ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNOKOLI,
SHAILASHREE VIHAR, BHUBANESWAR-751021
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Present : Shri G. Mohapatra, Officiating Chairperson
Shri S. K. Ray Mohapatra, Member

CASE NOs. 108,109,110 &111 of 2021

DATE OF HEARING: 23.02.2022 at 11.00 A.M (TPSODL),
25.02.2022 at 11.00A.M (TPWODL),
25.02.2022 at 3.00P.M (TPNODL)
28. 02.2021 11.00 A.M (TPCODL)

DATE OF ORDER: 24.03.2022

IN THE MATTER OF: Applications of Distribution Companies (TPCODL-erstwhile CESU), TPNODL (erstwhile NESCO Utility), TPWODL (erstwhile WESCO Utility) & TPSODL (erstwhile SOUTHCO Utility) for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff for the FY 2022-23 under Sections 62 & 64 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

CASE NOs. 112, 113, 114 & 115 of 2021

DATE OF HEARING: 23.02.2022 at 11.00 A.M (TPSODL),
25.02.2022 at 11.00 A.M (TPWODL),
25.02.2022 at 03.00 P.M (TPNODL),
28.02.2021 at 11.00 A.M (TPCODL)

IN THE MATTER OF: Applications under Section 42 of the Electricity Act, 2003 read with OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge and Additional Surcharge for FY 2022-23 of DISCOMs namely TPWODL (erstwhile WESCO Utility), TPNODL(erstwhile-NESCO Utility), TPCODL (erstwhile- CESU) & TPSODL (erstwhile- SOUTHCO Utility).

AND

CASE NO. 116 of 2021

DATE OF HEARING : 25.02.2022 at 11.00A.M (TPWODL),

In the matter of: **Application for approval of Truing up expenses for the period of FY 2020-21 in compliance to the directions of the Commission vide para 53 of the vesting order dated 28.12.2020 passed in Suo Motu proceeding in Case No. 82 of 2020.**

AND

CASE NO. 117 of 2021

DATE OF HEARING : 23.02.2022 at 11.00 A.M (TPSODL)

In the matter of: **Application for approval of Truing up expenses for the period of FY 2020-21 in compliance to the directions of the Commission vide para 57 of the vesting order dated 28.12.2020 passed in Suo Motu proceeding in Case No. 83 of 2020.**

AND

CASE NO. 118 of 2021

DATE OF HEARING: 28. 02.2021 11.00 A.M (TPCODL)

In the matter of: **Application for approval of Truing up expenses for the period of FY 2020-21(June, 2020 to March, 2021) in compliance to the directions of the Commission vide their vesting order dated 26.05.2020 passed in Suo Motu proceeding in Case No.11 of 2020.**

O R D E R

The Distribution Companies in Odisha namely TPNODL, TPWODL, TPSODL and TPCODL are carrying out the business of distribution and retail supply of electricity in their licensed areas as detailed below:

Table – 1

Sl. No.	Name of DISCOMS	Licensed Areas (Districts)	%age area of the State
1.	TPNODL	Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.	18.0
2.	TPWODL	Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda.	32.3
3.	TPSODL	Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.	30.8
4.	TPCODL	Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur.	18.9
Odisha Total			**100.0**

The Commission initiated proceedings on the filing of Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff Applications (RST) for FY 2022-23 of these Distribution Companies under relevant provisions of the Electricity Act, 2003. By this common Order, the Commission considers aforesaid Aggregate Revenue Requirement (ARR), Wheeling Tariff and RST applications of the above mentioned Distribution Utilities and other related tariff matters.

A. PROCEDURAL HISTORY (PARA 2 TO 13)

2. After the revocation of licenses of distribution Utilities such as CESU, NESCO Utility, WESCO Utility and SOUTHCO Utility, the Commission under Section 21 of the Electricity Act, 2003 by its order dated 26.05.2020 in Case No.11 of 2020 has vested the Utility of CESU with TP Central Odisha Distribution Limited (TPCODL). Similarly the Commission under Section 21 of the Electricity Act, 2003 by its orders in Case No. 82 of 2020 (dated 28.12.2020), Case No. 83 of 2020 (dated 28.12.2020) and Case No. 09 of 2021(dated 25.03.2021) has vested the Utilities of WESCO and SOUTHCO and NESCO with TP Western Odisha Distribution Limited (TPWODL), TP Southern Odisha Distribution Limited (TPSODL) and TP Northern Odisha Distribution Limited (TPNODL) respectively. Accordingly, a responsibility of erstwhile distribution utilities has been transferred to TPCODL, TPWODL, TPSODL, TPNODL with effect from 01.06.2020, 01.01.2021, 01.01.2021 and 01.04.2021 respectively.

3. As per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Distribution Utilities i.e. TPNODL (erstwhile NESCO Utility), TPWODL (erstwhile WESCO Utility), TPSODL (erstwhile SOUTHCO Utility) and TPCODL

(erstwhile CESU) have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff Application (RST) for FY 2022-23 on or before 30th November, 2021.

4. The said Aggregate Revenue Requirement (ARR), Wheeling Tariff & Retail Supply Tariff applications were duly scrutinized and registered as Case Nos. 108/2021 (**TPNODL**), 109/2021 (**TPWODL**), 110/2021 (**TPSODL**) and 111/2021 (**TPCODL**) respectively.

5. As per the direction of the Commission, applicants have published the Aggregate Revenue Requirement (ARR), Wheeling & RST tariff Applications in the prescribed formats in the leading and widely circulated Odia and English newspaper in their area of supply in order to invite objections/suggestions from the general public. The above applications were also posted in the Commission's website (www.orierc.org) including the website of the Distribution Utilities. The Commission had also directed the applicants to file their respective rejoinder to the objections filed by the all the objectors.

6. In response to the said public notices, the Commission received objections/ suggestions from the following persons/ associations/ institutions/ organizations as mentioned below against each of the respective distribution companies:-

Objections/suggestions on TPNODL's application by: -

(1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswa-751007, (2)M/s. MSP Sponge Iron Ltd., At-Haldiaguna, P.O: Gabardhan, Dist.-Keonjhar-58013, (3) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (4) Shri Priyabrata sahu, S/O.Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001, (5) Shri Ashok Kumar Nanda, S/o. Late Banbihari Nanda, Convener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (6) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (7) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, UP-201301 (8) Shri K. Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (9) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (10)

M/s. Tata Steel Ltd., Kalinga Nagar Industrial Complex, Duburi, JK Road, Dist.-Jajpur-755026, (11) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (12) Managing Director, GRIDCO Ltd., Janpath, Bhubaneswar-22, (13) Shri Nilambar Mishra, M/s. Odisha Consumer Association, Balasore Chapter (Consumer Counsel), At/Po-Rudhunga, Via/Ps-Simulia, Dist-Balasore-756126, (14) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (15) Shri B. K. Das, G.M.(RT&C), OPTCL, Janpath, Bhubaneswar-22, (16) Shri R.P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (17) Shri Ananda Kumar Mohapatra, S/o. Jachindranath Mohapatra, Power Analyst, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002 and the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar-01.

All the above named objectors had filed their objections/suggestions and out of the above Objectors, Objector Nos. 2, 7, 8, 9 and 11 & the Consumer Counsel- PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were not present during tariff hearing through Virtual Mode. All the written submissions filed by objectors were taken on record and also considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsel, Balasore Chapter and those who were present during hearing through virtual mode.

Objections/suggestions on TPWODL's (Erstwhile WESCO Utility)'s application by:

(1) M/s. Scan Steels Ltd., At-Main Road, Rajgangpur, Dist.-Sundargarh-770017, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (3) M/s. Bajrangabali Sponge & Power Ltd., At-Plot No. 82, IDC, Kalunga, Dist.-Sundargarh-770031, (4) M/s. Bajrang Steel & Alloys Ltd., Plot No. 31, Goibhanga, Kalunga, Rourkela, Dist.-Sundragarh-770031, (5) Shri Priyabrata sahu, S/O. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001, (6) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No. 302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (7) M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (8) Shri Ashok Kumar Nanda, S/o. Late Banbihari Nanda, Convener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (9) M/s. Subh Ispat (P) Ltd., At-

Jaiabahal, Kalunga, Dist.-Sundargarh-770031, (10) M/s. Reliable Sponge Pvt. Ltd., At-YYY-6, Civil Township, Rourkela, Dist.-Sundargarh769004, (11) M/s. Maa Girija Ispat (P) Ltd., Regd. Off-BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundargarh, (12) M/s. Arun Steel Industries Pvt. Ltd., At-Plot No.373, Jiabahal Road, Kalunga, Dist.-Sundargarh-770031, (13) M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031, (14) M/s. Refulgent Ispat Pvt. Ltd., At-Chikatmati, Plot No.1437, P.O: Belhidi, Sundargarh-770031, (15) M/s. Vishal Ferro Alloys Pvt. Ltd., At-Plot No.1562/2565, Balanda, P.O: Kalunga, Rourkela, Dist.-Sundargarh-770031, (16) M/s. Top Tech Steels Pvt. Ltd., At- Plot No. 972/3634, Hatibari Road, Kuamunda, Dist.-Sundargarh-770031, (17) M/s. D. D. Iron & Steel (P) Limited, H-4/5, Civil Township, Rourkela-769004, Dist-Sundargarh, (18) M/s. Shri Radha Raman Alloys Pvt. Ltd.,At-T-16, Civil Township, Rourkela, Jharbeda, Kutra, Dist.-Sundargarh-770070, (19) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (20) M/s. Scan Steels Limited,(Unit-III), At-Bai-Bai, Tudalaga, Bargaon, Dist.-Sundargarh-770016, (21) M/s. Scan Steels Limited,(Unit-II), At Budhakata, Bringatoli, Dist.-Sundargarh-770018, (22) M/s. Scan Steels Limited,(Unit-I), At- Rambahal, P.O: Keshramal, Near Rajgangpur, Dist.-Sundargarh-770017, (23) M/s. Jai Balaji Jyoti Steels Ltd., At- Unitech House, Uditnagar,Rourkela-769012, (24) Shri K. Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (25) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (26) Er.(Dr) Prasanta Kumar Pradhan, Duplex-244, Monorama Estate, Rasulgarh, Bhubaneswar-751010, (27)) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (28) Managing Director, GRIDCO Ltd., Janpath, Bhubaneswar-22, (29) M/s. Vedanta Limited, At-1st Floor, C-2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar-751023, (30) Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003 (Consumer Counsel), (31) Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela.- 769012 (Consumer Counsel), (32) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (33) Shri B. K. Das, G.M.(RT&C), OPTCL, Janpath, Bhubaneswar-22, (34) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013,

(35) Shri Ananda Kumar Mohapatra, S/o. Jachindranath Mohapatra, Power Analyst, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002 and the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar-01.

All the above named objectors had filed their objections/suggestions and out of the above Objectors, Objector Nos. 19, 24, 25, 27 and 29 and the Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003, Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela- 769012 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were not present during tariff hearing through virtual mode. All the written submissions filed by the objectors were taken on record and also considered by the Commission.

Objections/suggestions on TPSODL's (Erstwhile SOUTHCO Utility) application by*:*

(1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (2) Shri Priyabrata sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001 (3) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (4) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (5) Shri Ashok Kumar Nanda, S/O. Late Banbihari Nanda, Convener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (6) M/s. Maa Bana Devi Poultry Pvt. Ltd., At/P.O: Nuagoan, Via-Aska, Dist.-Ganjam-761010, (7) Shri K. Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (8) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (9) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (10) Shri Panchanana Jena, S/O. Late Bairagi Jena, President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (11) Shri Judhister Behera, S/O.Late Kandia Behera, At/P.O: Sidhartha Nagar, Berhampur, Dist.-Ganjam, (12) Shri Ratan Majhi, General secretary, Zilla Janajati Surakshya Mancha, Nabarangapur, Dist.-Koraput-764059, (13) Managing Director, GRIDCO Ltd., Janpath, Bhubaneswar-22, (14) Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati-761200

(Consumer Counsel), (15) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (16) Shri B. K. Das, G.M.(RT&C), OPTCL, Janpath, Bhubaneswar-22,(17) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (18) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Power Analyst, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002 and the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar-01.

