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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL),
Corporate Office- Januganj, Odisha**.**

.......Applicant

AND

IN THE MATTER OF: Rejoinders to the objections received against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25.

Affidavit verifying the submission of TPNODL

I, Sri Pratap Kumar Mohanty, aged about 57 years, S/o. late Gyanendra Prasad Mohanty working as the Sr. GM (Risk, Regulatory & Legal), do hereby solemnly affirm and state as follows:

1. That, I am authorized representative of the TPNODL, the Respondent in the instant case and competent to swear this affidavit for and on behalf of TPNODL.
2. That, I have gone through the contentions in this submission and understood the contents thereof.
3. That, the facts stated in the submission are true to the best of my knowledge and belief.

Date: 24.01.2024 **DEPONENT**

Sr. GM (Risk, Regulatory & Legal)

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL),
Corporate Office- Januganj, Odisha**.**

.......Applicant

AND

IN THE MATTER OF: Rejoinders to the objections received against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25.

Rejoinder to the objection received on the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application of TPNODL for the FY 2024-25.

THE ABOVE NAMED APPLICANT TPNODL, MOST RESPECTFULLY SHOWETH:

That, In compliance to letter no. Case No. 122/2023/1819 dated 14.12.2023 of Secretary, OERC, the Public Notice on the ARR and Tariff application of the licensee have been published in the newspapers on dated 16.12.2023. A consolidated rejoinder to the objections received on the ARR & Tariff application of the licensee are submitted attached herewith.

Place: Balasore
Date: 24.01.2024 **DEPONENT**

Sr. GM (Risk, Regulatory & Legal)

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha**.**

.......Applicant

AND

IN THE MATTER OF: Ramesh Ch. Satpathy, Plot No-302(B), Behera Sahi, Nayapalli, Bhubaneswar-751012, President, Upobhokta Mahasangha, Bhubaneswar & Secretary, National Institute of Indian Labour.

…….**Respondent**

Rejoinder to the objection filed by Sri Ramesh Ch. Satpathy against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order of Hon'ble Commission. Para wise reply to the points raised by the respondent on the ARR application of the licensee are furnished hereunder.

2. **Respondents View/ suggestion: Detail expenditure on different approved CAPEX scheme**

   TPNODL Reply: TPNODL has proposed capital investment for the FY 2021-22, 22-23 and 23-24 aligned with multiple initiatives and schemes so as to reduce AT&C losses, improve system reliability and augment the network to support the continuous load growth. With this objective of ensuring reliable power supply and ensuring best customer services.

   Hon'ble Commission has approved the Capex Plan for FY 21-22 for an amount of Rs.258.78 Crs, Rs.326.54 Crs for FY 22-23 and Rs. 433.10 Crs for FY 2023-24. The year wise details of Capital Expenditure (as on H1 of FY24) are given below:

Capex Already Approved			Vesting Order Commitment	Amount Capitalized (In Rs Cr.)	Amount Where Work in Progress/ Planned (In Cr.)
FY	Rs in Cr.	Date of Approval	(Rs Crs)		
FY 21-22	258.78	18.09.2021	246.00	222.49	36.29
FY 22-23	326.54	14.07.2022	376.00	232.03	94.51
FY 23-24	433.1	19.06.2023	259.00	103.95	203.62
Total	**1018.42**		**881.00**	**558.48**	**334.41**

3. **Respondents View/ suggestion: Detail particulars of ODSSP Scheme and steps taken to rationalise the demand.**

   TPNODL Reply: 94 nos. of ODSSP 33/11 KV PSS have been charged . All the PSS are under loaded except 2 nos of PSS . We are exploring the feasibility to shift the Load of the nearby area to further load the PSS by installing the new 11 KV link line in case of underloaded PSS and transfer the load to the nearby PSS by installing the new 11 KV link line in case of over loaded PSS.

4. **Respondents View/ suggestion: Actual manpower in regular cadre of Executives , Non-executives functioning in TPNODL**

   TPNODL Reply: Actual manpower in regular cadre of executives, non-executives (both technical and non-technical) functioning in TPNODL is furnished under Table - 9 of our ARR application alongwith the plan for recruitment for ensuing FY , which may please be referred.

5. **Respondents View/ suggestion: Division wise list of scrap materials**

   TPNODL Reply: The details of scrap have been furnished before the Hon'ble Commission in Format F-28 of ARR Application which may please be referred.

6. **Respondents View/ suggestion: Compensation paid to the human being faced in the fatal accident:**

   TPNODL Reply: Details of Fatal Electrical accidents from FY 2021-22 to FY 2022-23 are furnished hereunder:

FY	No. of Electrical Accident (Human)	Compensation Paid (In Rs.)
2021-22	3	37,98,322
2022-23	33	57,81,773

Out of the total 36 human fatalities, 30 nos. are public fatalities which are due to unauthorised access to live network. The details of electrical accidents are furnished before the Hon'ble Commission in SOP report as well as details of every accident is submitted before Hon'ble Commission every month. Further, Compensation paid to victim during FY 2021-22 and FY 2022-23 are 37.98 lacs and 57.82 lacs respectively.

7. **Respondents View/ suggestion: Pension benefit to the workers**

TPNODL Reply: As such, TPNODL is following the provisions under OCS Pension Rule 1992 for sanction and disbursement of pension to the pensioners under its establishment. All Pensioners of TPNODL/ Erstwhile NESCO Utility are getting pension as per the provision laid down under such Rules and its amendments from time to time.

8. **Respondents View/ suggestion: Amount Collected from workers for EPF & Pension:**

TPNODL Reply: At present two types of employees are working under TPNODL i.e. Pensioners and Non-pensioners. EPF contribution of all Pensionaries are being transferred to the RPFC since 1st April' 2021. Similarly, for all Non-pensionaries, their EPF Contribution are being credited to the Provident Account maintained by NESCO EPF Trust.

9. **Respondents View/ suggestion: Details of Security Deposit received from consumers:**

TPNODL Reply: The details of Security Deposit received from consumers as on 31st March,2023 and as on 30th November,2023 alongwith the status of their deposits furnished in the following table

As At	Balance of Consumer Security Deposit	Balance of Fixed Deposit as on 31.03.2023
31 March 2023	795.82	831.93
30 November 2023	853.35	863.33

10. **Respondents View/ suggestion: Provision for notice and penalty on consumers**
    TPNODL Reply: The licensee follows the provisions under chapter-XIII of OERC Distribution (Condition of Supply) Code, 2019 for doing assessment of unauthorised use and theft of electricity.

    Rs. 59.25Cr. has been collected since FY 22.

11. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

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

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

Case No. 122/2022

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Sri A.K. Sahani, Electrical Inspector (Retd), B/L-108, VSS Nagar, Bhubaneswar-751007

…..**Objector**

Rejoinder to the objection filed by Sri A.K. Sahani against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. **Respondent's view/objection:** The petitioner should honour different provisions of law

   TPNODL Reply :

   TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order of Hon'ble Commission.

   TPNODL is duty bound to abide by all the applicable rules and regulations and license conditions and tariff orders. Reply on the points raised by the objector on the ARR and Tariff application of the licensee are furnished hereunder:

   a. **Respondent's view/objection:** No remunerative benefit was extended to any of the consumers

      TPNODL Reply: License is duty bound to follow the provision of OERC (Distribution Supply Code, 2019) and other applicable rules and regulations and directives mentioned in the Tariff Orders. However, if any consumer is aggrieved with non-fulfillment of Hon'ble Commission directives, Objector may kindly bring such cases to the notice of the Licensee for further necessary action.

b. **Respondent's view/objection: Consumer less than 100 KVA are not being extended with Demand Charges:**

TPNODL Reply: Bill for the electricity consumption by any category of consumer is raised as per the applicable charges fixed by Hon'ble Commission in Tariff order. The licensee is extending all the provisions applicable for any category of the consumers in compliance to the Tariff order and other applicable directions of Hon'ble Commission.

c. **Respondent's view/objection: Govt. ED should be paid by TPNODL as per Regulation -152(i) of Supply Code 2019.**

The priority of adjustment is as per the provisions of regulation 152(i). The ED remitted from April'23 to Nov'23 are furnished hereunder:

Particulars in Crs	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	H1 FY24
Electricity Duty	18.32	18.86	19.66	20.64	19.80	20.58	**117.86**

2. **Respondent's view –Arrear Collected from consumers out of past arrear.**

TPNODL's reply:

The applicant has been assigned a target of collecting 400Crs past arrear in first 5years of operation in Vesting order .

The details of collections made out of past arrears are reported to Hon'ble Commission from time to time. The details of past arrear collected month wise have been furnished in F-9(B), which may please be referred.

3. Respondent's view -Adoption of KVAh billing

TPNODL's reply:

That, the contention of the objector regarding adoption of KVAh billing is not true. 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.

4. Respondent's view – MMFC/Demand Charges for Consumers with Contract Demand <110 KVA and Demand Charges for GP >70 KVA and HT industrial (M) Supply:

TPNODL's reply:

The applicable demand charges for categories pointed out under HT supply are given hereunder:

Demand Charge (In Rs.)		
Category of Consumer	**Voltage of Supply**	**Demand Charge (Rs./KVA)**
Specified Public Purpose	HT	250
General Purpose >70<110KVA	HT	250
HT Industrial (Medium)	HT	150
Large Industrial	HT	250

However, the applicable energy charges are same for the above categories. As the network corridor under same supply voltage is used to supply the required quantum of power to all the above categories – there should not be any disparity in the demand charges, when energy charge is same for all these categories.

TPNODL is raising consumer bills as per the provisions of Tariff order. If Ld Objector has noticed any such case of deviation, the same may please be brought to the notice of the licensee.

5. Respondent's view –Power on Hours Calculation Methodology

TPNODL Reply:

The time required for system maintenance are unavoidable in nature and considering the same, Hon'ble Commission has stipulated allowable power interruption hours in a month as 60 Hrs. Power ON hour is determined in line with the provisions made by Hon'ble Commission .

6. Respondent's view –Non-extension of Tariff Benefit to Allied Agriculture Activities and Allied Agro Industrial Activities Category

TPNODL Reply: Contention of the objector is not correct. TPNODL is extending due category benefit of Allied Agriculture Activities and Allied Agro Industrial Activities Category to all eligible consumer. To substantiate our stand, the details of Allied Agriculture Activities and Allied Agro Industrial Activities Category consumers as on 30th September furnished in the following table:

Category of Consumer	HT	LT
Allied Agriculture Activities Category	78	1061
Allied Agro Industrial Activities Category	18	54

The objector is requested to bring the individual cases, if any, to the notice of the licensee for implementation of GRF/Ombudsman order

7. Respondent's view – Regulation 138 (e) i.e. power supply to LI points in the urban area.

TPNODL's reply:

Classification of consumers has been made by Hon'ble Commission basing on their purpose of supply. The licensee categorizes the consumers as per the provisions of Supply Code and raises bill to consumers as per the applicable tariff from time to time.

8. Respondent's view in point no- 8, 9, 10, 11, 12, 13 & 14- High cross subsidy surcharge. OERC should take steps to reduce CS and CSS.

TPNODL's reply:

The contention of the ld. Objector that due to high cross subsidy surcharge, the industries are not able to go for availing power supply through open access is not true. A comparative statement of the no. of consumers availing power through Open Access and the corresponding quantum given in the following table.

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
No. of Consumers availing power supply through open access	11	13	16	18	14
Total units availed through Open access (in MU)	1250.69	1333.89	1522.122	1549.136	1031.882

From the above table, it can be seen that the no. of consumers availing open access as well as the quantum of power availed through open access has increased year on year.

The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25

Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

9. Respondent's view –15 MVA load through non-dedicated 33 KV line

TPNODL Reply:

Allowing loads of 15MVA through non-dedicated 33KV line may over load the network , as it will require for accommodating 262Amp drawl for a single consumer. That will limit the scope of accommodating other loads in that feeder. That's why it is recommended to take such loads through dedicated feeder .

10. Respondent's view: Rebate to all Steel Industry having CD>1 MVA in 33 KV supply with or without CGP

TPNODL's reply:

Steel Industry having CGP are intentionally keeping less Contract demand as part of their demand are being met through CGP power. These consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to steel industries will be deprived in case of Steel Industry having CGP. So respondent pray for continuance of last year order.

11. Respondent's view: Re-introduction of KWH billing

TPNODL's reply: After due deliberation Hon'ble Commission has introduced the KVAH billing, which would have been introduced much earlier. Objector's objection on this issue in previous year has been duly addressed by hon'ble Commission in para 86 of RST Order for 2023-24. KVAH billing was introduced to maintain power factor near to 100%, which is necessary for system stabilisation. Further, as present KWH to

KVAH is near about 95%, KVAH billing will have a very little impact on billing. Therefore, KWH billing should not be re-introduced again.

12. Respondent's view: Reduction of load reduction period to 12 month in place of 36 month

TPNODL's reply: 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, revision of load within a short span will deprive the licensee of the anticipated cross subsidy in case of subsidizing consumer alongwith shortfall in recovering the distribution cost.

