



TPSODL/Regulatory/2024/23/896

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneshwar 751021

Sub: TPSODL responses to Objections/Suggestions raised on TPSODL's Application on Annual Revenue Requirement (ARR) -FY 25 (**Case No 119 of 2023**)

Dear Sir

With reference to the above Subject, we are attaching herewith the responses to the objections/suggestions made by Organisations/Persons as have been admitted by the Commission as the **Appendix**.

We trust our submission is in order.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Soumitry Dey', is written over a faint, light-colored signature line.

(Soumitry Dey)

Head Regulatory Affairs

TP SOUTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power and Government of Odisha)

Regd./Corp Office: Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha – 760 004

Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com

Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTIN: 21AAICT3239P1Z1



INDEX

ANNEXURE

RESPONSE TO QUERY

- Shri Ramesh Ch. Satapathy**
Secretary, National Institute of Indian Labour & President,
Upobhokta Mahasangha, Plot No.302(B), Beherasahi,
Nayapalli, Bhubaneswar-751012.
- Shri. Akshya Kumar Sahani,**
Retd. Electrical Inspector,GoO, B/L-108, VSS Nagar,
Bhubaneswar-75007.
- Shri Priyabrata Sahu,**
S/o-Late Adikanda Sahu, At-Bijaya Bihar, 3rd Lane,
Po-Berhampur, Dist-Ganjam-760004.
- Shri Panchanan Jena**
Bijuli Kramachari Sangh, Working President, S/o-Late Bairagi Jena,
Sakti Nagar, 3rd Lane,
Engineering School Road, Berhampur-760010.
- Principal Chief Electrical Engineer,**
East Coast Railway, Rail Sadan,
Chandrasekharpur, Bhubaneswar-751017.
- Odisha Power Transmission Corporation Limited (OPTCL),**
Janapath, Bhubaneswar-751022.
- Shri Soumya Ranjan Patnaik,**
S/o-Late Brajabandhu Patnaik,
Hon'ble MLA, Khandapada, Plot No. 185,
VIP Colony, Nayapalli, Bhubaneswar-15.
- M/s. Grinity Power Tech Pvt. Ltd.,**
At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029.
- Shri Prabhakar Dora,**
S/o-Late Bhaskar Rao Dora, 3rd Lane, Vidya Nagar,
PO/Dist- Rayagada-755001
- The Utkal Chamber of Commerce & Industry Ltd. (UCCI),**
N-6, IRC Village, Nayapalli, Bhubaneswar-751015.

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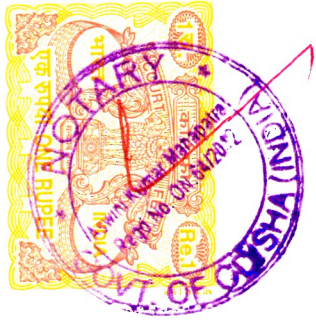
BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
BIDYUT NIYAMAK BHAWAN.
PLOT No-4, CHUNOKOLI, SHAILASHREE VIHAR, BHUBANESWAR-751021

TPSODL/Regulatory /2024/23/ 896

29 January 2024

Case no 119 of 2023

IN THE MATTER OF: Application under the Electricity Act 2003, OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations 2022, OERC (Conduct of Business Regulations) 2004, OERC (Terms and condition of Intra-State Open Access) Regulations 2020, Vesting Order dated 28.12.2020, Carved out Balance Sheet as on 01.01.2021 and its Order dated 26.11.2021 and Other Tariff related matters for (a) **Aggregate Revenue Requirement (ARR), Wheeling Tariff, Retail Supply Tariff for the Financial Year 2024-25** along with (b) Annual Performance Review of FY 2023-24.



And

IN THE MATTER OF: TP Southern Odisha Distribution Ltd. (Formerly Southco Utility), Corporate Office, Kamapally, Courtpeta, Berhampur, Ganjam District, Odisha 760004.Applicant

Aswin K. Mahapatra
S. R. Mahapatra
Date: 29-01-2024
Place: Berhampur

AFFIDAVIT

I Soumitry Dey, aged about 46 years, S/o. Banshidhar Dey, working as the Head Regulatory Affairs, do hereby solemnly affirm and state as follows:

- a) That, I am working as Head Regulatory Affairs of TPSODL, Courtpeta, Berhampur, Dist. - Ganjam-760004. I am the authorized representative in the above matter and duly authorized by the said applicant to make this affidavit on its behalf.
- b) That, I have gone through the contentions in the submissions made through Annexures (A-J) which are part and parcel of this affidavit, and the contents thereof are not repeated herein for the sake of brevity and the same are understood to best of my knowledge and belief, which are based as per records maintained by the applicant in due course of its regular business.

S. R. Mahapatra
Date: 29-01-2024
Place: Berhampur

IDENTIFIED BY
S. R. Mahapatra
29-01-2024
ADVOCATE

DEPONENT

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

Verified at Berhampur on this 29th day of January 2024

DEPONENT

ANNEXURE-A

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

ORIG PART
NOTARY PUBLIC
29-01-2024



TPSODL/ Regulatory/2024/13/886 (2)

29 January 2024

To,

Secretary

Odisha Electricity Regulatory Commission

Bidyut Niyamak Bhawan

Plot No 4, Chunukoli

Sailashree Vihar

Bhubaneshwar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of Shri. Ramesh Ch. Satapathy.

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised/Observation made by Shri. Ramesh Ch. Satapathy.

We trust our reply is in order.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Soumitry Dey', is written over a white background.

