

Summary of ARR & Tariff Filings

Submitted by

**TPCODL (formerly CESU), NESCO UTILITY, WESCO
UTILITY & SOUTHCO UTILITY**

For

FY 2021-22

DISCOMs

Summary of Annual Revenue Requirement (ARR) & Retail Supply Tariff (RST) Proposal Submitted by Electricity Distribution Companies of Odisha for the FY 2021-22

1. Energy Sale, Purchase and Loss

A statement of Energy Purchase, Sale and Overall Distribution Loss from FY2014-15 to 2021-22 as submitted by DISCOM of Odisha namely Tata Power Central Odisha Distribution Ltd TPCODL, North Eastern Electricity Supply Company of Odisha Ltd (NESCO Utility), Western Electricity Supply Company of Odisha Ltd (WESCO Utility) and Southern Electricity Supply Company of Odisha Ltd (SOUTHCO Utility) is given in the table below.

Energy Sale, Purchase and Loss (Considering railway traction demand)

DISCOMs	Particulars	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Rev. Est.)	2021-22 (Est.)
TPCODL	Energy Sale (MU)	5484.35	5570.77	5488.59	5781.64	6310.92	6273.189	6324.03	6930.12
	Energy Purchased (MU)	8297.32	8367.57	8139.36	8467.09	8783.92	8160.1	8653.574	9194.803
	Overall Distribution Loss %	33.90	33.42	32.57	31.72	28.15	23.124	26.92	24.63
NESCO UTILITY	Energy Sale (MU)	3455.54	3806.68	4077.20	4234.96	4530.91	4722.18	4057.24	4644.20
	Energy Purchased (MU)	5015.30	5195.58	5329.66	5448.99	5575.60	5439.43	5046.56	5737.12
	Overall Distribution Loss %	31.10	26.73	23.50	22.28	18.74	13.19	19.60	19.05
WESCO UTILITY	Energy Sale (MU)	4552.19	4597.94	4799.00	5378	5972	6115	5980	6495
	Energy Purchased (MU)	7053.70	6941.62	6969.00	7248	7590	7524	7700	8250
	Overall Distribution Loss %	35.46	33.76	31.00	25.81	21.32	18.73	25.51	21.27
SOUTHCO UTILITY	Energy Sale (MU)	1947.73	2077.87	2141.18	2334.11	2555.88	2619.97	2804.81	3042.84
	Energy Purchased (MU)	3192.83	3192.83	3273.45	3468.18	3638.94	3468.62	3740.00	4030.00
	Overall Distribution Loss %	39.00	34.92	34.59	32.70	29.76	24.47	25.00	24.50

2. AT&C Losses

The System Loss, Collection Efficiency and target fixed by OERC in reference to AT&C Loss for the four DISCOMs since FY2014-15 onwards are given hereunder.

AT&C Loss

DISCOMs	Particulars	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Rev. Est.)	2021-22 (Est.)
TPCODL	Dist. Loss (%)	33.90	33.42	32.57	31.72	28.15	23.124	26.92	24.63
	Collection Efficiency (%)	94.30	94.20	96.56	96.6	96.60	90.51	96.00	97.00
	AT&C Loss (%)	37.67	37.29	34.89	34.04	30.49	30.42	42.34	26.89

	OERC Approved (AT&C Loss %)	23.77	23.77	23.77	23.77	23.77	23.77	23.77	
NESCO UTILITY	Dist. Loss (%)	31.10	26.73	23.50	22.28	18.74	13.19	19.60	19.05
	Collection Efficiency (%)	96.96	95.72	96.25	93.38	94.10	86.38	92.00	93.00
	AT&C Loss (%)	33.19	29.87	26.37	27.43	23.53	25.01	26.04	24.72
	OERC Approved (AT&C Loss %)	19.17	19.17	19.17	19.17	19.17	19.17	19.17	
WESCO UTILITY	Dist. Loss (%)	35.46	33.76	31.22	25.81	21.32	18.73	25.51	21.27
	Collection Efficiency (%)	95.37	95.00	88.00	88	86.87	87.91	95	96
	AT&C Loss (%)	38.94	37.38	39.38	34.80	31.64	28.56	26.22	24.42
	OERC Approved (AT&C Loss %)	20.40	20.40	20.40	20.40	20.40	20.40	20.40	
SOUTHCO UTILITY	Dist. Loss (%)	39.00	36.70	34.59	32.70	29.76	24.47	25.00	24.50
	Collection Efficiency (%)	90.75	88.60	89.90	91.44	86.95	84.34	91.00	96.00
	AT&C Loss (%)	44.64	43.92	41.20	38.46	38.93	36.30	31.75	27.52
	OERC Approved (AT&C Loss %)	26.25	26.25	26.25	26.25	26.25	26.25	25.75	

3. Data Sources

NESCO Utility, WESCO Utility, SOUTHCO Utility and TPCODL have scrupulously complied with the information requested by the Commission for submitting the ARR and tariff for the year 2021-22. The accounts up to March 2020 have been prepared as per the Companies act as well as financial formats prescribed by the Commission. While for compilation of data and preparation of ARR the licensees have relied upon the provisional accounts up to March 2020 and actual data up to Sep 2020. However, actual bills received from the bulk supplier, GRIDCO, transmission charges on the basis of actual energy received from OPTCL, SLDC charges on the basis of BSP rate has been taken into account while compilation of data and preparation of ARR.

4. Revenue Requirement for FY 2021-22

Sales Forecast

For projecting the energy sale to different consumer categories, WESCO Utility & SOUTHCO Utility had analysed the past trends of consumption pattern for last eighteen years i.e. FY 2001-2002 to FY 2018-19 and actual sales data for the first six months of FY 2019-20. NESCO Utility analysed and relied on past trends of consumption pattern for last twelve years i.e. from FY 2007-08 to FY 2018-19 and actual sales data for the first six months of FY 2019-20. TPCODL basing on the actual drawal for first six month and forecasting of 2nd Six Months for FY 2019-20, it has projected 8.31% sales growth on FY 2020-21 sales data for the ensuing year FY 2021-22. With this, the four distribution utilities have forecasted their sales figures for the year 2021-22 as detailed below with reasons for sales growth.