All the above named objectors had filed their objections/suggestions and out of the above Objectors, Objector Nos. 9 , 11, 12, 14 & 15 and both the Consumer Counsels were absent during hearing and also had not submitted their written note of submissions for consideration by the Commission. All written submissions filed by objectors were taken on record and considered by the Commission.

Objections/suggestions On TPCODL's application by:

(1) M/s.Orissa Small Scale Industries Association, Ajay Binay Bhawan, Industrial Estate, Cuttack-753010, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007,(3) Shri Priyabrata sahu, S/O. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001, (4) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (5) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI),N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (6) Shri Ashok Kumar Nanda, S/O. Late Banbihari Nanda, Convener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (7) M/s. Odisha Industries Association, New Industrial Estate, At/P.O: Jagatpur, Dist.-Cuttack-754021, (8) M/s. Satyam Casting Pvt. Ltd., At-Gopalpur, P.O: Chasapada, Dist.-Cuttack-754027, (9) M/s. Association of Industrial Entrepreneurs of Bhubaneswar, Shed No. A/12, Sector-A, Zone-A, Chandaka Integrated Industrial Complex, Mancheswar, Bhubaneswar-751010, (10) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (11) Shri K. Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (12) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (13)

M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar -751029, (14) Managing Director, GRIDCO Ltd., Janpath, Bhubaneswar -22, (15) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (16) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 (Consumer Counsel), (17) Shri B. K. Das, G.M.(RT&C), OPTCL, Janpath, Bhubaneswar-22, (18) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Power Analyst, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002, (19) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013 and the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar-01.

All the above named objectors except Objector Nos. 18 & 19 had filed their objections/suggestions and out of the above the objector Nos.10 & 13 and both the Consumer Counsels namely Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were absent during hearing through virtual mode on 28.02.2022 at 11.00 A.M. and also had not submitted their written note of submissions for consideration of the same by the Commission. All written submissions filed by objectors were taken on record and considered by the Commission.

The Commission heard the applicant, the Objectors (who had filed their objections and present during hearing through virtual mode), Consumer Counsels appointed by the Commission and other organizations (listed in Tabel-2) and the representative of Department of Energy, Government of Odisha, Bhubaneswar-751001.

Table – 2

Sl. No.	Name of the Organisations/persons with address	Area of operation of the DISCOM(s)
1	Orissa Consumers' Association, Balasore Chapter, Balasore	TPNODL
2	Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur	TPWODL
3	Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela	TPWODL
4	Grahak Panchayat, Friends Colony, Parlakhemundi, Dist : Gajapati	TPSODL
5	Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9.	TPCODL
6	The Secretary, PRAYAS Energy Group, Pune	TPCODL,TPNODL, TPWODL & TPSODL

7. The dates for hearing were fixed along with the names of the objectors and were duly notified in the leading English & Odia daily newspaper mentioning the date & and time of hearing through virtual mode due to Pandemic-19 situation in the Country. The Commission issued notice to the Government of Odisha (GoO) represented by the Department of Energy (DoE) to take part in the hearing by their authorized representative of the ensuing tariff proceedings through virtual mode.

8. In its consultative process, the Commission conducted public hearings through virtual mode for TPNODL on 25.02.2022 at 03.00 PM., TPSODL on 23.02. 2022 at 11.00 AM, TPWODL on 25.02.2022 at 11.00 AM and for TPCODL on 28.02.2022 at 11.00 AM due to pandemic (COVID-19) situation in the State. The Commission heard the Applicants, Consumer Counsel-World Institute of Sustainable Energy (WISE), Pune, the persons/institutions/organizations who had filed their written submissions and participated in the hearing, the Objectors present during hearing and the representative of the DoE, Government of Odisha at length through virtual mode. Parties were directed to file their additional written note of submission, if any, within a week from the date of hearings. The applicants were also directed to file their rejoinder/written note of Submission along with their reply to the queries of the Commission made during hearings, if any, within a week from the date of hearings.

9. Distribution Companies of Odisha had filed their applications for wheeling charges, surcharges and additional surcharges for financial year 2022-23 under Section 42 of the Electricity Act, 2003 read with OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge and Additional Surcharge for FY 2022-23. Those were registered as Case Nos. 112, 113, 114 & 115 of 2021 respectively.

10. Similarly, TPWODL, TPSODL & TPCODL had filed their application for Truing up expenses for the period of FY 2020-21, which were registered in Case Nos. 116, 117 & 118 of 2021 respectively. The Commission had directed the DISCOMs to publish the Public Notice regarding their applications in widely circulated Odia and English newspaper inviting views/ suggestion of the public. The Commission had also posted a copy of their applications in its website. The following persons have filed their views / objections in response to such public notice.

(a) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (b) M/s. Vedanta Ltd.,1st

Floor, C-2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar-751023, (c) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (d) Er.(Dr) Prasanta Kumar Pradhan, Duplex-244, Monorama Estate, Rasulgarh, Bhubaneswar-751010, (e) Shri Ratan Majhi, General Secretary, Zilla Janajati Surakhya Mancha, Nabarangapur-764059, (f) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (g)The Managing Director, GRIDCO Ltd., Janapath, Bhubaneswar-22 and the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar-01.The said filings are also taken on record and duly considered by the Commission.

11. The Commission took up Case Nos. 112, 113, 114, 115, 116, 117 &118 of 2021 together with the applications of the Distribution Utilities for determination of ARR, Wheeling Tariff & Retail Supply Tariff for FY 2022-23 for analogues hearing as the matters are inter related for fixation for tariff of the Distribution Companies.

12. The Commission heard the applicants, objectors and the representative of the DoE, Government of Odisha through virtual mode at length. Parties were directed to file their written note of submission within a week from the date of hearings.

13. The Commission convened the State Advisory Committee (SAC) meeting on 11.03.2022 at 11.00 AM through virtual mode to discuss and seek suggestions on the application for Aggregate Revenue Requirement, Wheeling Tariff and Retail Supply Tariff proposals of the Distribution Utilities including truing up and applications for open access charges. The Members of SAC, Special Invitees, the Representative of DoE, Government of Odisha actively participated in the discussion and offered their valuable suggestions & views on the matter for consideration of the Commission.

B. ARR & RETAIL SUPPLY TARIFF PROPOSAL FOR 2022-23 (PARA 14 TO 24)

Energy Sales and Purchase

14. A statement of Energy Purchase, Sale and Overall Distribution Loss from FY 2020-21 to 2022-23 as submitted by DISCOM of Odisha (TPCODL, TPWODL, TPSODL and TPNODL) is given below:

Table - 3

DISCOMs		EHT	HT	LT	TOTAL
TPCODL	Actual Sales during 2020-21	948.15	1254.12	4000.05	6202.32
	Approved Sales for FY 2021-22	997.78	1340.21	4821.81	7159.80
	Estimated Sales for FY 2021-22	1043.75	1406.43	4471.45	6908.17
	Proposed Sales for FY 2022-23	1095.93	1468.12	4796.43	7360.48
	Proposed rise over FY 2021-22	5.00%	4.39%	7.26%	6.69%
TPWODL	Actual Sales during 2020-21	1299.68	1777.86	2635.96	5713.50
	Approved Sales for FY 2021-22	1545.88	1953.98	3414.54	6914.40
	Estimated Sales for FY 2021-22	1700.00	1800.00	3260.00	6760.00
	Proposed Sales for FY 2022-23	1750.00	1850.00	3510.00	7110.00
	Proposed rise over FY 2021-22	2.94%	2.78%	7.67%	5.18%
TPSODL	Actual Sales during 2020-21	438.43	221.61	2109.90	2769.94
	Approved Sales for FY 2021-22	481.15	230.71	2363.14	3075.00
	Estimated Sales for FY 2021-22	464.96	279.51	2184.97	2929.44
	Proposed Sales for FY 2022-23	480.79	292.45	2354.46	3127.70
	Proposed rise over FY 2021-22	3.40%	4.63%	7.76%	6.77%
TPNODL	Actual Sales during 2020-21	1424.98	388.87	2107.78	3921.63
	Approved Sales for FY 2021-22	1696.49	415.60	2688.93	4801.02
	Estimated Sales for FY 2021-22	1589.05	463.97	2364.99	4418.01
	Proposed Sales for FY 2022-23	1662.05	485.79	2734.91	4882.76
	Proposed rise over FY 2021-22	4.59%	4.70%	15.64%	10.52%
TOTAL	Actual Sales during 2020-21	4111.23	3640.45	10853.69	18604.37
	Approved Sales for FY 2021-22	4721.3	3940.49	13288.42	21950.22
	Estimated Sales for FY 2021-22	4797.76	3949.9	12267.94	21015.6
	Proposed Sales for FY 2022-23	4988.77	4096.36	13395.81	22480.95
	Proposed rise over FY 2021-22	3.98%	3.71%	9.27%	7.02%
PURCHASE	Actual Purchase 2020-21				24535.74
	Estimated Purchase FY 2021-22				27281.54
	Proposed Purchase FY 2022-23				28586.63

Sales analysis for FY 2022-23

15. For projecting the energy sale to different consumer categories, TPSODL had analysed the past trends of consumption pattern since FY 2001-2002 and actual sales data for the first six months of FY 2020-21. TPCODL had submitted that due to COVID-19 the H2 consumption of FY 2021-22 will not reflect correct growth if the same period would have been normal and hence they have considered projections based on the consumptions of recent months i.e. H1 of FY 2021-22. TPNODL had analysed and relied on past trends of consumption pattern for last ten years i.e. from FY 2011-12 to FY 2020-21 and actual sales data for the first six months of FY 2021-22. With this, the four distribution utilities have forecasted their sales figures for the year 2022-23 as detailed below with reasons for sales growth.

Table -4
Sales Forecast

Licensee	LT Sales for 2022-23 (Est.)		HT Sales for 2022-23 (Est.)		EHT Sales for 2022-23 (Est.)		Total Sales 2022-23 (Est.) MU
	(MU)	% Rise over FY 21-22	(MU)	% Rise over FY 21-22	(MU)	% Rise over FY 21-22	
TPCODL	4796.43	7.26%	1468.12	4.40%	1095.93	5.00%	**7360.484**
Remarks	Projected the sales based on the H1 of 2021-22, as the historical sales is lower due to COVID		Projected the sales based on the H1 of 2021-22, as the historical sales is lower due to COVID		Projected the sales based on the H1 of 2021-22, as the historical sales is lower due to COVID		
TPNODL	2734.90	15.64%	485.79	4.70%	1662.05	4.59%	**4882.78**
Remarks	Impact of new households being constructed under PMAY and electrification of un-electrified households considered along with other sales growth in agro allied activities and specified public purpose category etc.		Lower sales growth is being projected due to shifting of some of the consumers to HT category and raw material issues in power intensive ferrochrome industry		Due to COVID and raw material issues in steel and iron industry the growth is less even due to railways demand growth and planned new industries		
TPWODL	3510.00	7.67%	1850.00	2.77%	1750.00	2.94%	**7110.00**
Remarks	Impact of electrification and replacement of energy meters has resulted in growth in domestic sector. Also higher consumption expected in irrigation and agro allied industries		HT Industries who regularly opted to draw power under Open Access in the past has preferred TPWODL power due to high prices in IEX further demand in industrial sector has increased.		Slight increment in Railways consumption due to addition of 6 new connections		
TPSODL	2354.46	7.75%	292.45	4.62%	480.79	3.40%	**3127.70**
Remarks	Impact of slight more growth of consumption in Domestic Allied Agro activities and allied agro industrial activities consumption .		Considerable growth in Irrigation Pumping & Agriculture consumption, bulk domestic and allied agriculture activities		Consumption growth is projected due to incremental consumption from railways		

Losses

16. The Distribution Loss, Collection Efficiency and AT&C Loss as fixed by OERC and actual attained by the licensees by the four DISCOMs since FY 2015-16 onwards along with their proposal for the ensuing year are given hereunder:

Table - 5
Loss Statement of DISCOMs (in %)

