/EHT Consumers

232. The Commission has decided to continue with the graded slab of tariff structure for HT and EHT Consumers where the Demand Charges are billed on kVA basis as given in Table below:

Table – 102

Slab rate of Energy Charges for HT & EHT (Paise per unit (kVAh))

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

233. All HT industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below for the FY 2024-25:

Table – 103

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on Energy Charge	-
above 75% upto 85%	15% on Energy Charge	8% on Energy Charge
above 85%	20% on Energy Charge	10% on Energy Charge

The above rebate shall be on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2024-25.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on energy charge for entire energy consumption beyond 85% load factor. The industries shall take required measures to avoid injection of harmonics to the grid.

234. Load factor has to be calculated as per Regulation 2 (42) of the OERC Supply Code, 2019. However, for calculation of load factor, the actual power factor of the Consumer and power-on-hours during billing period shall be taken into consideration.

235. Power consumption in hours is defined as total hours in the billing period minus allowable power interruption hour. The maximum allowable power interruption hours in a month shall be 60 hours and the same shall be deducted from the total interruption hour. In case the power interruption hours is 60 hours or less in a month, then no deduction shall be made.

Supply at HT level for Irrigation Pumping & Agriculture, Allied Agricultural Activities and Allied Agro-Industrial Activities Consumers

236. The Commission has decided to continue with the present tariff structure in respect of Irrigation Pumping & Agriculture, Allied-Agricultural and Allied-Agro-Industrial Activities categories availing power at HT level. The Energy Charge applicable to them has been fixed as follows:

Category		**Energy Charge**
Irrigation Pumping & Agriculture	-	140 paise per kVAh
Allied Agricultural Activities	-	150 paise per kVAh
Allied Agro-Industrial Activities	-	300 paise per kVAh

Industrial Colony Consumption

237. To encourage increase in the HT & EHT consumption, the Commission has decided to continue with the existing tariff for the colony consumption attached to the industry shall be separately metered and such consumption shall be deducted from the main meter reading and billed at 490 paise per unit for supply at HT level and 485 paise per unit at EHT level. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

Colony / Hostel consumption

238. The Educational Institution (Specified Public Purpose) including attached hostel and / or residential colony who draws power through a single meter at HT level shall be eligible to be billed at 15% of their energy drawl under HT bulk supply domestic category i.e. @ 490 paise per unit.

Classification of Consumers under Domestic category

239. The Regulation 138(a) of Supply Code, 2019 defines Domestic category as a category which relates to supply of power to residential premises for domestic purposes only which may include connected load for non-domestic purposes like offices, consultation chambers and other miscellaneous activities up to 20% of the total connected load. There is certain confusion in the mind of the Distribution service Provider(s) about classification of Consumer under this category. From the reading of the Regulation, it is clear that power supply to any dwelling units utilised solely for residential purpose shall be classified as Domestic category, whether rented or not. This may also include hostels/mess/old-age homes/orphanages let-out by the private parties solely for residential purposes. The hotels/guest houses, which are basically for temporary stay of people, are strictly excluded.

Emergency power supply to CGPs/Generating stations

240. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs for supply of electricity subject to technical feasibility and availability of required quantum of power/energy in the system as per the provision under the OERC Distribution (Condition of Supply) Code, 2019. For such Consumers, (i) a flat rate of 780 paise/kWh at HT level and (ii) 770 paise/kWh at EHT level would apply. The industry owning CGP and having zero Contract Demand can draw power supply for its CGP from the Grid maximum upto the electrical energy in kWh limited to 10% load factor of the highest capacity of the Captive Generating unit. Overdrawl of energy beyond 10% of load factor of highest capacity of generating unit for consecutive three months shall be billed on two-part tariff in kVAh per unit with discontinuation of emergency power supply status.

Green Certification

241. The Consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The Consumer has to pay additional 20 paise per unit as premium over and above the normal rate of Energy Charges. This facility shall be in force for one year from the effective date of this order. The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plant (CGP). For this matter, our observations made earlier may be referred to.

The Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2024-25. Accordingly, in the BSP Order of GRIDCO for FY 2024-25, out of the total projected renewable energy of 3580.62 MU available to GRIDCO for the ensuing year, 1193.51 MU, 778.60 MU, 1138.85 MU & 469.66 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above purpose. The DISCOMs can issue 'Green Consumer Certificate' to the Consumers desirous of availing such certificates in their respective area of operation within the above ceiling limit of renewable energy. However, the surplus renewable energy with one DISCOM can be shared with the DISCOM having deficit renewable power under intimation to GRIDCO.