Sales Forecast (Considering railway traction demand)

Licensee/ Utility	LT Sales for 2021-22 (Est.)		HT Sales for 2021-22 (Est.)		EHT Sales for 2021-22 (Est.)		Total Sales 2021-22 (Est.) MU
	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	
TPCODL	4684.68	9.51	1340.21	15.35	905.23	2.36	6930.12
Remarks	Based on Judgement and development of category wise consumers.		Based on Judgement and development of category wise consumers.		Based on estimated load factor and new addition. Also include energy demand by railway traction (353.12 MU)		
NESCO UTILITY	2677.275	13.29%	395.420	7.23%	1571.505	18.57%	4644.200
Remarks	Increase in demand is due to electrification under SAUBHAGYA, DDUGJY, RGGVY, BSVY, BGJY and growth in domestic category consumers. Expected growth of sales in others as Allied Agro Activity-prawn cultivation and re-opening of educational and religious institution		The sales in this category are not yet revived on account of recession in steel & mining sector, industrial slowdown and temporary closure/disconnection of steel and mining industries. Adding further, Covid-19 pandemic. Considering the worst of pandemic is over and HT consumer will revive.		The pandemic Covid-19 has affected the EHT sales of the utility severely. There are Instances like Agreement with the Industries has been terminated and Industry is under disconnection. Considering the worst of pandemic is over and growth of some EHT consumer with conservative approach.		
WESCO UTILITY	3335.00	13.82%	1800.00	2.85%	1360	4.61%	6495.00
Remarks	Impact of electrification of new villages under DDUGJY & SAUBHAGYA, growth in domestic category and irrigation consumption		HT Industries who regularly opted to draw power under Open Access in the past has preferred WESCO power due to high prices in IEX.		EHT consumers are drawing power under short term open access for which the utility has taken conservative approach. EHT sales forecast also includes 437.00 MU for railway traction		
SOUTHCO UTILITY	2397.731	9.69%	230.709	1.29%	414.404	5.96%	3042.844
Remarks	Considering past trends and Impact of electrification of new villages under RGGVY, BSVY, BGJY & SAUBHAGYA Schemes.		There has been negative overall growth during FY20-21 due to industry shutdown and drawal by own CGP		Considering past trends and impact of proposal of M/S TATA STEEL and open access drawal by M/S Grasim Industries.		

5. Inputs in Revenue Requirement for FY 2021-22

5.1. Power Purchase Expenses

The Licensees have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. They have also projected their SMD considering the actual SMD during FY 2020-21 and additional coming in the FY 2021-22 which is as shown in table given below.

Proposed SMD and Power Purchase Cost

DISCOMs	Est. Power Purchase in(MU)	Estimated Sales (MU)	Distribution Loss (%)	Current BSP (Paise/Unit)	Estimated Power Purchase Cost (Rs. in Cr.) (Including Transmission and SLDC Charges)	SMD proposed MVA
TPCODL	9195	6930.12	24.63%	277	2778.23	1946
NESCO UTILITY	5737.122	4644.200	19.05%	316.30	1959.06	1100
WESCO UTILITY	8250.00	6495.00	21.27%	322.60	2867.60	1400
SOUTHCO UTILITY	4030.00	3042.844	24.50%	197.40	895.29	700

5.2. Employees Expenses

TPCODL, NESCO Utility, WESCO Utility and SOUTHCO Utility have projected the employee expenses of Rs 773 Cr, Rs 362.63 Cr, Rs 523.85 Cr and Rs 416.27 Cr respectively for FY 2021-22. Out of these proposed employee expenses, Rs 233.67 Cr, Rs. 129.39 Cr, Rs 132.31 Cr and Rs 144.88 Cr respectively are proposed for employee terminal benefit trust requirement for FY 2021-22. TPCODL relied on the findings of the order dated 26th April 2011 in Case No 63 of 2006 and Case No 03 of 2007 of the Commission in which it was held that supervision charges payable to the extent of 6% on the total capital cost may be made applicable where the EHT lines /System is constructed by the User. TPCODL has relied on the same to work out the employee cost associated with the Capital Expenditure. However, the actual Employee cost that would be required to be capitalised would be determined on the basis of the organisation structure that would be finalised for working out such employee costs.

5.3. Administrative and General Expenses

TPCODL, NESCO Utility, WESCO Utility and SOUTHCO Utility have estimated the A&G expenses of Rs 193.44 Cr, Rs 63.45 Cr, Rs 83.38 Cr and Rs 58.23 Cr respectively based on expenses of FY 2020-2021. The 7% increase is taken on account of inflation and increase in the growth of consumer and exponential growth of customer service activity on the normal A&G expenses. Apart from this, all the licensees have proposed additional A&G expenses for some of the activities as customer care / call centre, energy audit, IT related expenses / expenditure on SCADA & STPI, compensation for accidents, rooftop solar, DSM & PAT cycle activities etc. Additional A&G expenses projected by licensees are as follows: TPCODL - Rs. 7.4 Cr., NESCO Utility – Rs. 8.29 Cr., WESCO Utility – Rs. 18.56 Cr., SOUTHCO Utility – Rs. 26.36 Cr.

5.4. Repair and Maintenance (R&M) expenses

All the DISCOMs have calculated R&M expenses as 5.4% of GFA including the RGGVY, BGJY assets and future assets to be created under SAUBHAGYA scheme at the beginning of the year. With regard to the R&M of the assets created through funding of the RGGVY and BGJY schemes, Commission in Para 350 the RST order for FY 2019-20 had allowed an additional sum of Rs. 5.00 Cr to each of the DISCOMs on a provisional basis which is not enough given the area

over which the RGGVY assets have been spread out. Licensees have also prayed to allow the R&M on the RGGVY & BGJY assets so that they can maintain the assets. The details of proposal under R&M expenses for ensuing financial year FY 2021-22 are given below:

R&M Costs (Rs in Cr)

DISCOMs	GFA as at 1st April of Ensuing FY2021-22 (Rs. Crore)	R&M (5.4% of GFA) (Rs. Crore)	Additional R&M Requested for RGGVY and BGJY assets	Total R&M Requested (Rs. Crore)
TPCODL	4735.91	223.07	5.00	228.07 # Proposed 237.27
NESCO UTILITY	1971.84	106.48	--*	106.48
WESCO UTILITY	2028.35	109.53	--*	109.53
SOUTHCO UTILITY	1436.42	77.57	9.25	86.82

(*Additional R&M for RGGVY and BGJY assets is included in R&M (5.4% of GFA))

5.5. Provision for Bad and Doubtful Debts

TPCODL has considered 1% each of LT and HT billing of FY 2021-22 as provision against bad and doubtful debts. While NESCO Utility, WESCO Utility and SOUTHCO Utility stated that, it is difficult for them to arrange working capital finance due to continuance of huge accumulated regulatory gaps to bridge the gap of collection in efficiency, therefore they have considered the amount equivalent to the collection inefficiency as bad and doubtful debts while estimating the ARR for FY 2021-22. NESCO Utility, WESCO Utility and SOUTHCO Utility has requested the Commission to consider the mentioned amounts to enable the petitioner to recover its entire costs after duly considering the performance levels.

Provision for Bad and Doubtful Debt

DISCOMS	Collection Efficiency (%)	Proposed Bad Debts(Rs in Cr)
TPCODL	99%	35.324
NESCO UTILITY	93%	81.85
WESCO UTILITY	96%	90.62
SOUTHCO UTILITY	96%	29.40

5.6. Depreciation

All the DISCOMs except TPCODL, have adopted straight-line method for computation of depreciation at pre-92 rate. TPCODL has calculated depreciation for exiting assets, assets out of inherited CWIP and assets out of new capex. Depreciation for FY 2021-22 is projected at Rs 107.40 Cr for TPCODL, Rs 107.40 Cr for NESCO Utility, Rs 72.89 Cr for WESCO Utility and Rs 55.90 Cr for SOUTHCO Utility.