	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Approved)	2021-22 (Calculated)	2022-23 (Proposed by the Licensee)
DISTRIBUTION LOSS (%)									
TPCODL	33.42	32.57	31.72	28.15	23.12	25.90	22.93	23.42	22.00
TPNODL	26.73	23.50	22.28	18.74	13.19	20.63	18.35	20.02	18.35
TPWODL	33.76	31.22	25.81	21.32	18.73	25.07	19.60	21.40	21.00
TPSODL	36.70	34.59	32.70	29.76	24.47	23.07	25.00	25.00	25.00
All ODISHA	32.51	39.39	28.03	24.25	17.44	24.17	21.24	22.31	21.36
COLLECTION EFFICIENCY (%)									
TPCODL	94.26	96.56	96.60	96.75	90.51	95.09	99.00	95.47	97.75
TPNODL	95.72	96.25	93.38	94.10	86.38	94.28	99.00	97.27	99.00
TPWODL	93.45	88.00	87.87	86.87	87.91	97.71	99.00	96.00	96.00
TPSODL	88.60	89.90	91.44	86.95	84.34	91.00	99.00	91.00	99.00
All ODISHA	93.80	92.91	93.15	91.67	87.90	95.11	99.00	95.40	97.64
AT&C LOSS (%)									
TPCODL	37.25	34.89	34.04	30.49	30.42	29.54	23.70	26.89	23.76
TPNODL	29.87	26.37	27.43	23.53	25.01	25.17	19.17	22.20	19.17
TPWODL	38.10	39.38	34.80	31.64	28.56	26.78	20.40	24.54	24.16
TPSODL	43.92	41.20	38.46	38.93	36.30	29.99	25.75	31.75	25.75
All ODISHA	**36.70**	**35.33**	**32.96**	**30.57**	**29.48**	**27.87**	**22.03**	**25.88**	**23.21**

Revenue Gap proposed by the DISCOMs

17. The revenue requirement of Odisha DISCOMs are given below:

Table -6
Proposed Revenue Requirement

	TPWODL		TPNODL		TPSODL		TPCODL		Total	
	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23
Total Revenue Requirement (A+B+C)	**3,631.52**	**4,219.03**	**2,544.97**	**3022.08**	**1,521.20**	**1965.75**	**3834.65**	**4,410.17**	**11,532.34**	**13617.03**
Expected Revenue(Full year)	**3705.75**	**4038.71**	**2,545.61**	**2657.21**	**1522.73**	**1618.55**	**3835.58**	**4154.50**	**11,609.67**	**12,468.97**
GAP at existing(+/-)	**74.23**	**(180.32)**	**0.64**	**(364.87)**	**1.53**	**(347.20)**	**0.93**	**(255.67)**	**77.33**	**-1148.06**

18. Inputs in Revenue Requirements for FY 2022-23

(a) 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 2021-22 and additional load coming in the FY 2022-23 which is as shown in table given below.

Table -7
Proposed SMD and Power Purchase Cost for 2022-23

DISCOMs	Estimated Power Purchase in (MU)	Estimated Sales (MU)	Distribution Loss (%)	Current BSP (P/U)	Estimated Power Purchase Cost (Rs. In Cr) (Including Transmission and SLDC Charges)	SMD Proposed (MVA)
TPCODL	9550	7360	22.93%	283	2972	1540
TPNODL	5980.10	4882.76	18.35%	320	2082.09	1150
TPWODL	9000.00	7110	21.00%	337	3286.44	1600
TPSODL	4170.00	3127.70	25.00%	186	980.66	720

(b) Employee Expenses

TPCODL, TPNODL, TPWODL and TPSODL have projected the employee expenses of Rs 831.71 Cr, Rs 408.92 Cr, Rs 629.06 Cr and Rs 578.76 Cr respectively for FY 2022-23. Out of these proposed employee expenses, Rs 232.13 Cr, Rs. 136.19 Cr, Rs 156.32 Cr and Rs 158.42 Cr respectively are proposed for employee terminal benefit trust requirement for FY 2022-23. TPCODL, TPNODL, TPWODL and TPSODL have proposed the payment of 7th pay arrears as 75Cr, Rs. 29.40 Cr, Rs. 43.65Cr and Rs. 28.61 Cr respectively.

TPNODL, TPWODL and TPSODL have estimated the employee cost by considering 3% escalation on Basic Salary over FY 2021-22. The DA, HRA and Medical cost have been estimated @ 37%, @ 20% and @ 5% of Basic Salary respectively. Apart from this, nominal escalation of 10% has been considered over the cost incurred for FY 2021-22 for other allowances, 7th pay commission arrears and new employees cost.

TPCODL has proposed various digitization and additional manpower requirement due to lack of skill set in existing manpower, changing tasks, aging manpower and shortage of competent manpower etc. The licensee has introduced digitization initiatives like centralized payroll system, BIRD cell, Automation and SCADA, SAP-HCM/TM Module, SAP-FICO Module, Meter Reading and Bill Collection App development etc., to improve efficiency and to optimize the manpower requirements.

(c) Administrative and General Expenses

TPCODL, TPNODL, TPWODL and TPSODL have estimated the A&G expenses of Rs 120.83 Cr, Rs 81.87Cr, Rs 103.17Cr and Rs 72.72Cr respectively based on actual expenses till September 2021. The regulatory provision of 7% increase over the existing A&G expenses is found to be grossly lower for the ensuing year.

TPCODL has proposed A&G expenses budget of Rs. 2.57 Cr for food and convenience, Rs. 1 Cr for miscellaneous expenses, Rs. 1.00 Cr for training, O.50 Cr for Bill Inward Receiving Desk system etc. TPWODL has proposed additional A&G expenses of Rs. 13.35 Cr. TPNODL has proposed additional expenses towards new NBC contract, enforcement and other IT/OT initiatives, insurance, AMR etc. TPSODL has proposed additional A&G expenses of Rs. 62.12 towards meter reading and collection, customer service and communication expenses, meter management expenses, insurance, legal, consultancy and professional charges, housekeeping expenses, rent rates and taxes etc. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have estimated the A&G expenses of Rs. 146.84 Cr, Rs. 155.18Cr, Rs. 151.76Cr and Rs. 113.82Cr respectively for FY 2022-23.

(d) Repair and Maintenance (R&M) expenses

All the DISCOMs have calculated R&M expenses as 5.4% of GFA of own assets and the assets created with the Govt. through various schemes like ODSSP, IPDS, RLTAP, RGGVY and DDUGJY. The GFA as on 1st April 2021-22 and the R&M as per 5.4% of the GFA allowed as per regulation and the R&M claimed in ARR is as given below:

Table - 8
R&M Costs (Rs in Cr)

DISCOMs	GFA as at 1stApril of Ensuing FY2021-22 (Rs. Cr.)	R&M (5.4% of GFA) (Rs. Crore)	Total R&M Requested (Rs. Crore)
TPCODL	4302.85	232.35	252.35
TPNODL	2533	147.49	240.01
TPWODL	1963.5	106.03	278.53
TPSODL	2400	195	137.91

(e) Provision for Bad and Doubtful Debts

While estimating the provision for bad and doubtful debt, the licensees have considered the same at 1% by considering the commissions approved collection efficiency of 99%. However, the licensees like TPWODL, has proposed the collection efficiency for the ensuing year would be 96%. The provision for the bad and doubtful debts proposed by the licensees is as follows:

Table-9
Provision for Bad and Doubtful Debt

DISCOMS	Collection Efficiency (%)	Proposed Bad Debts (Rs in Cr)
TPCODL	99%	30.15
TPNODL	99%	26.57

DISCOMS	Collection Efficiency (%)	Proposed Bad Debts (Rs in Cr)
TPWODL	99%	41.54
TPSODL	99%	16.19

(f) Depreciation

All the DISCOMs except TPCODL, have adopted straight-line method for computation of depreciation at pre-92 rate. TPCODL has considered the depreciation at 5.28% of the assets at the start of the year and 50% of the assets capitalized during the year. Depreciation for FY 2022-23 is projected at Rs.55.99Cr by TPCODL, Rs.70.78Cr by TPNODL, Rs.49.40 Cr by TPWODL and Rs.44.29 Cr by TPSODL.

(g) Interest Expenses including Interest on Security Deposit

TPCODL, TPNODL, TPWODL & TPSODL have submitted the interest expenses and the interest income for the FY 2022-23. TPCODL has proposed the interest on long term debt as Rs.41.29 Cr., working capital at Rs.47.78 Cr., interest on ASL at Rs.14.12 Cr. The net total interest expenses proposed by TPNODL, TPWODL & TPSODL licensees is Rs.84.18 Cr, Rs.100.69 Cr, and Rs.64.84 Cr respectively. The major components of the interest expenses of these licensees are as follows:

i) **Interest on Capex Loan**

TPSODL has submitted that while taking over the licensee they had submitted the five year CAPEX plan. The cumulative capex expenditure proposed up to March 23 is 543 Cr, while the capital expenditure proposed for FY 2022-23 is Rs.448.47Cr. TPSODL has projected the capex interest as Rs.32.32 Cr. Similarly, TPWODL has projected the CAPEX for FY 2022-23 as Rs.528.18 Cr and interest on the CAPEX as RS.29.52 Cr. TPNODL has projected the interest on CAPEX for FY 2022-23 as Rs.27.99 Cr. TPCODL has projected the interest on long term loan as Rs. 41.29Cr.

ii) Interest on Working Capital

TPCODL has projected the interest on working capital as Rs. 47.78 Cr. for FY 2022-23. TPNODL has projected the interest on working capital as Rs. 31.19 Cr. for FY 2022-23. TPWODL has projected the interest on working capital as Rs. 32.61 Cr. for FY 2022-23.

iii) Interest earned on Security Deposits (SD)

TPCODL has projected the interest on SD as Rs. 30.78 Cr. for FY 2022-23. TPSODL has projected the interest on security deposit Rs. 13.06 Cr. for FY 2022-23. TPNODL has projected the interest on SD as Rs. 26.22 Cr. for FY 2022-23. TPWODL has projected the interest on SD as Rs. 38.56 Cr. for FY 2022-23.

19. **Revenue and Truing up ARR**

(a) Non-Tariff Income

TPCODL, TPNODL, TPWODL and TPSODL have proposed non-tariff income for FY 2022-23 to the tune of Rs. 82.26 Cr, Rs 154.15 Cr, Rs 267.69 Cr and Rs 35.16Cr respectively. The non-tariff income mainly includes the receipts to licensee from meter rent, service connection charges, reconnection charges, ODP, DPS, Wheeling Charges, CSS, rebate on power purchase, interest on FD etc.

(b) Return on Equity and Tax on Income

TPCODL has projected the RoE of Rs 84.66 Cr and tax on Income of Rs. 28.47 Cr. TPWODL has projected the RoE of Rs 48 Cr and tax on Income of Rs. 16.14 Cr. TPNODL has projected the RoE of Rs 65.85Cr and tax on Income of Rs. 22.15 Cr. TPSODL has projected the RoE of Rs 64.45Cr including the grossing up of RoE at the tax rate of 25.17%.

(c) Truing Up for FY 2021-22

Based on the actual sales, revenue and expenses for the first half of the current year 2021-22 and based on estimates for next half of current year, the uncovered gap for FY 2021-22 for TPNODL, TPWODL and TPSODL is Rs.364.87 Cr, Rs.111.87 Cr and Rs.167.76 Cr as against the approved surplus of Rs. 0.64Cr, Rs.74.23 Cr and Rs.1.53 Cr respectively.

(d) Revenue at Existing Tariff

The Licensees have estimated the revenue from sale of power by considering the sales projected for FY 2022-23 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 4154.46Cr, Rs 2657.21Cr, Rs 4038.71Cr and Rs 1440.69 Cr by TPCODL, TPNODL, TPWODL and TPSODL respectively.

