

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

IN THE MATTER OF : An Application for approval of Revised Open Access Charges for the financial year 2023-24, in accordance with the para 22, 23, 24 & 25 of chapter 5 of OERC (Terms and Conditions of Intra state Open Access) Regulation, 2020, applicable to open access customers for use of intra-state transmission/ distribution system, in view of section 42 of the Electricity Act-2003.

AND

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

-----Applicant

And

IN THE MATTER OF : All stakeholder

Humble application of the above named licensee for determination of revised Wheeling charges, Cross subsidy surcharges, Additional surcharges and standby charges for FY 2023-24 applicable to Open Access customers

MOST RESPECTFULLY SHOWETH :

1. That, as per OERC (Terms and Conditions of Intra state Open Access) Regulation, 2020 the licensee is required to file the application for determination of open access charges with Hon'ble Commission. Accordingly, the licensee is filing this application before Hon'ble Commission for determination of Open Access charges for the FY 2023-24.
2. The Orissa Electricity Regulatory Commission (herein after referred to as Commission), in exercise of the power vested in it under Sections 42 read with section 39,40, 86 and 181 of the Electricity Act 2003 (36 of 2003) and all other powers enabling in this behalf, determines the frame work for computation and implementation of cross subsidy surcharge for open access transactions within the State of Orissa.
3. Hon'ble Commission has notified OERC (terms and Conditions for Determination of Wheeling Tariff and Retail SUPPLY Tariff) Regulations, 2022(herein after called the Tariff application) vide notification dated 20.12.2022. In compliance to the notification of Hon'ble Commission No-DIR(T)/405/2023-24/1379 dated 30.11.2022,

the licensee has filed revised ARR & Tariff application for the FY 2023-24. Accordingly, the licensee is filing herewith the revised open access charges for the FY 2023-24, for kind approval of Hon'ble Commission f

4. That the licensee in accordance with regulations framed by Hon'ble Commission under the provision of Electricity Act 2003 is required to file the wheeling charges, cross-subsidy surcharge, additional surcharge and stand by charges before the Commission for approval.
5. That, the licensee is required to provide non-discriminatory open access to the consumers within the period as stipulated by the Commission in accordance with the provisions of Section 7 (d) under Chapter-III of the OERC (Terms and Conditions for determination of tariff) Regulations 2004.
6. That, the licensee is required to get compensation for the loss of cross subsidy element from the consumers or category of consumers who have opted for Open Access to take supply from a person other than the licensee in accordance with the provisions of Section 7 (c) under Chapter-III of the OERC (Terms and Conditions for determination of tariff) Regulations 2004.
7. That, the licensee is required to get additional surcharge to meet the fixed cost arising out of his obligation to supply to the consumers or category of consumers who have opted for Open Access in accordance with the provisions 7.74 and 7.75 of the OERC (Terms and Conditions for determination of wheeling tariff and retail supply tariff) Regulations 2014.
8. That, the licensee submits before the Commission that at present no consumer is permitted by the licensee to opt for Open access for getting compensation towards additional surcharge to meet the fixed cost. The licensee reserves the right to file before the commission with the relevant short fall of fixed cost as and when the issue comes in future.
9. That, the present application is presented before the Hon'ble Commission for the approval of the wheeling charges and Cross-Subsidy surcharge for FY 2023-24.
10. The Electricity Act 2003 (EA 2003) enables eligible consumers to have non-discriminatory Open Access (OA) to the network of a Licensee on payment of applicable charges. The EA 2003 and National Electricity Policy (NEP) formulated therein mandate the State Electricity Regulatory Commissions to frame the terms and conditions and timeframe for introduction of OA in the State.

11. The Commission notified the OERC (Terms and Conditions for determination of wheeling and retail supply Tariff) Regulations, 2014 for DISCOMs in the State of Odisha as well as OERC (Terms and Conditions of Intra state Open Access) Regulations, 2020. However, in order to implement Open Access in the State, Hon'ble Commission is required to determine the following charges to be paid by the OA consumers:

- a. Wheeling charges;
- b. Cross-subsidy surcharge;
- c. Additional surcharge;
- d. Stand by charges

The Commission has defined the methodology in chapter 5 of (Terms and Conditions of Intra state Open Access) Regulation, 2020 for determination of transmission charges, wheeling Charges, Cross Subsidy surcharge, Additional Surcharge and stand by charges for use of the intra-State transmission network within the State. Further, the Commission will determine the above open access charges during the tariff determination process currently underway for all Utilities in the State.

In the said Regulation 2020 the Hon'ble Commission prescribed the issue of methodology to be followed for determination of transmission charges, wheeling charges, cross-subsidy surcharge, additional surcharge and stand by charges. It is envisaged that based on the prescribed methodology, the transmission charges, wheeling charges, cross-subsidy surcharge would be calculated during the tariff determination exercise currently underway.