5.7. Interest Expenses

TPCODL has proposed interest expenses as Rs 28.13 Cr for FY 2021-22 considering the proposed capitalization of Rs 604.95 Cr and effective interest rate of 7.98%. NESCO Utility, WESCO Utility & SOUTHCO Utility have submitted the interest expenses and the interest

income for the FY 2021-22. The net total interest expenses proposed by these licensees are Rs 74.08 Cr, Rs 84.20 Cr and Rs 50.54 Cr respectively. The major components of the interest expenses of these licensees are as follows:

5.7.1. GRIDCO Loan

Commission in its Order dated 29.03.2012 and 30.03.2012 resolved the dispute on the Power Bond and the amount arrived after the settlement adjustments issued as New Loan to three DISCOMs. SOUTHCO Utility and WESCO Utility do not have any outstanding payable to GRIDCO towards New Loan with regard to NTPC power bond while NESCO Utility has liability of Rs. 48.91 Cr payable to GRIDCO.

5.7.2. GRIDCO New Loan

SOUTHCO Utility has reported Rs 12.45 Cr interest expense under GRIDCO new loan.

5.7.3. World Bank Loan Liabilities

The Distribution licensees NESCO Utility, WESCO Utility & SOUTHCO Utility have calculated the interest liability of Rs 11.87 Cr, Rs 11.82 Cr and Rs 9.44 Cr respectively against the loan amount at an interest rate of 13% and repayment liability of Rs 9.10 Cr and Rs 7.26 Cr respectively for WESCO Utility & SOUTHCO Utility.

5.7.4. Interest on CAPEX Loan from Govt. Of Odisha

NESCO Utility, WESCO Utility & SOUTHCO Utility have estimated the interest at the rate of 4% p.a. on the Capex loan issued by the GoO which amounts to Rs 1.73 Cr , Rs 2.32 Cr and Rs 1.92 Cr respectively for the ensuring year.

5.7.5. Interest on APDRP Loan Assistance

In the ensuing year, NESCO Utility, WESCO Utility & SOUTHCO Utility have estimated nothing to be expended under APDRP scheme. For the assistance already availed by the licensees previously interest @ 12% per annum has been considered for the ensuing year on the existing loan. NESCO Utility, WESCO Utility and SOUTHCO Utility have estimated an interest of Rs 0.76 Cr, Rs 0.66 Cr and Rs 0.80 Cr, respectively on this account.

5.7.6. Interest on SI scheme Counterpart funding from REC for GoO CAPEX

SOUTHCO Utility has existing balance of loan of Rs 7.65 Cr taken from REC for system improvement and counterpart funding against APDRP and the interest on such loan for FY 2021-22 is estimated as Rs 0.88 Cr.

5.7.7. Interest on Security Deposit

For estimating the deposit, TPCODL has considered the trend of the past two years. Based on the trend on "per capita deposit", they have considered a deposit amount of Rs 2700 per consumer. Further to work out the interest on the Security Deposit, they have considered the rate as available on the website <https://www.sbi.co.in/web/interest-rates/interest-rates/base-rate-historical-data>. TPCODL has submitted that the interest on security deposits as Rs 58.246 Cr for FY 2021-22. NESCO Utility, WESCO Utility and SOUTHCO Utility have submitted that the

interest on security deposits for FY 2021-22 have been worked out at 5.40% on the closing balance for FY2020-21 based on the existing approval of the Commission for FY2020-21. This interest on security deposit proposed as Rs 58.25 Cr, Rs 34.03 Cr, Rs.44.21 Cr and Rs 15.87 Cr respectively. However, due to fall in Bank Rate SOUTHCO Utility has proposed to reduce the rate of interest of security deposit as per prevailing Bank rate declared by RBI for FY 2021-22.

5.7.8. Other Short term loan, SOD interest & Finance charge

NESCO Utility, WESCO Utility and SOUTHCO Utility have reported in its total interest expense Rs. 25.69 Cr, Rs 25.19 Cr and Rs 9.99 Cr as Other Short term loan, SOD interest & Finance charge.

6. Revenue and Truing up ARR

6.1. Non-Tariff Income

NESCO Utility, WESCO Utility and SOUTHCO Utility have proposed non-tariff income for FY 2021-22 to the tune of Rs 85.31 Cr, Rs 192.25 Cr and Rs 17.69 Cr respectively. However, NESCO Utility and WESCO Utility have proposed to exclude the income from meter rent as the same is intended to be used towards replacement of the meters. TPCODL has proposed miscellaneous income of Rs.95.33 crore.

6.2. Provision for contingency Reserve

NESCO Utility, WESCO Utility and SOUTHCO Utility have proposed provision for contingency at 0.375% of Gross Fixed Assets at the beginning of the year for FY 2021-22. The exposure towards contingency provisions is to the tune of Rs 7.89 Cr, Rs 7.61 Cr and Rs 6.53 Cr respectively.

6.3. Return on Equity / Reasonable Return

TPCODL has claimed Rs 73.48 Cr as ROE calculated @16% on a return on equity on the reserve price of Rs. 300 crores (Indian Rupee Three hundred crore only) is assured in order to encourage investor participation by providing certainty on returns. Rest of three Licensees submitted that due to negative returns (Gaps) in the ARR and carry forward of huge Regulatory Assets in previous years, they could not avail the ROE over the years, which otherwise would have been invested in the company for improvement of the infrastructure. As it is followed by various Commissions, the Licensees submit that the ROE to be allowed on the amount of the equity and the accrued ROE for the previous year. This would increase the availability of more funds for the consumer services. Therefore, NESCO Utility, WESCO Utility, SOUTHCO Utility have assumed reasonable return amounting to Rs. 10.54 Cr, Rs. 7.78 Cr and Rs. 6.03 Cr as calculated @16% on equity capital including the accrued ROE as per the earlier Orders of the Commission.

6.4. Truing Up for FY 2020-21

Based on the actual sales, revenue and expenses for the first half of the current year 2020-21 and based on estimates for next half of current year, the uncovered gap for FY 2020-21 for NESCO Utility, WESCO Utility and SOUTHCO Utility is Rs 269.15 Cr, Rs 164.97 Cr and Rs 85.89 Cr as against the approved surplus of Rs. 11.73 Cr, Rs 19.75 Cr and Rs 10.57 Cr respectively.

6.5. Revenue at Existing Tariff

The Licensees have estimated the revenue from sale of power by considering the sales projected for FY 2021-22 and by applying various components of existing tariffs. The total revenue based on the existing tariffs applicable for the projected sales is estimated at Rs 3532 Cr Rs 2338.51 Cr, Rs 3398.31 Cr and Rs 1470.21 Cr by TPCODL, NESCO Utility, WESCO Utility and SOUTHCO Utility respectively.