(Soumitry Dey)

Head- Regulatory Affairs

cc:

Shri. Ramesh Ch. Satapathy

Plot No. 302(B), Beherasahi,

Nayapally, Bhubaneswar-751012,

Dist- Khurda, Odisha

The Para wise reply of TPSODL in respect of the objections raised by the objector is submitted.

1. The details of amount spent on construction, maintenance & renovation of lines & S/s under TPSODL are mentioned below.

Financial Year	Cumulative Amount (in Crores)
2021-22	187.54
2022-23	463.84

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

Under various schemes of GoO like ODSSP, the asset addition is being taken up to improve the voltage profile which is in addition to new GRID s/s being established at OPTCL level.

In addition to the same as per the Hon'ble Commission's approved Capex schemes TPSODL has taken up new works under specific heads including projects for improving network reliability and also taking into account future load growth.

Network System	As on 31 st March 2023
Length of 33 KV line (Km.)	3883
Length of 11 KV line (Km.)	45309
Length of LT KV line (Km.)	39823
Length of LT AB Cable (Km.)	31098
No. of 33/11 KV Power Transformers	553
No. of Distribution Transformers (11/0.4 & 33/0.4KV)	58732

3. Total no of regular manpower employed in TPSODL at the end of FY23: 2687 (Erstwhile SOUTHCO Employee: 1789 & New Employees: 908)



4. TPSODL has submitted the details of income received from scrap sale in the application for ARR 2024-25.
5. The amount of compensation paid by the licensee to the human being faced in fatal accident are mentioned below.

Financial Year	Amount in Crores
2021-22	0.67

6. The petitioner has paid equal pension benefit to the pensionary workers, equally working in similar nature & similar cadres.
7. The amount collected from the workers for EPF & pension are deposited in the pension funds which is available with Southco PF Trust and Southco Pension Trust.
8. The details of security deposit received from the consumers are submitted in the application for ARR 2024-25.
9. TPSODL imposes penalties on the consumers in accordance with the Regulation & Act of OERC. The details of amount collected as penalty is submitted in P-16 format of ARR application.

ANNEXURE-B

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PART

NOTARY PUBLIC

29-01-2024



TPSODL/Regulatory/2024/14/887 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub.: Case No 119 of 2023 (ARR of TPSODL) - Objections/Observations of Shri. A.K. Sahani.

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised by Shri. A.K. Sahani.
We trust the same are in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', is placed above the typed name.

(Soumitry Dey)
Head Regulatory Affairs

cc:
Shri A. K Sahani
B/L-108, VSS Nagar,
Bhubaneswar 751007

1

TPSODL, being the Retail Power Distribution Licensee for southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2024-25.

In this context, the Para-wise response to the constructive objections filed by the objector is enumerated below.

1. With regards to the observation of the respondent it is submitted that TPSODL came into existence effective from 01.01.2021. As per vesting order case No 83/2020 the Hon'ble Commission has fixed loss reduction trajectory for future 10 years. Para 45 of the vesting order speaks about the same.

45. *AT&C Loss Trajectory for tariff determination*

(a) *As part of the RFP, the Commission provided the following 10-year AT&C loss trajectory to be adopted for determination of tariff for period FY 2021-22 to FY 2030-31:*

Table 4: 10-year AT&C Loss Trajectory for Tariff Determination

<i>AT&C Loss Trajectory for Tariff Determination (%)</i>									
<i>FY22</i>	<i>FY23</i>	<i>FY24</i>	<i>FY25</i>	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>FY30</i>	<i>FY31</i>
25.75	25.75	25.75	25.35	25.00	22.57	20.38	18.40	16.61	15.00

Further it is submitted that present application is filed keeping in mind as per above loss reduction trajectory fixed by the Hon'ble commission.

2. In response to para 1(a) it is submitted that the TPSODL is adhering to the guidelines as mentioned in Regulation. Specific observation if any remains unattended may please be intimated.
3. In response to para 1(b) it is submitted that TPSODL is honouring all orders and regulations of OERC and extending the same to eligible consumers from time to time. Billing to consumers having less than 110 KVA is strictly observed as per direction of Hon'ble Commission. Specific observation if any remains unattended may please be intimated.
4. It is to state that Hon'ble Commission's Supply Code Regulations, 2019, para 152 specifically addresses the manner of Recovery of arrears. The Licensee is adhering the same carefully. Specific observation if any remains unattended may please be intimated.



5. In response to para 2, TPSODL submits that penalty u/s 126 is not the normal practice to earn revenue. Assessment u/s 126 is being made only when there is theft or unauthorized use of electricity. The licensee has regards to all its consumer and expects the consumer will use the electricity supplied, in a judicious manner. Hence, projection towards collection u/s 126 cannot be made. On other hand, the licensee has also made a disclosure regarding collection out of current and out of arrear in F-9 (b) format.
6. In response to para 3, it is submitted that –

The Commission intends to implement kVAh billing to all consumers other than LT consumer w.e.f. 4th April 2021. All DISCOMs are required to take all necessary steps to ensure that all the HT and EHT consumers are billed by kVAh basis from 4th April 2021 and educate the consumers for the same. All open access transactions will be maintained in the kWh sale only and kVAh based sale shall be converted into kWh base on the power factor for the month provided in the energy bills if necessary. For load factor purpose kWh reading shall be taken into consideration. Since kVAh reading captures both active and reactive power drawl, therefore, there is no necessity for continuing with either power factor incentive or penalty. Therefore, power factor penalty and incentive are abolished w.e.f. FY 2021-22. In case of leading power factor whose instances are relatively few when kVrh are injected into the system from consumer side. In that event the kWh drawl reading shall be taken and billed as per the kVAh tariff.