20. **Summary of Annual Revenue Requirement and Revenue Gap**

The proposed revenue requirements of DISCOMs have been summarized below:

Table-10

Proposed Revenue Requirement of DISCOMs for the FY2022-23 (Rs in Cr)

	TPCODL	TPNODL	TPWODL	TPSODL	Total DISCOMs
Total Power Purchase cost, Transmission & SLDC charges	2941.88	2082.09	3286.44	980.66	9291.07
Total Operation & Maintenance and Other Cost	1462.21	1028.29	1247.98	955.78	4694.26
Return on Equity (RoE)	113.13	65.85	48.00	64.45	291.43
Total Distribution Cost (A)	4517.22	3176.23	4582.42	2000.91	14276.76
Total Special Appropriation (B)	0	0	(95.68)	0	(95.68)
Total expenditure including special appropriation (A+B)	4517.22	3176.23	4486.74	2000.91	14181.08
Less: Miscellaneous Receipt	107.21	154.15	267.69	35.16	564.21
Total Revenue Requirement	4410.01	3022.08	4219.04	1965.75	13616.87
Expected Revenue(Full year)	4154.50	2657.21	4306.46	1618.55	12468.97
GAP at existing(+/-)	(255.51)	(364.87)	(180.33)	(347.20)	(1147.90)

21. **Tariff Proposal**

TPCODL has submitted the "Green Tariff Proposal for Consumers of Odisha" and proposed additional tariff of Rs. 0.84 per kWh over the existing tariff for opting purchase of Renewable Energy. TPWODL has proposed Rs.0.25 per kWh as Green Tariff. All the licensees have proposed for no tariff hike for FY 2022-23 to meet the revenue gap and the revenue from sale of power has been calculated as per the existing tariff. The Licensees have proposed various tariff rationalization measures to meet the ARR Gap.

Table -11

Revenue Gap for Ensuing Year 2022-23 (Rs in Cr)

	TPCODL	TPNODL	TPWODL	TPSODL
Revenue Gap with existing Tariff	(256.9)	(364.87)	(180.33)	(347.20)
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	(256.9)	(364.87)	(180.33)	(347.20)

22. **Allocation of Wheeling and Retail Supply Cost**

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

23. **Turing up for 2020-21**

TPWODL, TPCODL & TPSODL have projected the true up gap of (-) Rs.256.50Cr., (-) Rs.73.50 and Crs. (-) Rs.67.57 Crs. respectively.

24. **Tariff Rationalization Measures proposed by Licensees (TPCODL, TPNODL, TPWODL and TPSODL):**

The following tariff rationalisatioin measures have been suggested by DISCOMs.

(a) Proposal for removal of Concessional Wheeling Charges and Cross Subsidy Surcharge (TPCODL, TPNODL, TPWODL and TPSODL)

All the licensees have proposed that the Cross Subsidy Surcharge (CSS) on power sourced through Open Access from Renewable Sources, which is currently exempted, is to be levied at 100% i.e. there should not be any concessional Cross Subsidy Surcharge. Also, the concessional Wheeling and Transmission Charges which are presently charged at 20% of normal rates power from for Renewable Energy sources (except Biomass), is now proposed to be charged at 100% (i.e. equal to the normal Wheeling and Transmission Charges) for renewable energy power sourced through open access.

(b) Green tariff proposal for consumers of Odisha (TPCODL, TPNODL, TPWODL)

TPCODL, TPNODL and TPWODL have proposed that globally there is growing demand from consumers for a rapid transition to a net zero carbon economy thus creating demand for shift from fossil fuel based power to renewable energy source. The licensee submitted that for the initial period of one-year green tariff may be applicable to only those consumers who have chosen to purchase Renewable Energy to the extent of 100% of their requirement. Further, consumers may be asked to give commitment for minimum 3 months for purchase of electricity at green tariff. This will facilitate easier billing and monitoring of consumer ranking on inclination towards the renewable purchase. Further this will facilitate the captive fossil fuel generators to meet their RPO obligation by way of purchasing green energy. Further, the licensee has requested the Hon. Commission to issue the certificate to consumers who opt to purchase Renewable Energy. TPCODL and TPNODL have proposed additional tariff of Rs. 0.84 per kWh and TPWODL has proposed additional tariff of Rs 0.25 per kWh as a Green Tariff for all consumer categories.

(c) Tariff Rationalization Proposal for Industries (TPCODL)

TPCODL has proposed that, several industries are not consuming the electricity from licensee to the fullest extent and sourcing power from open access or they set up captive power plants to meet the electricity requirements. The reason for opting other alternatives for sourcing power is due to the fact that the industrial tariff is not economical compared to the other alternatives. Hence to encourage the incremental consumption of electricity and to make it more affordable, the licensee had proposed a discount of Rs. 0.40 per kWh on the entire consumption if the LF is between 75% to 80% and Rs. 0.50 per kWh if the LF is above 80%.

(d) Increase in rebate from 2% to 3% for digital payment (TPNODL, TPWODL)

TPNODL and TPWODL has proposed to increase the digital payment rebate from 2% to 3% for the LT Domestic, LT GP single phase & Single phase irrigation consumer categories. This is proposed in order to improve the collection efficiency and to promote the consumers to opt for the digital mode of payment of electricity bill.

(e) Increasing the discount from 5 paise per kWh to 10 paise per KWh for Rural Consumers for prompt payment (TPNODL, TPWODL, TPSODL)

Rural LT domestic consumers, who draw their power through correct meter and pay the bill in time, are to get special rebate of 5 Paisa per unit in addition to existing prompt payment rebate. In line with the above the licensee has also proposed to increase the special rebate of 5 Paisa per unit to 10 Paisa per unit for the LT Rural Consumers who draw their power through correct meter and pay the bill in time in addition to the existing prompt payment rebate & digital rebate.

(f) Withdrawal of TOD benefit (TPWODL)

The consumers are allowed to set up CGPs. With introduction of frequency linked tariff for CGPs, there is no relevance of TOD tariff and hence the licensee has proposed to withdraw the TOD tariff for three phase consumers except public lighting and emergency category of consumers having CGPs.

(g) Recovery of Cost of energy meter and renaming the Meter Rent to Recover of Meter Cost

Licensee is allowed to recover the energy meter cost through 60 monthly instalments being called as meter rent. The rent component attracts the GST and hence the same needs to be recovered on monthly basis and payment of GST will have to be made. As the meter is a network asset the licensees have proposed to rename the recovery of meter rent as ‘recovery of meter cost’ instead of ‘meter rent’. Licensee has also requested to allow is the consumer to purchase his own energy meter by paying meter installation and testing charges to the licensees.

(h) Introduction of Amnesty Arrears Clearance Scheme for LT non industrial category consumers (TPWODL, TPNODL)

After accumulation of huge outstanding arrears, many consumers are trying to get another connection and putting the earlier one as Permanently Disconnected Consumers (PDC). Further, arrears older than 12 months are from LT non industrial category consumers. Hence, the licensee has proposed to introduce Amnesty Arrears Clearance Scheme to collect the old arrears. The cases of HT and EHT consumer with dispute at different forums shall be encouraged for out of court settlement with waiver of DPS and genuine principal dues shall be realized with or without instalment facility. Consumers paying in one go may be given 5% discount. Consumer without dispute and having arrears be also offered similar benefits. For LT consumers, the DPS be waived and discount of 5 to 10% be offered on eligible amount. TPNODL has proposed Amnesty arrears clearance scheme for LT non industrial category of consumers.

(i) Charges for line extension to LT single phase connection up to 5 kW (TPCODL, TPWODL)

Actual cost of installation of overhead line and pole for extending power supply to LT single phase consumers is more than the allowed charges. At present the LT single phase consumers are being charges at Rs.1,500/- for service connection up to 2 kW and Rs.2.500/- for service connection from 2 to 5 kW along with Rs.5,000/- per span for distance above 30 mtr. Considering the actual cost for implementation of service connection in rural area, the licensee(s) has proposed to revise these charges. TPSODL has proposed to revise the charges to Rs.12,500/- per span. TPWODL has proposed Rs.9,300/- for single phase span and Rs.12,500/- for 3 phase per span of LT extension.

(j) Abolishing the benefit of leading PF for industries having CGP (TPSODL)

TPSODL has proposed to abolish the benefits beings offered for leading power supply for industries having CGP.

(k) Increase in demand Charges to HT medium category consumer and revision in MMFC (TPSODL, TONODL)

The HT medium category consumers are availing supply at demand charges of Rs.150 per kVA and the licensee has proposed to revise it to Rs.250 per kVA. For all categories, licensee has also proposed revision in demand charges and suggested for charging on the basis of installed capacity instead of contract demand. They have also proposed the enhancement in demand charges to Rs. 250 per kVA per month on the basis of 80% of the CD or MD whichever is higher or proposed to levy demand charges at 85% of the CD or MD whichever is higher.

(l) Inclusion of NALCO and IMFA as consumer of TPSODL

NALCO and IMFA, which are directly procuring power from GRIDCO come under TPSODL licensee area. TPSODL has requested the Commission to issue suitable directions to NALCO and IMFA to become deemed consumers of TPSODL and necessary agreement may be executed. This will enable the licensee to supply the required emergency power to above consumers and will help DISCOM to improve its revenue.

(m) Inter DISCOM feed extension to Railways (TPWODL)

TPWODL is supplying to 16 railway traction consumers with load more than 200MVA. Feed extension is being allowed if the recorded MD on one traction Substation exceeds due to its feed extension over another traction sub-station of same DISCOM. However, when feed of one TSS of a DISCOM is extended over another TSS of other DISCOM then the benefit is not given. Railway is continuously pursuing since recent past that the major reason of fault is due to OPTCL network and there is single transmission licensee across the state and they should not be deprived of such benefit when there is requirement of feed extension between inter DISCOM. Licensee has requested for issue of necessary guidelines to extend such facility.

(n) Separate tariff category for Mega Lift Irrigation (TPWODL)

TPWODL is having a EHT consumer under mega lift with CD of 13500 kVA being supplied through 132kV. As there is no such tariff category under EHT, licensee is billing the consumer as HT irrigation category where demand charges & energy charges are very nominal. Hence, licensee has requested for a separate category under EHT with demand charges of Rs.250 per kVA and energy charges under graded slab method for Mega Lift Irrigation consumer.

(o) Special Tariff to Steel Industry (TPWODL, TPNODL)

TPWODL and TPNODL have proposed that the discount offered in RST order dated 26.03.2021 for steel industry consumers be continued. The Steel industry consumers were offered discount of 8% on entire Energy charges on achievement of 75% to 80% LF. For LF >80% to 90% discount of 9% on entire energy charges and for achieving LF more than 90%, discount of 10% on entire energy charges be offered. The licensee proposed that industries opting for open access in any month shall not be eligible for this benefit.

(p) Special tariff for industries those who have closed their units if reopen / starts (TPWODL, TPNODL)

As per the survey conducted by the licensee, there are many industries who have closed their operation since long due to various reasons. As there is wastage of resources and readily available infrastructure can be easily used to restart the business generating employment & revenue to Govt. Hence, licensee has proposed discount of Rs. 0.50 per unit on the incremental monthly consumption during FY 2022-23. Industries opting this benefit shall not be eligible for open access. The scheme is proposed for the industries which were closed prior to Sep-21 & have load above 1MW and connectivity at 33 kV level subject to condition that they have no arrear outstanding even after adjustment of SD and can start with the same load when it was closed and load reduction will not be permitted during FY 2022-23.

(q) Modification in scheme for extending special tariff for industries having CGP if assure 80% LF at existing CD (TPWODL, TPNODL)

Under the power surplus scenario, in order to encourage the consumption special tariff was offered for having LF above 80%. Licensee has proposed changes in implementing the scheme as follows:

Certain share of surplus power of the State may kindly be assigned to all DISCOMs out of which intending DISCOM will make advance requisition to GRIDCO for additional power requirement. The agreement shall be between the industry having CGP & concerned DISCOM. Intending Industry opting the scheme has to ensure minimum off take of 80% L.F and load reduction shall not be permitted. The consumption shall be over above the approved quantum in ARR including SMD. Interested industry shall pay the highest BST as approved by the Commission for DISCOM plus (+) transmission charges plus (+)30 paise per unit for DISCOM. Consumption upto 80% LF shall be billed as per existing RST and beyond shall be with special rate. Industry shall draw up to 120% of CD during off peak hours as per existing practice. No demand charges will be levied for the additional quantum beyond existing CD. The additional quantum may be limited to two (2) times of the existing CD to facilitate all the CGP industries across the state. Industry availing open access power shall be adjusted after exhausting power under this special arrangement. As this is a special agreement, adequate Payment security mechanism shall be in place before power transaction as well as there will not be any rebate on additional power. However, DPS shall be applicable if payment is not made within due date.

(r) Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA (TPWODL, TPNODL)

In line with special tariff offered to industries having CGP, a special tariff for non CGP industries connected at 33 kV level or above is proposed by licensee. Consumption above 85% LF is proposed at discounted tariff. With similar conditions as applicable for industries with CGP.