7. Summary of Annual Revenue Requirement and Revenue Gap

The proposed revenue requirement of DISCOMs have been summarized below:

Proposed Revenue Requirement of DISCOMs for the FY2021-22 (Rs in Cr) (after discount to consumer and considering railway traction demand)

	NESCO UTILITY	WESCO UTILITY	SOUTHCO UTILITY
Total Power Purchase, Transmission & SLDC	1959.05	2867.60	895.29
Total Operation & Maintenance and Other Cost	759.65	964.48	698.98
Return on Equity	10.54	7.78	6.03
Total Distribution Cost (A)	2729.24	3839.86	1600.3
Total Special Appropriation (B)	7.89	7.60	6.53
Total expenditure including special appropriation (A+B)	2737.13	3847.46	1606.83
Less: Miscellaneous Receipt	85.31	192.25	18.09
Total Revenue Requirement	2651.82	3655.21	1586.91
Expected Revenue(Full year)	2338.51	3398.31	1470.21
GAP at existing(+/-)	(313.31)	(256.90)	(116.70)

Proposed Revenue Requirement of TPCODL

	TPCODL	
1.	Power Purchase Cost considered in this ARR	2778.23
2.	Loss considered for projection of Power Purchase in this ARR	24.63%
3.	Loss considered by the Commission for tariff	22.93%
4.	Power Purchase cost to be considered for Gap in Calculations (1.x (100%-2.)/(100%-3.))	2717.0
5.	Other Expenses in ARR	1438.79
6.	Total ARR for Gap Calculations (4.+5.)	4155.76
7.	Revenue Earned	3532
8.	GAP at existing(+/-)	(623.33)

Proposed Revenue Requirement of DISCOMs for the FY2021-22

	TPCODL	NESCO UTILITY	WESCO UTILITY	SOUTHCO UTILITY	Total DISCOMs
Total Power Purchase, Transmission & SLDC	2778.23	1959.05	2867.60	895.29	5721.94
Total Revenue Requirement	4155.76	2651.82	3655.21	1586.91	7893.94
Expected Revenue(Full year)	3532.43	2338.51	3398.31	1470.21	7207.03
GAP at existing(+/-)	(623.33)	(313.31)	(256.90)	(116.70)	(1310.24)

7.1 Revenue GAP if Railway would avail power supply from other source:

Utilities have also project revenue gap if railway starts completely availing power supply from other source other than the Distribution Company. Revenue gap analysis of licenses is as presented below in table 10.

Revenue Gap without Railway (Rs. Crore)

	NESCO UTILITY	WESCO UTILITY	SOUTHCO UTILITY
Present traction contract demand (kVA)	145000	129500	99200
Projected railway traction energy consumption for FY 2021-22 (MU)	384.218	488.000	185.71
Expenditure including Special Appropriation	2595.46	3669.85	1558.70
Reasonable return	10.54	7.78	6.03
Sub Total	2606.00	3677.63	1564.73
Revenue from sale of power at existing tariffs	2095.44	3091.13	1344.70
Non-Tariff Income	85.31	192.25	18.09
Total revenue gap without railway	(425.25)	(394.25)	(201.94)

*TPCODL has not provided revenue Gap without Railways.

8. Tariff Proposal

The Wheeling Charges for TPCODL have been worked out for HT and LT consumers (together) i.e excluding EHT network. For the purpose of the same, the ARR has been segregated into Wheeling ARR and Retail Supply ARR on the basis of the guidelines provided in the various orders of the Commission as TPCODL has certain challenges to compute the ARR separately. TPCODL claimed the Cross Subsidy Surcharge proposed is based on the formula given in the Tariff Policy of 2016. NESCO Utility, WESCO Utility and SOUTHCO Utility have proposed to reduce the revenue gap through revision in Retail Tariff and/or Govt. Subsidy as the Commission may deem fit or combination of all above as the commission may deem fit to the extent as given below.

Revenue Gap for Ensuing Year 2021-22 (in Rs. Crore) (Considering railway traction demand)

	TPCODL	NESCO UTILITY	WESCO UTILITY	SOUTHCO UTILITY
Revenue Gap with existing Tariff	623.33	313.31	256.90	116.70
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	623.33	313.31	256.90	116.70

9. Allocation of Wheeling and Retail Supply Cost

All the licensees have submitted the allocation of wheeling and retail supply cost of their total ARR based on the Hon. Commissions Regulations on bifurcation of Wheeling and Retail Supply Business.

**Allocation of Wheeling and Retail Supply Cost
TPCODL**

Sr. No.	Particulars:	Total (Rs. Cr.)	% of Total Expenditure considered for segregation against Wheeling & Retail Business		Wheeling Cost for FY 2021-22	Retail Cost for FY 2021-22
			Wheeling	Retail		
1.	Cost of Power Purchase (Including Transmission Charge and SLDC Charges)	2717	0%	100%	0.00	2716.97
	O&M Charges					
2.	Employee Costs	773.19	60%	40%	463.91	309.27
3.	Repairs and Maintenance	237.27	90%	10%	213.54	23.73
4.	Admin and General	193.44	40%	60%	77.38	116.06
5.	Bad and Doubtful Debt including Rebate.	35.32	0%	100%	0.00	35.32
6.	Depreciation	107.40	90%	10%	96.66	10.74
7.	Interest for Capital Loan	28.13	90%	10%	25.32	2.81
8.	Interest for Working Capital	41.87	10%	90%	4.19	37.68
9.	Interest for Security Deposits	58.246	0%	100%	0.00	58.25
10.	Return on Equity	73.48	90%	10%	66.13	7.35
	Amortisation of Regulatory Assets				0.00	0.00
11.	True up of Current year Gap (1/3) rd	True up for FY 2020-21 to be submitted	25%	75%		
12.	Other if any- Contingency Reserve		25%	75%	0.00	0.00
	Miscellaneous Receipt					
13.	Non Tariff Income - Wheeling	As per Assumptions			-	-24.01
14.	Non Tariff Retail Income	As per Assumptions				-85.55
	Total	4155.76			923.12	3232.64

NESCO UTILITY
Statement of allocation of Wheeling and Retail Supply Cost. Rs. Lakh

Sl No.	Cost/Income Component	ARR for FY 2021-22	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2021-22	Retail supply Cost for FY 2021-22
1	Cost of Power	181462.54	0%	100%	9930.83	171531.71
2	Transmission Charges	14342.81	0%	100%	833.12	13509.68
3	SLDC Charges	100.16	0%	100%		100.16
	Total power purchase cost *	195905.50			10763.95	185141.55
	O&M					
4	Employee Cost	36262.57	60%	40%	21757.54	14505.03
5	Repair & Maintenance Cost	10647.96	90%	10%	9583.16	1064.80
6	Administrative & General Expenses	6345.20	40%	60%	2538.08	3807.12
7	Bad & Doubtful Debt including Rebate	8184.80	0%	100%	0.00	8184.80
8	Depreciation	7116.25	90%	10%	6404.62	711.62
	Interest on Loans					
9	for Capital loan	1436.34	90%	10%	1292.71	143.63
10	for Working capital	2569.05	10%	90%	256.91	2312.15
11	Interest on Security Deposits	3402.62	0%	100%	0.00	3402.62
12	Return on Equity	1054.58	90%	10%	949.12	105.46
	Special Appropriation					
13	Amortization of Regulator Assets	0.00	25%	75%	0.00	0.00
14	True Up of Current year GAP 1/3rd	0.00	25%	75%	0.00	0.00
15	Other, if any- Contingency Reserve	789.16	90%	10%	710.24	78.92
	Grand Total	273714.03			54256.34	219457.69
	Miscellaneous					