The aforesaid observation of Hon'ble Commission would establish the fact that kVAh billing system would give benefit to both the consumer as well as the licensee in maintaining system stability, ensuring power quality and achieving loss reduction.

It is to submit that Hon'ble APTEL has dealt with the issue of kVAh billing on several occasions. In Prime Ispat Ltd. and Another vrs Chhatisgarh State Electricity Regulatory Commission and Others (A. No. 263 of 2014, decided on 10.04.2015), the issue of kVAh billing was discussed. Relevant observations of Hon'ble Tribunal are quoted here-in- below.

"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:

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TP SOUTHERN ODISHA DISTRIBUTION LIMITED

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(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.

(b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.

(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.

(d) Increases the available transmission and distribution system capacity.

(e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.

8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.

8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = $KWH/KVAH$

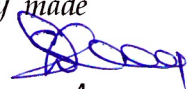
If Power Factor is unity, then $KWH = KVAH$

In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."

In view of the aforesaid judgment of the Hon'ble Tribunal, the ground raised by the petition is misconceived. Hence the said contention of the petitioner quash KVAH billing is to be dismissed.

Further the **Andhra Pradesh High court while disposing batch of appeals along with writ appeal No 115 of 2014** in the case of (APERC, SCY, Hyderabad and others Vrs CPDCL, M.D, HYD, and others) regarding KVAH billing delivered the observation in concluding Para of the judgment as follows.

The Commission hereby, approves the proposal for KVAh based billing instead of Kwh based billing. The KVAh billing shall be applicable for all HT Consumers and LT Consumers for whom trivector meters have been provided for. No power factor penalty shall be levied when the energy billing is done based on KVAh. The Commission has accordingly made suitable changes in the present tariff schedule.





A reading of the above extract shows that the Commission, while taking the decision, had taken into consideration the interest of the Discoms as well as the consumers. The introduction of billing methodology as was done by the Commission is not new and it is already in vogue in some States.

7. In response to para 4 & 5, it is submitted that the licensee is adhering to the direction of Hon'ble Commission strictly. There is no such manual intervention in DISCOM billing, it is digitalized through FG system & the billing system is designed to capture all the parameters as per RST order of Hon'ble Commission.

TPSODL is following the direction of Hon'ble Commission while calculating power ON hours in accordance with the RST order FY 23-24. Any changes or modification in tariff structure is the Hon'ble Commission's prerogative.

8. In response to para 6, it is submitted that TPSODL is strictly adhering to the direction given by Hon'ble Commission & also honouring the direction of GRF & OMBUDMAN scrupulously. However, wherever it appears that it is not in line with the spirit of law, DISCOM is challenging before appropriate forum for the interest of all stakeholders.
9. In response to para 7 & 8, it is submitted that the Hon'ble commission may examine the same as per prayer of the objector.
10. In response to para 10, 11, 12, 13 & 14, it is submitted that the Hon'ble commission has already notified OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 to fixation of cross subsidies and reduction of surcharge. The Hon'ble Commission may suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period of time.
11. In response to para 15, it is submitted that the regulation is prepared keeping in mind for reserve capacity in case of non-dedicated feeder so there will be flexibility in case of the consumer to draw excess load in case of urgency. Changes suggested

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requires an amendment in existing OERC Supply Code, 2019 which is under purview of the Hon'ble Commission.

12. In response to para 16,17,18 & 19; TPSODL would like to put forward its disagreement with the suggestions put forward by the objector.
13. In response to para 20,21,22,23,24 & 25; TPSODL would like to request the Hon'ble Commission to consider the suggestions as proposed as it would further industrial development in the supply area.
14. The petitioner doesn't agree with proposal under para 26, as the kVAh billing has already been adopted all over Odisha.
15. In response to para 27, the petitioner would like to propose that the MMFC/Demand Charges of HT medium Industry should be at par with HT category consumers.
16. In relation to para 29 of the objector, it is submitted by the petitioner that the DPS on DOM & COM category may be re-introduced to discipline the consumer.
17. In response to para-30 of the objector, it is submitted by the petitioner that the pro-rata billing may be introduced to have a proper billing.
18. In relation to para 32 to 37 the petitioner has already submitted its proposal. The proposal along vis-à-vis proposal of objector may be examined by the Hon'ble Commission and suitable order may be passed.

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ANNEXURE-C

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR
NOTARY PUBLIC
29-01-2024



TPSODL- Regulatory/2024/15/888 (2)

29 January 2024

To,

Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of Shri. Priyabrata Sahu

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised by Shri. Priyabrata Sahu.

We trust the same is in order.

Yours faithfully

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(Soumitry Dey)

Head Regulatory Affairs

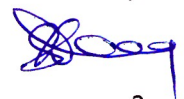
cc:

Shri. Priyabrata Sahu
Bijaya Bihar, 3rd Lane,
PO Berhampur, Ganjam 760 004

Appendix

The para/point wise clarification to the objection raised by the objector is as under.

1. In response to the para 2, it is submitted that, the details of the petitioner's proposed expenditures are submitted as part of the ARR petition along with the relevant annexures. The above-mentioned expenditures are necessary to provide proper service to the consumers as well as comply with the conditions set in the Hon'ble Commission's vesting order vide Case no-83/2020.
2. In response to the para 3, TPSODL would like to submit that the Hon'ble Commission has already enhanced the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers in FY 23-24 apart from other rebates as otherwise available to them. Further, to improve the accessibility of payment modes, the licensee has engaged various service providers for easy payment option to the consumers for payment of Energy Bills through offline/online mode. Also, in addition to the above the following rebates are applicable to the Odisha consumers:
 - a) LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) consumers will get 10 paise/unit rebate for prompt payment of the bill within due date.
 - b) The rural LT domestic consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.
 - c) 2% rebate shall be allowed to all pre-paid consumers on pre-paid amount.
 - d) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.