(s) Special tariff for upcoming new industries (TPWODL, TPNODL)

Licensee proposed discounted tariff for industries intending to avail load above 1 MW and ensures no load reduction up to 5 years. Rs.0.50 per kWh be offered for first year on entire consumption, Rs0.40 be offered for second year and Rs. 0.30 in third year.

(t) Special tariff for industries for temporary business requirement (TPWODL)

Licensee proposed to offer higher load beyond contract demand on 10% additional demand and energy charges for the period varying from 1 to 6 months.

(u) Tariff for Cold Storage units through Govt. Subsidy (TPWODL, TPNODL)

Licensee has submitted that Govt. subsidy may be offered to Cold Storage to rationalize the tariff difference in Allied Agriculture Activities and that of Allied Agro Industrial Activity further to help the cold storage industry which is in distress.

(v) Smart prepaid meters for Govt. Connections (TPWODL, TPNODL)

TPWODL and TPNODL have requested to allow for replacement of all the meters of the Govt. connections available in all the block level and above with smart prepaid meters during the ensuing year.

(w) Summation metering at OPTCL end & replacement of NON-DLMS meters (TPWODL)

TPWODL is sourcing it’s entire power from GRIDCO through network assets of

OPTCL at 132 kV level and above. Presently there are about 170 interconnection points located across the licensee area, where OPTCL is having metering unit & on the basis of same, both OPTCL and GRIDCO are raising their monthly bills. In most of the locations the available meters are Apex 100 with non DLMS and at some locations the meters are Apex 100 type with DLMS specifications. So in every month for energy accounting DISCOM is facing difficulty in integrating all the required parameters for billing purposes. OPTCL may kindly be directed to replace the non-DLMS meters with DLMS type and TPWODL requested for presence of DISCOM personnel/authorized representative at the time of periodical inspection/testing.

C. OBJECTIONS, QUERIES RAISED DURING THE HEARING & THEIR REJOINDERS BY THE PETITIONER (PARA 25 TO 43)

25. Public hearing on ARR and Tariff application of all the DISCOMs for the FY 2022-23 was initiated with Power Point Presentation by DISCOMs followed by presentation by World Institute of Sustainable Energy (WISE), Pune who was the consumer counsel appointed by the Commission. The consumer counsel presented the summary of the submissions made by the licensee and analysis of the ARR with observations.

26. Consumer associations, individuals in their written submission had raised issues contesting the proposal of the DISCOMs. The Commission has considered all the issues raised by the participants in their written as well as oral submissions made in the public hearing. Many objections were found common in nature. These are summarized and addressed as follows:

27. **Ruling of the Commission, format of tariff order, inconsistent tariff petition**

One of the objectors has stated that it is seen from the previous tariff orders that the objections raised in the proceeding are not disposed of with reasons. The tariff orders for years are of similar formats.

Rejoinder of the Licensee

The Petitioner has stated that the tariff orders are unique in nature and all the issues are factored according to the particular year in question. Rests of the queries are not within their domain.

28. **Expired Tariff Regulations**

The RST Regulations, 2014 was notified for the first control period of five years commencing on 01.04.2014 and expiring on 31.03.2019. Without any valid new Regulations the effective Retail Supply Tariff in Odisha has been determined by OERC without any consideration to the ground realities and facts recorded since then.

Rejoinder of the Licensee

The validity of a substantive Regulation continues unless it is repealed or otherwise amended by appropriate authority. Accordingly, the Tariff Regulations, 2014 is continuing as such till modification/amendment by the Commission. Tariff Regulations, 2014 at Regulation 4.6 specifies that it is valid for the first control period ending on 31.03.2019 or till the same is revised by the Commission. The privatization transaction and vesting of erstwhile DISCOMs has been carried out under Section 20 and Section 21 of the Electricity Act, 2003 respectively. Consequently the provisions of the RFP and the vesting order issued subsequent to the issue of Tariff Regulations, 2014 take precedence over it.

29. **<u>Truing up</u>**

The Commission does not true up the past several years tariff orders of the DISCOMs and in the other hand determining tariff year after year in an unregulated manner. Without knowing the gains/loss of actual tariff recovery done by the Petitioner in relation to previous tariff orders the Commission is determining the tariff for the DISCOMs year after year in an unrealistic, imprudent and unregulated manner. It is not known whether the truing up of for the past period shall be done or not.

Rejoinder of the Licensee

(a) As per the provisions of the RFP as recognized by the Commission in vesting orders of TPCODL & other DISCOMs and opening balance sheets, no past Liabilities (including for any true up of erstwhile DISCOMs including CESU, own ARRs) have been passed on to the New Operating Companies. Any surplus or deficit for the past period upto the respective effective dates (i.e. transfer dates) have been retained by the erstwhile Utilities and are reflected in their Audited Books of Accounts. With respect to true up for the period ending March, 2021 from date of takeover of CESU by TPCODL with effect from 01.06.2020, the same has been filed before the Commission by way of a separate petition in Case No. 118/2021.

(b) TPWODL had submitted that they have taken over the operation in last year

(2021) and accordingly as per the completed period of three months of operation they had submitted the truing up petition. They had further submitted that, for filing of business plan on the basis of MYT concept they require certain predefined parameters based on which they will file the MYT application. The AT&C loss reduction trajectory has already been issued by the Commission.

(c) Another DISCOM, TPNODL has stated that their operation has started from 1st April, 2021. Accordingly, no true up petition for the period ending March, 21 has been filed by TPNODL. As regards to past period, true up the same needs to be treated as per terms of vesting order. Vesting order of NESCO Utility (Case No. 9/2021) at Para 50 says *"Treatment of true up of past period i.e. for the period prior to taking over or effective date of TPNODL, if any shall be done by the Commission in a manner that will not cause any financial gain or losses to TPNODL."* So any surplus deficit for the past period upto the respective effective dates will be retained by the erstwhile Utilities. TPSODL has replied in the similar line. The DISCOMs as a whole have submitted that the past period true up before their taking over has no bearing on them or tariff of the current year.

30. **Multi-Year Tariff Approach**

One of the objector states that the general approach and guiding principles for determination of tariff as laid down in Regulation talks about Multi Year Tariff principle. The Commission has grossly ignored these principles in the present proceeding.

Rejoinder of the Licensee

The provisions of the RFP /vesting order take precedence since the same have been issued subsequent to the Regulations under statutory provisions of Section 20 and Section 21 of the Electricity Act, 2003. It is further clarified that RFP for selection of successful bidder for CESU and other DISCOMs required a five year business plan to be provided based on which certain commitments were required to be made with relations to (i) AT&C loss reduction (ii) Capex and (iii) Collection of past arrears, the under achievement of which would entail penalties. The Commitments as per the Business Plan have been incorporated in the vesting order and consequently the same are applicable for the MYT period for which commitments have been made. In addition to the above, the Commission in the RFP has provided MYT targets for AT&C Loss Determination which are also applicable to TPCODL. The Other DISCOMs have stated that one of the most important component of MYT principle i.e. AT&C loss target for future years are applicable to them by virtue of respective vesting order.

31. **Tariff is Imprudent and Unrealistic**

The Petitioner states that the ground realities and actual happening occurred in previous years and current year must be taken into consideration in the proceeding to determine the tariff in advance for the upcoming financial year. The exercise like truing up based on the audited financial statement must be carried out by OERC prior to the proceeding of tariff determination.

Rejoinder of the Licensee

The replies of DISCOMs are similar to their response to the issue of truing up.

32. **Issue of Sales Forecast, Normative Loss, Input Energy and Power Purchase Cost**

The Objector has pointed out that the unrealistic high sales forecast had laid to high power procurement due to higher realistic distribution losses. The top down approach of calculation of power purchase cost needs observation of the Commission.

Rejoinder of the Licensee

DISCOMs are in agreement with the Respondents view that sales need to be forecast taking into account various factors such as reduction in T&D losses, past years growth in sales removing impact of outliers. The increase in sales over the years has largely been due to reduction in T&D losses which have not been factored by the Commission while permitting units input. It is relevant to submit that the ARR for tariff determination is based on the normative losses and not on the actual losses projected by the DISCOMs. Hence the consumers are not impacted by the distribution loss as such. The difference between the actual sales and sales considered for tariff projection would be trued up and the impact of the same would be considered for the future years.

33. **Performance Related Issues**

(a) AT&C Loss and Collection Efficiency

(i) GRIDCO submitted that the AT&C losses be projected by considering the collection efficiency of 99% from the LT and HT sales and 100% from the EHT sales.

(ii) Some of the objectors have submitted that the targets for AT&C loss and distribution loss targets needs to be further reduced.

(iii) Some of the objectors have submitted that the impact of CAPEX program of Licensee and CAPEX program executed with state Government funds on AT&C loss reduction should be submitted by Licensee separately.

Rejoinder of the Licensee

(i) In response to the objection by Shri Soumya Ranjan Patnaik, TPCODL submitted that for calculation of the wheeling loss, CSS and additional surcharge licensee shall abide to the losses stipulated in the tariff order. Licensee further submitted that they are in the process of calculation of technical losses at 33kV and 11 kV and the study is likely to be completed by June 22. The results of study can be considered for wheeling loss calculation after completion of study and acceptance by the Commission. Mean time the 8% losses in HT is to be considered.

(ii) In response to the submission of one of the objectors regarding approval of very low distribution loss, TPWODL had submitted that the Commission is already applying the normative AT&C loss and the tariff of the consumer is not impacted by the actual losses. The AT&C loss trajectory for the TPWODL is fixed upto FY 2030-31 as follows:

Table - 12

AT&C Loss Trajectory for TPWODL (In %)										
Financial Year	**FY 22**	**FY23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**	**FY 31**
AT&C Loss Trajectory	20.40	20.40	18.90	17.40	15.90	14.50	13.00	11.50	10.00	09.50

(iii) In response to the objection of Trinity Power Tech Pvt. Ltd. to approve very low distribution loss, TPSODL had submitted that the Commission is already applying the normative AT&C loss and the tariff of the consumer is not impacted by the actual losses. The AT&C loss trajectory for the TPSODL is fixed upto FY 2030-31 as follows:

Table -13

AT&C Loss Trajectory for TPSODL (In %)										
Financial Year	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**	**FY 31**
AT&C Loss Trajectory	25.75	25.75	25.75	25.35	25.00	22.57	20.38	18.40	16.61	15.00

(iv) In response to the objection of Trinity Power Tech Pvt. Ltd. to approve very low distribution loss, TPNODL had submitted that the Commission is already applying the normative AT&C loss and the tariff of the consumer is not impacted by the actual losses. The AT&C loss trajectory for the TPNODL is fixed upto FY 2030-31 as follows:

Table - 14

AT&C Loss Trajectory for TPNODL (In %)										
Financial Year	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**	**FY 31**
AT&C Loss Trajectory	19.17	19.17	17.09	15.00	13.83	12.76	11.77	10.85	10.00	09.50

(v) TPWODL has submitted that they had awarded the contracts for MBC (Meter Reading, Billing and Collection) through competitive bidding. This initiative has already started showing improvement in billing & collection efficiency and hence reduction in AT&C loss.

(b) <u>Energy Audit and Metering</u>

(i) Some of the objectors have raised the issues that the Licensee needs to undertake energy audits from third party and shall submit the same to the Commission for review of the losses at different voltage levels.

(ii) All the feeders and DTs need to be metered and how the licensee is undertaking the loss calculations without having proper metering in place and without undertaking the energy audits.

Rejoinder of the Licensee

All the DISCOMs have submitted that plan for installation of DT metering and energy audit has been submitted in the ARR application. With regards to the SOP audit they have submitted the data for FY 2020-21 and data for 2021-22 will be submitted in time.

34. **Employees' expenses, Administrative &General expenses, Depreciation cost and Repair and Maintenance expenses**

(i) Many objectors had submitted that the projected employee costs are on the higher side. The number of employees has reduced and major activities like billing and collection are being outsourced. Due to this the employee cost should have gone down. Instead it is observed that the employee costs are increasing and is unjustified.

(ii) Some of the objectors had raised the issue that, the licensee is recruiting manpower and most of the newly recruited manpower is out of the state. Licensee needs to give preference to local manpower while recruiting.