Sl No.	Cost/Income Component	ARR for FY 2021-22	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2021-22	Retail supply Cost for FY 2021-22
	Receipt					
16	Non-Tariff Income – Wheeling	1126.28	as per actual assumption	as per actual assumption	1126.28	0.00
17	Non-Tariff Income - Retail Business	7404.93	as per actual assumption	as per actual assumption	0.00	7404.93
18	Total Misc. Receipts	8531.21			1126.28	7404.93
19	Total Revenue Requirement	265182.82			53130.06	212052.76
* Allocation of power purchase cost towards wheeling has been made considering 8 % loss on input after effecting EHT Sales						

WESCO UTILITY
Statement of allocation of Wheeling and Retail Supply Cost. Rs. Lakh

Sl No.	Cost/Income Component	ARR for FY 2021-22	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2021-22	Retail supply Cost for FY 2021-22
1	Cost of Power	266025.59	0%	100%	17781.71	248243.88
2	Transmission Charges	20612.50	0%	100%	1378.00	19234.50
3	SLDC Charges	121.94	0%	100%	121.94	0.00
	Total power purchase cost *	286760.03			19281.66	267478.38
	O&M					
4	Employee Cost	52385.53	60%	40%	31431.32	20954.21
5	Repair & Maintenance Cost	10953.10	90%	10%	9857.79	1095.31
6	Administrative & General Expenses	8338.26	40%	60%	3335.30	5002.95
7	Bad & Doubtful Debt including Rebate	9062.16	0%	100%	0.00	9062.16
8	Depreciation	7288.63	90%	10%	6559.77	728.86

Sl No.	Cost/Income Component	ARR for FY 2021-22	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2021-22	Retail supply Cost for FY 2021-22
	Interest on Loans					
9	for Capital loan	1479.80	90%	10%	1331.82	147.98
10	for Working capital	2519.37	10%	90%	251.94	2267.44
11	Interest on Security Deposits	4420.67	0%	100%	0.00	4420.67
12	Return on Equity	778.00	90%	10%	700.20	77.80
	Special Appropriation					
13	Amortization of Regulator Assets		25%	75%		
14	True Up of Current year GAP 1/3rd		25%	75%		
15	Other, if any-Contingency Reserve	760.63	90%	10%	684.57	76.06
	Grand Total	384746.18			73434.36	311311.82
	Miscellaneous Receipt					
16	Non-Tariff Income - Wheeling		as per actual assumption	as per actual assumption		
17	Non-Tariff Income - Retail Business	19224.87	as per actual assumption	as per actual assumption		

SOUTHCO UTILITY

Statement of allocation of Wheeling & Retail Supply Cost (Rs. In Crore)

Sl. No.	Cost/Income Components	ARR for FY 2021-22	Assumption Ratio for consideration of Wheeling Business	Assumption Ratio for consideration of Retail Supply Business	Wheeling Cost for FY 2021-22	Retail Supply Cost for FY 2021-22
1	Power Purchase Cost					
	BSP	793.91	0%	100%	57.85	736.06
	Transmission Charges	100.75	0%	100%	7.23	93.52

	SLDC Charges	0.63	0%	100%	0	0.63
	Total Power Purchase cost	895.29			65.08	830.21
2	O&M Expenses					
	Employee Cost	416.27	60%	40%	249.76	166.51
	A & G Expenses	58.23	40%	60%	23.29	34.94
	R & M Expenses	86.81	90%	10%	78.13	8.68
	Bad & Doubtful Debt including Rebate	29.40	0%	100%	0	29.4
	Depreciation	55.90	90%	10%	50.31	5.59
3	Capital Cost					
	Interest on Working Capital	10.47	10%	90%	1.05	9.42
	Interest on Capital Loan	26.04	90%	10%	23.44	2.6
	Interest on Security Deposit	15.87	0%	100%	0	15.87
	ROE	6.03	90%	10%	5.42	0.60
4	Special Appropriation					
	Amortization of Regulator Assets	0	25%	75%	0	0
	True Up of Current year GAP 1/3rd	0.00	25%	75%	0	0
	Contingency Reserve	6.53	90%	10%	5.87	.67
	Grant Total	1606.83			502.35	1104.49
	Miscellaneous Receipt					
	Non-Tariff Wheeling Income		as per actual assumption	as per actual assumption		
	Non-Tariff Retail Income	18.09	as per actual assumption	as per actual assumption		

***Allocation of power purchase cost towards wheeling has been made considering 8 % loss on input after effecting EHT Sales**

10. Initiatives by utility and other performance improvement measures

TPCODL

- Journey in Safety: Safety of its employees and Public at large is one of the core values over which no business objective can have higher priority. TPCODL has taken various safety initiatives with a view that all injuries & occupational illnesses are preventable.
- Improvements in Operations: TPCODL considers customers as most important stakeholder and has prepared its strategy to create value for the customers by improving the reliability of supply for better customer experience
- Changes in Commercial Service: New Services and Customer care initiatives
- Improvement in Operation Technology Service: SCADA and GIS implementations
- Journey in Information Technology Service: Portals, Gadgets, Devices, Applications, SAP ERP, Payment Gateways etc.

- Achievements Financial Service: Funded and non-funded initiatives, better control, governance, analysis, agility, audits, cash and credit management, ensure timely and complete statutory, regulatory, compliances etc.

In compliance with RST order dated 29.03.2019, utilities have undertaken various performance improvement measures and have submitted compliance as well as benefits report in the ARR petition. Some of the initiatives by utilities are as follows.

NESCO UTILITY

- a. Compliance to OERC Directions.
 - Direction at Para 384: -Strengthen intervention of IT. The Commission is of the opinion that intervention of IT should be strengthened which is an important aspect to increase efficiency and speed with quality
 - Direction at Para 385, 387 & 389: -Energy Audit. The Commission is of the opinion that Energy Audit is a techno commercial activity required to be implemented by DISCOMs so that the financial condition shall be viable. The Commission in the performance review have directed DISCOMs to carry out the Energy Audit in complete shape of at least 5 feeders. This exercise should be further escalated and replicated to other feeders. The Commission hereby directs again to DISCOMs to submit plan of action for the following energy audit activities during the year 2020-21
 - Direction at Para 391: -Training capacity building. Training of Personnel out of normal A&G expenditure - The Commission has laid emphasis on the Capacity building of employees and officers for development of the organization.
 - Direction at Para 408: -Audit books of account. In view of the large gap as per audited accounts and physical availability, we direct the DISCOMs to have a comprehensive audit of the SD and get the figures reconciled.
- b. Various Payment Options
- c. Development of Franchisee/collection agents in Utility Area
- d. Other initiatives for Revenue Improvement
 - INPUT CONTROL
 - METERING
 - BILLING
 - COLLECTION
 - VIGILANCE ACTIVITIES
 - CONSUMER INDEXING
- e. Escrow Relaxation for Spot Billing and Collection Charges for revenue improvement

WESCO Utility

- a. Compliance to OERC Directions.
 - Direction at Para 382 to 390:-Energy Audit.
 - Direction at Para 408:-Security Deposit position as per ledger balance should match with physical balance.
 - Direction at Para 435:- The Commission directs both GRIDCO and DISCOM Utilities to file a reply before the Commission regarding action plan taken for liquidation of the arrears as stated above by 31.05.2020.
 - Direction at Para 445:- The Commission in the last RST order directed to segregate their accounts for wheeling business and retail supply business in terms of Regulation 4.4 of OERC 144 (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014.
- b. Various Payment Options