Electric Vehicle

242. Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs.5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

Mega Lift Points

243. The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under the irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any Demand Charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective Energy Charges.

Railway Tariff

244. For the FY 2024-25, the Commission has decided to continue with the rebate of 25 paise per unit for all the units consumed in addition to all other eligible rebates (as provided for FY 2023-24).

Solar, Normal and Peak Tariff

245. As per Rule 8A of Electricity (Rights of Consumers) Rules, 2020 (notification dated: 14.06.2023) of Ministry of Power, Time of Day (ToD) Tariff is to be imposed on the Consumers with effect from 01.04.2024. It empowers the State Commission to specify the Time of Day Tariff which divides the hours of a day into Solar, Normal and Peak hours. In exercise of the powers conferred under that rule the Commission decides the Hours in a day shall be designated as follows.

8.00 AM to 4.00 PM	- Solar Hours
After 4.00 PM upto 6.00 PM	- Normal Hours
After 6.00 PM upto 12.00 Midnight	- Peak Hours
After 12.00 Midnight upto 8.00 AM the next day	- Normal Hours

This differentiation in hours has been made basing on the duration of availability of Solar power in the state of Odisha. The storing of solar power to be utilised later is an expensive affair. The Solar power should be utilised as far as possible when it is generated. Therefore, the Consumers are to be encouraged to utilise power during Solar hours. This also helps in Grid balancing otherwise thermal/hydel power stations are to be backed down during that period which has also bearing on the tariff of those stations. The implementation of this ToD tariff for the first time has its own challenges. The meters are to be configured basing on this tariff. Therefore, the Commission directs that this tariff as mentioned below shall be effective from 01.06.2024.

The Commercial & Industrial Consumers and Consumers provided with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit on Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 20 paise/unit during Peak Hours. The ToD rebate and surcharge shall not be applicable during Normal Hours.

Charges for Overdrawal

246. When the Maximum Demand is less than or equal to the Contract Demand during hours other than Normal hours, then the Consumer is entitled for overdrawl benefit limited to 120% of Contract Demand during Normal hours. If Maximum Demand exceeds 120% of Contract Demand during Normal hours, then the Consumer is liable for overdrawl penalty @ Rs.250/- per KVA per month provided no other penalty due to overdrawl is levied only on the excess demand recorded over 120% of CD. If Maximum Demand exceeds the Contract Demand during hours other than Normal hours, then the Consumer is not entitled to get Normal hours overdrawl benefit, even if the drawl during Normal hours is within 120% of CD. This provision shall be effective from 01.06.2024 after configuration of respective meters.

Incentive for Overdrawal during Normal hours

247. All the Consumers who pay three-part tariff with CD > 110 KVA are allowed to draw upto 120% of Contract Demand during Normal hours on payment of Demand Charge basing on the 80% of the Contract Demand or maximum demand drawn during hours other than Normal hours, whichever is higher. Provided that the drawal of maximum demand is within CD during hours other than Normal hours.

There shall be no penalty for overdrawl during Normal hours, upto 120% of the Contract Demand. However, any Consumer overdrawing during hours other than Normal hours shall not be eligible for overdrawl benefit during Normal hours. In case of Statutory Load Regulation, deemed Contract Demand shall be the restricted Contract Demand.

Penalty for Overdrawal

248. Demand charge shall be calculated on the basis of 80% Contract Demand (CD) or actual Maximum Demand (MD) whichever is higher during hours other than Normal hours. The overdrawl penalty at the rate of Rs.250/kVA shall be charged on the excess drawl over the 120% CD during Normal hours.

This benefit will not be available, if one overdraws beyond the CD during hours other than Normal hours. In such circumstances, the overdrawal penalty @ Rs.250/kVA shall be levied on the drawl in excess of the CD irrespective of any hours of the day.

This penalty for overdrawal in all the above cases shall be over and above the normal demand charges.

Metering on LT side of Consumers Transformer

249. As per Regulation 151 (ix) of the OERC Distribution (Conditions of Supply) Code, 2019 Transformer loss, as computed below has to be added to the consumption as per meter reading.

Energy loss = (730 X Rating of the transformer in kVA) /200.