(iii) Some of the objectors had raised the issue that, the newly recruited manpower is having salary/CTC well above the state employee's salary of equivalent level. Hence, licensee has to set some procedure and scales for the newly recruited manpower.

(iv) During the public hearing, it was pointed out by the objector that, employees of the licensees are not having proper dress code and they are not using uniforms and hence it becomes difficult for the consumers to identify the employees.

(v) Shri Priyabrata Sahu has submitted that, the ARR of all DISCOMs proposes an unnatural hike in expenditure in employees' cost, Repair & maintenance cost and A&G expenditure which is double than the last year approved expenditure.

(vi) One of the objectors had requested for a service regulation to be prepared by TPSODL for outsourced workers.

(vii) One of the objectors had requested to introduce the uniform pension scheme.

(viii) GRIDCO submitted that the, employee cost proposed by the licensees are higher than the previous year's approval. Such higher cost will burden the consumer and the Commission may undertake benchmarking of the employee cost for all the DISCOMs in Odisha and fix the norm for employee cost. The licensee has claimed the HR operation cost and company leased accommodation, medical expenditure which are part of employee cost and not claimed separately.

(ix) GRIDCO submitted that, the licensee had proposed additional A&G expenses over and above the 7% permitted escalation in A&G costs. The Commission may direct the licensee to submit the cost benefit of last year's additional A&G expenses and for the ensuing year. The Additional A&G expenses may be approved after prudent check of expenses incurred and the benefits. The additional expenses related to meters be considered under R&M and the expenses related to outsourced employees or agencies be considered under employee cost. Further, submitted that the additional A&G should not be a routine practice.

(x) One of the objector submitted that, TPCODL has not spent any amount towards Energy Audit, Customer Care/Call Centres. The DISCOMs have been enjoying increase in Tariff while their A&G expenses remain at similar levels. The objector therefore has requested to consider only 7% increase in earlier approved A&G expenses of FY 2021-22.

(xi) Few objectors raised the issue that the depreciation of assets registers needs to be audited to check if the licensee is claiming more deprecation than the cost of assets. Further, the depreciation be allowed on the assets put to use at the start of the financial year and no depreciation be allowed on the assets created out of Government Grants.

(xii) GRIDCO submitted that the Commission may please consider the actual capitalization of assets (put-to-use) while approving the R&M expenses for FY 2022-23. The R&M expenses of 5.4% of opening GFA is on higher side. However, additional R&M be allowed for maintaining Govt. funded assets subject to true-up along with the last years incurred R&M expenses.

(xiii) Some of the objectors submitted that the distribution line and transformer R&M is not undertaken properly. Further, the licensees are claiming high growth in R&M expenses.

Rejoinder of the Licensee

(i) In response to the objection on increased cost, TPWODL had submitted that, recruitment was stopped during the earlier period. Now as per the vesting order, the TPWODL is permitted to recruit approved manpower and accordingly new manpower is being recruited. Accordingly, there is increase in the Employee cost for the current and ensuing financial year. In the case of

R&M expenses, the same are allowed at 5.4% of the opening GFA. Accordingly, the opening GFA of the licensee is Rs.1963.50 Cr and the GFA of the assets created through the Government Grants is of Rs. 3194.50 Cr. The permitted R&M at 5.4% of the total GFA comes to Rs. 106.03 Cr + Rs. 172.50 Crore totalling to Rs. 278.53 Cr for ensuing financial year. Licensee has submitted the breakup of R&M expenses in support of its proposal. R&M cost is not entirely dependent upon the book value of the assets deployed for distribution services. With regard to record of total book value of Assets deployed in distribution services, it is a fact that total book value of assets funded by the Government through OPTCL under ODSSP, SCRIPS etc. were not recorded in the books of the erstwhile DISCOMs.

(ii) TPCODL, after takeover of the business from erstwhile CESU, is in the process of collating information on such Assets and have appointed independent third party consultants for physical verification of such Assets. Based on physical verification, TPCODL has provided a list of such verified Assets to OPTCL and GRIDCO for reconciliation. It is clarified that since these Assets continue to be owned by the GoO/OPTCL and have been provided to TPCODL and other DISCOMs only for usage and maintenance purposes, the same shall not form part of the Gross Block of the Company but shall be disclosed separately in the Financial Accounts and consequently need to be allowed Repair & Maintenance Cost thereon since they are being maintained by the DISCOMs.

(iii) With respect to the A&G expenses, 7% growth in A&G expenses is permitted by the Commission. However, the normal inflation is above the permitted 7% and hence the higher A&G costs have been proposed by the licenses in addition to the additional A&G expenses.

(iv) In response to the query on new employment, TPSODL had submitted that while recruiting new employees some relaxations have been extended to existing outsourced employees in terms of eligibility and qualification etc. Further under the scheme Uddan, 12 months training is being extended to existing outsourced employees to make them eligible for recruitment.

(v) In response to the book value of assets, TPWODL had submitted that, the total book value of assets funded by the Govt. through OPTCL under ODSSP, RGGVY, DDUGL etc. was not recorded in the books by the earlier licensee. These assets are funded by the GoO / OPTCL. TPWODL had submitted the list of assets and licensee is only undertaking the O&M of the assets and the assets are not included in the list of assets. TPSODL submits that after takeover they have initiated the process of collating the information of such assets and have independent third party consultants for physical verification of such assets.

(vi) In response to the higher R&M costs, TPSODL had submitted that the earlier inadequate maintenance has reflected in High SAIDI and SAIFI. Adequate maintenance is required to be done to keep the network in healthy condition. The Commission in its order against the Case No. 39 of 2021 while approving the additional cost of ABP petition had cleared that the additional costs will be approved at the time of truing up petition and the expenses will only be allowed after prudent check.

35. **<u>Capitalisation of Assets created out of Government of Odisha Grant Capital Investment in Balance Sheet of DISCOMs</u>**

Rejoinder of the Licensee

(a) TPCODL is unable to comment on the Accounting Policy followed by erstwhile CESU and other DISCOM prior to takeover. Going forward, TPCODL and other DISCOM's Accounting Policy ensures that any assets created by the DISCOMs with Government Grants etc. are capitalized in the DISCOMs Books and form part of its Fixed Assets Register.

(b) A record of assets created by OPTCL through Government Grants and handed over to the DISCOMs for usage & maintenance is being created through physical verification of such assets and the same is being disclosed separately in Financial Accounts. To the extent these assets are transferred to TPCODL & other DISCOMs towards GRIDCO's equity contribution, the same shall form part of the gross block of TPCODL.

<u>Provision for Bad and Doubtful Debts</u>

36. Some of the objectors had submitted that the licensee should recover the past arrears to improve the collection efficiency. The provision for bad & doubtful debts should be limited to the LT & HT revenue. Few objectors had submitted that one-time settlement scheme be introduced for recovery of old arrears.

Rejoinder of the Licensee

TPSODL had replied to the objection that they have considered the provision for bad debt as 1% of the total sales projections for FY 2022-23.

37. **<u>Issues Related to HT / EHT Consumers</u>**

<u>kVAh vs kW based billing</u>

(a) The Utkal Chamber of Commerce and Industry (UCCI) had stated that, tariff determination is based on kVAh billing and licensees are getting extra income. Therefore, all extra income arising due to kVAh billing is to be treated separately and reduced from ARR of DISCOMs. Few objector have requested to continue with the P.F incentive. Satyam Casting Pvt. Ltd had requested that KVAH billing may be withdrawn.

(b) Few objectors had submitted that the kVAh billing was introduced hurriedly and needs to be withdrawn. The consumers are being charged on kVAh basis with the tariff higher than that of kW based tariff. Even if the power factor of 0.8 is considered, there will be increase in kVAh consumption due to 0.8 p.f. and further tariff hike has resulted in increased electricity cost to the consumers and hence requested to reintroduce the kWh based billing or the tariff be reduced accordingly.

(c) Some objectors submitted that the licensee is procuring power at kWh basis and recovering higher payment by way of kVAh billing.

Rejoinder of the Licensee

(a) In response to the submission of objector to withdraw the kVAh based billing, the Licensee have referred to the tariff order of the Commission by reiterating the benefits of kVAh based billing. Licensees have pointed out that Forum of Regulators had also recommended the kVAh based billing and submitted that regulatory commission from Himachal Pradesh, Delhi, Uttar Pradesh, Jammu and Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have implemented the kVAh based billing for various categories.

(b) In response to the treatment of additional income due to kVAh billing, TPWODL has submitted that kVAh based billing has been implemented for

HT and EHT consumers from 4th April 2021. The component of non-tariff income is well defined and any surplus income due to kVAh billing will be trued up in the ARR in appropriate manner.

(c) TPCODL has stated that for the purpose of estimating the revenue from power supply considered the energy (kWh) and grossed it up by power factor for HT (0.94) and power factor for EHT (0.97). Hence the impact of kVAh tariff has been passed on to the consumers.

(d) In response to the kVAh based billing, TPSODL has submitted that the objective of kVAh based billing is to encourage the consumers to opt for the power factor close to unity. Further, licensees have listed following benefits of the kVAh based billing:

- Overloading of the lines is avoided resulting in better voltage profile
- Reduction in line and transformer losses
- Increase in available line and transformer capacity
- It captures both real and reactive power

Steel Industry Tariff issues

(a) M/s. Grinity Power Tech Pvt. Ltd. has submitted that, the EHT consumers especially the steel and Ferro Alloy industries are in bad shape due to continuous increase in industrial tariffs. They have requested for separate consumer category for Mega Steel Plants where the consumption in the steel plants varies in the range of 65 to 75% LF. They have proposed that, as the demand charges are recovered to meet the fixed charges of licenses the variable charges should be limited to max of bulk supply tariff + OPTCL transmission charges + approved AT&C loss. They have proposed following flexibility for mega steel plants:

  - o Variation of 20%: with notice period of one week
  - o Variation of 40% with notice period of 4 week
  - o Variation of 60% with notice period of 4 week

(b) M/s. Bajrang Steel and Alloys Ltd. has submitted that, mini steel plant is a power intensive industry which has electricity as 25% of its cost of production and is badly affected due to high tariffs. The tariff for the steel industries has been increased from Rs.2 per kWh to Rs.5.85 per kWh in last 14 years which is about 192.5% hike. Further, High OA charges in Odisha is making the OA transactions unaffordable. Tariff to steel industries in the neighbouring states is lower than that in Odisha which is affecting the viability of industries. They have further submitted that, if competitive tariff is not offered to steel industries in Odisha they may be forced to close down the units and have submitted the list of 51 closed industries. They have submitted that only 12 mini steel industries are operational and if the tariffs are not reduced then they will not be able to able to sustain in market which may lead to further shutting down of industries in Odisha.

(c) Many steel industries have submitted that, due to non-availability of commercially competitive tariff, most of the Ferro Alloys Plants have been closed. The present tariff of Rs. 6.25 per unit for Ferro Alloys plants is very high as compared to the tariff of Rs.4.25 in the area of Damodar Vally Corporation. Load factor incentive was requested to be allowed above 60% LF with max ceiling of 15% rebate on total consumption and be applied on monthly basis. The steel industries have also requested for special tariff for the closed industries who wants to reopen their industries. The opening of closed industries will in turn increase local employment and tax to the state government.

(d) In response to the special tariff proposal for the closed industries who wants to restart their operation, the objector have proposed following revised proposal as:

- The industries who wants to restart their operation, they may be permitted to reduce the contract demand.
- Additional discount of 50 Paise per unit may be allowed on entire consumption who restarts their operation in FY 2022-23.
- Industries opting the benefits shall be allowed to have open access as permitted in EA 2003.

(e) Few objectors have proposed to increase the TOD benefit from 20 Paise to 50 Paise per unit.

Rejoinder of the Licensee

(a) TPWODL has submitted that they have proposed special tariffs for steel industry in order to retain the consumers. Licensee has submitted that the consumers above 1 MVA contract demand and who do not have CGP for such consumer's licensee has proposed LF based tariff as follows:

- On achievement of more than 75% LF up to 80% - 8% rebate on entire consumption is proposed.
- On achievement of LF from 80% to 90% - 9% rebate on entire consumption is proposed.
- On achievement of more than 90% LF - 10% rebate on entire consumption is proposed.

