

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

IN THE MATTER OF: An application for approval of Business Plan under regulation 2.1 read with Annexure-I of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

AND

IN THE MATTER OF: TP Northern Odisha Distribution Limited(TPNODL),
Registered & Corporate Office: Januganj, Balasore, Odisha-756019
Represented by its Chief Executive Officer -----Applicant



J.N. BEHERA, NOTARY, BLS
Sl. No. 5-33 Vol. 123
Date 27/11/23

AFFIDAVIT

I, Bhaskar Sarkar, aged about 55 years, son of Late Arup Kumar Sarkar, residing at Balasore, do hereby solemnly affirm and state as follows:-

I am the Chief Executive Officer of TP Northern Odisha Distribution Limited-the applicant in the above matter and duly authorised to swear this affidavit on its behalf.

That, the facts stated in the letter are true to the best of my knowledge & belief and are as per available records.

Verified that the contents of above affidavit are true and correct, no part of it is false and nothing material has been concealed there-from.

Place Balasore
Date 27/11/23


DEPONENT


DEPONENT

The deponent being identified by Sri- Advocate Balasore solemnly affirm and state that the facts stated above are true to the best of his knowledge and belief and are as per available records. On this 27th day of November 2023 at Balasore.
J.N. BEHERA
Notary, Public Balasore

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The Humble applicant, above named, most respectfully showeth:

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which was earlier served by erstwhile NESCO Utility as per the terms of Vesting order of Hon'ble Commission dated 25.3.2021 in Case No-9/2021. TP Northern Odisha Distribution Limited (TPNODL) has been incorporated as a joint venture of the Tata Power Company Limited (51%) and Odisha Government (49%) on the Public-Private Partnership (PPP) model
2. The business of TPNODL is governed by the provisions of license conditions issued by Hon'ble Commission vide Order No-OERC/Engg/06/2021/718 dated 29.06.2021 for distribution and retail supply of electricity in North Odisha.
3. That, TPNODL in accordance with Regulation 6.1 of the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 has filed the Aggregate Revenue Requirement (ARR) for the FY 2023-24 on November 30, 2022.
4. That, in the meantime, the Hon'ble Commission vide letter No. OERC/RA/ TPCODL-33/2020/1380 dated November 30, 2022 to the DISCOMs had enclosed its Notification No. DIR(T)/405/2023-24/1379 dated November 30, 2022 wherein Hon'ble Commission had directed as under:



"Whereas, OERC is contemplating to bring out a New Regulation called the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 by the end of the month of December, 2022 by repealing old Regulation of 2014 on the subject, in exercise of power vested under Regulation 53 of the OERC (Conduct of Business) Regulations, 2004 liberty is hereby given to the applicant DISCOMs to file their revised ARR and Tariff application as per New Regulation, 2022 referred to above within 15 days of its Gazette notification." (Emphasis Supplied)

5. That, thereafter, the new regulation OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 has been notified vide notification dated December 23, 2022. As per Annexure-I of the said Regulations, 2022, the Hon'ble Commission had specified the timeline for filing of the Business Plan for the Control Period for FY 2023-24 to FY 2027-28 as January 31, 2023.
6. That, TPNODL in compliance to the Hon'ble Commission's letter dated November 30, 2022 and OERC Tariff Regulations, 2022 had revised its ARR for the FY 23-24 and filed before the Hon'ble Commission on January 09, 2023.
7. That, as per the new OERC Tariff Regulations, 2022, the Business Plan for the 1st Control Period is to be filed for 5 years i.e. FY 2023-24 to FY 2027-28. The New Regulations, 2022 came into force w.e.f. December 23, 2022. Only after publication of the regulation, the Licensee was able to go through the guiding principles for preparation of Business Plan and the specified timeline for submission. The filing of the Business Plan for 5 years, Control Period i.e. FY 2023-24 to FY 2027-28 requires data collection, assimilation and projection of various parameters which requires a considerable amount of time.
8. That, since it will be the first Multi Year Business Plan to be filed by the Licensee following the New Tariff Regulations, 2022, the Licensee would require some more time to file the Annual Business Plan for 1st control period.
9. That, the 1st control period starts from FY 23-2024 and ends with FY 27-2028. As the Licensee has already filed it's revised ARR for 1st year of the 1st control period FY 2023-2024, the same may be kindly considered for Business Plan FY 2023-2024 in compliance to Annexure-I of new regulation.