Demand Loss in the transformer in kVA = Rating of the transformer in kVA / 200

Incentive for prompt payment

250. The Commission examined the existing provision for incentive and its financial implications. The Commission has decided to allow incentive for early and prompt payment as follows:

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

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

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

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

251. **Special Rebates**

a. Hostels attached to the Schools recognised and run by SC/ST Department of Government of Odisha shall get a rebate of Rs. 2.40 per unit on Energy Charge under Specified Public Purpose category (LT/HT), which shall be over and above the normal rebate for which they are eligible.

b. All Swajala Dhara Consumers under Public Water Works and Sewerage Pumping category shall get special rebate @ 10% on energy consumption over and above normal rebate, if the electricity bills are paid within due date.

c. All rural LT domestic Consumers availing power through correct meter and who pay the bill in time shall avail rebate of 10 paise per unit over and above other existing rebate for prompt payment.

d. 4% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single-phase General Purpose (GP) category of Consumers only over and above all other rebates, if such Consumer pays the entire amount of the bill through digital mode on or before due date.

e. Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill. This will be applicable for the Consumers who are not provided with the Smart Meters. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

f. LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paisa per unit for all the units consumed, if their monthly operating load factor is more than 40% and if paid within due date.

252. **Reconnection Charge**

The Commission has decided that existing re-connection charges shall continue as follows:

Table - 104

Category of Consumers	Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/-
LT Single Phase other Consumer	Rs.400/-
LT 3 Phase Consumers	Rs.600/-
HT and EHT Consumers	Rs.3000/-

253. **Delayed Payment Surcharge**

The Commission has examined the present method of raising DPS & its rates. The Commission has decided that if payment is not made within the due date, Delayed Payment Surcharge shall be paid for every day of delay @ 1.25% per month on the amount remaining unpaid (excluding arrears on account of DPS) in respect of following categories of Consumers:

i. Large industries

ii. LT/HT Industrial (M) Supply

iii. Railway Traction

iv. Public Lighting

v. Power Intensive Industries

vi. Heavy Industries

vii. General Purpose Supply >=110 KVA

viii. Specified Public Purpose

ix. Mini Steel Plants

x. Emergency supply to CGP

xi. Allied Agro-Industrial Activities

xii. Colony Consumption

The Tariff as determined above is reflected in Annexure-B. For any discrepancy, Annexure-B is final.

Rounding off of Consumers billed amount to nearest rupee

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

Charges for Temporary Supply

255. The tariff for the period of temporary connection shall be at the rate applicable to the relevant Consumer category with the exception that Energy Charges shall be 10% higher (in case of temporary connection) compared to the regular connection. Connections, temporary in nature, shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc.

New Connection Charges for LT

256. LT single phase Consumers of all categories having CD upto 5 kW, with pole within 30 meters from the Consumer's premises shall pay new service connection charge, excluding processing fees of Rs.50/-, security deposit and cost of meter (as applicable) as follows.

Upto 2 kW : Rs. 1500/-

Beyond 2 kW upto 5 kW : Rs. 2500/-

However, if the line extension is required beyond 30 meters, the Licensee /supplier shall charge @ Rs.8,000/- for every span of line extension in addition to above charges. The service connection charges include the cost of material and supervision charges. In case of Single-phase LT new or load enhancement Consumers upto 5 kW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

257. **Meter Rent**

The Commission has decided to continue with the current meter rent for FY 2024-25 which will be effective from 01.04.2024 as follows:

Table – 105

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of sixty (60) months only.

However, in case of Single-Phase Smart meter supplied by DISCOMs the meter rent shall be collected for a period of ninety-six (96) months only.

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

258. The Commission has decided that Retail Supply Tariff (RST) for the FY 2024-25 will remain unchanged like previous FY 2023-24 except for LT Domestic category of Consumers. The monthly charges (fixed) for Kutir Jyoti Consumers has been reduced to Rs. 70.00 (from Rs. 80.00) and for all other Domestic Consumers, the energy charge has been reduced by 10 paise per kWh for all slabs. However, without increasing the RST for three (3) consecutive years, some tariff rationalisation measures, as detailed in the present order, have been introduced (based on feedback/suggestions of stakeholders) to reduce tariff burden further on LT domestic consumers and to increase industrial consumption, particularly electricity consumption of power intensive industries and LT Industries (both Small and Medium category) etc. The continuation of some of the rationalisation measures for Industrial consumers is likely to generate confidence and encourage industrial growth. In addition, the rebate to Allied-Agro Industrial Consumers including mushroom farming, cold storage facility (under Allied Agro Industries), Railways and Megalift Consumers at HT and EHT level etc. has been continued. The 4% rebate provided for pre-paid Consumers will encourage use of more and more pre-paid Smart meters. The reduction in tariff for charging of Electric Vehicle by 50 paise per unit and reduction in tariff for 100% green energy consumption by 5 paise per unit will encourage use of green/ clean form of energy. In the process, the

collection efficiency & revenue earnings of DISCOMs is expected to increase. All these efforts are in the overall interest of consumers of the State and shall provide a conducive environment for DISCOMs to become operationally & financial stable and to achieve the ultimate goal of reliable, affordable, uninterruptible (24x7) Quality Power for All and provide better Consumer satisfaction level.