13. Respondent's view: Subsidy in tariff to cold storage unit

TPNODL's reply: Applicable Tariff for cold storage is Allied Agro Industrial Category, which is a subsidised tariff. Applicable rate of energy charges for cold storage categorised under "Allied Agro Industrial Category" Rs. 3.00 and Rs 50 as demand charges in place of 5.85 and Rs 250 towards energy charges and demand charges respectively for other similar type of industries. So Hon'ble Commission should not allow any more subsidy in this tariff.

14. Respondent's view: Incentive to Closed unit

TPNODL's reply:

As per present Regulation arrear prior to two are not eligible for any revision. However, for arrear of closed unit within two year are eligible for revision prior to such incentive.

15. The justification behind other tariff rationalization measures have been elaborated in the application of the applicant

16. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of

TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: - Shri. Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-75007

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

Case No. 122/2022

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Sri Priyabrata Sahu, S/O- Late Adikannda Sahu, At-Bijaya Bihar, 3rd Lane, PO-Berhampur, Dist-Ganjam-760004.

...... Objector

Rejoinder to the objection/suggestions filed by Priyabrata Sahu against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order dated 25.3.2021 in Case No-9/2021 of Hon'ble Commission.

2. **Respondents View/ Objection:** The ARR of all Discom proposes an unnatural hike in expenditure in employees cost, Repair & maintenance cost and A&G expenditure which is double then the last year approved expenditure.

   TPNODL Reply: Licensee has prepared the ARR as per the provision of OERC (Terms and Condition for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022, therefore all the projection have been estimated in the ARR as per the norms and terms of the said regulation. The justification behind the projected cost has been also mention in the ARR Application against the respective expenditures.

3. **Respondent's view/objection:** Bills of consumers are not served in the time and generated on provisional but same time rebate are not passed on to the consumer because of late serving.

   TPNODL Reply: During initial operation phase of the licensee, issue in timely raising some of the consumer's bills was observed. However, in the present scenario consumer can send the photograph of meter reading and meter no. over dedicated what's app no. (7777004759) and consumer can get his electricity bill in his what's app. Further, licensee is proving the rebate to applicable consumers as per the provision of Tariff Orders in respective year.

Further, Consumer always have the option to connect with Customer Service Center, Anubhava Kedra at Sub-division level, and through what's app no. for resolution of metering, billing, collection or any other issues.

4. **Respondent's view/objection:** DISCOM are disconnecting the power supply without proper notice and they are not ensuring/confirming with reason at the time of disconnection.

   TPNODL Reply: TPNODL is not disconnecting the supply without prior intimation to a bona- fide consumer. Disconnection of power supply is done as per the provision of OERC Distribution (Condition of Supply) Code, 2019 regulation. However, objector is requested to bring the individual cases to the notice of the licensee for further clarification. TPNODL also provides the pre-shut down information over mike announcement to its valued consumers prior to execution of any major maintenance activity.

5. **Respondents View/ Objection:** While calculating the interest on Capex loan is charged for whole year.

   TPNODL Rejoinder: The interest on Capex loan has been charged in a staggered manner instead of the whole year as objected. Further, interest on Capex loan has been capitalized instead of charge into revenue. For details applicable interest rate objector may please refer the respective financial format of ARR Application.

6. **Respondent's view/objection:** Discom shall give the detail financial benefits derived from the Capex Plan on account of loss reduction and its impact on tariff.

   TPNODL Reply: The detailed capex plan along with Detailed Project Report are furnished before the Hon'ble Commission each year as per provision of Vesting Order of licensee. Accordingly, Hon'ble Commission hears it in Public Hearing and issues the order by way of analyzing the inputs from all stakeholders.

   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 have been 23 hrs in average as on Sep,2023, the corresponding extra billing and collection are the derived impact of the capital investments done so far.

7. **Respondent's view/objection:** If any person requiring supply under LT or HT is prepared to take the supply through a pre-payment meter if available, the distribution licence/supplier shall not be entitled to collect the security deposit from such person.

TPNODL Reply: The licensee reciprocate the contention of the objector under prepaid meter regime obviously there shall be no claim of security deposit. However, the licensee shall abide the direction of the Hon'ble Commission in this aspect.

8. **Respondent's view/objection:** The Security deposit shall paid in cash or by bank draft or by electronic/digital Payment.

   TPNODL Reply: The licensee is observing the payment mode as directed by Hon'ble Commission time to time.

9. **Respondent's view/objection:** Discrimination of energy billing between HT & LT industrial consumers with KVAH & KWH respectively through the procurement of energy by the Discom in BST are being generated in KWH from GRIDCO.
   TPNODL Reply: The contention of the objector regarding adoption of KVAh billing is not true. Adoption of KVAh billing will help in maintaining the power factor and hence in system stability from technical point of view.

   It is further submitted that, by adopting KVAH billing in place of KWh Billing the recent pattern of Power Factor penalty imposed on the consumers will be abolished. 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.

   Incompliance to the direction of the Hon'ble Commission in the Tariff order 2014-15, the Utility had submitted the above required data before the Hon'ble commission during month of Nov'2014.

10. **Respondent's view/objection:** Increase in demand charge of HT Consumer upto 110 KVA

    TPNODL Reply: Medium categories of consumers who are availing power supply under HT category are being facilitated with comfort of demand charges @ Rs.150 per KVA p.m. However, General purpose category with load of >70 KVA & <110 KVA and Specified Public Purpose category are paying demand charges @ Rs.250 per KVA p.m. This is discrimination among consumers availing power supply under HT category and also providing scope to become Medium industry to avail such benefit. With such wide GAP between Demand charges, consumers under HT medium category just below 110KVA are always trying to avail demand benefit even though their actual connected load is more than 110KVA and above. To curb such type of disparity in demand charges the licensee submit before Hon'ble Commission to fix demand charges for HT Medium category of consumers @ Rs.250 per KVA p.m. Previously Hon'ble Commission has also fixed demand charges @ Rs.250 per KVA p.m. for HT category of consumers equivalent with large industry during FY 2012-13. Necessary suitable direction may kindly be given in this regard.

11. Respondent's view/objection: Increase in meter rent of Smart Meter

TPNODL Reply: In the RST Order FY 2023-24 of Discom, Hon'ble OERC 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)

14. Respondent's view – Billing with Defective meter.

TPNODL Reply: Billing with defective meters is carried out by licensee as per the provision under OERC Distribution (Condition of Supply) Code, 2019. However, objector is requested to bring the individual cases to the notice of the licensee for its remedial action.

12. Respondent's view/objection: Revision of reconnection charges.

TPNODL Reply: The biggest challenge in the field even after disconnection, consumers are reconnecting 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 post disconnection by 24 X 7 with the available resources as well as it is not cost effective. Further, reconnection charges are continuing since last 10 years even though BST and RST of DISCOMs have increased no of times.

13. The justification behind other tariff rationalization measures have been elaborated in the application of the applicant.

14. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: Sri Priyabrata Sahu, S/O- Late Adikannda Sahu, At-Bijaya Bihar, 3rd Lane, PO-Berhampur, Dist-Ganjam-760004.

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: M/s. Grinity Power Tech Pvt. Ltd, Registered office at K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, Phone No-0674-29542

..…..**Respondent**

Rejoinder to the objection filed by M/s. Grinity Power Tech Pvt. Ltd, Registered office at K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029 on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

2. Respondent's view /suggestion: Human Resource Expenses

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, TPNODL started operation with effect from 1.4.21 and over the decades there has been almost no recruitment during the period of erstwhile utility. The utility has been vested in TPNODL with some specified time bound performance targets linked with penalty clause on non-achievement. To achieve those stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon’ble Commission and the corresponding employee cost has been projected as per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

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Slab rate of energy charges for HT & EHT (Paise/kVAh)

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The tariff applicable for the category is relevant , the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, the proposal of the objector is not acceptable.

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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 of expansion. Materialization of industrial projects do have a definite gestation period and also requirement for checking the network availability. The licensee has considered individual consumer/prospective consumer wise load keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

10. **Respondent's view /suggestion:** Proposal for load factor rebate- For any x% increase in Load factor above 60%, x % rebate shall be allowed

TPNODL Reply: The proposal of the Ld. Objector states a rebate of x% on the total energy charges , if the industry achieves load factor more than x% over and above 60% Load factor.

This proposal is not acceptable to the licensee, as it envisages for permitting different net applicable charges to different industries depending on their load factor which will create a disparity . Further, in case one industry will attend 90% LF means a rebate of 30% needs to be given on energy charge, that is the effective tariff will be 409.5 paise per unit for HT and 406paise per unit for EHT with the existing applicable charges or even go much below or even not recover the distribution cost in case of higher load factor .

The aim of allowing load factor rebate is to encourage the industries to avail higher load factor, but at the same time the cost of supply to the consumers must be recoverable

Therefore, the proposal of the objector is not acceptable.

11. **Respondent's view /suggestion:** Cross Subsidy Surcharge ought to be gradually reduced every year. This is laid down in Section 42 of the Electricity Act,2003 that a road map is to be made by this Hon'ble Commission for reduction of subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of cross subsidy surcharge………

TPNODL Reply: The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25
Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

12. **Respondent’s view /suggestion:** Reintroduction of DPS for LT Domestic, LT GP and HT Bulk Domestic consumers

TPNODL Reply: The observation of Hon’ble Commission for with drawl of this DPS provision was the levy of DPS will act as a hurdle for small consumers in resolving their billing dispute and the revenue impact is also not substantial.

However, it will be pertinent to mention here that the DPS provision will persuade the small consumers to pay in time. It will instil the culture of payment within due date in them. The aim of the licensee is not to levy DPS to those small consumers , but to regulate their payment habit with imposition of a deterrent. Without any deterrent, there is no binding on such consumers to pay the electricity bill in time.

13. **Respondent’s view /suggestion: Proposal to allow pro-rata billing should not be approved.**

TPNODL Reply: The detailed justification for the licensee’s request of pro-rata billing has been given in the application of the licensee.

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

14. Respondent's view /suggestion: TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly, the licensee has also calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED. Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

15. Respondent's view /suggestion: Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

16. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply: In the present tariff of 25paise /unit , nineteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

17. **Respondent's view /suggestion: Minimum offtake for the industries having CGP**

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever is higher. The existing Demand charges is continuing since long. In the neighbouring 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 becoming sturdier.
The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

18. Respondent's view /suggestion: Revision of Reconnection charges

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

19. Respondent's view /suggestion: Realistic assessment of load

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state , the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and not to burden the genuine consumers.

20. Respondent's view /suggestion: Monopolistic attitude

TPNODL Reply: The contention of the objector that the licensees attitude towards conducting business is monopolistic is totally false and baseless.

The licensee is taking all steps to develop a customer centric environment. The steps taken by the licensee in its journey of transformation starting from 1.4.2021 have been elaborated in its application. In its endeavour to develop a reliable network with adoption of latest technologies, the licensee needs support and cooperation from all its stakeholders.

The Ld. Objector is requested to bring the individual cases to the notice of the licensee, if any deviation has been noticed, so that necessary steps can be taken by the licensee.

21. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply:
The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

22. **Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand**

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

23. **Respondent's view /suggestion: ToD Benefit**
TPNODL Reply:

ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

24. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to M/s. Grinity Power Tech Pvt. Ltd., At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029., Phone No-0674-29542

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: M/s. Ferro Alloys Corporation Limited (FACOR), D.P.Nagar, Randia, Dist: Bhadrak, Odisha-756135, Phone-6784240320

…….**Respondent**

Rejoinder to the objection filed by M/s. Ferro Alloys Corporation Limited (FACOR), D.P. Nagar, Randia , Dist: Bhadrak on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

25. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

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Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

35. **Respondent's view /suggestion:** Reintroduction of DPS for LT Domestic, LT GP and HT Bulk Domestic consumers

TPNODL Reply: The observation of Hon'ble Commission for with drawl of this DPS provision was the levy of DPS will act as a hurdle for small consumers in resolving their billing dispute and the revenue impact is also not substantial.

However, it will be pertinent to mention here that the DPS provision will persuade the small consumers to pay in time. It will instil the culture of payment within due date in them. The aim of the licensee is not to levy DPS to those small consumers , but to regulate their payment habit with imposition of a deterrent. Without any deterrent, there is no binding on such consumers to pay the electricity bill in time.

36. Respondent's view /suggestion: Proposal to allow pro-rata billing should not be approved.

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

37. Respondent's view /suggestion: TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.
Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

38. **Respondent's view /suggestion:** Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

39. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply:

In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

40. Respondent's view /suggestion: Minimum offtake for the industries having CGP

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever is higher. The existing Demand charges is continuing since long. In the neighbouring 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

41. Respondent's view /suggestion: Revision of Reconnection charges

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

42. **Respondent's view /suggestion: Realistic assessment of load**

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state , the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and creating burden on the licensee and not to burden the genuine consumers.