- c. Development of Franchisee/collection agents in Utility Area
- d. Engagement of GPLF/WSHG as micro franchisee
- e. Other initiatives for Revenue Improvement
 - VIGILANCE ACTIVITIES
 - Disconnection squad
 - Customer care and collection counter
 - POS machine

SOUTHCO Utility

- a. Compliance to OERC Directions.
 - Para 335. Additional Rebate of 2% to LT category of consumers for Digital Payment
 - Para 384. The Commission is of the opinion that intervention of IT should be strengthened which is an important aspect to increase efficiency and speed with quality.
 - Para 385-390. Energy Audit
 - Para 391. Training of Personnel out of normal A&G expenditure – The Commission has laid emphasis on the Capacity building of employees and officers for development of the organization
 - Para 408:-Security Deposit position as per ledger balance should match with physical balance.
 - Para 421. The OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 at Regulation 8 provides for the procedure for Truing up.
 - Para 435. The Commission directs both GRIDCO and DISCOM Utilities to file a reply before the Commission regarding action plan taken for liquidation of the arrears as stated above by 31.05.2020.
 - Para 438. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 at Reg. 3.1 mandates that “In accordance with the principles laid out in these Regulations, the Commission shall determine the tariff for : (a) wheeling of electricity, i.e. Wheeling Tariff, (b) Retail sale of electricity
- b. Various Payment Options
- c. Mobile Phone Based Photo Billing
- d. Focus on Business Analytic and Key Consumer Cell at field offices
- e. Implementation of High Value Consumer Management System
- f. Intensification of Vigilance & Enforcement activities at Section level
- g. Micro Franchisee
- h. Automated Meter Reading System
- i. Prepaid Metering
- j. Consumer Indexing
- k. Energy Audit of 33 KV and 11 KV feeders
- l. Standard of Performance Audit by 3rd Party
- m. Receivable Audit

11. Capital expenditure proposal by TPCODL:

i. Statutory & Safety

- Equipment enhancing Safe Work Environment. - The implementation of TSHMS will also help in improving the safety of all stakeholders (consumers, Business Associate employees & general public).

- Installation / construction of Plinth fencing or Boundary wall of DSS. Area development wherever substation- Improving the safety of people
- Improving safety of the equipment
 - Establishment of Meter Testing Lab with testing Equipment
 - Testing Lab Renovation Work
 - Proposal for NABL Accreditation of Meter Testing Laboratories at Bhubaneswar & Cuttack
 - Refurbishment of Existing Test Bench for development of labs in Khurda, Dhenkanal and Kendrapada
 - Testing Instruments for NABL Lab
 - Smart DT Meters Deployment

ii. Loss Reduction

- Meter Replacement,
- Infrastructure for Spot Billing and Spot Collection,
- Equipment like Accu-check, CMRI, Digital Camera etc-After regularising the theft customers billing efficiency, collection efficiency will increase & ultimately the AT&C loss will reduce & customers getting accurate voltage & current which is low earlier due to theft.
- Feeder Optimization- Reduction in technical loss.

iii. Reliability Improvement

- SCADA Implementation ,
 - Centralized System for visibility of the entire distribution network.
 - Enables standardized Data Acquisition and Reporting.
 - Perform all critical system operations including routine and emergency operations with enhanced operational availability of distribution network and reliable power supply to customers.
 - Predictive and Analytical tools for efficient management and decision making for the entire distribution network.
 - Enhanced Operational safety.
 - Implementation of adequate Network Management and Cyber Security measures.
 - Fastest restoration time of shutdown / outage
 - Safety of citizen, equipment, BA associate, Animal.
 - Analysis of fault in fastest time which will be a guiding factor for network modification, updation
- GSAS Implementation
 - Better Control and operation through Remote Operation. Faster Changeover and quick restoration of Supply
- 33KV and 11KV Sick Equipment Replacement
 - TPCODL intends to implement the following actions to improve the reliability of power supply
 - Identification and replacement of faulty / sick equipment causing frequent tripping's.
 - Introduction of technology to ensure faster restoration of supply in case of any tripping.

- 33KV System Improvement schemes
 - Feeders - Reliable Power supply to the Consumers
- 33KV System Improvement schemes
 - Equipment like 33KV RMU, Isolators AB Switches - Better control and improved Reliability
- Power Evacuation from OPTCL Grid – 33KV Feeders
 - Reliable power to the customer
 - N-1 redundancy of the sub station
- 11KV System Improvement schemes – Feeder
 - Reliable power supply to consumers
- 11KV System Improvement schemes – Equipment like AB switch, RMU
 - Improvement in Reliability Indices like SAIDI & SAIFI

iv. Load Growth

- Meter Installation for all new connection
- New Connection
 - Better the availability of materials, faster will be process of providing new connection hence more will be the customer satisfaction

v. Addition / Augmentation of Power Transformers

- Reliable power supply by ensuring N-1 reliability at PTR level
- Reduce over-burdening of existing PTRs thereby reducing power cuts
- Improve efficiency of ring-main system

vi. 11kV System Augmentation

- Reliable power supply to the customers
- Improvement of voltage profile.
- Reduction in number of outages

vii. Infrastructure Development

- Call Centre & Customer Care centre:
- IT and technology for process efficiency and enhanced productivity:
- Implementation of GIS Road Map
- Store Dept- Capex Requirement
- Civil Infrastructure:
 - Improved working environment for comfort of customer and employees, Open office culture
 - Enhanced consumer interaction, safety of consumer & equipment
 - Improved document storage.
- Administration Dept- Capex Requirement

12. Tariff Proposals and Rationalization Measures Proposal by NESCO Utility, WESCO Utility and SOUTHCO Utility

i. Introduction of kVAh Billing (NESCO UTILITY)

The Commission in its RST Order dtd. 22.03.2014 for FY-2014-2015 had given the directions to the DISCOMs vide Para-246. As per this para the implementation of kVAh billing was declined due to non readiness of the licensees to implement the kVAh based meter readings. Further, the licensees have submitted that all the 3-phase meters, especially those installed for consumers having Contract Demand 20kW and above are enabled with all the energy parameters and storing dump record of 35 days. All such meters show instantaneous Power Factor and monthly average Power Factor can be computed as ratio of active power and apparent power drawn by consumers like in case of existing large and Medium Industries Consumers presently being billed. Hence DISCOMs are fully equipped to implement kVAh billing in respect of all those consumers in place of existing kWh Billing. Hence licensees requested to allow kVAh billing from ensuing year.

ii. Demand charges to HT medium category consumers

Due to wide gap in the demand charges, consumers under HT medium category just below 110kVA are always trying to avail demand benefit even though their load is more than 110 kVA. To curb such disparity NESCO Utility, WESCO Utility and SOUTHCO UTILITY have submitted to fix demand charges for HT medium consumer category @Rs. 250 per kVA.

iii. Introduction of Amnesty Arrear Clearance Scheme for LT Non Industrial category of consumers.