Directions and expectations of Commission from DISCOMs

259. Distribution system is vital in the power delivery chain and establishes the last mile connectivity with the ultimate consumers who generate revenue for the power system. In last 2 to 3 years of operation in Odisha the Distribution service providers have taken number of good initiatives for system improvement, reduction in distribution losses, improving safety of man & machine and resolving the meter & billing related issues etc. Lot more actions are still required to be taken by licensees to become operationally & financially stable.

260. All DISCOMs are directed –

(a) to provide the norms for engaging the outsourcing personnel through Business associates, details of number of outsourcing personnel at each division & circle level and works/responsibilities assigned to them within 30th June, 2024.

(b) to carry out Energy audit for assessing LT & HT loss.

(c) to create robust consumer data base by introducing KYC mechanism and other method to identify genuine consumer(s) & eliminate bogus consumer(s).

(d) The Distribution Licensees shall prepare 10 years Resource Adequacy Plan covering period 2024-25 to 2033-24 in accordance with Resource Adequacy guidelines in consultation with GRIDCO & CEA to comply with requirements of Electricity Rules.

261. All four (4) DISCOMs have estimated interest on long term Capital loan (debt) and Interest on Working Capital with different rate of interest varying from 8.25 % to 11.6%. The source of funding of Capital loan and rate of interest shall be submitted.

262. The Commission had approved additional R&M of Rs. 95 Crs. (TPWODL: Rs. 60 Crs. & TPNODL: Rs. 35 Crs.) in ARR for FY 2023-24 for maintaining an inventory for materials which will be required for restoration of distribution network during natural disaster for all DISCOMs. This inventory will be used by other DISCOMs on transfer basis. In addition to above provision, the Commission approves Rs. 40 Crs. (Rs. 10 Crs

for each DISCOM) in the ARR for FY 2024-25 as Disaster Resilient Fund (a Contingency Reserve Fund) to be maintained and operated by one of the DISCOMs for fast restoration of power supply during natural disasters.

The details of material bank created for meeting regular O&M activities and for meeting the contingency situation like cyclone shall be submitted by all DISCOMs. Considering high-cost involvement and susceptibility to damage/obsolence of equipment/material on storage, DISCOMs are directed to work out plan for cyclical stock build up at strategic locations along with consumption and replenishment plan for disaster mitigation. It has to be ensured that the material stock is built up ahead of expected period of cyclone and consumed on regular maintenance for optimum use of material bank so that no idle stock is maintained throughout the year under disaster mitigation.

263. The Commission observed following numbers of fatal and non-fatal accidents (human-beings and animals) during the last two financial years.

Table – 106
Fatal and Non-Fatal Accidents of Human-beings and Animals

DISCOMS	**TPCODL**		**TPNODL**		**TPWODL**		**TPSODL**	
No. of accident cases	**FY 2021-22**	**FY 2022-23**	**FY 2021-22**	**FY 2022-23**	**FY 2021-22**	**FY 2022-23**	**FY 2021-22**	**FY 2022-23**
Fatal Human	49	37	3	45	2	2	37	29
Fatal Animal	32	42	9	14	53	24	9	17
Non-fatal Human	55	42	11	41	16	24	30	41
Non-fatal Animal	0	0	0	0	0	0	0	0
Total	**136**	**121**	**23**	**100**	**71**	**50**	**76**	**87**

The number of fatal accidents is a matter of concern. The DISCOMs shall take adequate safety measures including safety awareness programs for work place safety and public safety to create an accident (fatal/non-fatal) free environment.

264. Low Voltage issue is one of the major concern of the Commission in the operation of the distribution system. All four DISCOMs are directed to provide following information at all PSS level within 30th June, 2024.

- Nominal Voltage at PSS level for 33kV system and range of voltage variation.
- Nominal Voltage at PSS level for 11 kV system and range of voltage variation.
- Remedial measures taken to improve the Voltage profile at PSS level to keep the HT (33 kV & 11 kV) voltage within permissible limit so that desirable Voltage is achieved at Consumer end.