43. **Respondent's view /suggestion: Payment of Security Deposit by means other than cash**

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

44. **Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand**

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

45. **Respondent's view /suggestion: ToD Benefit**

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

46. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: M/s. Ferro Alloys Corporation Limited (FACOR), D.P.Nagar, Randia, Dist: Bhadrak, Odisha-756135, Phone-6784240320

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Mr. Shaikh Suleman, C/o-Shaikh Mahimud, MIG-29, At-Little Odisha, PO- Chattabar, PS-Chandaka, Near Shivani Engineering College, Chattabar, Khordha- 752054.

…..**Objector**

Rejoinder to the objection filed by Mr. Shaikh Suleman against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

3. **Respondent's view/objection:** The petitioner should honour different provisions of law

   TPNODL Reply : TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order of Hon'ble Commission.

   TPNODL is duty bound to abide by all the applicable rules and regulations and license conditions and tariff orders. Reply on the points raised by the objector on the ARR and Tariff application of the licensee are furnished hereunder:

   d. **Respondent's view/objection:** No remunerative benefit was extended to any of the consumers

TPNODL Reply: License is duty bound to follow the provision of OERC (Distribution Supply Code, 2019) and other applicable rules and regulations and directives mentioned in the Tariff Orders. However, if any consumer is aggrieved with non-fulfillment of Hon'ble Commission directives, Objector may bring such cases to the notice of the License for further necessary action.

e. **Respondent's view/objection: Consumer less than 100 KVA are being extended with Demand Charges:**

TPNODL Reply: Bill for the electricity consumption by any category of consumer is raised as per the applicable charges fixed by Hon'ble Commission in Tariff order. The licensee is extending all the provisions applicable for any category of the consumers in compliance to the Tariff order and other applicable directions of Hon'ble Commission.

f. **Respondent's view/objection: Govt. ED should be paid by TPNODL as per Regulation -152(i) of Supply Code 2019.**

TPNODL Reply: The priority of adjustment is as per the provisions of regulation 152(i). The ED remitted from April'23 to Nov'23 are furnished hereunder:

Particulars in Crs	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	H1 (FY24)
Electricity Duty	18.32	18.86	19.66	20.64	19.80	20.58	**117.86**

2. Respondent's view –DPS on Energy Charges.

TPNODL's Reply: In order to develop paying tendency among LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers, the Licensee has proposed re-introduction of DPS. The DPS will act as the required deterrent and the consumers will start paying in time

3. Respondent's view -Adoption of KVAH billing

TPNODL's Reply: That, the contention of the objector regarding adoption of KVAh billing is not true. Adoption of KVAh billing will help in maintaining the power factor and hence very much effective in 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.

4. Respondent's view –Power on Hours Calculation Methodology

TPNODL Reply: The time required for system maintenance are unavoidable in nature and considering the same, Hon'ble Commission has stipulated allowable power interruption hours in a month as 60 Hrs. Power ON hour is determined in line with the provisions made by Hon'ble Commission .

5. Respondent's view –15 MVA load through non-dedicated 33 KV line

TPNODL Reply: Allowing loads of 15MVA through non-dedicated 33KV line may over load the network , as it will require for accommodating 262Amp drawl for a single consumer. That will limit the scope of accommodating other loads in that feeder. That's why it is recommended to take such loads through dedicated feeder .

6. Respondent's view: Re-introduction of KWH billing

TPNODL's Reply: After due deliberation Hon'ble Commission has introduced the KVAH billing, which would have been introduced much earlier. Objector's objection on this issue in previous year has been duly addressed by hon'ble Commission in para 86 of RST Order for 2023-24. KVAH billing was introduced to maintain power factor near to unit, which is necessary for system stabilisation. Further, KVAH billing will have a very little impact on billing as present KWH to KVAH is near about 95%. Therefore, KWH billing should not be re-introduced again.

7. Respondent's view: Rebate to all Steel Industry having CD>1 MVA in 33 KV supply with or without CGP

TPNODL's Reply: Steel Industry having CGP are intentionally keeping less Contract demand as a portion of their demand are being met through CGP power. These consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to steel industries will deprived in case of Steel Industry having CGP. So respondent pray for continuance of prevailing order.

8. Respondent's view: Incentive to Closed unit

TPNODL's Reply: As per present Regulation arrear prior to two are not eligible for any revision. However, for arrear of closed unit within two year are eligible for revision prior to such incentive.

9. Respondent's view: Having CGP of unit with CD more than 10 MVA

TPNODL's Reply: In TPNODL area, there are few industries with CD more than 10 MVA but having no CGP.

10. The justification behind other tariff rationalization measures have been elaborated in the application of the applicant

11. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: - Shaik Suleman, C/O-Shaikh Mahimud, Mig-29, At- Little Odisha, PO-Chattabar, PS-Chandaka, Near Shivani Engineering College, Chattabar, Khordha-752054. E-mail: aks.kr.sahani@gmail.com, M No-9437071622.

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

Case No. 122/2024

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Sri Soumya Ranajan Patnaik, S/O-Late Brajabandhu Patnaik, MLA, Khandapada, Plot No. 185, VIP Colony, Nayapalli, Bhubaneswar-15.

…… Objector

Rejoinder to the objection/suggestions filed by Sri Soumya Ranjan Patnaik, MLA against on the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order dated 25.3.2021 in Case No-9/2021 of Hon'ble Commission.

2. **Respondents View/ Objection:** Laxities of tariff proceedings by the Hon'ble Commission and illegal RST schedule.

TPNODL Reply: The Hon'ble Commission, being a quasi-judicial body, had notified and introduced the OERC (Terms & Conditions for determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 on 20.12.2022 superseding the old Regulation of 2014 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022. It is further submitted that SERCs all over India are guided by the principles laid down u/s 61 of the Electricity Act, 2003. Further Section 62(3) of the Electricity Act, 2003 clearly states as under:

"Section 62. (Determination of tariff): ---

*(3) **The Appropriate Commission shall not**, while determining the tariff under this Act, **show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage,***

__total consumption of electricity__ during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required." **(Emphasis Supplied)**

However, determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.

In view of the above provision of law, tariff determination as done by the Hon'ble Commission which is in force is justified and correct.

3. Respondents View/ Objection: Excess Tariff collected by DISCOMs over approved Average Tariff and refund of excess tariff collected by DISCOMs to Consumers with interest.

TPNODL Reply: It is submitted that the Licensee, being a regulated business, is guided by the Regulations/ Guidelines/ Orders of the Hon'ble Commission and is well within the ambit of the same. The Hon'ble Commission, vide its RST Order for the DISCOMs, determines the tariff to be charged from different consumer categories in accordance with Sections 62 & 86 of the Electricity Act, 2003. In order to bring transparency to the tariff proceedings, the Hon'ble Commission conducts Public Hearing to hear the public on their views on the ARR petitions filed by the licensee. Accordingly, consolidating the suggestions provided by the Public along with proper prudence checks on the data/ information submitted by the DISCOMs, the Hon'ble Commission determines the Retail Supply Tariff to be charged from different consumer categories.

The Licensee, hence, submits that it levies and collects the determined and approved tariff from different consumer categories and there is no such deviation from the Approved Tariff Schedule.

With respect to the Cost of Supply (CoS), the Hon'ble Commission in its RST Order has held as under:

"The __Cost of Supply is the cost incurred by the utility to supply one unit of electricity at its consumer's metering point__ and is a crucial part of the tariff setting process. __The purpose of computation of Cost of Supply (CoS) is to apportion all costs required to serve consumers of different categories in a fair and an equitable manner__ giving proper price signals and identifying subsidy/cross-subsidy among consumer categories for developing an appropriate policy and a regulatory way forward. __Tariff setting is a revenue__

__balancing method__. The revenue requirement of DISCOM is met through tariff recovered from the consumers. The revenue can be of two categories i.e. revenue recovered from the consumer for sale of power and miscellaneous receipt from other activities of DISCOMs. The revenue requirement to be earned through tariff will be less if miscellaneous receipt is given credit as a part of the revenue earned. This in turn will reduce tariff to be charged to the consumers. __The cost of supply is not necessarily equal to average tariff__. This is because of miscellaneous receipt shall be utilised to meet the revenue requirement which would have otherwise been recovered from the consumer through tariff." **(Emphasis added)**

Considering the above and in line with Clause 8.3(2) of Tariff Policy 2016, the average tariff is well within (+/- 20%) of ACoS.

4. Respondents View/ Objection: Direction of Hon'ble Supreme Court of India to SERCs vide Judgment dated 23.11.2022 in Civil Appeal No. 1933 of 2022. SERCs are not determining tariff as per guiding principles. Violation of MYT Principle as ARR petitions filed without Business Plan by DISCOMs.

TPNODL Reply: 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 Hon'ble Commission had sought public opinion/ view on Determination of (Wheeling & Retail supply Tariff) Regulation 2022 through draft consultative paper dated 14.10.2022. Accordingly, the Hon'ble Commission vide its Notification No. 1472-OERC/RA/RST.REGU.-36/2021 dated 20.12.2022 had brought out its New Regulation i.e. 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 Hon'ble Supreme Court of India's Judgment. It is further submitted that SERCs all over India are guided by the principles laid down u/s 61 of the Electricity Act, 2003. However, determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.

As per the new Regulation the DISCOMs were directed to submit the different filings as per the following 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 Hon'ble Commission vide it's order dated 14.09.23 had accorded in principle approval to the Business Plan of all 4 DISCOMs.

5. Respondents View/ Objection: Open Access charges earned by DISCOMs.

TPNODL Reply:

TPNODL has taken over the distribution business from the erstwhile Nesco utility as per terms of vesting order. Open Access charges majorly comprises of Cross subsidy surcharge, Additional surcharge, Wheeling Charge, & Standby charges which are liable to be paid by the consumer opting for Open Access. The same is in line with the OERC (Terms & conditions of Intra-state Open Access) Regulations, 2020.

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 Hon'ble Commission vide its RST Order decided the CSS and wheeling charges to be levied from such consumers. The Licensee charges the consumer in accordance with the approved Open Access charges. Furthermore, the revenue earned on account of CSS is passed on to the consumers by way of Non-tariff Income.

Also, 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 Hon'ble Commission in its RST order considers no additional surcharge over and above the Cross-Subsidy Surcharge.

6. Respondents View/ Objection: Ld. OERC is the Regulator of State electricity and not an Arbitrator.

TPNODL Reply: Prior to Electricity Act, 2003, Odisha Electricity Regulatory Commission has been established as an independent autonomous Regulator of the Odisha State and became functional on 01.08.1996 for achievement of objectives enshrined in the Odisha Electricity Reform Act, 1995. Upon pronouncement of the

Electricity Act, 2003, Section 82 empowers all the States to create Regulatory Commissions and Section 86 also states about the functions of the Regulatory Commissions.

7. Respondents View/ Objection: Power cut during peak demand.

TPNODL Reply:

TPNODL never intends to regulate power to our esteemed consumers. Rather always emphasizes upon reliable power supply with affordable rates. It is submitted that TPNODL has initiated nos. of activity for reduction of interruption, breakdown etc. during last two years. On implementation of various measures the power supply position has improved. Through continuous patrolling, network augmentation, periodic maintenance etc., the number of tripping has been gradually reducing. Since FY 21-22, TPNODL has attained many achievements such as establishment of 24*7 & Operational Power System Control Centre (PSCC) and provided mobile applications to all 33/11KV Primary Sub-Station to collect the operational information, Planned Outages monitoring and information pass on to consumers regarding the outages in their area before 48 hrs. every major breakdown and planned outages informed to centralized Call Centre and consumers benefits through it.

8. Respondents View/ Objection: SMD projected by DISCOMs.

TPNODL Reply:

The Objector has made an attempt to analyse the SMD position of the State and submitted in its objection at Table No. 4. From the above table, it is envisaged that SMD of the DISCOMs, GRIDCO & SLDC have been placed for comparison. It is of the view of the Objector that the recorded SMD of DISCOMs matches with GRIDCO. However, the same does not have relevance with SLDC's data. In this regard, the Licensee would like to submit that the SMD of SLDC includes Open Access drawal by different industries which is not finding a place either in GRIDCO's or DISCOMs SMD.

9. Respondents View/ Objection: Misappropriation of Govt. grant investment.

TPNODL Reply:

TPNODL submits that as per Segregation Order dated 25.11.2021, unspent grant of Rs. 172.31 Cr. as on 31.3.2021 had been transferred to the licensee. TPNODL is required to maintain the bank balance in separate bank accounts and this amount to be used for which the grant is received. As per terms of Vesting Order & Segregation Order, TPNODL is mandated to comply with the directions. Accordingly, a third party audit is being conducted and the report is submitted to the Hon'ble Commission periodically.

10. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: Sri Soumya Ranajan Patnaik, S/O-Late Brajabandhu Patnaik, MLA, Khandapada, Plot No. 185, VIP Colony, Nayapalli, Bhubaneswar-15.

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: North Odisha Chamber of Commerce and Industry(NOCCI), Ganeswarpur Industrial Estate, Januganj, Balsore-756019

..…..**Respondent**

Rejoinder to the objection filed by North Odisha Chamber of Commerce and Industry (NOCCI) on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25.

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .
Reply to the points raised by the Ld. Objector are furnished hereunder.