It is submitted that the petitioner, is strictly bound by the Regulations/ Guidelines framed by the State Commission in line with the Electricity Act, 2003.

The DPS levied in Odisha is in line with other neighbouring states and it is already reduced from 1.50% to 1.25%. Further it is submitted that DPS is levied on nonpayment of bills. It also acts as deterrent for nonpayment of bills in time.

3. Under para 4 of the objection submitted by the objector, it is submitted that the consumers' power supply is being disconnected after proper notice and prolonged default, in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003. Therefore, the allegation is not true and appropriate.
4. In response to the para 5 & 6, it is submitted that the detailed benefits of the proposed Capital Investment Plan for FY2024-25 & FY 2025-26 has already been submitted by the petitioner and after prudent check by the commission it has been approved under case no. 104 of 2023. The benefits will be accrued in future in shape of loss reduction, network safety, reliability, improved consumer services. Currently, 1st year of the approved Capex Investment Plan is under implementation.
5. In response to the para 7,8 & 9, it is submitted that the Energy bills are being prepared by the petitioner duly following the regulations set by the Hon'ble Commission. TPSODL is collecting security deposit in accordance with the regulations. However, the proposal put forward by the objector may be examined by the Hon'ble Commission
6. With regards to the objection regarding KVAH billing (para 12 to 19), it is submitted that the prime objective of the kVAh based billing is to encourage the consumers to maintain near unity power factor to achieve loss reduction, improve voltage profile. Advantages of kVAh billing are -
 - (i) Overloading of Distribution system is avoided resulting in better voltage profile.

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- (ii) Reduction in line & transformer losses.
- (iii) Increase in available line and transformer capacity.
- (iv) It captures both real and reactive power.

The Commission intends to implement kVAh billing to all consumers other than LT consumer w.e.f. 4th April 2021. All DISCOMs are required to take all necessary steps to ensure that all the HT and EHT consumers are billed by kVAh basis from 4th April 2021 and educate the consumers for the same. All open access transactions will be maintained in the kWh sale only and kVAh based sale shall be converted into kWh base on the power factor for the month provided in the energy bills if necessary. For load factor purpose kWh reading shall be taken into consideration. Since kVAh reading captures both active and reactive power drawl, therefore, there is no necessity for continuing with either power factor incentive or penalty. Therefore, power factor penalty and incentive are abolished w.e.f. FY 2021-22. In case of leading power factor whose instances are relatively few when kVrh are injected into the system from consumer side. In that event the kWh drawl reading shall be taken and billed as per the kVAh tariff.

The aforesaid observation of Hon'ble Commission would establish the fact that kVAh billing system would give benefit to both the consumer as well as the licensee in maintaining system stability, ensuring power quality and achieving loss reduction.

It is to submit that Hon'ble APTEL has dealt with the issue of kVAh billing on several occasions. In Prime Ispat Ltd. and Another vrs Chhatisgarh State Electricity Regulatory Commission and Others (A. No. 263 of 2014, decided on 10.04.2015), the issue of kVAh billing was discussed. Relevant observations of Hon'ble Tribunal are quoted here-in- below.

"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:

- (a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I²R losses will be reduced considerably.*
- (b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.*
- (c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.*
- (d) Increases the available transmission and distribution system capacity.*
- (e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.*

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8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.

8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH

If Power Factor is unity, then KWH =KVAH

In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."

In view of the aforesaid judgment of the Hon'ble Tribunal, the ground raised by the petition is misconceived. Hence the said contention of the petitioner quash KVAH billing is to be dismissed.

Further the **Andhra Pradesh High court while disposing batch of appeals along with writ appeal No 115 of 2014** in the case of (APEREC, SCY, Hyderabad and others Vrs CPDCL, M.D, HYD, and others) regarding KVAH billing delivered the observation in concluding Para of the judgment as follows.

The Commission hereby, approves the proposal for KVAh based billing instead of Kwh based billing. The KVAh billing shall be applicable for all HT Consumers and LT Consumers for whom trivector meters have been provided for. No power factor penalty shall be levied when the energy billing is done based on KVAh. The Commission has accordingly made suitable changes in the present tariff schedule.

A reading of the above extract shows that the Commission, while taking the decision, had taken into consideration the interest of the Discoms as well as the consumers. The introduction of billing methodology as was done by the Commission is not new and it is already in vogue in some States.

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7. In response to the para 20, it is submitted that the entire state of Odisha is bearing the brunt of nature in recent times in form of various natural calamities like cyclone, flood, thunderstorm, Kalabaisakhi etc due to the global warming and resulting climate change, especially areas under TPSODL operation are prone to severe cyclone events. Therefore, the petitioner has made proposal for creation of Disaster Resilient Corpus Funds for such unforeseen events under the ARR application.
8. In response to para 21, it is submitted that TPSODL has made suitable proposal for consideration of the Hon'ble commission.
9. In response to para 22, it is submitted that the Hon'ble Commission may examine the proposal of the respondent as per regulations.
10. In response to para 23, it is submitted that the Hon'ble Commission may examine the proposal of the respondent and necessary orders may be passed.
11. In response to para 24, it is submitted that, TPSODL is following all applicable regulations and Act.
12. In response to para 25, it is submitted that, it is a prudent financial practice example if the Govt. forms one company. The Govt. subscribes the equity of such company from its Budget. Any return earned in the form of Dividend/RoE from such venture is again ploughed back to by the Govt.
13. In response to para 26,27 & 28, it is submitted that the Hon'ble Commission may examine the proposals of the respondent and necessary orders may be passed.
14. In response to para 29, it is submitted that the petitioner has made an additional submission in this regard for consideration of the Hon'ble Commission.
15. In response to para 29, it is submitted that, the petitioner does not agree with proposals made by the of respondent under para 30,31,32,33,34,35,36 & 37 of the objection.