265. TPNODL has implemented standalone Solar & microgrid / Distributed generation schemes in remote & inaccessible areas of Keonjhar & Mayurbhanj District funded by Government of Odisha (instead of extending unviable distribution network to such places). The Commission is inclined to include under O&M expenses of such installations under CAPEX for continuation of benefit of such schemes to the Consumers of the locality even after the completion of warranty period of associated equipment / material. TPNODL may submit their proposal for approval of Commission. Any expenditure in this regard made by the Licensee shall be taken care during Truing up exercise.

266. TPWODL had proposed a Model Scheme to Solarise Rural Households through Virtual Net Metering (VNM) mechanism for Community Solarization under RTS-II. The proposal aims at solarization of rural households where people are not interested for investment and adoption of schemes like PM's Suryodaya Scheme etc. Such schemes are supported by Government of India and Government of Odisha for Solarisation of households. The Commission encourages TPWODL to take up such schemes in rural areas. However, TPWODL may submit a detailed report of a pilot project for analysis and approval of the Commission.

267. In response to a query of an Objector, TPCODL has submitted that loss figures presented for the previous year is based on audit. TPCODL is directed to submit the actual HT loss observed in their area of operation based on the audit. Similarly, all other DISCOMs are also directed to submit their actual HT loss based on energy audit, so that Commission can use actual HT loss in the ARR for DISCOMs. The DISCOMs are also directed to intimate the status of metering of Distribution Transformers (DTRs) of capacity 100 kVA & above within 30th June, 2024.

268. **Effective date of Tariff**

The tariff schedule attached to this Order shall be made effective from 01.04.2024 and shall remain in force until further order of the Commission. The DISCOMs should ensure that the billing cycle of any Consumer should not be disturbed due to the above stipulations.

269. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this Order (in Case Nos. 118, 121, 124 & 127 of 2023) shall be made effective from 1st April, 2024 and shall be in force until further order. The cases are disposed of accordingly.

270. The Truing Up applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 126, 123, 117 & 120 of 2023 respectively are disposed of accordingly.

271. The applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 125/2023 (TPCODL), 122/2023 (TPNODL), 116/2023 (TPWODL) and 119/2023 (TPSODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2024-25 are disposed of accordingly.

272. The Retail Supply Tariff as stipulated in the order shall be effective from 1st April, 2024 and shall remain in force until further orders.

Sd/-	Sd/-
(S. K. RAY MOHAPATRA)	**(G. MOHAPATRA)**
Member	**Officiating Chairperson**

Annexure-A

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2024-25

	TPWODL			TPNODL			TPSODL			TPCODL			Total		
Expenditure	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**
Cost of Power Purchase	5207.54	4492.23	4555.95	2515.18	2733.96	2857.05	1033.20	1032.68	984.80	3433.08	3753.37	3941.60	12189.00	12012.24	12339.40
Transmission Cost	318.86	276.41	286.56	180.19	195.87	195.91	118.08	118.02	118.18	270.14	295.35	300.31	887.28	885.65	900.96
SLDC Cost	2.06	2.05	2.33	1.16	1.16	1.60	0.76	0.76	0.97	1.74	1.74	2.45	5.72	5.71	7.34
Total Power Purchase, Transmission & SLDC Cost (A)	**5,528.46**	**4,770.69**	**4,844.84**	**2,696.53**	**2930.99**	**3054.56**	**1,152.04**	**1,151.46**	**1,103.94**	**3,704.96**	**4,050.46**	**4,244.36**	**13082.00**	**12903.60**	**13247.70**
Employee costs	580.57	626.59	543.75	529.37	549.71	524.09	526.00	575.39	501.36	803.22	885.12	814.29	2439.17	2636.81	2383.49
Repair & Maintenance exp.	281.99	336.86	244.24	214.34	321.45	230.24	152.57	194.00	165.24	279.38	358.00	261.52	928.28	1210.31	901.23
Administrative and General Expenses	158.12	245.86	169.19	120.13	134.39	128.53	112.66	131.40	120.54	142.01	234.00	151.95	532.91	745.65	570.22
Provision for Bad & Doubtful Debts	62.52	57.51	57.39	35.59	40.49	40.49	19.91	20.77	20.24	51.71	58.14	58.26	169.72	176.91	176.38
Depreciation	72.93	125.98	82.35	49.83	97.29	55.56	52.15	99.03	67.15	81.38	137.77	99.00	256.28	460.07	304.06
Interest on loan and S.D	171.50	198.11	190.05	110.32	176.98	125.58	63.78	100.50	82.36	125.65	213.85	193.50	471.25	689.44	591.49
Total Operation & Maintenance and Other Cost	**1,327.63**	**1,590.91**	**1,286.97**	**1,059.57**	**1,320.31**	**1,104.49**	**927.06**	**1,121.09**	**956.88**	**1,483.35**	**1,886.88**	**1,578.52**	**4,797.61**	**5,919.19**	**4,926.85**
Less: Employee cost capitalised	25.67	20.09	20.09	16.58	16.99	16.99	30.24	35.90	35.90	26.29	28.90	28.93	98.78	101.88	101.91
Less: interest Capitalised	17.58	13.53	13.53	9.86			4.00			10.94			42.38	13.53	13.53
Return on equity	57.59	135.43	94.87	47.19	102.53	68.53	39.67	90.26	73.12	80.63	119.00	115.79	225.08	447.22	352.31
Tax on ROE	-	45.55	26.09	-	34.49	18.84	-	30.36	20.11		40.00	31.84	0.00	150.40	96.88
Carrying Cost on Regulatory Asset/ Liability		0.59			9.24								0.00	9.83	0.00
Repayment on ASL										-			0.00	0.00	0.00
Other (Income Tax)															0.00
True-up		(371.12)													0.00
Total Distribution Cost	**1,341.97**	**1,367.74**	**1,374.31**	**1,080.32**	**1449.58**	**1,174.87**	**932.49**	**1,205.81**	**1,014.21**	**1,526.75**	**2,016.43**	**1,697.22**	**4881.54**	**6039.56**	**5260.60**