2. Respondent's view /suggestion: Human Resource Expenses

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, TPNODL started operation with effect from 1.4.21 and over the decades there has been almost no recruitment during the period of erstwhile utility. The utility has been vested in TPNODL with some specified time bound performance targets linked with penalty clause on non-achievement. To achieve those stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon'ble Commission and the corresponding employee cost has been projected as per OERC

(Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

Further, for Truing –up exercise, the licensee submits before Hon'ble Commission Audited accounts for the relevant FY. The detailed month wise cash outgo is also submitted before Hon'ble Commission for prudence check.

3. **Respondent's view /suggestion : Hon'ble Commission may conduct a prudence check regarding A&G cost for each year. We submit that the Hon'ble Commission may allow a 7% increase in the earlier approved A&G Expenses for FY 2023-24 or actual A&G Expenses or which ever is lower.**

TPNODL Reply: The details of the A&G expenses incurred and the justification against the cost components alongwith the achievements so far have been elaborated in the application of the licensee which may please be referred.

4. **Respondent's view /suggestion : Depreciation should not be allowed to be recovered on assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not. The depreciation cost proposed by TPNODL for FY 2024-25.**

TPNODL Reply: Section 3.8 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations stipulates the method of calculation of depreciation. In line with the provisions of the regulation, the depreciation calculation has been done and the details have been submitted in the application of the licensee which may please be referred.

5. **Respondent's view /suggestion :That TPNODL has projected Repair and Maintenance Expenses at Rs.321.45Crs for FY 25 against Rs.214.34Crs as approved by Commission to be spent during FY 24………….**

TPNODL Reply: The projection of opening Gross Fixed Asset has been done considering the assets transferred from various schemes, the assets capitalised as per the norms fixed by Hon'ble Commission in the Tariff Regulation . Detailed break up of the assets alongwith the projected expenses have been furnished in the ARR application which may please be referred.

The audited financials of TPNODL for FY 22 as well as Half yearly financials upto Sep'2023 for the FY 24 have been submitted before Hon'ble Commission. The annual audited financials for FY 23 is also a part of Truing up application of the licensee, which may please be referred for actual expenses.

The Ld Objector has given a comparative presentation of all the cost components year on year starting from 2010-11. This is pertinent to mention here that, TPNODL started operation with effect from 1.4.2021 in compliance to the provisions in Vesting order of Hon'ble Commission in Case No-9/2021 dated 25.3.2021. The license of erstwhile DISCOM was revoked due to inability on its part to achieve the performance targets alongwith other non-achievements /violations. The present applicant has been granted license with certain performance targets with specified timelines. Accordingly, the licensee has prepared its plan of action and started its operation . Therefore, comparing the parameters with that of the erstwhile Utility does not have much relevance.
The projections of the licensee are required to be viewed in reference to its own performance. However, the detail justification against each projection have been submitted by the applicant in its application.

6. **Respondent's view /suggestion :TPNODL has given a proposal for the Annual Revenue Requirement of Rs.4173.23 Crs for FY 25 against approval of Rs.3556.28 Crs…Annual Revenue Requirement of TPNODL may be approved accordingly through a prudence check.**

TPNODL Reply: The licensee has projected the Revenue Requirement of Rs. 4173.23Crs. projecting each of cost component observing the norms fixed by Hon'ble Commission in the Tariff Regulation, detailed break-up and justification of each has been furnished in the ARR application of the licensee.

Further, due to the reasons explained in the previous para, comparing the ARR of TPNODL with that of the erstwhile licensee since 2010-11 is not relevant.

7. **Respondent's view /suggestion: With drawl of 3 slab based graded incentive tariff have resulted in a tariff impact and the HT /EHT industries are suffering a lot and will encourage the HT /EHT industries to go for CGP or to avail cheaper power from exchange….**

TPNODL Reply: The three graded slab applicable for HT/EHT consumers was only restructured . EHT and HT consumers are charged a tariff for consumption upto 60% Load factor and for consumption more than 60% Load factor a reduced tariff is applicable. The present applicable slab for HT/EHT consumers is furnished in the following table

Slab rate of energy charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

The energy charges for HT and EHT consumers for consumption beyond 60% LF is 110 paise per unit less than that for consumption upto 60% LF.

Further Hon'ble Commission determines the tariff basing on the principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up. Hon'ble Commission has set energy charges at different voltage levels to reflect the cost of supply.

The tariff applicable for the category is relevant, the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, the proposal of the objector is not acceptable.

8. **Respondent's view /suggestion:** The distribution loss of TPNODL for last sixteen Financial years is furnished below………
Hence distribution loss for FY 25 may be approved by Hon'ble Commission at a reduced rate.

TPNODL Reply: The Ld. Objector has given a comparative picture of the cost component and distribution loss since 2010-11. It is pertinent to mention here that, TPNODL came into operation with effect from 1.4.21 in compliance to the terms laid down by Hon'ble Commission in the Vesting order.

Further, Hon'ble Commission has stipulated the AT&C loss trajectory for tariff determination in the Vesting order. The licensee has projected the distribution loss in line with the AT&C loss stipulated by Hon'ble Commission for Tariff Determination for FY 25 taking normative collection efficiency. Hon'ble Commission has stipulated AT&C loss for tariff determination for FY 25 as 15%. Accordingly, taking normative collection efficiency of 99%, the T&D loss considered for FY 25 is 14.14%.

9. **Respondent's view /suggestion:** Projection of EHT, HT and LT sales – We request Hon'ble Commission to carry out a prudent check of LT sales projection data as

TPNODL has projected a very high figure of LT sales . TPNODL needs to give enough justification for LT sales with actual sales pattern for atleast last 12years.

TPNODL Reply: For projecting the consumption under different categories, TPNODL 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 of expansion. Materialization of industrial projects do have a definite gestation period and also requirement for checking the network availability. The licensee has considered individual consumer/prospective consumer wise load keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

10. **Respondent's view /suggestion:** Cross Subsidy Surcharge ought to be gradually reduced every year. This is laid down in Section 42 of the Electricity Act,2003 that a road map is to be made by this Hon'ble Commission for reduction of subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of cross subsidy surcharge………

TPNODL Reply: The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25

Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
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11. **Respondent's view /suggestion:** Reintroduction of DPS for LT Domestic, LT GP and HT Bulk Domestic consumers

TPNODL Reply: The observation of Hon'ble Commission for with drawl of this DPS provision was the levy of DPS will act as a hurdle for small consumers in resolving their billing dispute and the revenue impact is also not substantial.

However, it will be pertinent to mention here that the DPS provision will persuade the small consumers to pay in time. It will instil the culture of payment within due date in them. The aim of the licensee is not to levy DPS to those small consumers , but to regulate their payment habit with imposition of a deterrent. Without any deterrent, there is no binding on such consumers to pay the electricity bill in time.

12. **Respondent's view /suggestion: Proposal to allow pro-rata billing should not be approved.**

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

13. **Respondent's view /suggestion:** TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross

subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.

Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

14. Respondent's view /suggestion: Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

15. Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….

TPNODL Reply: In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

16. Respondent's view /suggestion: Minimum offtake for the industries having CGP

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever is higher. The existing Demand charges is continuing since long. In the neighbouring 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

17. **Respondent's view /suggestion: Revision of Reconnection charges**

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

18. **Respondent's view /suggestion: Realistic assessment of load**

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state, the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and creating burden on the licensee and not to burden the genuine consumers.

19. **Respondent's view /suggestion: Monopolistic attitude**

TPNODL Reply: The contention of the objector that the licensees attitude towards conducting business is monopolistic is totally false and baseless.

The licensee is taking all steps to develop a customer centric environment. The steps taken by the licensee in its journey of transformation starting from 1.4.2021 have been elaborated in its application. In its endeavour to develop a reliable network with adoption of latest technologies, the licensee needs support and cooperation from all its stakeholders.

The Ld. Objector is requested to bring the individual cases to the notice of the licensee, if any deviation has been noticed, so that necessary steps can be taken by the licensee.

20. Respondent's view /suggestion: 6% on service connection estimate

TPNODL Reply: Any work that is to be executed by the engaging a licensed Electrical contractor, the work is to be done under the overall supervision and specification of the licensee . Therefore, the provision of 6% supervision charge is there.

21. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

22. Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

23. Respondent’s view /suggestion: ToD Benefit

TPNODL Reply: ToD benefit has already been extended by Hon’ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon’ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

24. The, reply to the queries of the Hon’ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: North Odisha Chamber of Commerce and Industry(NOCCI), Ganeswarpur Industrial Estate, Januganj, Balsore-756019

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: M/s. VISA Steel Limited, Kalinganagar Industrial Complex, At/Po- Jakhpura, Dist- Jajpur, Odisha-755026

.......**Respondent**

Rejoinder to the objection filed by M/s. VISA Steel Limited, Kalinganagar Industrial Complex on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

2. **Respondent's view /suggestion :TPNODL has not submitted its Business Plan for the full control period with full details of sales, demand forecast for each consumer category /sub-category for each year, distribution loss trajectory, collection efficiency trajectory for each year and power procurement plan.**

   TPNODL Reply: TPNODL has filed Business plan for the entire control period before Hon'ble Commission with details of sales category wise and sub-category wise for each financial year of the control period which was in annexure BPC-1 of the application . The licensee had projected the performance parameters as per the AT &C loss trajectory for Tariff determination stipulated by Hon'ble Commission in the Vesting order. All the details of the expenses and income have been projected for the entire control period . Hearing the application of the licensee for approval of Business plan on 11.07.2023, Hon'ble Commission has already given approval vide order dated 14.09.2023.

3. **Respondent's view /suggestion :TPNODL is requested to control the employee cost. The employee cost proposed by TPNODL for FY 24-25 is Rs.532.72Crs. which is very high and hence should not be approved.**

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, TPNODL started operation with effect from 1.4.21 and over the decades there has been almost no recruitment during the period of erstwhile utility. The utility has been vested in TPNODL with some specified time bound performance targets linked with penalty clause on non-achievement. To achieve those stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon'ble Commission and the corresponding employee cost has been projected as per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

Further, for Truing –up exercise, the licensee submits before Hon'ble Commission Audited accounts for the relevant FY. The detailed month wise cash outgo is also submitted before Hon'ble Commission for prudence check.

4. **Respondent's view /suggestion :Hon'ble Commission may conduct a prudence check regarding A&G cost for each year. We submit that the Hon'ble Commission may allow a 7% increase in the earlier approved A&G Expenses for FY 2023-24 or actual A&G Expenses or which ever is lower.**

TPNODL Reply: The details of the A&G expenses incurred and the justification against the cost components alongwith the achievements so far have been elaborated in the application of the licensee which may please be referred.

5. **Respondent's view /suggestion : Depreciation should not be allowed to be recovered on assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not. The depreciation cost proposed by TPNODL for FY 2024-25.**

TPNODL Reply: Section 3.8 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations stipulates the method of calculation of depreciation. In line with the provisions of the regulation, the depreciation calculation has been done and the details have been submitted in the application of the licensee which may please be referred.

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The Ld Objector has given a comparative presentation of all the cost components year on year starting from 2010-11. This is pertinent to mention here that, TPNODL started operation with effect from 1.4.2021 in compliance to the provisions in Vesting order of Hon'ble Commission in Case No-9/2021 dated 25.3.2021. The license of erstwhile DISCOM was revoked due to inability on its part to achieve the performance targets alongwith other non-achievements /violations. The present applicant has been granted license with certain performance targets with specified timelines. Accordingly, the licensee has prepared its plan of action and started its operation . Therefore, comparing the parameters with that of the erstwhile Utility does not have much relevance.
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The tariff applicable for the category is relevant , the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, claiming three slab tariff without clarifying the impact due to this one slab revision that is from three slab to two slab structure is not acceptable.

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Hence distribution loss for FY 25 may be approved by Hon'ble Commission at a reduced rate.

TPNODL Reply: The Ld. Objector has given a comparative picture of the cost component and distribution loss since 2010-11. It is pertinent to mention here that, TPNODL came into operation with effect from 1.4.21 in compliance to the terms laid down by Hon'ble Commission in the Vesting order.

Further, Hon'ble Commission has stipulated the AT&C loss trajectory for tariff determination in the Vesting order. The licensee has projected the distribution loss in line with the AT&C loss stipulated by Hon'ble Commission for Tariff Determination for FY 25 taking normative collection efficiency. Hon'ble Commission has stipulated AT&C loss for tariff determination for FY 25 as 15%. Accordingly, taking normative collection efficiency of 99%, the T&D loss considered for FY 25 is 14.14%

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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 of expansion. Materialization of industrial projects do have a definite gestation period and also requirement for checking the network availability. The licensee has considered individual consumer/prospective consumer wise load keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

14. **Respondent's view /suggestion:** TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.

Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

15. **Respondent's view /suggestion:** Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

16. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply: In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .
The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

17. **Respondent's view /suggestion: Minimum offtake for the industries having CGP**

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

18. Respondent's view /suggestion: Revision of Reconnection charges

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

19. Respondent's view /suggestion: Realistic assessment of load

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state , the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and creating burden on the licensee and not to burden the genuine consumers.

20. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

21. Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

22. Respondent's view /suggestion: ToD Benefit

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period..

23. **Respondent's view /suggestion :TPNODL proposes to consider the actual average Load Factor for all types of consumers during assessment:**

TPNODL Reply: The detailed justification for the same has been given in the application of the licensee.

24. **Respondent's view /suggestion : TPNODL has proposed that the consumers availing renewable power through open access to pay wheeling charges and cross subsidy charges**

TPNODL Reply:

Detail justification has been given in the application of the licensee. As mentioned by the Ld. Objector, Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.

Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

25. **Respondent's view /suggestion: TPNODL proposed to revise reconnection charges:**

TPNODL Reply: The justification for revision of reconnection charges have been detailed in the application of the licensee.

26. **Respondent's view /suggestion: Submission of Business Plan by the applicant.**

TPNODL Reply: The OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 was notified on 23rd December'2022. The timeline specified in the said regulation was 31st January'2023. Keeping in view the time required for preparation and consolidation of the required data for Business Plan for the full control period, the applicant has submitted the Business Plan for the FY 23-24 .

27. **Respondent's view /suggestion: Human Resource Expenses**

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, over the decades there has been no recruitment and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon'ble Commission. As per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the applicant has submitted the required details in the prescribed format.

28. Respondent's view /suggestion: R&M Expenses and other cost components

TPNODL Reply:

The Ld Objector has given a comparative presentation of all the cost components year on year starting from 2010-11. This is pertinent to mention here that, TPNODL started operation with effect from 1.4.2021 in compliance to the provisions in Vesting order of Hon'ble Commission in Case No-9/2021 dated 25.3.2021. The license of erstwhile DISCOM was revoked due to inability on its part to achieve the performance targets alongwith other non-achievements /violations. The present applicant has been granted license with certain performance targets with specified timelines. Accordingly, the licensee has prepared its plan of action and started its operation . Therefore, comparing the parameters with that of the erstwhile Utility does not have much relevance.

The projections of the licensee are required to be viewed in reference to its own performance. However, the detail justification against each projection have been submitted by the applicant in its application.

29. Respondent's view /suggestion: Provision of Bad Debt – non submission of Audited accounts.

TPNODL Reply: The applicant has submitted the audited annual accounts for the 1st year of its operation before Hon'ble Commission. The same is also available in TPNODL website. The licensee has done the provision for bad debt as per the OERC (Terms and Conditions for Determination of Retail Supply Tariff and Wheeling Tariff) Regulations, 2022.

30. Respondent's view /suggestion :TPNODL has proposed to fix demand charges for HT Medium category of consumers @Rs.250/KVA p.m

TPNODL Reply:

The detail justification for the proposal has been given in the application. The applicable demand charges and energy charges to the quoted category of consumers under HT are alongwith their energy charges are given in the following tables:

Category of Consumer	Voltage of Supply	Demand Charge (Rs./KVA)
Specified Public Purpose	HT	250
General Purpose >70<110KVA	HT	250
HT Industrial (Medium)	HT	150
Large Industrial	HT	250

The applicable energy charge is same for all the above categories:

Energy Charge (Paise/KVAh)	
Load Factor(%)	HT
=<60%	585.00
>60%	475.00

As the network corridor under same supply voltage is used to supply the required quantum of power to all the above categories – there should not be any disparity in the demand charges, when energy charge is same for all these categories
Further, this is creating a disparity between different categories of consumers availing supply under the same supply voltage.

31. Respondent's view /suggestion: TPNODL has proposed to rationalise MMFC for LT Category of consumers

TPNODL Reply: The detailed justification for the same has been given in the application. The applicant completely agrees with the objector as far as the provisions of applicability of section 62 (3) of EA, 2003 is concerned. No undue preference should be shown to any category. If provision of equal MMFC for 1st KW as well as additional KW or part thereof is applicable that should be applicable for all categories under LT.

32. Respondent's view /suggestion: Projection of EHT, HT and LT sales

TPNODL Reply: For projecting the consumption of different categories, TPNODL 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 2021-22, the impact of electrification of household to be constructed in ensuing year under PMAY (Prime Minister Abas Yajona), left out household not electrified till date under various schemes, actual addition/reduction of loads and other factors like increasing drawl of power through open access.

In the FY 2020-21 and FY 2021-22, the sales in each category have been impacted due to Covid- 19 in the state. The sales have been reviving since then. Therefore, the projection for the FY 2023-24 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 consumer wise

The justification regarding sales forecast has already been elaborated in the ARR application alongwith the actual category wise sales figures of the previous years and six months of current year.

33. Respondent's view /suggestion: Load factor Rebate for consumption beyond 60%LF

TPNODL Reply: Hon'ble Commission has allowed Load factor rebate for consumption of units beyond 60% LF. The energy charges for HT and EHT consumers for consumption beyond 60% LF is 110 paise per unit less than that for consumption upto 60% LF.

34. Respondent's view /suggestion -6% on Service Connection estimate

TPNODL Reply: Any work that is to be executed by the engaging a licensed Electrical contractor, the work is to be done under the overall supervision and specification of the licensee . Therefore, the provision of 6% supervision charge is there.

35. Respondent's view /suggestion – Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

36. Respondent's view /suggestion –Surcharge on late payment of SD

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

37. **Respondent's view /suggestion-** To D Benefit- A differential tariff for peak and off peak hours is necessary to promote demand side management

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak night hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to night hours and there may be requirement of giving Tod benefit for reducing drawl during the period.

38. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: M/s. VISA Steel Limited, Kalinganagar Industrial Complex, At/Po- Jakhpura, Dist- Jajpur, Odisha-755026, E-mail-dr.dash@visasteel.com, Mobile-9777958822

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Jindal Stainless Limited, Danagadi, Kalinganagar

……**Respondent**

Rejoinder to the objection filed by Jindal Stainless Limited on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

2. **Respondent's view /suggestion :TPNODL has not submitted its Business Plan for the full control period with full details of sales, demand forecast for each consumer category /sub-category for each year , distribution loss trajectory, collection efficiency trajectory for each year and power procurement plan.**

   TPNODL Reply: TPNODL has filed Business plan for the entire control period before Hon'ble Commission with details of sales category wise and sub-category wise for each financial year of the control period which was in annexure BPC-1 of the application . The licensee had projected the performance parameters as per the AT &C loss trajectory for Tariff determination stipulated by Hon'ble Commission in the Vesting order. All the details of the expenses and income have been projected for the entire control period . Hearing the application of the licensee for approval of Business plan on 11.07.2023, Hon'ble Commission has already given approval vide order dated 14.09.2023.

3. **Respondent's view /suggestion: With drawl of 3 slab based graded incentive tariff have resulted in a tariff impact and the HT /EHT industries are suffering a lot and will encourage the HT /EHT industries to go for CGP or to avail cheaper power from exchange….**

TPNODL Reply: The three graded slab applicable for HT/EHT consumers was only restructured . EHT and HT consumers are charged a tariff for consumption upto 60% Load factor and for consumption more than 60% Load factor a reduced tariff is applicable. The present applicable slab for HT/EHT consumers is furnished in the following table

Slab rate of energy charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

The energy charges for HT and EHT consumers for consumption beyond 60% LF is 110 paise per unit less than that for consumption upto 60% LF.

Further Hon'ble Commission determines the tariff basing on the principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up. Hon'ble Commission has set energy charges at different voltage levels to reflect the cost of supply.

The tariff applicable for the category is relevant , the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, the proposal of the objector is not acceptable.

4. **Respondent's view /suggestion:** Cross Subsidy Surcharge ought to be gradually reduced every year. This is laid down in Section 42 of the Electricity Act,2003 that a road map is to be made by this Hon'ble Commission for reduction of subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of cross subsidy surcharge………

TPNODL Reply: The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25

Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26

Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

5. **Respondent's view /suggestion: Proposal to allow pro-rata billing should not be approved.**

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

6. **Respondent's view /suggestion:** TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.
Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

7. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply: In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December. However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
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Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

8. Respondent's view /suggestion: Minimum offtake for the industries having CGP

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

9. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

10. Respondent's view /suggestion: ToD Benefit

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

11. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: M/s. Jindal Stainless Limited, Kalinga Nagar, Industrial Complex, Jajpur-755026

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Sri Prabhakar Dora, S/O-Bhaskar Rao Dora, 3rd Lane, Vidya Nagar, P/O/Dist-Rayagada-755001.

…..**Objector**

Rejoinder to the objection filed by Sri Prabhakar Dora against the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25.

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the License of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order dated 25.3.2021 in Case No-9/2021 of Hon'ble Commission. The present application has been filed as per the provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.
Reply to the points raised by the Ld. Objector are furnished hereunder.

2. Respondent's view/objection:

i. Deficiency in MO Bidyut Portal

TPNODL Reply: Licensee is committed for continuous improvement in MO Vidyut application as well as in other services as per consumers feedback. However, the objector is requested to bring the individual cases to the notice of the licensee for its speedy resolution.

ii. Procedure for proving Dump Report

TPNODL Reply: Dump report is provided on application of consumers supported with a receipt of fees of Rs 500.00.

iii. Convenient charges being taken by banks for online payments

TPNODL Reply: Under TPNODL, there is no convenient charge for UPI payment. In addition, there is no convenient charge for card payment through Bill desk, HDFC payment gateway and payment up to Rs 2000 through Paytm gateway. Convenient charges is there only in case of card payment above Rs 2000 through Paytm gateway.

iv. **Notification of Service charges**

TPNODL Reply: TPNODL claims all service charges as per rate prescribed in the Regulation.

v. **Notification for Designated Officer**

TPNODL Reply: The Ld. Objector has pointed out that the licensee must notify designated officers for carrying out various activities , so that consumer can approach the concerned officer depending on the type of concern.

The licensee has started operation with effect from 1.4.21 and since then this has been a continuous effort of the licensee to streamline each and every activity involved in its business. Accordingly, procedural set up have been restructured and responsibility assigned to the concerned officers.

However, it is pertinent to mention here that, if a number of officers will be notified as responsible officers for information of the general public for their various types of concerns , that will complicate the process for the consumer. Therefore, to make the process consumer friendly, the application for new service connection are being received online, upto 5KW in Mo Bidyut portal and for 3phase in the licensee website. After receiving the application , it is being dealt and disposed as per the internal guideline set for the process with involvement of various teams like CMG, MMG, KCG, NEG, etc. Further, the complaint registration has also been made online and also through various customer touch points which are also registered in Customer Redressal Module and redirected to the concerned officer /person and redressed as per the procedure set for the same. The licensee is operating 711 nos. of fuse call centres , 139nos. of Anubhav Kendras keeping in view the convenience of consumer reach.

vi. **Display of Official Phone no/E-mail address instead of personal E-mail ID & Phone No.**

TPNODL Reply: Consumer can reach us through Customer care contact no and Mail ID

vii. **Lack of uniform procedure as to the terms while issuing permission for supply. No standard format is existing. Standard format for estimate and permission needs to be designed and adhered all over.**

TPNODL Reply: Now new connection and other complaint under TPNODL area are being addressed through online mode. Where, except estimate, other activities are standardized. To standardize estimated amount, TPNODL has submitted its proposal before Hon'ble Commission in the present ARR.

viii. Duties and Responsibilities to Officer and staff not clearly defined or assigned

TPNODL Reply: As explained under previous para **r**esponsibilities of Officer, and staff has been clearly defined and assigned.

ix. Notification of Designated Officer responsible for giving LC (Line Clearance) in line with ELBO regulations

TPNODL Reply: For giving Line clearance, the licensee has designed a Permit to Work guideline with an aim to make the system accident free. In case of any line clearance is required to work on live line, as per the set guideline , the person needs to take Line clearance from the central Power System Control Centre observing all the set procedures. Only central Power System Control Centre issues Line Clarance that is Permit to work on live line.

Similarly, while returning Line clearance also same type of stipulated protocols are observed before the line is charges. This is a step taken by the licensee to make the system accident free.

x. Adherence to different dress codes for Officer/workers/Business Associates.

TPNODL Reply: Dress code has been adopted for permanent staff of TPNODL and all the staff are being provided with two pair of dresses annually. BA employees who are working for line maintenance are provided with full body harness .

3. Respondent's view/objection: More the Consumption less the price for LT(GP) & MSME Industry up to 22KVA.

TPNODL Reply: It is to bring out that, Hon'ble Commission is guided by the principles of National Tariff Policy for setting tariffs for different category of consumers. Relevant extract from section 8.3 of the National Tariff Policy, reproduced hereunder:

" 1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply…"

To support the economically weaker category of consumers, cross subsidization is being followed. The consumers with lower consumption like less than 30 units are considered below poverty line. Similarly, to support the consumers falling under lower consumption slabs, like less than 50 units, 50 to 200 units, lesser rates have been fixed which is gradually increased.

The existing pattern of tariff applicable for domestic and LT GP is to support the lower consumption group /weaker section of the society and ensure power for all.