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ANNEXURE-D

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PART
NOTARY PUBLIC
29-01-2024



TPSODL/Regulatory/2024/16 /889 (2)

29 January 2024

To,

Secretary

Odisha Electricity Regulatory Commission

Bidyut Niyamak Bhawan

Plot No 4, Chunukoli

Sailashree Vihar

Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of Shri. Panchanana Jena.

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised/Observation made by Shri. Panchanana Jena.

We trust our reply is in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', is written over a light blue circular stamp.

(Soumitry Dey)

Head Regulatory Affairs

cc:

Shri. Panchanana Jena

Working President, Bijuli Karmachari Sangh Berhampur

Sakti Nagar, 3rd Lane, Engineering School Road

Berhampur 760 010.

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TP SOUTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power and Government of Odisha)

Regd./Corp Office: Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha – 760 004

Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com

Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1

The point wise clarification to the objection raised by the objector is as below.

1. In response to para-1 & 2 it is submitted that there is no such policy for regularisation of outsourced persons working under TPSODL also as per law.
2. SOUTHCO Utility was vested with TPSODL as per the vesting order of Hon'ble Commission vide case No 83/2020. In line with the vesting order TPSODL has been submitting the Annual Business Plans, application for approval of ARR for the next financial year along with projected employees' cost, R&M expenditure and A&G expenditure, which is subject to the Hon'ble Commissions prudence check and subsequent approval. In line with the guidelines and stipulations of the Hon'ble commission, recruitment is done from time to time.
3. In response to Para-4 & 5 it is submitted that recently 99 persons (non-executive) are recruited from existing outsourced persons working under TPSODL area through different agencies with certain relaxation in eligibility i.e., reduction in percentage marks as compared to earlier advertisement. Further opportunities have also been provided for outsource persons who are not qualified/Under matriculation to undergo 12-month training course under "Uddan" scheme to make such person eligible for participation in future employment opportunities.
4. In response to Para- 6,7,8,9,10 it is submitted that the issues raised by respondent has already been addressed in the previous tariff orders as well as present petition filed by TPSODL, the same may be perused by objector.
5. Further, it may be reiterated that, there is no discrimination to any particular category of employees as TPSODL believes in inclusive growth and welfare of all categories of employee.



ANNEXURE-E

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR
NOTARY PUBLIC
29-01-2024



File TPSODL- Regulatory/2024/17/890 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) - Objections/Observations of M/s East Coast Railways

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised/Observation made by M/s East Coast Railways.

We trust our reply is in order.

Yours faithfully

We trust our reply is in order.

Yours faithfully

(Soumitry Dey)
Head- Regulatory Affairs

cc:

Shri. Somnath Sahu
Dy CEE/TRD/HQ/BBS
Office of the Principal Chief Electrical Engineer
East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar 751017

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTIN: 21AAICT3239P1Z1

1. TPSODL do not agree with railway proposal for separate category as it will create multiple categories on a same voltage group.
2. TPSODL do not agree with the suggestion of railway in para 3.2 for reduction of L.F. to 40%. The inference of railway from collection of S/D is incorrect as it is applicable for calculation of S/D. However, Hon'ble Commission may examine the issue. We request the Hon'ble Commission to compensate TPSODL for any reduction in revenue due to the above change.
3. The railway proposal for simultaneous metering and billing is not possible as the TSS are situated in different Discoms, also are separate company and individual SMD fixed in ARR.
4. The railway submission for feed extension one RTSS one Discoms to other Discoms where the incoming supply fails due to OPTCL reason. The suggestion of railway may be examined.



ANNEXURE-F

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PART
NOTARY PUBLIC
29/01/2024



TPSODL/Regulatory/2024/18/891 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of M/s OPTCL.

Dear Sir

We are in the **Appendix** providing the replies to the queries raised/Observation made by M/s Odisha Power Transmission Corporation Ltd (OPTCL).

We trust the same are in order.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Soumitry Dey', is written over a white background.

(Soumitry Dey)

Head Regulatory Affairs

cc:

M/s OPTCL

Janpath, Bhubaneswar 751022

1

TP SOUTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power and Government of Odisha)

Regd./Corp Office: Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha – 760 004

Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com

Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTIN: 21AAICT3239P1Z1



Appendix

1. In reply to Para-6, the ARR is an estimation & while filing ARR the petition copy of OPTCL is neither available nor it will be prudent to take the transmission charges on a basis of calculation of OPTCL as the same charges are not confirmed by Hon'ble Commission.

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ANNEXURE-G

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR

NOTARY PUBLIC

29-01-2024



TPSODL/Regulatory/2024/19/892 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: **Case No 119 of 2023 (ARR of TPSODL) - Objections/Observations of Shri. Soumya Ranjan Patnaik, Hon'ble MLA**

Dear Sir

We are in the **Appendix** providing the replies to the queries raised by Shri. Soumya Ranjan Patnaik, Hon'ble MLA, Khandapada.

We trust the same are in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', with a stylized flourish at the end.