The utilities are having huge outstanding under LT non industrial category consumers. Most of the consumers, after accumulation of huge outstanding are trying to get another connection and putting the other one under Permanently Disconnected Consumers (PDC). The utility is also suffering from huge financial loss on account of low collection efficiency and coverage in Domestic and Commercial category of consumers. With this the licensees requested the Commission to approve an arrear collection scheme for LT non industrial category of consumers in line with OTS scheme earlier approved for FY 2011-12. Depending upon the outstanding and paying ability of the consumer's 6 to 12 monthly instalments may be fixed to clear the outstanding and avail benefit of withdrawal of DPS and certain percentage of waiver on outstanding amount.

iv. Rebate on prompt payment

In the BSP Order for the financial year 2018-19, the Commission directed that the Utility is entitled to avail a rebate of 2% for prompt payment of BST bill on payment of current BST in full within two working days of presentation of BST Bills and 1% is paid within 30 days. Further, the Commission had directed to pay the rebate to all consumers except domestic, general purpose, irrigation and small industry category, if payment is made within three days of presentation of bill and fifteen days in case of others.

Considering the above, it is prayed before the Hon'ble Commission to approve the rebate of 2% to the Utility for prompt payment towards BST bills including part payments within 3 (three) working days from the date of presentation of the BST bill and in case the BST bill is paid after 3

(three) days the rebate should be proportionately allowed to the extent of payment made within 30th day @1% akin to Rebate Policy on Rebate is provided to GRIDCO by NTPC.

Licenseses have further submitted that the above rebate may kindly be also permitted in case of part payment so that cash flow of the Bulk Supplier will improve and at the same time the utility would be tempted to remit the amount collected to GRIDCO to avail such benefit.

v. Additional Rebate of 2% to LT category of Consumers (NESCO UTILITY AND WESCO UTILITY)

The Commission has allowed rebate of 2% additional rebate towards digital payment for LT category of consumers. The intention was to promote cash less transaction to avoid pressure on currency notes which is also saving the time of the consumers for depositing cash in various cash collection centres. So, the licensee is intended to continue with the same for the ensuing year. Therefore, the additional rebate of 2% in addition to normal rebate as applicable may be considered for LT Domestic & Kutir jyoti category of consumers who shall make payment through digital mode only. WESCO Utility has suggested for additional 2% instead of presently applicable rebate of 2% in addition to the normal rebate as applicable may be considered by the Commission for LT Domestic & Kutir jyoti category of consumers who shall make payment through digital mode only.

vi. Withdrawal of power factor incentives (NESCO UTILITY and SOUTHCO UTILITY)

Presently all the machines used by the industries are BSI or ISO certified, similarly pumps or motors used are energy efficient along with capacitor banks, which are the contributor of higher power factor. Hence, licenseses submitted that present scenario continuance of PF incentives is no longer necessary and may kindly be abolished.

vii. Withdrawal of TOD benefits (NESCO UTILITY andSOUTHCO UTILITY)

As per RST order TOD benefit is being extended to Three phase consumers except public lighting and Emergency Supply category of consumers having own CGP for the consumption during off peak hour. Off peak hour for this purpose is from night 12.00 PM to morning 6 AM of next day. Now with the introduction of frequency based tariff significance of Off peak hour(TOD) consumption has been lost.

Consumers are reaping the benefit of frequency based tariff and intends to use accordingly as a result the load curve of most of the industries are almost flat. In such scenario continuance of TOD benefit is no more required. If continuance of TOD benefit is being permitted to the consumers, similarly the Utility's BSP may also be permitted to reduce for TOD consumption during off peak hour. Further, consumers having contract demand more than 110Kva and above are also availing off peak hour benefit towards drawl to the extent of 120% of their contract demand without levy of penalty. So, further continuance of TOD benefit would be a double benefit for the same cause hence licenseses have requested to withdraw TOD benefits.

viii. MMFC for LT category of consumers (NESCO UTILITY)

In case of Domestic, General purpose, Specified Public Purpose & PWS the rate is same as for 1st kw as well as additional Kw. However, in case of other category the rate for additional Kw and part thereof is very much lower for which the revenue of the utility is highly affected as well as creating discrimination among LT category of consumers. In this view, Licenseses have

submitted to rationalized LT consumers with single rate for 1st kW or part thereof as well as additional kw or part thereof

ix. Demand Charges and Monthly Minimum Fixed Charges

The Utility submits that 90% of the Distribution costs are fixed cost in nature. The distribution cost of the License which is a fixed cost has increased many folds during the recent years, the said cost normally required to be recovered from the Demand Charges. The fixed cost of the power procurement by way of payment towards capacity charges has also increased during last few years. The revenue recovery on account of the demand charges and monthly minimum fixed charges is approximately.

x. Levy of Demand Charges on installed capacity instead of contract Demand (WESCO UTILITY and SOUTHCO UTILITY)

Consumers with contract demand 110 kVA and above are billed on two-part tariff on the basis of actual demand and energy consumed. The Demand Charge reflects the recovery of fixed cost payable by the consumers for the reservation of the capacity made by the licensee for them. Presently the recovery of fixed cost of the Utility with 80% of CD is inadequate. In view of the same the licensee has proposed to recover the monthly demand charges on the basis of 85% of the CD or MD whichever is higher instead of 80%.

xi. Introduction of KVAH Billing or applicability of power factor penalty (WESCO UTILITY and SOUTHCO UTILITY)

Hon'ble Commission in the RST order vide para 280 has observed that "DISCOM Utilities request the Commission that KVAH billing should be introduced or alternatively power factor penalty should be imposed on some LT and HT categories of consumers. This matter has been discussed by the Commission in the past several Tariff order. KVAH billing should not be utilized as a revenue generation model rather for correct recording of energy. In appropriate time when infrastructures are fully ready for all the consumers this can be introduced".

This has been verified that all the 3-phase meters, especially those installed for consumers having Contract Demand 20KW and above in the DISCOMs are enabled with all the energy parameters and storing dump record of 35 days. All such meters show instantaneous Power Factor and monthly average Power Factor can be computed as ratio of active power and apparent power drawn by consumers like in case of existing large and Medium Industries Consumers presently being billed. Hence DISCOMs are fully equipped to implement KVAH billing in respect of all those consumers in place of existing KWH Billing.

xii. Applicability of Power Factor Penalty (WESCO UTILITY and SOUTHCO UTILITY)

Licensees submitted that if the kVAh based billing proposal is not accepted by Hon Commission by any reason, then the licensees have requested continuance of power factor penalty as RST order of 2018-19 for Large Industries, Public Water Works (110 KVA and Above), Railway Traction, Power Intensive Industries, Heavy Industries, General Purpose Supply, Specific Public Purpose (110 KVA and above), Mini Steel Plant, Emergency Power Supply to CGP.

Till such time KVAH billing approach is adopted the Utility proposes for applicability of Power Factor Penalty for the following category of Consumers in order to bring more efficiency in Power System Operation.