(b) If the above proposed incentive mechanism is not beneficial as compared to the neighboring states, the licensee has proposed 15% rebate on entire consumption for achieving the LF above 65%. The Commission may take suitable decision on the same.

(c) On the proposed revised tariff proposal of objector, the licensee has submitted that the proposed incentive mechanism is very consumer centric and it will create dissatisfaction among the other industries those who are running or operating. The closed industry if permitted to reopen with a lower load and avail this benefit, then the purpose to improve / promote industrial growth will be jeopardised.

Licensee has submitted that the proposal to increase the TOD benefit by another 10/20 Paise may not always fulfill the purpose of the industries. Apart from this the licensee has submitted number of proposals if approved by the Commission will help the industries.

38. **Over Drawl by Existing HT/EHT Category Consumers, TOD and Load factor benefit related issues**

(a) Few objectors have submitted that the state has surplus power and the GRIDCO is selling the surplus power at low costs to the CGPs. The industries be allowed to overdraw during off peak hours without increase in the fixed charges.

(b) Few objectors have requested to increase the TOD benefit from 20 paisa to 50 paisa with proper differentiation on eligibility of the consumers.

(c) Satyam Casting Pvt. Ltd. has requested that the load factor be calculated based on the actual period of availability of unrestricted power supply during the month and that the demand charges be calculated on prorate basis if the total period of shutdown of the plant due to interruptions and planned shutdowns exceeds 30 hours in a month instead of 60 hours a month.

(d) Many objectors have requested for increase in load factor incentives in order to encourage the consumers to consume more power out of the available surplus.

Rejoinder of the Licensee

(a) On the proposal to increase the TOD benefits TPCODL has submitted that increase in 10/20 paise per unit of TOD benefit will not help the industry much. On the contrary, licensee has submitted multiple proposals for industrial tariff reduction.

(b) In response to the objection of M/s. Shubh Ispat (P) Ltd and similar other objectors, TPWODL has submitted that the objector has submitted the list of closed industries and the industries on the verge of closure due to non-viable business operations. While comparing the tariff of neighboring states the objector has proposed to increase the LF incentive up to 15% as against the licensee's proposal of incentive up to 10% on achieving required LF. Licensee further submits that the Commission may take suitable decision towards framing a competitive tariff.

(c) In response to allowing the OA beyond the CD, TPWODL has submitted that, the purpose of restricting the OA to the extent of CD is to protect the system for which it is paid for. Network assets have its own capacity and limit. Over stressed assets will have adverse impact and the same will be required to be compensated and the licensee may have to create adequate provision in the system at the cost of genuine customers.

(d) In response to the TOD benefit, TPSODL has submitted that the existing TOD benefit is sufficient.

39. **<u>Energy Meter Cost and Monthly Rent related issues</u>**

Shri Prabhakar Dora has stated that the present cost of meter rent is high and there is no parity between cost of meter being realized by licensee and the actual cost price in the market which is less than the recovery cost. Few objectors has submitted that, the licensees are recovering over and above the meter cost by way of meter rent and hence requested to stop the meter rents on recovery of meter cost.

Rejoinder of the Licensee

The present provision of OERC to recover meter rent for 60 months is justified.

40. **Supply to Captive Power Plants (CPPs)**

On the TPSODL's submission to include NALCO and IMFA as it's consumers, GRIDCO has submitted that NALCO and IMFA were transferred to GRIDCO as a part of reform program and the CGPs were pre-existing by virtue special long term agreement made even prior to coming up of DISCOMs in 1999. As per clause 5.1(a) of the Transmission and bulk supply license, GRIDCO is permitted to enter in to an agreement for ancillary services including the emergency power supply. Accordingly, GRIDCO is supplying emergency power to NALCO and IMFA. This matter was disposed-off by the Commission vide Case No. 34 of 2000 and 26 of 2001 and 27 of 2001 in the order dated 31.07.2001 and hence, GRIDCO has requested to reject the request of licensee in this regards.

Rejoinder of the Licensee

TPSODL has submitted that as per Licensing Terms and Conditions consumer operating in their area are supposed to take power supply from them or through their consent by open access. They have requested the Commission to consider the matter.

41. **General Issues related to Retail Supply Tariff (RST) of DISCOMs**

(i) Energy sales forecasts

- Many objectors have submitted that the sales projections of the licensees are on higher side especially in the LT sector. The actual distribution losses are higher than the commission's approved distribution losses. This increases the power purchase requirements and increase in LT sales. The higher projections of LT sales increase the cross subsidies hence; higher LT sales should not be allowed.
- The Odisha Janashakti Manch had pointed out that, there is wide variation between GRIDCO/OERC/DISCOM data versus CEA's General Review Report on Power Generation and Consumption for FY2021 and that the

petitioner is duty bound to reconcile the differences since CEA is a statutory authority under provisions of the Act. The objector has thus requested the Commission to take on record the aforesaid reports of CEA and pass out the same in the instant proceeding for approval of the ARR & determination of Tariff for the Petitioners.

(ii) Demand Side Management

- One of the objectors has requested for status report on implementation of Demand Side Management (DSM) Regulations and plan to create awareness amongst consumers.

(iii) Audit of Books of Accounts and filing of truing up petitions

- Shri A. K. Sahani, Retd. Electrical Inspector, has raised the issue that the licensee needs to deposit the amount collected against the electricity duty to the state Government on timely basis against the recovery from consumer. Proper audit of electricity duty collection and payment be undertaken by State Government as state Government is at loss due to less payment of electricity duty.
- Shri Soumya Ranjan Patnaik, MLA Khandapada, has requested to recover the revenue gained by the DISCOMs during the previous years based on actual loss reduction and pass out the same in the instant proceeding so that the gains of DISCOMs shall be shared in between the DISCOMs and Consumers equally.
- GRIDCO has submitted that, the revenue gap be considered with sales to railways. The licensees have the infrastructure in place for seamless supply of power to railways. Hence, GRIDCO has submitted that the revenue without considering the sales to Railways is a premature case and hence, the ARR and GAP should be calculated by considering the sales to Railways and any variations in sales can be taken up in truing-up.
- GRIDCO has submitted that, the return on equity be allowed at 16% on the actual equity contribution and the income tax on ROE be allowed based on the actual payment instead of grossing up of tax.

(iv) Consumer Awareness and Consumer Grievances

- Few objectors have submitted that, the licensees should submit the detailed action plan for completing the SoP audit of the divisions.
- Association of Industrial Entrepreneurs of Bhubaneswar, has requested for creation of more GRF and amendment of GRF and Ombudsman Regulations.
- Some objectors have submitted the SOP audits should be conducted through third party and reports should be submitted to the Commission.

(v) <u>Review of work quality for assets created under CAPEX program</u>

- One of the objectors had submitted that, the DISCOMs must give detail financial benefits derived from the Capex plan on account of loss reduction and its impact on tariff.
- One of the objectors has submitted that, Security Deposit may be calculated on actual load factor instead of normative load in case of existing consumer.
- One of the objectors has requested for consideration of energy consumption in kWh for HT industrial consumers till the DTRs of power utilities standardized as per the BEE and refund of excess of revenue already collected by adjusting in their respective Energy Charge bills.
- Shri Ramesh Ch. Satpathy, has submitted that the licensee should produce the detailed description for renovation and replacement of lines and substations and amount spent for the purpose.
- GRIDCO has submitted that the weighted average rate of interest be allowed on actual loan portfolio for the ensuing year.
- GRIDCO has submitted that the CAPEX be allowed based on the actual capex incurred during FY 2021-22. The Commission may direct the licensee to file separate CAPEX plan and only approved CAPEX expenditure be allowed in the ARR.

Rejoinder of the Licensee

- **Status and expenditure for network growth, augmentation and SS development under CAPEX**
- TPWODL has submitted that, the Commission had approved the CAPEX plan

of Rs 333.13 Cr for FY 21-22 and Rs 582.18 Cr for FY 22-23. The work for FY 21-22 is in progress and is expected to be completed within time. Licensee has provided the detailed list of CAPEX work in progress.

- TPWODL has submitted that the payment of electricity dues of MSME and HT sector are always through NEFT / RTGS transactions and they are availing the rebate as otherwise permissible.
- TPWODL has submitted that they have considered the CAPEX infused by the state Govt. and they have prioritized CAPEX plan in the area of statutory, safety, security, loss reduction, load growth, network reliability, technology and infrastructure etc. and the Commission had already approved the same.
- In response the objection, TPSODL had submitted that they are replacing all the defective meters under own CAPEX program and IPDS scheme. Further the new billing software is put in place from March 21 and there are initial teething problems which are being resolved and licensee has taken note of the objector's suggestion.
- TPSODL had submitted that they are taking many steps for improving the voltage by way of augmentation of conductors, installation of new substations, upgradation of existing substations and power transformers. Large numbers of new transformers have been installed to ensure reliable and uninterrupted power supply. TPSODL had submitted that following additional line and transformers have been installed in first half of the year.

Table -15

Network System	As on 31st March 2021	As on 31st Sept 2021
Length of 33kV Line (km)	3664	3814
Length of 11kV Line (km)	40368	42421
Length of LT Line (km)	37302	38523
Length of LT AB Cable (km)	27702	28875
No of 33/11kV Power Transformers	481	504
No of Distribution Transformers (11/0.4 and 33/0.4kV)	54441	55587

In response to the objection on the CAPEX loan interest calculation for whole year, TPWODL has submitted that, interest at 8% per annum for the average period of 4 months is considered on 70% of the CAPEX amount.

42. **Regarding ARR and RST tariff exercise design by the Commission**

(a) Shri A. K. Sahani, has requested to Determine the tariff progressively based on cost to serve the consumer and by reducing the Cross subsidy in accordance with the Electricity Act, 2003, OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 and the Tariff Policy.

(b) Odisha Janashakti Manch has requested to initiate necessary proceeding for notification of revised regulations in place of the expired regulations in special consideration to the sale of DISCOMs to TPCL, the actual happening, cost behaviour, ground realities and the change of policies and practices since the notification of the expired Regulations'2014.

(c) Many objectors have pointed out that truing-up activity is not been carried out for the past several years.

(d) The Odisha Janashakti Manch has pointed out that the Commission during the tariff period FY 2003 to FY 2012 has approved normative losses in diminishing manner while for the period FY 2013 to FY2022 the Commission has approved constant level of normative losses and passed out in tariff in contradiction to the tariff policy.

(e) The Odisha Janashakti Manch has pointed out that, without knowing and reviewing the book value of the existing assets in service, the O&M activities cannot be carried out by the DISCOMs. Also, passing of such O&M Cost without any book record of the value of the existing total assets in unlawful, unrealistic and imprudent.

(f) One of the objector objected on the methodology followed while determining the BSP for each distribution licensee. Also submitted that the distribution licensees be allowed to procure power through open market in order to optimize the power purchase costs.

43. **Other Miscellaneous Issues**

(a) New service connections

- Shri Prabhakar Dora has submitted that, the current service connection charges are high as compared to the material supplied by the utilities and needs to be reviewed.

- One of the objectors has submitted that the new service connections for Agriculture Connections is taking time and the new service connections be issued within minimum time on application by the consumer. This will help the licensee to improve the sales.

(b) OTS schemes

Many objectors proposed to introduce OTS scheme for LT Domestic scheme. Also the OTS scheme was proposed for LT and HT commercial consumers having disputed bills.

(c) Operational and billing issues

- One of the objectors has submitted that the bills of consumers are not served regularly and generated on provisional basis and rebate is not passed on to the consumer when the actual bill is generated.
- One of the objectors has submitted that the DISCOMs are disconnecting the power supply without proper notice the same should be stopped immediately.
- Shri Priyabrata Sahu has submitted that the provision of DPS @1.25% on Domestic and Commercial Consumers introduced by the Commission may be withdrawn as consumers are already burdened with COVID-19 and the DISCOMS are enriched at the cost of consumer.
- The Utkal Chamber of Commerce and Industry (UCCI) has proposed that the digital rebate of 3% be made available to MSME and HT Category consumers.
- One of the objector stated that the current bills should reflect basic requirements as per Regulation 147 else should be treated as incorrect bill.
- One of the objectors has objected that, Digital rebate is not correctly implemented. Different agencies give different rebates for the same amount when paid through different modes.
- One of the objectors has requested to reintroduce the take or pay benefit scheme or special tariff for energy intensive industries /consumers

having CD 110 kVA and more for guaranteed LF of 70%. He has also proposed to allow special rebate of 50 paisa per unit. Demand charges should be levied on the basis of maximum demand recorded or 80% of the contract demand whichever is lower.