(Soumitry Dey)
Head Regulatory Affairs

cc:
Shri Soumya Ranjan Patnaik
Hon'ble MLA, Khandapada
Plot No 185 VIP Colony, IRC Village
Nayapalli Bhubaneswar 751015

1

TP SOUTHERN ODISHA DISTRIBUTION LIMITED

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1

That, the Petitioner appreciates the Learned Objector for the support and constructive suggestions made through this response.

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

TPSODL Rejoinder: - 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 which came 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 process as followed by the Hon'ble Commission is justified and correct.

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

TPSODL Rejoinder: - It is submitted that the Licensee, being in a regulated business, is guided by the Regulations/ Guidelines/ Orders of the Hon'ble Commission and operates well within the ambit of the same. The Hon'ble


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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTIN: 21AAICT3239P1Z1

 2



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. Further, to bring transparency to the tariff proceedings, the Hon'ble Commission conducts Public Hearing process to hear the public opinion on the ARR petitions filed by the utilities. Accordingly, consolidating the comments 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.

- 3. 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

3

TP SOUTHERN ODISHA DISTRIBUTION LIMITED

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1



are not determining tariff as per guiding principles. Violation of MYT Principle as ARR petitions filed without Business Plan by DISCOMs.

TPSODL Rejoinder: - Upon vesting of the existing Licensees 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. The Hon'ble Commission has accorded principle approval of business plan.

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

TPSODL Rejoinder: TPSODL has taken over the distribution business from the erstwhile Wesco 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

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1



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.

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

TPSODL Rejoinder: - 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.

6. **Respondents View/ Objection:** Power cut during peak demand.

TPSODL Rejoinder: TPSODL never intends to regulate power to our esteemed consumers. Rather always emphasizes upon reliable power supply with affordable rates. It is submitted that TPSODL 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, TPSODL 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.

7. **Respondents View/ Objection:** SMD projected by DISCOMs.

TPSODL Rejoinder: 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 drawl by different industries which is not finding a place either in GRIDCO's or DISCOMs SMD.

- 8. Respondents View/ Objection:** Misappropriation of Govt. grant investment.
TPSODL Rejoinder: TPSODL is maintaining 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, TPSODL 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.

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ANNEXURE-H

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR
NOTARY PUBLIC

29-01-2024



TPSODL/Regulatory/2024/20/893 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

**Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of M/s
Grinity Power Tech Pvt Ltd.**

Dear Sir

We are in the **Appendix** providing the replies to the queries raised/Observation made by M/s Grinity Power Tech Pvt Ltd.

We trust the same are in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', is written over a light blue horizontal line.

(Soumitry Dey)
Head Regulatory Affairs

cc:

M/s Grinity Power Tech Pvt Ltd
K-8-82 Kalinga Nagar, Ghatikia, Bhubaneswar 751029

TPSODL, being the Retail Power Distribution Licensee for southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2024-25.

In this context, the issue-wise response to the constructive objections filed by the objector is enumerated below.

With regards to the observation of the respondent it is submitted that TPSODL came into existence effective from 01.01.2021. As per vesting order case No 83/2020 the Hon'ble Commission has fixed loss reduction trajectory for future 10 years. Para 45 of the vesting order speaks about the same.

45. *AT&C Loss Trajectory for tariff determination*

(a) *As part of the RFP, the Commission provided the following 10-year AT&C loss trajectory to be adopted for determination of tariff for period FY 2021-22 to FY 2030-31:*

Table 4: 10-year AT&C Loss Trajectory for Tariff Determination

<i>AT&C Loss Trajectory for Tariff Determination (%)</i>									
<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY2</i>	<i>FY3</i>	<i>FY3</i>
<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>0</i>	<i>1</i>
25.7	25.7	25.7	25.3	25.0	22.5	20.3	18.4	16.6	15.0
5	5	5	5	0	7	8	0	1	0

Further it is submitted that present application is filed keeping in mind as per above loss reduction trajectory fixed by the Hon'ble commission.

1. Human Resource Expenses

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed employee expenditure details vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission. Further, it is submitted that, the employee expenditure includes employees cost of the existing manpower, newly recruited manpower, outsourced manpower engaged in O&M activities, terminal benefits and arrear pay and other staff welfare expenses. Further reference may be made to forms submitted F-12 (A-B-C-D-E) along with our application.



TP SOUTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power and Government of Odisha)

Regd./Corp Office: Kamapalli, Courtpeta, Berhampur, Ganjam, Odisha – 760 004

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1



2. Repair & Maintenance (R&M) Expenses

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed R&M expenditure details vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission.

The Hon'ble Commission in the vesting order has also observed that the new licensee is entitled for R&M expenditure on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. A lot of assets are created under Govt grants and transferred to TPSODL as per vesting order.

As the assets are growing older it requires servicing in full scale which needs more allocation towards R&M expenditure. The detailed justification is submitted as part of our submission for approval of ARR for FY24-25.

3. Administrative & General Cost

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed A&G expenditure details along with justification vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission.

Further, the norms followed by the Hon'ble Commission is a 7% increase over previous year's allowed normative expenditure together with certain expenditure for specific activities. It is submitted that the norm is grossly inadequate as the base (previous year's allowed expenditure), is insufficient considering the requirements as detailed above, including new expenses (such as Insurance, Audit / Professional Charges, which were hitherto either not or insignificantly being incurred).

4. Depreciation Cost

In response to the Observation made by the respondent on the subject matter, it is submitted that the depreciation is calculated as per the prescribed norms of the Hon'ble Commission including as prescribed under the vesting order; the details of

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Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1

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which forms a part of the calculation submitted under the petitioner's application for approval of ARR for FY24-25.