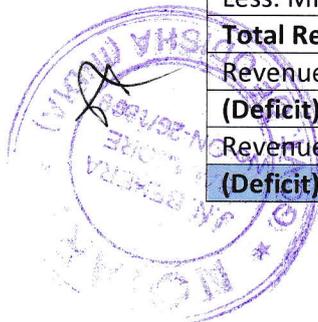


10. That, the licensee has submitted the revised ARR for FY 23-24 with the following parameters:

S. No.	Particulars	UoM	FY 2023-24
1	SMD	MVA	1500
2	Input	MU	7458.903
3	Billing (MU)	MU	6246.643
a	EHT		2953.30
b	HT		685.584
c	LT		2607.759
4	Billing (Value)	Rs. Crs	3503.14
a	EHT		1802.83
b	HT		453.29
c	LT		1247.01
5	Dist. Loss	%	16.25%
6	Collection Efficiency		99.00%
7	AT& C Loss		17.09%

11. That, with the above parameters the Revenue Gap(+)/ Surplus(-) for FY 2023-24 is as follows:

Expenditure	FY 2023-24
Power Purchase Cost (A)	
Cost of Power	2,394.31
Transmission Charges	208.85
SLDC Charges	1.08
Total Power Purchase Cost	2,604.24
Distribution Cost (B)	
Employees cost	484.90
Repair & Maintenance Cost	257.19
Administrative & General Expenses	199.22
Bad & Doubtful Debt including rebate	35.03
Depreciation	66.89
Interest on loans	74.66
Interest on Security Deposits	36.03
Return on Equity	79.42
Tax on Return on Equity	26.72
Total Distribution Cost	1,260.07
Special Appropriation (C)	
Carrying Cost @ 7.45%	21.49
True Up	-
Other, if any - contingency and prior period	-
Prior Period Item	-
Total Special Appropriation	21.49
Total cost (A+B+C)	3,885.79
Less: Miscellaneous Receipt	178.45
Total Revenue Requirement	3,707.34
Revenue from Tariffs (at Existing Rate)	3,503.14
(Deficit)/ Surplus at Existing Rate	(204.20)
Revenue from Tariffs (at Proposed Rate)	-
(Deficit)/ Surplus at Proposed Rate	(204.20)



12. That, the licensee has also submitted the capital investment plan for the FY 2023-24 on dated 26.12.2022, for kind approval of Hon'ble Commission. The licensee had submitted before Hon'ble Commission a capital investment plan for Rs.637.94Cr for the FY 2023-24 under six major heads of Statutory & Safety, Loss reduction, Reliability, Network optimization and Load growth, Technology and Civil Infrastructure and Reducing Carbon Footprint. However, the licensee could obtain Board approval for an investment of Rs. 452.80 for the FY 23-24. A copy of the BR dated 17.1.23 has been submitted before Hon'ble Commission for consideration of the capital investment upto the tune of Board approval, for implementation in the FY 2023-24 vide submission of the licensee dated 25.1.23.

The capital investments to be taken up in the FY 2023-24 amounting to Rs.452.80 Crs under six major heads are detailed in the following table:

SI No.	Major Categories	Amount (Rs. Crs)
1	Statutory & Safety	49.41
2	Loss Reduction	56.61
3	Reliability	118.06
4	Network Optimization & Load Growth	102.14
5	Technology & Civil Infrastructure	121.6
6	Reducing Carbon Footprint	4.98
Total		452.8

13. That, the licensee will adhere to all the performance standards set by Hon'ble Commission and improve the reliability of the system network as well as the service standards upto the satisfaction of its consumers.

14. That, Hon'ble Commission may kindly consider the above towards Business Plan for FY 23-24 and may kindly grant time upto 1st week of April'2023 for filing of the Business Plan for the balance period of the control period (i.e for FY 2024-25 to FY 2027-28).

15. That, the Licensee craves leave for submission of further/additional reply as and when required by Hon'ble Commission.

Place: *Balacore*

Date: *27/1/23*



Chief Executive Officer