- **LT Category:** LT industries Medium Supply, Public Water Works and Sewerage Pumping > 22 KVA
- **HT Category:** Specified Public Purpose, General Purpose < 110 KVA, HT Industries (M) Supply.

xiii. Recovery of Cost of the Meter (SOUTHCO UTILITY AND WESCO UTILITY)

Commission has approved recovery of Monthly Meter Rent from various categories of consumers in different rates on the basis of types of meter. Recovery of the same is permitted for a period of 60 months i.e. till the cost of the meter is recovered. Statutory levy required to be collected in addition to meter rent. Statutory levy indicates collection of GST. Now, consumers are being billed on monthly basis along with meter rent, statutory dues i.e. GST also due on the basis of monthly/bi monthly billing.

xiv. Creation of Accidental Corpus Fund (SOUTHCO UTILITY AND WESCO UTILITY)

Sometimes lives of human as well as animal are being lost for electrical accidents. In many cases, the family members of the deceased person are suffering. To protect such unforeseen happening Govt. of Odisha dept. of energy also suggest for creation of Accidental reserve fund, out of which compensation may be extended to the families of deceased person. It has been discussed on 26th Oct-19 under chairmanship of Commissioner Cum Secretary department of energy under 5 T program. It has been directed that DISCOM should appeal before OERC in tariff for recovery of Re 1 on monthly basis. In view of the above it is humbly submitted before Hon'ble Commission to approve the same in the RST order.

xv. Negative Cash Flow (WESCO UTILITY)

The Utility is also facing financial crisis in the current year & unless substantial relief is being extended the cash flow position will not improve for the ensuing year.

xvi. Increase in Charges for line extension to LT Single Phase connection up to 5KW (WESCO UTILITY and SOUTHCO UTILITY)

The Commission in the RST order DT.22.04.2020 vide Annexure-B para (vii) has allowed to recover the following charges for LT Extension: -

LT Single Phase consumers of all categories having CD upto 5 KW with pole within 30 meters from the consumer premises

Upto 2 KW : Rs.1,500/-

Beyond 2 KW upto 5 KW: Rs.2,500/-

Provided that if the line extension is required beyond 30 meters, the licensee/supplier shall charge @ Rs.5,000/- for every span of line extension in addition to the above charges.

Now, it is seen that the actual cost is much higher in many cases. In case of urban areas it is somehow possible, but in case of rural area it is not at all feasible. Even if for single pole or two poles cases the transportation, loading & unloading, erection cost is much higher. Further the AB cable must be in higher size for further extension of load along with stay in case of last span. Therefore, it is humbly submitted that in case of rural areas it may be fixed as Rs.12, 500/- per span.

xvii. Billing to Irrigation and Agriculture Category of Consumers (NESCO UTILITY)

Presently due to difficulty in putting meters in case of irrigation category of consumers billing is not possible in most of the cases. Replacement of defective meters is also not possible due to inaccessibility. In view of the same, the licensee NESCO Utility requested permission to bill such category of consumers on L.F. basis with L.F. of 30% considering their pump capacity.

13. Prayer

a. TPCODL prays that the Hon'ble Commission may kindly pleased to;

1. Approve the Aggregate Revenue Requirement (ARR) for Wheeling business and Retail business of the Utility for the Financial Year 2020-21 (for 10 Months) as proposed by the TPCODL.
2. Admit the accompanying Aggregate Revenue Requirement for Wheeling business and Retail business for FY 2021-22.
3. Permit making additional submission required in this matter
4. Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

b. NESCO Utility, WESCO Utility & SOUTHCO Utility has following prayers to the Commission:

In the aforesaid facts and circumstances, the utility prays that the Hon'ble Commission may be pleased to:

1. Take the ARR application and Tariff Petition on record.
2. Approve the Aggregate Revenue Requirement for FY 2021-22.
3. Bridge the Revenue Gap for the FY 2021-22 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of Odisha as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff(RST)

Allow the following Tariff rationalization measures as proposed by the DISCOMs: -

NESCO UTILITY

- Withdrawal of Power Factor Incentive.
- Rationalization of MMFC charges for LT category of consumers where disparity in monthly fixed charges for 1st kw or part thereof with the additional kw or part thereof.
- Continuance of additional rebate of 2 % to LT single phase Domestic category of consumers only if payment made through digital mode/online over and above normal rebate.
- Introduction of KVAH Billing
- 2% Rebate be allowed on payment of current monthly BST bills (excluding all arrears) within 3 days time instead of 2 working days and also to allow rebate on part payment of BST bills.

- Include Billing & Collection expenses in addition to the employee expenses and contractual obligations as allowed on monthly basis as escrow relaxation and issue necessary directions to GRIDCO.
- Introduction of Amnesty arrear clearance scheme for LT non industrial category of consumer considering receivable audit report.
- Addressing of negative cash flow of the utility by giving special relief towards reduction of BST.
- Withdrawl of TOD Benefit
- Other Tariff rationalization measures as proposed in this application
- Allow the Utility to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Commission deems fit

WESCO UTILITY

- Allow the following Tariff rationalisation measures as proposed
- Recovery of Meter Cost instead of Meter Rent or abolish of the same
- Creation of accidental corpus fund
- Demand Charges to HT medium category of consumers
- Continuance of additional rebate of 2% to LT single phase Domestic and single phase GP category of consumers only if payment made through digital mode/online over and above normal rebate.
- Introduction of KVAH Billing or applicability of power factor penalty
- Levy of demand charges on installed capacity instead of contract demand as per agreement or 85% of the CD or MD whichever is higher.
- 2% Rebate be allowed on payment of current monthly BST bills (excluding all arrears) within 3 days time instead of 2 working days and also to allow rebate on part payment of BST bills.
- Introduction of Amnesty arrear clearance scheme for LT non industrial category of consumer considering receivable audit report.
- Charges for line extension to LT single phase connection up to 5 Kw
- Addressing of negative cash flow of the utility by giving special relief towards reduction of BST.
- to direct GRIDCO to relax escrow for A&G expenses towards revenue improvement and R&M exp along with Employee cost on monthly basis
- Other Tariff rationalization measures as proposed in this application
- Allow the Utility to submit additional documents, modify the present petition, if so required, during the proceeding of this application.

- Any other relief, order or direction which the Commission deems fit

SOUTHCO UTILITY

- To consider the AT & C Loss for the ensuing year.
- To do away with Intra state ABT till generators are involved.
- Allow the following Tariff rationalisation measures as proposed
- Withdrawal of Power Factor Incentive & abolish TOD benefit.
- Change of nomenclature from Meter Rent to Recovery of the Cost of the Meter
- Introduction of kVAH billing.
- Applicability of Power Factor Penalty
- Increase in Demand charges to HT medium Industry consumers.
- To increase the Demand charges and monthly minimum fixed charges for recovery of fixed cost.
- Introduction of Amnesty arrear clearance scheme for LT non industrial category of consumer.
- Levy of demand charges on installed capacity instead of contract demand.
- Creation of accidental corpus fund.
- Increase in charges for line extension to LT single phase consumers
- 2% Rebate be allowed on payment of current monthly BST bills (excluding all arrears) within 3 days' time instead of 2 working days and also to allow rebate on part payment of BST bills.
- Other Tariff rationalization measures as proposed in this application
- Looking to the geographical area and the consumer mix, the cheap cost of power may be allocated to the Southco Utility while finalizing the BSP.
- Approve Billing and Collection expenses under Employee Expenses and escrow relaxation by GRIDCO on monthly basis for improvement of Revenue.
- Allow the Utility to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Commission deems fit