	TPWODL			TPNODL			TPSODL			TPCODL			Total		
Expenditure	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**	**Approved 2023-24**	**Proposed 2024-25**	**Approved 2024-25**
Less: Miscellaneous Receipt/ Non-tariff Income	400.33	386.02	386.02	154.99	207.34	206.65	55.82	54.62	54.61	109.55	114.00	114.00	720.69	761.98	761.29
Net Distribution Cost(B)	**941.64**	**981.72**	**988.29**	**925.33**	**1242.24**	**968.22**	**876.67**	**1,151.19**	**959.60**	**1,417.20**	**1,902.43**	**1,583.22**	**4160.85**	**5277.58**	**4499.31**
Total Revenue Requirement (A+B)		**5,752.41**	**5,833.12**		**4,173.23**	**4,022.79**		**2,302.65**	**2,063.54**		**5,952.89**	**5,827.58**		**18181.18**	**17747.01**
Expected Revenue (Full year)	**6251.99**	**5751.16**	**5738.59**	**3,559.02**	**4048.92**	**4,049.39**	**1990.77**	**2077.15**	**2023.54**	**5170.68**	**5814.35**	**5826.21**	**16972.46**	**17691.58**	**17637.73**
GAP (+ Surplus/- Deficit)		**-1.25**	**-94.53**		**-124.31**	**26.60**		**-225.50**	**-40.00**		**-138.54**	**-1.37**		**-489.60**	**-109.28**
BSP Surchage			(409.15)												**-409.15**
Net GAP (+ Surplus/- Deficit)			(503.68)			26.60			(40.00)			(1.37)			(518.43)
Amount allowed out of Commulative true up surplus available Upto FY 2022-23			510.00						21.57			5.84			**537.41**
GAP after True up adjustment(+ Surplus/- Deficit)			**6.32**			**26.60**			**-18.42**			**4.47**			**18.98**