5. That, the petitioner submits that, the proposal of the respondent regarding 3 slab based graded incentive tariff structure may be examined by the Hon'ble Commission.
6. In response to the para 9, it is submitted that currently there is an increasing trend in sales of additional home appliances as well as lifestyle products by domestic consumers. Looking into the above aspects higher projections is done in case of LT consumers.
7. In response to the para 10, it is submitted that there is no proposal for any additional major industry which will come up during FY24-25 under TPSODL area of operation. However, the petitioner expects growth in Industrial consumption in view of the favourable govt. policies in next 5-year horizon.
8. In response to the para 10, it is submitted that the proposal for resumption of DPS is submitted by the petitioner along with the application for approval of ARR for FY24-25, which will act as a deterrent to such consumers who wilful delay in making regular payment due.
9. In response to the para 12 to 18, it is submitted that the proposals submitted may be examined by the Hon'ble Commission.
10. Further, it is submitted that the energy audit is being done by petitioner for identifying loss prone areas.

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ANNEXURE-I

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR
NOTARY PUBLIC
29.01-2024



TPSODL/ Regulatory/2024/21 /894 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) - Objections/Observations of Shri. Prabhakar Dora

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised/Observation made by Shri. Prabhakar Dora.

We trust our response is in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', is written over a light blue horizontal line.

(Soumitry Dey)
Head- Regulatory Affairs

cc:

Shri. Prabhakar Dora
S/O- Late Bhaskar Rao Dora
3rd Lane, Vidya Nagar, PO /District - Rayagada -755 001.

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TP SOUTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power and Government of Odisha)

Regd./Corp Office: Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha – 760 004

Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com

Corporate Identification Number (CIN):U40109OR2020PLC035195, GSTN: 21AAICT3239P1Z1



Appendix

TPSODL, being the Retail Power Distribution Licensee for southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2024-25.

In this context, the Petitioner's response to the constructive objections filed by the objector is enumerated below.

Objector's Observations Procedural Changes

The licensee is examining the proposals submitted by the Objector & steps have been taken to address various shortcomings pointed out by the Objector.

Objections/Observations related to Tariff.

1. In response to the Objection made under "*More the consumption, less the price for LT(GP) & MSME industry up to 22 kVA*", it is submitted that as electricity is a scarce commodity reducing rates have a direct impact on consumption growth. Further, higher consumption attributed to more use of lifestyle equipment by higher income group people who have capacity to pay more for consumption. This will create unnecessary hue and cry amongst the consumers. However, determination of tariff (slab-wise) to be charged from a certain category of consumers is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.
2. In response to the Objection made under "*The projections under Employee Expenses, A&G and R&M Expenses appears to be high and unrealistic. There is a need to follow austerity measures and strict third-party audit of technical and finance is required before allowing any extra provisions*", it is submitted that TPSODL has already submitted the proposed employee expenditure details vide its application for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission. Further, it is submitted that, the employee expenditure includes employees cost of the existing manpower, newly recruited manpower, outsourced manpower engaged in O&M activities, terminal benefits and arrear pay and other staff welfare expenses. In similar principle TPSODL has already submitted the proposed R&M expenditure details vide its application for approval of ARR for FY24-25 to be

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referred along with the additional submission made by the petitioner to the Hon'ble Commission. The Hon'ble Commission in the vesting order has also observed that the new licensee is entitled for R&M expenditure on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. A lot of assets are created under Govt grants and transferred to TPSODL as per vesting order. As the assets are growing older it requires servicing in full scale which needs more allocation towards R&M expenditure. The detailed justification is submitted as part of the petitioner's submission for approval of ARR for FY24-25.

Further, it is submitted that TPSODL has already submitted the proposed A&G expenditure details along with justification vide its application for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission. Further, the norms followed by the Hon'ble Commission is a 7% increase over previous year's allowed normative expenditure together with certain expenditure for specific activities. It is submitted that the norm is grossly inadequate as the base (previous year's allowed expenditure), is insufficient considering the requirements as detailed above, including new expenses (such as Insurance, Audit / Professional Charges, which were hitherto either not or insignificantly being incurred).

The above application filed by the Petitioner is subject to prudence check by the Hon'ble Commission and further approval.

3. In response to the Objection made under "*DPS on Electricity Bills*", it is submitted that the proposal submitted may be examined.
4. In response to the Objection made under "*Prorated billing*", it is submitted that the proposal submitted may be examined.
5. In response to the Observations made under "*Meter Rent to be recovered in tariff instead of through meter rent*", "*KVAH Billing for LT small and Medium industrial consumption*" & "*Encouragement towards E-bill*", it is submitted that the observations made should be suitably considered.

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6. In response to the Objection made under "*Creation of Corpus fund for Contingent calamities*", it is submitted that the proposed corpus fund is necessary as for restoration of power supply post such uncontrollable force majeure events at the requires substantial commitment of resources in terms of man-material-money; wherein time is the essence.
7. In response to the Objection made under "*Billing of Public Lighting*", it is submitted that in case of No meter case, the billing may be done on hourly consumption.
8. In response to the Objection made under "*Revision of Reconnection Charges*", it is submitted that the Reconnection Charges have been the same for the last 12 years and thus need to be relooked into to reflect the actual cost of such re-connection. Further the Reconnection charges should also be a deterrent to the consumers who do not pay the bills and face the risk of being disconnected. With regards to Disconnection and Reconnection, TPSODL will abide by the regulations prescribed under Supply Code,2019.
9. In response to the Objection made under "*Realistic Assessment of Load: The proposal is most unrealistic and wayward*", it is submitted that the petitioner has proposed a load factor higher than that is specified for computation of Security Deposit under Para 52 of the Supply Code, 2019. The petitioner is in the opinion that higher Load Factor needs to be used for such cases as the unauthorised use is generally higher than the authorised use, as observed in general. The Hon'ble Commission may specify an appropriate method for estimation of the energy consumed by the errant consumer.
10. The other proposal may be examined by the commission & necessary direction may be passed on the tariff order in this regard.
11. In addition to the respondent suggestion, other suggestions given in the rejoinder being examined and suitable corrective action will be taken wherever required as per the regulations.