Open Access Charges

The OERC (Terms and Conditions of Intra state Open Access) Regulation, 2020 provides that the Open Access Customers shall pay the following charges besides the other charges mentioned in the regulation for the use of the intra-state distribution system.

12. Transmission/Wheeling Charges Wheeling charges payable to distribution licensee, by long-term or medium-term open access customer for usage of its system shall be as determined as under:

Wheeling Charges = (Wheeling Cost) / (ALSDX365) (in INR/MW-day)

Where,

Wheeling Cost= Cost towards wheeling business as approved in the Tariff Order of the distribution licensee in the concerned year

ALSD= Total Average load projected to be served by the concerned distribution system in the concerned year

Provided that Wheeling charges for short-term open access consumers shall be payable as determined by the Commission for the relevant financial year on the basis of scheduled load/ energy in the Tariff Order. For Open Access for a part of a day, the wheeling charges shall be payable on prorata basis;

Provided further that where a dedicated distribution system used for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by distribution licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other person or purposes;

Provided further that Wheeling Charges shall not be applicable in case dedicated lines (as defined under Section 2(16) of Electricity Act 2003) constructed by generator are being utilized for supply to the open access customer.

- (i) Wheeling charges as calculated by licensee is annexed as Annexure-A.

A. Table showing wheeling charge:-

Description	EHT	HT
Wheeling charges (Paise per unit)	Not Applicable	178

13. Cross Subsidy-Surcharge

- (i) If open access facility is availed of by a subsidising consumer of a distribution licensee of the State, then such consumer, in addition to transmission and/or wheeling charges, shall pay cross subsidy surcharge determined by the Commission. Cross subsidy surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access consumers based on the actual energy drawn during the month through open access. The amount of surcharge shall be paid to the

distribution licensee of the area of supply from whom the consumer was availing supply before seeking open access.

Provided also that such cross subsidy surcharge shall not be levied in case distribution access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use.

- (ii) Further submitted that the methodology prescribed by Hon'ble Commission for determination of cross subsidy surcharge, in line with the provisions of National Tariff Policy in Para 8.5.1, is as under;

$$\text{Surcharge formula: } S = T - [C / (1 - L/100) + D + R]$$

Where S is the surcharge

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

C is the per unit weighted average cost of power purchase by the licensee . Hon'ble Commission accepts 'C' equal to the BSP of respective DISCOM

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

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

R is the per unit cost of carrying regulatory assets.

Provided that cross-subsidy surcharge shall be progressively reduced to reflect 20% of the tariff applicable to the category of the consumers seeking open access.

Accordingly the Licensee computed the cross subsidy surcharge which is mentioned in the following table. The statement of detail computation is annexed as Annexure-

B. Table showing Cross Subsidy Surcharge

Surcharge (P/KWH) EHT	Surcharge (P/KWH) HT
261	104

The above cross subsidy surcharges have been calculated considering the Avg. EHT Tariff derived from proposed EHT sale in MU and proposed Revenue from EHT Sale for FY 2023-24 . The Power Purchase cost has been determined adding Bulk Supply price of 321 paise per unit, Transmission charge 28 paise per unit, SLDC charge 0.22 paise per unit for EHT category of consumers.

For HT category of consumers Wheeling charge @ 179 paise per unit and System loss at HT supply has been considered at 8%. The Cross-subsidy surcharge has been

calculated considering the Avg. HT Tariff derived from proposed HT sale in MU and Revenue from HT Sale for FY 2023-24. The Power Purchase cost for HT Consumer has been determined adding Bulk Supply price of 321 paise per unit, Transmission charge 28 paise per unit, SLDC charge 0.22 paise per unit.

PRAYER

In the aforesaid facts and circumstances, the licensee most humbly prays before the Hon'ble Commission to kindly:

- (1) Take the revised application of the licensee for determination of Wheeling Charges and Cross Subsidy Surcharge on record.
- (2) Approve the Wheeling charges and Cross Subsidy Surcharge prayed before the Hon'ble Commission for the FY 2023-24.
- (3) Issue any other relief, order or direction as deem fit

Place: Balasore

Date : 9.1.23

(BHASKAR SARKAR)
CHIEF EXECUTIVE OFFICER
TP Northern Odisha Distribution Ltd

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IN THE MATTER OF : All stakeholder

Affidavit verifying the application for approval of Open Access Charges for the FY 2023-24

I, Bhaskar Sarkar, aged about 56 years, son of Late Arup Kumar Sarkar, residing at Balasore, do hereby solemnly affirm and state as follows:-

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

The statements made in the application along with the annexures annexed to this application are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

Place: Balasore

DEPONENT

Date: 9.1.23