Annexure-B

RETAIL SUPPLY TARIFF EFFECTIVE FROM 1^{st} APRIL, 2024

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./KVA/ Month)	Energy Charge	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first KW or part there of (Rs.)	Monthly Fixed Charge for any additional KW/ kVA or part there of (Rs.)	Rebate (P/kWh/ kVAh) / DPS
	LT Category			**(P/kWh)**				
1	Domestic							
1.a	Kutir Jyoti <= 30 Units/month	LT	FIXED MONTHLY CHARGE-->			70		
1.b	Others							Rebate 10
	(Consumption <= 50 units/month)	LT		**290.00**		20	20	
	(Consumption >50, <=200 units/month)	LT		**470.00**				
	(Consumption >200, <=400 units/month)	LT		**570.00**				
	Consumption >400 units/month)	LT		**610.00**				
2	General Purpose < 110 KVA							Rebate 10
	Consumption <=100 units/month	LT		**590.00**		30	30	
	Consumption >100, <=300 units/month	LT		**700.00**				
	(Consumption >300 units/month)	LT		**760.00**				
3	Irrigation Pumping and Agriculture	LT		**150.00**		20	10	Rebate 10
4	Allied Agricultural Activities	LT		**160.00**		20	10	Rebate 10
5	Allied Agro-Industrial Activities	LT		**310.00**		80	50	Rebate/DPS
6	Public Lighting	LT		**620.00**		20	15	Rebate/DPS
7	L.T. Industrial (S) Supply <22 KVA	LT		**620.00**		80	35	Rebate 10
8	L.T. Industrial (M) Supply >=22 KVA <110 KVA	LT		**620.00**		100	80	Rebate/DPS
9	Specified Public Purpose	LT		**620.00**		50	50	Rebate/DPS
10	Public Water Works and Sewerage Pumping <110 KVA	LT		**620.00**		50	50	Rebate 10
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	**620.00**	30			Rebate 10
12	General Purpose >= 110 KVA	LT	200	**620.00**	30			Rebate/DPS
13	Large Industry >=110 KVA	LT	200	**620.00**	30			Rebate/DPS
	HT Category			**Energy Charge (P/kVAh)**				
14	Bulk Supply - Domestic	HT	20	**490.00**	250			Rebate 10
15	Irrigation Pumping and Agriculture	HT	30	**140.00**	250			Rebate 10
16	Allied Agricultural Activities	HT	30	**150.00**	250			Rebate 10
17	Allied Agro-Industrial Activities	HT	50	**300.00**	250			Rebate/DPS
18	Specified Public Purpose	HT	250	**As indicated in the notes below**	250			Rebate/DPS
19	General Purpose >70 KVA < 110 KVA	HT	250		250			Rebate 10
20	H.T Industrial (M) Supply	HT	150		250			Rebate/DPS
21	General Purpose >= 110 KVA	HT	250		250			Rebate/DPS
22	Public Water Works & Sewerage Pumping	HT	250		250			Rebate 10
23	Large Industry	HT	250		250			Rebate/DPS
24	Power Intensive Industry	HT	250		250			Rebate/DPS
25	Mini Steel Plant	HT	250		250			Rebate/DPS
26	Railway Traction	HT	250		250			Rebate/DPS
27	Emergency Supply to CGP (kWh)	HT	0	**780.00**	250			Rebate/DPS
28	Colony Consumption (Both SPP & Industrial)	HT	0	**490.00**	0			Rebate/DPS
	EHT Category			**Energy Charge (P/kVAh)**				
29	General Purpose	EHT	250	**As indicated in the notes below**	700			Rebate/DPS
30	Large Industry	EHT	250		700			Rebate/DPS
31	Railway Traction	EHT	250		700			Rebate/DPS
32	Heavy Industry	EHT	250		700			Rebate/DPS
33	Power Intensive Industry	EHT	250		700			Rebate/DPS
34	Mini Steel Plant	EHT	250		700			Rebate/DPS
35	Emergency Supply to CGP (kWh)	EHT	0	**770.00**	700			Rebate/DPS
36	Colony Consumption	EHT	0	**485.00**	0			Rebate/DPS

Note:

Slab rate of Energy Charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

(i) Energy Charges for all LT Consumers shall continue to be billed on the basis of kWh whereas the Energy Charges for HT and EHT Consumers shall be billed on the basis of kVAh drawal. All open access transaction will be maintained in kWh sale only and kVAh based sale shall be converted into kWh base on the power factor for the month provided in the energy bills if necessary. For Electricity Duty purpose kWh shall be the unit for the Consumers for whom ED is levied on the per unit basis. For load factor purpose kWh reading shall be taken into consideration.

(ii) The reconnection charges w.e.f. 01.04.2015 shall continue unaltered.

Category of Consumers	Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/-
LT Single Phase other Consumer	Rs.400/-
LT 3 Phase Consumers	Rs.600/-
All HT & EHT Consumers	Rs.3000/-

(iii) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.

(iv) The meter rent w.e.f. 01.04.2024 shall be as follows:

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: ***Meter rent for meter supplied by DISCOMs shall be collected for a period of sixty (60) months only.***

However, in case of Single-Phase Smart meter supplied by DISCOMs the meter rent shall be collected for a period of ninety six (96) months only.

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

(v) All HT industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below:

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on Energy Charge	-
Above 75% upto 85%	15% on Energy Charge	8% on Energy Charge
Above 85%	20% on Energy Charge	10% on Energy Charge

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2024-25.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on Energy Charge for entire energy consumption beyond 85% load factor.

(vi) All the industrial Consumers drawing power at EHT level shall be eligible for a rebate of 10 paise per unit (kVAh) for all the units consumed in excess of 80% of load factor.

(vii) Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawal penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy drawl (kVAh) beyond CD shall be Rs.5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under other scheme. However, the DISCOMs shall not exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded and no load shedding is imposed during that period.