4. Respondent's view/objection: Projection under Employees' expenses/ Administrative and General expenses/ A&G expenses /R&M expenses are appearing to be high:

TPNODL Reply: Projection of employee cost is being made considering normal escalation over current salary and other allowances approved by the Hon'ble Commission.

Estimation of A&G expenses during the current year as well as in the ensuing year has been envisaged on account of meter reading, billing and collection, IT Automation, AMR related running expenses, Insurance expenses, Professional Charges, Enforcement activities, Customer Care and compensation towards electrical accidents etc, in the remaining period for the current Financial year 2023-24 and for the full ensuing year FY2024-25. All of these activities would contribute significantly towards reduction of AT&C losses and provide consumer convenience

Similarly, basing on the actual R&M expenses incurred in the first six months of the current FY and the contracts /orders issued for network maintenance, the estimated expenditure for the current year has been worked out.

5. Respondent's view/objection: Notification of Service Charges for different services required to be provided by Licensees to consumers as mandated as per OERC Distribution (Conditions of Supply) Code, 2019 (Ref: E-mail Correspondence dated, 11.09.2022)

TPNODL Reply:
(a.) The Processing fees in respect of the following services (excluding other estimated Charges)

Sr. No.	Type of Services	Applicable Fee (in Rs.)
1	Shifting of service connection/lines ad S/S	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.

2	Change of name of Service Connection	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
3	Change of Classification	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
4	Conversion of nature of services	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
5	Shifting of Meter	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
6	Inspection and testing of new connections for 2nd time and for existing connection	Please refer GOO notification no 10317 dated 27th October 2022
7	Safety Certificate for different classes of consumers	No prescribed charges
8	Payment of fees for testing of licensee's meter (different types) by Licensee at the field and MRT Laboratory	Electromagnetic tv meter-1500/-, Static single phase energy meter-500/-, Static poly phase KWH meter-1500/-, Static polyphaser TV meter upto 0.5 class of accuracy-2250/-, Static polyphaser TV meter upto 0.2 class of accuracy-3000/-, RSS ESS upto 0.5 class of accuracy-7500/-, RSS ESS upto 0.2 class of accuracy-15000/-
9	For fixation of standard parallel meter	Same as above
10	Payment of for testing of licensee's meter (different types when challenged) through Electrical Inspector at the field and MRT laboratory	Charges for testing disputed meters shall be double the rate of normal testing charges
11	Fees for testing of CT/PT of three phase consumers and metering units of HT consumers for accuracy class and ascertaining MF	CT up to 650 volts- 500/-, CT above 650 volts- 500/-, PT up to 33 KV- 3000/-, PT

		above 33 KV-4500/-, Metering Unit-4500/-.
12	Fees for application in Reduction of Contract Demand	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
13	Fees for Enhancement of Contract Demand	LT 1 Ph. (Dom) -Rs 150, LT 1 Ph. (Other) – Rs 400, LT 3 Ph. – 600 and HT/ EHT- Rs 3000.
14	Fees for dump report of LT meter	Rs 500.00. (Subject to availability of data in the meter based on data storing capacity)
15	Fees for dump report of HT and EHT meter	Rs 500.00
16	Fee for providing copy of Ledger with consumption history by consumer on payment	No Prescribed Fees

(b.) Miscellaneous Income (Non-Tariff Income):

TPNODL Reply: Prior to TPNODL period, i.e., 01.04.2021, permission for cable drawing on electric pole were sanctioned as per GOO Notification, no 1904 dated 3rd march 2012 and GOO Mobile Towers, OFC (Optical Fibre Cable) and related Telecom infrastructure Policy, 2017. However, after 01.04.2021 no permission for cable drawing on electric pole were sanctioned.

(c.) Land Revenue:

TPNODL Reply: After 01.04.2021, TPNODL taking extensive steps to find out the records of land allotted to electricity Distribution Company and recovery of encroached land.

(d.) Consumers contribution (Remunerative of Power Supply as per Rule-27)

TPNODL Reply: License is duty bound to follow the provision of OERC (Distribution Supply Code, 2019) and other applicable rules and regulations and directives mentioned in the Tariff Orders. However, if any consumer is aggrieved with non-fulfillment of Hon’ble Commission directives, Objector may bring such cases to the notice of the License for further necessary action.

6. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: Sri Prabhakar Dora, S/O-Bhaskar Rao Dora, 3rd Lane, Vidya Nagar, P/O/Dist-Rayagada-755001. E-mail-doraprabhakar1965@gmail.com, Mob : 9437103756

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: The Utkal Chamber of Commerce &Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, pwrtch@gmail.com, Phone-9437155337

…….**Respondent**

Rejoinder to the objection filed by The Utkal Chamber of Commerce & Industry Ltd.(UCCI) on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .
Reply to the points raised by the Ld. Objector are furnished hereunder.

2. **Respondent's view /suggestion :TPNODL has not submitted its Business Plan for the full control period with full details of sales, demand forecast for each consumer category /sub-category for each year , distribution loss trajectory, collection efficiency trajectory for each year and power procurement plan.**

TPNODL Reply: TPNODL has filed Business plan for the entire control period before Hon'ble Commission with details of sales category wise and sub-category wise for each financial year of the control period which was in annexure BPC-1 of the application.

The licensee had projected the performance parameters as per the AT &C loss trajectory for Tariff determination stipulated by Hon'ble Commission in the Vesting order. All the details of the expenses and income have been projected for the entire control period. Hearing the application of the licensee for approval of Business plan on 11.07.2023, Hon'ble Commission has already given approval vide order dated 14.09.2023.

3. **Respondent's view /suggestion :TPNODL is requested to control the employee cost. The employee cost proposed by TPNODL for FY 24-25 is Rs.532.72Crs. which is very high and hence should not be approved.**

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, TPNODL started operation with effect from 1.4.21 and over the decades there has been almost no recruitment during the period of erstwhile utility. The utility has been vested in TPNODL with some specified time bound performance targets linked with penalty clause on non-achievement. To achieve those stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon'ble Commission and the corresponding employee cost has been projected as per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

Further, for Truing –up exercise, the licensee submits before Hon'ble Commission Audited accounts for the relevant FY. The detailed month wise cash outgo is also submitted before Hon'ble Commission for prudence check.

4. **Respondent's view /suggestion :Hon'ble Commission may conduct a prudence check regarding A&G cost for each year. We submit that the Hon'ble Commission may allow a 7% increase in the earlier approved A&G Expenses for FY 2023-24 or actual A&G Expenses or which ever is lower.**

   TPNODL Reply: The details of the A&G expenses incurred and the justification against the cost components alongwith the achievements so far have been elaborated in the application of the licensee which may please be referred.

5. **Respondent's view /suggestion : Depreciation should not be allowed to be recovered on assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not. The depreciation cost proposed by TPNODL for FY 2024-25.**

   TPNODL Reply: Section 3.8 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations stipulates the method of calculation of depreciation. In line with the provisions of the regulation, the depreciation calculation has been done and the details have been submitted in the application of the licensee which may please be referred.

6. **Respondent's view /suggestion :That TPNODL has projected Repair and Maintenance Expenses at Rs.321.45Crs for FY 25 against Rs.214.34Crs as approved by Commission to be spent during FY 24.**
…………

TPNODL Reply: The projection of opening Gross Fixed Asset has been done considering the assets transferred from various schemes, the assets capitalised as per the norms fixed by Hon'ble Commission in the Tariff Regulation . Detailed break up of the assets alongwith the projected expenses have been furnished in the ARR application which may please be referred.
The audited financials of TPNODL for FY 22 as well as Half yearly financials upto Sep'2023 for the FY 24 have been submitted before Hon'ble Commission. The annual audited financials for FY 23 is also a part of Truing up application of the licensee, which may please be referred for actual expenses.

The Ld Objector has given a comparative presentation of all the cost components year on year starting from 2010-11. This is pertinent to mention here that, TPNODL started operation with effect from 1.4.2021 in compliance to the provisions in Vesting order of Hon'ble Commission in Case No-9/2021 dated 25.3.2021. The license of erstwhile DISCOM was revoked due to inability on its part to achieve the performance targets alongwith other non-achievements /violations. The present applicant has been granted license with certain performance targets with specified timelines. Accordingly, the licensee has prepared its plan of action and started its operation . Therefore, comparing the parameters with that of the erstwhile Utility does not have much relevance.
The projections of the licensee are required to be viewed in reference to its own performance. However, the detail justification against each projection have been submitted by the applicant in its application.

7. **Respondent's view /suggestion :TPNODL has given a proposal for the Annual Revenue Requirement of Rs.4173.23 Crs for FY 25 against approval of Rs.3556.28 Crs…Annual Revenue Requirement of TPNODL may be approved accordingly through a prudence check.**

TPNODL Reply: The licensee has projected the Revenue Requirement of Rs. 4173.23Crs. projecting each of cost component observing the norms fixed by Hon'ble Commission in the Tariff Regulation, detailed break-up and justification of each has been furnished in the ARR application of the licensee.

Further, due to the reasons explained in the previous para, comparing the ARR of TPNODL with that of the erstwhile licensee since 2010-11 is not relevant.

8. **Respondent's view /suggestion: With drawl of 3 slab based graded incentive tariff have resulted in a tariff impact and the HT /EHT industries are suffering a lot and will encourage the HT /EHT industries to go for CGP or to avail cheaper power from exchange….**

TPNODL Reply: The three graded slab applicable for HT/EHT consumers was only restructured . EHT and HT consumers are charged a tariff for consumption upto 60% Load factor and for consumption more than 60% Load factor a reduced tariff is applicable. The present applicable slab for HT/EHT consumers is furnished in the following table

Slab rate of energy charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

The energy charges for HT and EHT consumers for consumption beyond 60% LF is 110 paise per unit less than that for consumption upto 60% LF.

Further Hon'ble Commission determines the tariff basing on the principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up. Hon'ble Commission has set energy charges at different voltage levels to reflect the cost of supply.

The tariff applicable for the category is relevant , the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, the proposal of the objector is not acceptable.

9. **Respondent's view /suggestion:** The distribution loss of TPNODL for last sixteen Financial years is furnished below………
Hence distribution loss for FY 25 may be approved by Hon'ble Commission at a reduced rate.

TPNODL Reply: The Ld. Objector has given a comparative picture of the cost component and distribution loss since 2010-11. It is pertinent to mention here that, TPNODL came into operation with effect from 1.4.21 in compliance to the terms laid down by Hon'ble Commission in the Vesting order.

Further, Hon'ble Commission has stipulated the AT&C loss trajectory for tariff determination in the Vesting order. The licensee has projected the distribution loss in line with the AT&C loss stipulated by Hon'ble Commission for Tariff Determination for FY 25 taking normative collection efficiency. Hon'ble Commission has stipulated AT&C loss for tariff determination for FY 25 as 15%. Accordingly, taking normative collection efficiency of 99%, the T&D loss considered for FY 25 is 14.14%

10. **Respondent's view /suggestion:** Projection of EHT, HT and LT sales – We request Hon'ble Commission to carry out a prudent check of LT sales projection data as TPNODL has projected a very high figure of LT sales . TPNODL needs to give enough justification for LT sales with actual sales pattern for atleast last 12years.

TPNODL Reply: For projecting the consumption under different categories, TPNODL 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 of expansion. Materialization of industrial projects do have a definite gestation period and also requirement for checking the network availability. The licensee has considered individual consumer/prospective consumer wise load keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

11. **Respondent's view /suggestion:** Cross Subsidy Surcharge ought to be gradually reduced every year. This is laid down in Section 42 of the Electricity Act,2003 that a road map is to be made by this Hon'ble Commission for reduction of subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of cross subsidy surcharge………

TPNODL Reply: The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25

Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

12. **Respondent's view /suggestion:** Reintroduction of DPS for LT Domestic, LT GP and HT Bulk Domestic consumers

TPNODL Reply: The observation of Hon'ble Commission for with drawl of this DPS provision was the levy of DPS will act as a hurdle for small consumers in resolving their billing dispute and the revenue impact is also not substantial.
However, it will be pertinent to mention here that the DPS provision will persuade the small consumers to pay in time. It will instil the culture of payment within due date in them. The aim of the licensee is not to levy DPS to those small consumers , but to regulate their payment habit with imposition of a deterrent. Without any deterrent, there is no binding on such consumers to pay the electricity bill in time.

13. **Respondent's view /suggestion: Proposal to allow pro-rata billing should not be approved.**

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

14. **Respondent's view /suggestion:** TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.

Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

15. **Respondent's view /suggestion:** Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

16. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply: In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

17. Respondent's view /suggestion: Minimum offtake for the industries having CGP

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

18. Respondent's view /suggestion: Revision of Reconnection charges

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

19. Respondent's view /suggestion: Realistic assessment of load

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state , the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and creating burden on the licensee and not to burden the genuine consumers.

20. Respondent's view /suggestion: Monopolistic attitude

TPNODL Reply: The contention of the objector that the licensees attitude towards conducting business is monopolistic is totally false and baseless.

The licensee is taking all steps to develop a customer centric environment. The steps taken by the licensee in its journey of transformation starting from 1.4.2021 have been elaborated in its application. In its endeavour to develop a reliable network with adoption of latest technologies, the licensee needs support and cooperation from all its stakeholders.