ANNEXURE-J

TPSODL Response to Objections/Queries Raised

Case No. 119/2023

FORM PAR
NOTARY PUBLIC
29-01-2024



TPSODL/Regulatory/2024/22/895 (2)

29 January 2024

To,
Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunukoli
Sailashree Vihar
Bhubaneswar 751021

Sub: Case No 119 of 2023 (ARR of TPSODL) -Objections/Observations of M/s Utkal Chamber of Commerce and Industry Ltd.

Dear Sir,

We are in the **Appendix** providing the replies to the queries raised/Observation made by M/s Utkal Chamber of Commerce and Industry Ltd. (UCCI).

We trust the same are in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Soumitry Dey', is written over a light blue horizontal line.

(Soumitry Dey)
Head Regulatory Affairs

cc:

The Utkal Chamber of Commerce & Industry Ltd (UCCI)
N-6, IRC Village, Nayapalli
Bhubaneswar-751015, Odisha

TPSODL, being the Retail Power Distribution Licensee for southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2024-25.

In this context, the issue-wise response to the constructive objections filed by the objector is enumerated below.

With regards to the observation of the respondent it is submitted that TPSODL came into existence effective from 01.01.2021. As per vesting order case No 83/2020 the Hon'ble Commission has fixed loss reduction trajectory for future 10 years. Para 45 of the vesting order speaks about the same.

45. *AT&C Loss Trajectory for tariff determination*

(a) *As part of the RFP, the Commission provided the following 10-year AT&C loss trajectory to be adopted for determination of tariff for period FY 2021-22 to FY 2030-31:*

Table 4: 10-year AT&C Loss Trajectory for Tariff Determination

<i>AT&C Loss Trajectory for Tariff Determination (%)</i>									
<i>FY22</i>	<i>FY23</i>	<i>FY24</i>	<i>FY25</i>	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>FY30</i>	<i>FY31</i>
25.75	25.75	25.75	25.35	25.00	22.57	20.38	18.40	16.61	15.00

Further it is submitted that present application is filed keeping in mind as per above loss reduction trajectory fixed by the Hon'ble commission.

1. Human Resource Expenses

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed employee expenditure details vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission. Further, it is submitted that, the employee expenditure includes employees cost of the existing manpower, newly recruited manpower, outsourced manpower engaged in O&M activities, terminal benefits and arrear pay and other staff welfare expenses. Further reference may be made to forms submitted F-12 (A-B-C-D-E) along with our application.





2. Repair & Maintenance (R&M) Expenses

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed R&M expenditure details vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission.

The Hon'ble Commission in the vesting order has also observed that the new licensee is entitled for R&M expenditure on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. A lot of assets are created under Govt grants and transferred to TPSODL as per vesting order.

As the assets are growing older it requires servicing in full scale which needs more allocation towards R&M expenditure. The detailed justification is submitted as part of our submission for approval of ARR for FY24-25.

3. Administrative & General Cost

In response to the Observation made by the respondent on the subject matter, it is submitted that TPSODL has already submitted the proposed A&G expenditure details along with justification vide its application filed for approval of ARR for FY24-25 to be referred along with the additional submission made by the petitioner to the Hon'ble Commission.

Further, the norms followed by the Hon'ble Commission is a 7% increase over previous year's allowed normative expenditure together with certain expenditure for specific activities. It is submitted that the norm is grossly inadequate as the base (previous year's allowed expenditure), is insufficient considering the requirements as detailed above, including new expenses (such as Insurance, Audit / Professional Charges, which were hitherto either not or insignificantly being incurred).

4. Depreciation Cost

In response to the Observation made by the respondent on the subject matter, it is submitted that the depreciation is calculated as per the prescribed norms of the Hon'ble Commission including as prescribed under the vesting order; the details of

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which forms a part of the calculation submitted under the petitioner's application for approval of ARR for FY24-25.

5. That, the petitioner submits that, the proposal of the respondent regarding 3 slab based graded incentive tariff structure may be examined by the Hon'ble Commission.
6. In response to the para 9, it is submitted that currently there is an increasing trend in sales of additional home appliances as well as lifestyle products by domestic consumers. Looking into the above aspects higher projections is done in case of LT consumers.
7. In response to the para 10, it is submitted that there is no proposal for any additional major industry which will come up during FY24-25 under TPSODL area of operation. However, the petitioner expects growth in Industrial consumption in view of the favourable govt. policies in next 5-year horizon.
8. In response to the para 10, it is submitted that the proposal for resumption of DPS is submitted by the petitioner along with the application for approval of ARR for FY24-25, which will act as a deterrent to such consumers who wilful delay in making regular payment due.
9. In response to the para 12 to 18, it is submitted that the proposals submitted may be examined by the Hon'ble Commission.
10. Further, it is submitted that the energy audit is being done by petitioner for identifying loss prone areas.

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