(viii) Any industry having CGP with CD above 20 MW willing to avail power from DISCOMs and operating at load factor more than 80% shall be allowed to draw power at the rate not less than Rs.5.00 per kVAh for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO.

(ix) Railway Traction category shall get a rebate of 25 paise per unit for all the units consumed in addition to all other rebates they are eligible to avail.

(x) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, this shall also form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA.

(xi) The billing in respect of demand charge for Consumer(s) with Contract Demand less than 110 KVA shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.

(xii) The Commercial & Industrial Consumers and Consumers provided with smart meters having MD >10KW, are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 20 paise/unit during Peak Hours. The ToD rebate and surcharge shall not be applicable during Normal Hours. For this purpose the hours in a day have been defined as follows:

8.00 AM to 4.00 PM	-	Solar Hours
After 4.00 PM upto 6.00 PM	-	Normal Hours
After 6.00 PM upto 12.00 Midnight	-	Peak Hours
After 12.00 Midnight upto 8.00 AM next day	-	Normal Hours

This provision of ToD shall be made effective from 01.06.2024.

(xiii) Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha shall get a rebate of Rs.2.40 per unit in Energy Charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.

(xiv) Swajala Dhara Consumers under Public Water Works and Sewerage Pumping Installation category shall get special rebate @10% on the energy consumption over and above normal rebate, if electricity bills are paid within due date.

(xv) During the statutory restriction imposed by the Fisheries Department, the Ice Factories (located at a distance not more than 5 KM towards the land from the sea shore of the restricted zone) will pay demand charges based on the actual maximum demand recorded during the billing period.

(xvi) Poultry Farms with attached feed processing units having connected load less than 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General-Purpose category for tariff purpose. If the connected load of the attached feed processing unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

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

(xviii) Drawal by the industries upto 120% of Contract Demand shall be allowed during "Normal Hours" without levy of any penalty. "Normal Hours" for the purpose of tariff shall be from **4.00 PM upto 6.00 PM in the evening and 12 Midnight to 8.00 AM of the next day**. The Consumers who draw beyond their Contract Demand during the hours other than the Normal Hours shall not be eligible for this benefit. If the drawal during the Normal Hours exceeds 120% of the Contract Demand, overdrawal penalty shall be charged on the drawal over and above the 120% of Contract Demand (for details refer Tariff Order). If Statutory Load Regulation is imposed, then restricted demand shall be treated as Contract Demand. This provision shall be made effective from 01.06.2024.

(xix) General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019 the supply for load above 5 KW upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases.

(xx) The rural LT domestic Consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.

(xxi) 4% rebate shall be allowed on the bill to the LT domestic and single-phase general-purpose category of Consumers only over and above all other rebates, if such Consumer pays the entire amount through digital mode before the due date.

(xxii) 4% rebate shall be allowed to all pre-paid Consumers on pre-paid amount.

(xxiii) A Special rebate to the LT single phase Consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

(xxiv) The Educational Institution (Specified Public Purpose category Consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawal under HT bulk supply domestic category.

(xxv) The Consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The Consumer has to pay additional 20 paise per unit as premium over and above the normal rate of Energy Charges. This facility shall be in force for one year from the effective date of this order. The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plants (CGPs).

(xxvi) The printout of the record of the meter relating to MD, PF, number and period of interruption shall be supplied to the Consumer wherever possible with a payment of Rs.500/- by the Consumer for monthly record.

(xxvii) Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs.5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

(xxviii) The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any demand charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective Energy Charges.

(xxix) LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paisa per unit for all the units consumed, if their monthly operating load factor is more than 40% if paid within due date.

(xxx) Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill.

(xxxi) Tariff as approved shall be applicable in addition to other charges as approved in this **Tariff order w.e.f. 01.04.2024.**

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Annexure C

1. The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2024.

Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	163.00	76.23	101.46	The Open Access customer availing Open Access shall pay Rs.5760/MW-day (Rs.240/MWh) as transmission charges.
TPNODL	138.50	14.06	152.23	
TPWODL	117.50	29.69	97.30	
TPSODL	243.50	124.98	156.82	

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (8%) are applicable for the year 2024-25.

3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be paid to the embedded licensee.

4. The Consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to Consumers availing conventional power.

Exemption under Odisha renewable Energy Policy 2022:

(1) Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

(2) No Cross-subsidy surcharge are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(3) 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period for Fifteen (15) years.

(4) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access Consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. This exemption shall be allowed for five (5) more years in case of projects commissioned before 31.03.2026.

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