The Ld. Objector is requested to bring the individual cases to the notice of the licensee, if any deviation has been noticed, so that necessary steps can be taken by the licensee.

21. Respondent's view /suggestion: 6% on service connection estimate

TPNODL Reply: Any work that is to be executed by the engaging a licensed Electrical contractor, the work is to be done under the overall supervision and specification of the licensee . Therefore, the provision of 6% supervision charge is there.

22. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

*"**The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".***

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

23. Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

24. Respondent's view /suggestion: ToD Benefit

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

25. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: The Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, pwrtch@gmail.com, Phone-9437155337

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: M/s. Bharati Airtel Limited, E 13/1, Infocity, Chandaka Industrial Estate, Chandrasekharpur, Bhubaneswar-751024.

…….**Respondent**

Rejoinder to the objection filed by M/s Bharati Airtel Limited, on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order of Hon'ble Commission. Para wise reply to the points raised by the respondent on the ARR application of the licensee are furnished hereunder.

2. **Respondent's view/objection:** Industrial Tariff for Telecom Sector

TPNODL Reply : A consumer is categorized under a particular category depending upon purpose for which power is utilized. The purpose of use and category of consumer has been defined in clause 138 of Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019.

As per clause 138 of the Regulation, Industrial Category is applicable where power is substantially utilized as motive force for industrial production. Since the use of power by the objector is not for industrial purpose, TPNODL is not in agreement with the prayer of objector for covering it under industrial tariff as it will create discrimination among other similar type of user.

3. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: M/s. Bharati Airtel Limited, E 13/1, Infocity, Chandaka Industrial Estate, Chandrasekharpur, Bhubaneswar-751024

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Odisha Power Transmission Corporation Limited, Janpath, Bhubaneswar-751022.

…….**Respondent**

Rejoinder to the objection filed by M/s Odisha Power Transmission Corporation Limited (OPTCL), on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order of Hon'ble Commission. Para wise reply to the points raised by the respondent on the ARR application of the licensee are furnished hereunder.

2. That, OPTCL has filed an application for approval of Aggregate Revenue Requirement and Transmission Tariff for the Year 2024-25 under Section 62, 64 and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004 OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 and other tariff related matters of ARR for FY 2024-25 in the present application which has been registered as case no. 113/2023.

3. That, OPTCL has proposed to recover ARR amount of Rs. 1380.69 Cr. from LTOA customers including DISCOMs. OPTCL has proposed that Rs. 1352.41 Cr. to be recovered from DISCOMs for transmission of 35892 MU energy @ 37.68 P/U as transmission charges in the FY 24-25

4. That, OPTCL has proposed ARR of Rs. 1380.69 Crs for the ensuing financial year with an increase of around 54% over the approval of Hon'ble Commission of Rs.896.18Crs for the FY 23-24.

5. The existing Transmission charge approved for FY 23-24 is 24paise per unit. TPNODL has calculated the power purchase expenses considering transmission charge 24 paise per unit. The petitioner has proposed for a hike of 57% in the transmission charge per unit in the ensuing year. That will increase the power purchase cost and so also the revenue requirement of the licensee by additional Rs. 111.64Crs. and will affect the tariff by around 16 paise per unit which will be a substantial burden to the general consumers.

6. Therefore, Hon'ble Commission is requested to decide the matter keeping in view the interest of the consumers of the state.

7. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: The Managing Director, Odisha Power Transmission Corporation Limited, Janpath, Bhubaneswar-751022

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Principal Chief Electrical Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar, Odisha – 751017.

…… Objector

Rejoinder to the objection/suggestions filed by Principal Chief Electrical Engineer, East Coast Railway against on the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25

1. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of northern Odisha, which were earlier served by erstwhile NESCO Utility. With the delivery of utility of NESCO to TPNODL, the Licence of NESCO Utility stood transferred to TPNODL with effect from 01.04.2021 as per the Vesting Order dated 25.3.2021 in Case No-9/2021 of Hon'ble Commission.
   Reply to the points raised by the Ld. Objector are furnished hereunder

2. **Respondent's view/objection:** Hon'ble OERC is requested to treat Railway as separate category and fix tariff (EHT & HT) at lower level than that of tariff for other EHT & HT consumers in the state. **(Reduction of Higher Demand Charge and Energy Charges)**

   TPNODL Reply: Railway Traction is a separate category as per the classification made in the Supply Code.

   To address the issue mentioned by the Ld. Objector that in Andra Pradesh, Chhatisgarh, Madhya Pradesh, Maharatra, Railway has been given importance and kept as a separate category with reasonable tariff, tariff applicable to railway in different states is furnished in the following table

	States	Demand Charges	Energy Charges
1	Chhattisgarh	Rs.375 /-per kVA per month	Rs.4.55 per kVAh

2	Andhra Pradesh	Rs.350/-per kVA per month	Rs.5.50 per kVAh
3	Jharkhand	Rs.400/-per kVA per month	Rs.5.40 per kVAh
4	Madhya Pradesh*	Rs.320/-per kVA per month	Rs. 6.05 per kWh
*A rebate of Rs. 2 per Unit in energy charges is applicable. This rebate shall be applicable up to FY 2023-24			
5	Maharashtra	Rs.499/-per kVA per month	Rs.7.53 per kVAh
6	Bihar	Rs.540/per kVA per month	Rs.8.31 per kVAh
7	**Odisha**	Rs.250/-per kVA per month	HT(kVAh) EHT(kVAh)
		(Upto 60% L.F)	Rs. 5.80 per kVAh with 25paise rebate
		(> 60% L.F)	Rs. 4.70 per kVAh with 25paise rebate

From the above table, it can be noticed that the tariff applicable in Odisha is much less than that applicable in other states. So, there is no need to fix tariff at a level lower than that of tariff for other EHT & HT consumers.

3. **Respondent's view/objection:** Hon'ble OERC is requested to allow load factor incentive for Railway Traction category from 40% instead of 60%.

TPNODL Reply: Present rate of charges under HT & EHT Category is as follows:
Slab rate of energy charges for HT & EHT (Paise/kVAh)

Load Factor (%)	**HT**	**EHT**
=< 60%	585.00	580.00
> 60%	475.00	470.00

Presently Railway is covered under EHT Category where they are eligible under the above applicable Load Factor slab. Hon'ble Commission has also allowed a special rebate of 25paise per unit to Railway Traction for all the units consumed in addition to all other rebates they are eligible for. So, there is no further requirement for reduced tariff.

4. **Respondent's view/objection:** Hon'ble OERC is requested to advise DISCOMs suitably to ignore the MD rise/over shoot of both side RTSSs of same or other DISCOMs during their feed extension over RTSS where incoming supply fails due to OPTCL reasons.

TPNODL Reply: The submission of the railway in this regard is not acceptable. All the DISCOMs are operating in different geographical area & having different distribution license. The benefit of feed extension is being extended within the same DISCOM as per the terms of mutual agreement. But the same benefit cannot be extended across the DISCOM. Each DISCOM have different BSP even though single RST is in force across the state. Each DISCOM ARR also being individually approved. If railway would try to avail such benefit then each DISCOM's revenue would be affected. Hence proposal of railway in this regard may not be considered.

5. That, the reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement, Wheeling and Retail Supply Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred by the objector for further clarification.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: Principal Chief Electrical Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar, Odisha - 751017

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: M/s. Tata Steel Limited, Kalinganagar Industrial Complex, Duburi, JK Road, Dist-Jajpur, PIN-755026

……**Respondent**

Rejoinder to the objection filed by M/s. Tata Steel Limited, Kalinganagar Industrial Complex on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

2. **Respondent's view /suggestion :TPNODL has not submitted its Business Plan for the full control period with full details of sales, demand forecast for each consumer category/sub-category for each year, distribution loss trajectory, collection efficiency trajectory for each year and power procurement plan.**

   TPNODL Reply: TPNODL has filed Business plan for the entire control period before Hon'ble Commission with details of sales category wise and sub-category wise for each financial year of the control period which was in annexure BPC-1 of the application . The licensee had projected the performance parameters as per the AT &C loss trajectory for Tariff determination stipulated by Hon'ble Commission in the Vesting order. All the details of the expenses and income have been projected for the entire control period . Hearing the application of the licensee for approval of Business plan on 11.07.2023, Hon'ble Commission has already given approval vide order dated 14.09.2023.

3. **Respondent's view /suggestion :TPNODL is requested to control the employee cost. The employee cost proposed by TPNODL for FY 24-25 is Rs.532.72Crs. which is very high and hence should not be approved.**

TPNODL Reply: The Ld objector has given a comparative figure of the expenses starting from 2010-11. This will not be out of place to mention here that, TPNODL started operation with effect from 1.4.21 and over the decades there has been almost no recruitment during the period of erstwhile utility. The utility has been vested in TPNODL with some specified time bound performance targets linked with penalty clause on non-achievement. To achieve those stipulated performance standards, the licensee has meticulously planned the entire operational system substantiated with the required manpower positioning and only after obtaining approval of Hon'ble Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen alongwith the inflation over the years.

The detail manpower recruitment plan has already been submitted before Hon'ble Commission and the corresponding employee cost has been projected as per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.

Further, for Truing –up exercise, the licensee submits before Hon'ble Commission Audited accounts for the relevant FY. The detailed month wise cash outgo is also submitted before Hon'ble Commission for prudence check.

4. **Respondent's view /suggestion :Hon'ble Commission may conduct a prudence check regarding A&G cost for each year. We submit that the Hon'ble Commission may allow a 7% increase in the earlier approved A&G Expenses for FY 2023-24 or actual A&G Expenses or which ever is lower.**

TPNODL Reply: The details of the A&G expenses incurred and the justification against the cost components alongwith the achievements so far have been elaborated in the application of the licensee which may please be referred.

5. **Respondent's view /suggestion : Depreciation should not be allowed to be recovered on assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not. The depreciation cost proposed by TPNODL for FY 2024-25.**

TPNODL Reply: Section 3.8 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations stipulates the method of calculation of depreciation. In line with the provisions of the regulation, the depreciation calculation has been done and the details have been submitted in the application of the licensee which may please be referred.

6. **Respondent's view /suggestion :That TPNODL has projected Repair and Maintenance Expenses at Rs.321.45Crs for FY 25 against Rs.214.34Crs as approved by Commission to be spent during FY 24.**
…………

TPNODL Reply: The projection of opening Gross Fixed Asset has been done considering the assets transferred from various schemes, the assets capitalised as per the norms fixed by Hon'ble Commission in the Tariff Regulation . Detailed break up of the assets alongwith the projected expenses have been furnished in the ARR application which may please be referred.

The audited financials of TPNODL for FY 22 as well as Half yearly financials upto Sep'2023 for the FY 24 have been submitted before Hon'ble Commission. The annual audited financials for FY 23 is also a part of Truing up application of the licensee, which may please be referred for actual expenses.

The Ld Objector has given a comparative presentation of all the cost components year on year starting from 2010-11. This is pertinent to mention here that, TPNODL started operation with effect from 1.4.2021 in compliance to the provisions in Vesting order of Hon'ble Commission in Case No-9/2021 dated 25.3.2021. The license of erstwhile DISCOM was revoked due to inability on its part to achieve the performance targets alongwith other non-achievements /violations. The present applicant has been granted license with certain performance targets with specified timelines. Accordingly, the licensee has prepared its plan of action and started its operation . Therefore, comparing the parameters with that of the erstwhile Utility does not have much relevance.
The projections of the licensee are required to be viewed in reference to its own performance. However, the detail justification against each projection have been submitted by the applicant in its application.

7. **Respondent's view /suggestion :TPNODL has given a proposal for the Annual Revenue Requirement of Rs.4173.23 Crs for FY 25 against approval of Rs.3556.28 Crs…Annual Revenue Requirement of TPNODL may be approved accordingly through a prudence check.**

TPNODL Reply: The licensee has projected the Revenue Requirement of Rs. 4173.23Crs. projecting each of cost component observing the norms fixed by Hon'ble Commission in the Tariff Regulation, detailed break-up and justification of each has been furnished in the ARR application of the licensee.
Further, due to the reasons explained in the previous para, comparing the ARR of TPNODL with that of the erstwhile licensee since 2010-11 is not relevant.

8. **Respondent's view /suggestion: With drawl of 3 slab based graded incentive tariff have resulted in a tariff impact and the HT /EHT industries are suffering a lot and**

will encourage the HT /EHT industries to go for CGP or to avail cheaper power from exchange….

TPNODL Reply: The three graded slab applicable for HT/EHT consumers was only restructured . EHT and HT consumers are charged a tariff for consumption upto 60% Load factor and for consumption more than 60% Load factor a reduced tariff is applicable. The present applicable slab for HT/EHT consumers is furnished in the following table

Slab rate of energy charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

The energy charges for HT and EHT consumers for consumption beyond 60% LF is 110 paise per unit less than that for consumption upto 60% LF.

Further Hon'ble Commission determines the tariff basing on the principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up. Hon'ble Commission has set energy charges at different voltage levels to reflect the cost of supply.

The tariff applicable for the category is relevant , the slabs are applicable for encouraging the consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also. Therefore, the proposal of the objector is not acceptable.

9. **Respondent's view /suggestion:** The distribution loss of TPNODL for last sixteen Financial years is furnished below………
Hence distribution loss for FY 25 may be approved by Hon'ble Commission at a reduced rate.

TPNODL Reply: The Ld. Objector has given a comparative picture of the cost component and distribution loss since 2010-11. It is pertinent to mention here that, TPNODL came into operation with effect from 1.4.21 in compliance to the terms laid down by Hon'ble Commission in the Vesting order.
Further, Hon'ble Commission has stipulated the AT&C loss trajectory for tariff determination in the Vesting order. The licensee has projected the distribution loss in line with the AT&C loss stipulated by Hon'ble Commission for Tariff Determination for FY 25 taking normative collection efficiency. Hon'ble Commission has stipulated AT&C loss for tariff determination for FY 25 as 15%. Accordingly, taking normative collection efficiency of 99%, the T&D loss considered for FY 25 is 14.14%

10. **Respondent's view /suggestion:** Projection of EHT, HT and LT sales – We request Hon'ble Commission to carry out a prudent check of LT sales projection data as TPNODL has projected a very high figure of LT sales . TPNODL needs to give enough justification for LT sales with actual sales pattern for atleast last 12years.

    TPNODL Reply: For projecting the consumption under different categories, TPNODL 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 of expansion. Materialization of industrial projects do have a definite gestation period and also requirement for checking the network availability. The licensee has considered individual consumer/prospective consumer wise load keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

11. **Respondent's view /suggestion:** Requirement for a special Tariff for Mega steel Plant

    TPNODL Reply: The licensee has proposed a number of measures to support industrial growth. Presently we are having 36 tariff categories. Increase in tariff categories will just create much complication in the procedure. However, Hon'ble Commission may decide the matter on merit.

12. **Respondent's view /suggestion:** Proposal for load factor rebate- For any x% increase in Load factor above 60%, x % rebate shall be allowed
    TPNODL Reply: The proposal of the Ld. Objector states a rebate of x% on the total energy charges , if the industry achieves load factor more than x% over and above 60% Load factor.

    This proposal is not acceptable to the licensee, as it envisages for permitting different net applicable charges to different industries depending on their load factor . Further, in case one industry will attend 90% LF means a rebate of 30% needs to be given on energy charge, that is the effective tariff will be 409.5 paise per unit for HT and 406paise per unit for EHT with the existing applicable charges or even go much below or even not recover the distribution cost in case of higher load factor .

    The aim of allowing load factor rebate is to encourage the industries to avail higher load factor, but at the same time the cost of supply to the consumers must be recoverable

    Therefore, the proposal of the objector is not acceptable.

13. **Respondent's view /suggestion:** Cross Subsidy Surcharge ought to be gradually reduced every year. This is laid down in Section 42 of the Electricity Act,2003 that a road map is to be made by this Hon'ble Commission for reduction of subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of cross subsidy surcharge………

TPNODL Reply: The Ld Objector may refer to para 94 of RST order FY 24. The computed cross subsidy surcharge for DISCOMs have been given in table -25. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-25 of RST order is reproduced hereunder:

Table - 25
Computed Surcharge for Open access consumer 1MW and above for FY 2023-24

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	242.90	212.90	157.90	337.90
Surcharge for HT Consumer (P/U)	121.60	47.58	33.35	186.83

However, the approved charges for FY 24 as given under table 26 are done at 70% of the computed values. The table no. 26 is reproduced hereunder:

Table – 26
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2023-24

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	170.03	85.12	99.67	The Open Access customer availing open access shall pay Rs.5760/MW/Day (Rs.240/MW/Hour) as transmission charges
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

14. **Respondent's view /suggestion:** Reintroduction of DPS for LT Domestic, LT GP and HT Bulk Domestic consumers

TPNODL Reply: The observation of Hon'ble Commission for with drawl of this DPS provision was the levy of DPS will act as a hurdle for small consumers in resolving their billing dispute and the revenue impact is also not substantial.

However, it will be pertinent to mention here that the DPS provision will persuade the small consumers to pay in time. It will instil the culture of payment within due date in them. The aim of the licensee is not to levy DPS to those small consumers , but to regulate their payment habit with imposition of a deterrent. Without any deterrent, there is no binding on such consumers to pay the electricity bill in time.

15. Respondent's view /suggestion: Proposal to allow pro-rata billing should not be approved.

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

The licensee is working towards achieving the norms of regulation under normal conditions. However, uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months beset Odisha regularly which affect the normal meter reading cycles.

Therefore, the licensee has requested for permitting pro-rata adjustment of slabs based on actual days of billing vis-à-vis the standard norm of 30 days to ensure that the consumer gets full slab benefit under all actual billing period scenarios.

16. Respondent's view /suggestion: TPNODL has proposed that, consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25.

TPNODL Reply: The contention of the Ld. Objector that the licensee has proposed that consumers availing renewable power through open access shall have to pay wheeling charges and cross subsidy surcharge as applicable to consumers availing conventional power for FY 24-25 is not correct. The licensee has proposed the open wheeling charges apportioning the wheeling cost from the total distribution cost and taking the total quantum of power that will be wheeled on HT. Accordingly , the licensee has calculated the cross subsidy surcharge and placed before Hon'ble Commission for suitable consideration and issue of necessary direction on fixation of charges.

Odisha Renewable Energy Policy 2022 has been notified in November'2022. In Odisha Renewable Energy Policy 2022, Govt. of Odisha has extended relaxation in CSS, wheeling and STU charges as well as ED.

Fifty percent (50%) exemption of Cross-Subsidy Surcharge, 25% exemption on wheeling charges and exemption of 20paise per unit has been provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years.

The relaxation granted under State RE Policy is for consumption of energy from RE projects commissioned in the state, not outside the state. So, there is no justification in relaxing the applicable charges for consumption of energy from RE projects commissioned in other states.

17. **Respondent's view /suggestion:** Processing fees for providing services like change of name, category change, name correction, address correction, etc other than processing fees for new connection have been proposed by TPNODL. This will put domestic consumers under difficulty while for new connection, processing fee is Rs. 50/-, Rs.100/- for other services is not acceptable.

TPNODL Reply: As per Supply Code, for new connection processing fees has been stipulated by Hon'ble Commission as Rs.50/-. The licensee has proposed for revising the applicable processing fees for new service connection from Rs.50/- to Rs.100/-, alongwith approving standard processing fees for other activities.

18. **Respondent's view /suggestion: TPNODL has suggested reducing the Green Tariff from 25paise/unit to 20paise/unit. However, we suggest to reduce this to 15paise/unit….**

TPNODL Reply: In the present tariff of 25paise /unit , sixteen numbers of consumers are already availing this facility from the month of November and one industry from December.

However, to attract more consumers to avail green power and as a step towards environmental sustainability, the licensee has proposed to reduce this price to 20 paise /unit .

The Green Tariff applicable in other states is furnished in the following table:

State	Applicable Green Energy Tariff (Over & above the Normal Tariff)
Gujrat	Rs. 1.50 per kWh
Karnataka	Rs. 0.50 per kWh
Maharashtra	Rs. 0.66 per kWh
Uttar Pradesh	Rs. 0.44 per kWh
Madhya Pradesh	Rs. 0.97 per kWh

The Green Tariff applicable presently in our state is the lowest in comparison to the tariffs applicable in the above States. Therefore, there is no justification in the contention of the consumer in reducing the green tariff to 15 paise /unit.

19. **Respondent's view /suggestion: Minimum offtake for the industries having CGP**

TPNODL Reply: Presently the BST of all the DISCOMs is with composite of Energy and Demand charges. Considering the approved SMD composite BST is determined by Hon'ble Commission. 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 which ever 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 becoming sturdier.

The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to 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. With Demand charges of Rs.250 per kva and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD

20. **Respondent's view /suggestion: Revision of Reconnection charges**

TPNODL Reply: TPNODL is has taken number of measures to bring in cutting edge technology and micro SCADA already implemented. The licensee has installed smart meters in around fifty thousand consumers , but yet to operate them in pre-paid mode with auto disconnection facility.

It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, alongwith covering the man hour and other ancillary charges for physical reconnection of power supply.

It is also pertinent to mention here that, the presently applicable reconnection charges have been fixed way back in 2012. Therefore, there is a requirement to revise the reconnection charges as proposed by the licensee.

21. **Respondent's view /suggestion: Realistic assessment of load**

TPNODL Reply: The contention of the licensee has not been properly interpreted. The licensee has requested for allowing higher load factor while doing assessment in case of unauthorised abstraction of energy. The licensee has given detailed justification in its application with supporting calculation. A comparative of the LF applicable in other states for assessment is given hereunder:

State	Hours	Factor	Hours per day	Remarks (1 KW Load) per year {2X (LXDXHXF)} (Kwh)
Chhattisgarh	24	40%	9.6	7008
West Bengal	12	50%	6	4380
Jharkhand	12	40%	4.8	3504
Odisha	**24**	**10%**	**2.4**	**1752**

From the above, it is clear that, in our state , the LF considered is the lowest. However, it is once again clarified that, the licensee's proposal for the realistic load assessment is for the consumers who are involved in unauthorised abstraction of energy and creating burden on the licensee and not to burden the genuine consumers.

22. Respondent's view /suggestion: Payment of Security Deposit by means other than cash

TPNODL Reply: The relevant extract on payment of SD from regulation 52(iv) of OERC Distribution (Condition of Supply) code, 2019 is provided hereunder:

"The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier".

Further, regulation provides for interest on the security deposit also. The above provision makes the required amount available with the licensee, which can be utilised without any additional time involvement, in case it will be required to adjust the security deposit. This ensures payment security to the licensee. This matter has already been addressed by Hon'ble Commission in previous Tariff proceedings

23. Respondent's view /suggestion: Surcharge on late payment of Security Deposit Demand

TPNODL Reply: The provision of delayed payment surcharge is not to enrich the licensee by 7%-8%. The very aim of the provision is to develop the culture of payment within the stipulated time among the consumers. Because of this provision, the consumer will be persuaded to make payment within the stipulated time. Therefore, the apprehension of the Ld Objector regarding enriching the licensee by this extra amount is baseless.

24. Respondent's view /suggestion: ToD Benefit

TPNODL Reply: ToD benefit has already been extended by Hon'ble Commission for all three phase consumers with static meters excluding Public Lighting, Emergency Supply to CGP, LT Domestic, LT GP, @20Paise per unit for energy consumed during off-peak hours. The intention of Hon'ble Commission is to shift the load of the consumers from peak hours to no-peak hours. That is quiet in concurrence with the contention of the Ld objector. But the licensee is not in agreement with the proposal of increasing the ToD benefit from 20 paise to 50paise.

The load curve is almost flat now. By increasing the TOD benefit more, the peak hours may be shifted to off peak hours and there may be requirement for reducing drawl during the period.

25. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: M/s. Tata Steel Limited, Kalinganagar Industrial Complex, Duburi, JK Road, Dist-Jajpur, PIN-755026

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

Case No. 122/2023

IN THE MATTER OF: TP Northern Odisha Distribution Ltd (TPNODL), Januganj, Odisha.

.......Applicant

AND

IN THE MATTER OF: Shri Panchanana Jena, Working President, Bijuli Karmachari Sangh, Berhampur-760010

...….**Respondent**

Rejoinder to the objection filed by Shri Panchanana Jena, Working President, Bijuli Karmachari Sangh, Berhampur, on the Aggregate Revenue Requirement & Wheeling and Retail Supply Tariff Application filed by TPNODL for the FY 2024-25

1. That, TPNODL has filed the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2024-25 under section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and OERC (Conduct of Business) Regulations, 2004 .

2. **Respondent's view /suggestion: Data on recruitment as on Dec-2023**

   TPNODL Reply: Details of New Recruitment since vesting:

Executives	Non-Executives	Total
1128	-	1128

Total 1128 nos. of recruitment done under Executive cadre from the date of vesting till Dec-2023. 63% of the total recruitment is from Odisha domicile. Details of recruitments done, proposed to be recruited, retirements due have been detailed in Table-no-9 of the ARR application of the licensee.

3. **Respondent's view /suggestion: Cost of CTC Employee**

   TPNODL Reply: The detail employee cost (which includes erstwhile & CTC) is available in the Format F-12 of ARR application, Ld. Objector may kindly refer to the same for further details.

4. The, reply to the queries of the Hon'ble OERC regarding the Aggregate Revenue Requirement & Tariff Application filed by TPNODL for the year 2024-25 have been placed in TPNODL website www.tpnodl.com, which may please be referred.

For and on behalf of
TP Northern Odisha Distribution Ltd

Sr. General Manager (RR&L)

C.C. to: Shri Panchanana Jena, S/o Late Bairagi Jena, Sakti Nagar 3rd Lane, Near Engineering School Road, Berhampur-760010, E-mail: jena.manoranjan1@gmail.com