- GRIDCO has submitted that the licensees are carrying the Additional Service Liability (ASL), and as long as the ASL is negative the licensees may not be allowed any financial instruments specified in vesting order. GRIDCO also requested the licensee to disclose the interest earned on the ASL and its impact be suitably adjusted in ARR.
- Association of Industrial Entrepreneurs of Bhubaneswar requested to reintroduce the 3-slab based graded incentive tariff.
- Shri Priyabrata Sahu had submitted that the provision of DPS @1.25% on Domestic and Commercial Consumers introduced by the Commission may be withdrawn as consumers are already burdened with COVID-19 and the DISCOMS are enriched at the cost of consumer.
- One of the objector submitted that, the licensees are not refunding/adjusting excess security deposits over 10% in bills as per provisions and neither giving sue motto interest on such excess amounts.
- Few objectors submitted that the graded slab tariffs based on LF should be implemented as per the provisions of the Act. The increased incentives on achievement of higher load factors should benefit the licensee in increasing the sales and benefit consumer in reducing the cost of supply.

(d) Prioritizing MSME in procuring services

The Utkal Chamber of Commerce and Industry (UCCI) had requested DISCOMs to clear their previous dues and proposed that Commission should provide additional rebate in tariff to MSME which is largest job provider of the state.

Rejoinder of the Licensee

TPWODL is following same practice of the earlier licensee in procurement and priorities in the way of waiving off tender fees, relaxation in EMD etc. is extended. Licensee is following transparent e-procurement process where all the MSME and other suppliers can participate without any reservation. TPWODL has also confirmed that the bank guarantees of the earlier licensee will be honored by new licensee as per the vesting order.

Reduction in the concessional charges for Renewable Energy

- TPCODL has submitted that they have provided the reasoning for reduction in concessional charges for Renewable Energy and the same may be considered while finalizing the charges for renewable energy open access.
- In response to the objection of IEX Ltd, TPSODL has submitted that they have submitted the reasoning in their petition for revisiting the concessional open access charges for Hon Commission's consideration while finalizing the charges for FY 2022-23.

Reliability Surcharge, DPS and PF penalty

- In response to the objection of the reliability surcharge TPWODL has submitted that, 'Power factor penalty/ incentive & Reliability Surcharges are abolished" as per RST order of FY 2021-22 in Annexure B Point No. (ii).
- In response to the objection on PF penalty TPSODL had submitted that after introduction of kVAh based billing, the PF penalty is withdrawn and there is no rational for raising the issue now.
- In response to the objections raised by Shri Priyabrata Sahu, TPSODL has submitted that the DPS is in line with the neighboring states and it has already been reduced from 1.50% to 1.25%. It is applied on non-payment of bills and acts as deterrent for non-payment of bills in time.

Meter Rent

TPWODL has submitted that the consumer has the option to install its own meter and in that case meter rent will not be recoverable. Licensee further submitted that the cost of three phase tri-vector meter is around Rs. 20,000/- is factually incorrect. Apart from the cost of meter, additional cost towards associated accessories, set up cost of back end IT infrastructure installation cost, site visit, periodical meter testing as per OERC supply code 2019, etc. is required and hence the present practice of meter rent recovery up to 60 months is justified as fixed by the Commission.

Billing w.r.t. assessment under Section 126

In response to the objection on the assessment u/s 126, the licensee had submitted that the Commission has already enumerated detailed guidelines in the OERC (Condition of Supply) Code 2019 notified on 27th August 2019. It has further stated that the regulation has clearly specified the assessment of the unauthorized use and theft of electricity.

Supply up to 15000 kVA CD through non-dedicated 33 kV feeder

TPWODL has submitted that for Supply of up to 15000kVA CD through non-dedicated 33 kV feeder will require an amendment in OERC Supply Code 2019.

Load Reduction

On the objector's submission that there should not be any time bar for load reduction, TPWODL has submitted that the OERC Supply Code 2019 specified that, Contract Demand above 20 kW shall not be allowed to be reduced more than once within a period of thirty-six months from the date of initial supply or from the date of last reduction. Any change in the guidelines proposed will require amendment in Regulations.

COVID 19 relief on demand charges of consumers having CD more than 110 kVA

TPWODL has submitted that, the Commission vide letter no DIR. (T)-405/2020/452 dated 22.04.2020, for the month of April and May 2020 during the first wave of COVID 19 had extended the relief in demand charges for consumers having CD above 110 kVA. Licensee has submitted that, the Commission may take appropriate decision on the same.

Increase in TOD benefits and other incentives

- On the proposal to increase the TOD benefits TPCODL has submitted that increase in 10/20 paise per unit of TOD benefit will not help the industry much. On the contrary, licensee has submitted multiple proposals for industrial tariff reduction.
- In response to the objection of M/s. Shubh Ispat (P) Ltd and similar other objectors, TPWODL has submitted that the objector had submitted the list of

closed industries and the industries on the verge of closure due to non-viable business operations. While comparing the tariff of neighboring states the objector has proposed to increase the LF incentive up to 15% as against the licensee's proposal of incentive up to 10% on achieving required LF. Licensee has further submitted that the Commission may take suitable decision towards framing a competitive tariff.

- Regarding the different CSS for peak and off peak period, TPWODL has submitted that the CSS are different to the extent of TOD benefits.
- In response to allowing the OA beyond the CD, TPWODL has submitted that, the purpose of restricting the OA to the extent of CD is to protect the system for which it is paid for. Network assets has its own capacity and limit. Over stressed assets will have adverse impact and the same will be required to be compensated and the licensee may have to create adequate provision in the system at the cost of genuine customers.
- In response to the TOD benefit, TPSODL has submitted that the existing TOD benefit is sufficient.

Service Regulation for outsources employees and uniform pension scheme

- TPWODL has executed contracts with third party agencies and assigned various activities like MBC, 11kV & 33 kV maintenance, enforcement etc. on job contract basis. No such employee has been outsourced in TPWODL payroll for which service regulation is required. Licensee has further submitted that, the pension scheme for the employees on its pay roll along with payment of terminal / retirement dues is being dealt as per the vesting order.
- In response to the query of Shri Ramesh Chandra Satapathy, TPSODL has submitted that they ensure the compliance of that the rules and regulations such as minimum wages, EPS and ESI by the AMC and MBC agencies for the outsources employees.

Status report of shut down and breakdown since last 1 year

TPWODL has submitted the status report of number of shutdowns and breakdowns on 33 and 11 kV lines since last one year which are progressively reducing due to continuous patrolling, network augmentation, periodic maintenance etc.

Status report of DSM implementation

- TPWODL has executed an agreement with EESL for Demand Dide Management (DSM) through wide adoption of energy efficient equipment. Licensee had submitted that position will further improve in coming days.
- TPSODL has submitted that they along with other three licensees have entered in agreement with EESL for implementation of DSM regulations.

Energy audit and SOP audit by third party

TPWODL has submitted that, plan for installation of DT metering and energy audit has been submitted in the ARR application. With regards to the SOP audit TPWODL had submitted the data for FY 2020-21 and data for 2021-22 will be submitted in time.

Electrification of industrial park and MSME cluster

TPWODL has submitted that in capex plan the new service connections and Supply to MSME is taken care of. High priority is given for release of new service connection to the MSME and all the application process is already digitized without manual intervention.

Initiation of e-mobility program and digital initiatives

TPWODL has submitted that the e-mobility initiative is under planning. Also to promote digital payment licensee has proposed to increase the rebates towards e payments. Licensee has also taken up initiatives like digitization of records, MANAK app for capturing new meter installation records, IT implementation SAP etc.

Non-tariff income details

In response to the query of Odisha Janshakti Manch, TPWODL has submitted that the non-tariff income under different heads like meter rent, reconnection charges, service connection charges, supervision charges, DPS collected in FY 2021-22 was of Rs.98.34 Cr.

Submission of annual plan by OA consumers

TPWODL has submitted that the licensee is required to submit the annual revenue requirement (ARR) which is based on the contract demand and drawl pattern of consumer. Any deviation due to OA drawl is affecting the licensee’s revenue and the tentative annual plan for OA drawl will help the licensee to plan its bulk procurement plan and ARR.

Interest on Capital Loans

In response to the objection of GRIDCO on interest on loan, TPSODL has submitted that, they have reported the interest in ARR application. However, the actual interest paid will be submitted in true up petition.

Distribution line maintenance and safety

TPSODL has replied that they are carrying out preventive maintenance along with safety maintenance on regular basis. The consumers can use the mobile app for intimation of any accidents. The Commission has already comeup with the OERC (Compensation to victims of electrical accidents) Regulations 2020 and payment of compensation to the outsiders.

Revenue earned by selling CPP's inadvertent power to state power utilities

On reply to the objection, TPSODL has submitted that all power for meeting DISCOM's power requirement is procured by GRIDCO and supplied by DISCOM at regulated tariffs and to that extent DISCOMs do not have any separate / additional revenue towards supply of such power to GRIDCO.

Impact of ASL in the Petition

TPCODL has submitted that there is significant gap between the amounts realize and available for servicing of ASL and amounts paid to GRIDCO plus servicing of other past liabilities. It is worthwhile to point out that ASL determined by the Commission is not a final number and progressively modified as has been acknowledged by the Commission itself in the segregation order. Though the Commission has determined ASL as nil in the segregation order, based on invoices received by the Petitioner for various works pertaining to CESU period the Commission has determined certain ASL as of 31.05.2021 to discharge various liabilities.

Provision of bad and doubtful debt

TPCODL submits that the Commission allows 1% bad debt on HT and LT revenue and does not consider EHT revenue. While working out billing efficiency the Commission has considered AT&C loss of 23.70% and the collection efficiency of 99%. In short the collection efficiency of 99% is applicable to the entire power purchase and not on just HT and LT sales.

Return on Equity

TPCODL submits that RoE is in effect an equity infusion of the shareholders. Equity contribution should not be restricted only fresh equity infusion. Any contribution by the shareholders like TPCL and GRIDCO is over and above such return on equity.

Regulatory Surplus

TPNODL has submitted that regulatory surplus is based on accrual basis of accounting. The above surplus will get adjusted by additional expenses incurred after September, 2021 due to increase under the following head.

- Increase in employee cost due to revised medical allowance, 30% 7th pay arrear.
- Increase in A&G expenses due to new MBC Contracts, additional insurance premium, etc.
- Increase in repair and maintenance expenses due to new annual maintenance contracts.

Net result at the end of the year would be regulatory deficit and will have revenue gap of (-)Rs.103.11 Crs. for the current financial year 2021-22.

D. OBJECTIONS ON PROPOSALS OF THE UTILITIES ON OPEN ACCESS CHARGES AND ITS REJOINDER (PARA 44 TO 49)

44. **<u>Cross Subsidy, Cross Subsidy Surcharge</u>**

(a) M/s. Grinity Power Tech Pvt. Ltd had submitted that, no precise and clear formula has been approved by the Commission for determination of cross subsidy and cross subsidy surcharge. That there is no difference between cross subsidy and cross subsidy surcharge. Further stated that, the levy of cross subsidy surcharge is to compensate the licensee for the loss of a customer and was never intended to be a source of revenue for it. The CSS is wrongly calculated in the last retail supply tariff order and they have requested for an appropriate changes in the ensuing RST order.

(b) IEX submitted that, the Distribution Licensee in the present petition, has determined wheeling charges in accordance with the past Tariff Orders of the Commission wherein the wheeling charges are computed considering the total distribution system cost including both LT and HT network, which however, is not in line with the OERC Open Access Regulations as only HT network is being utilized by the Open Access Consumers. The objector has thus requested to align the methodology for computation of wheeling charge with OERC Open Access Regulations to determine voltage wise wheeling charge.

(c) Many objectors have submitted that the, the cross subsidies be maintained within ±20% in line with the tariff policy. However, present cross subsidies are higher and hence the industrial tariffs are making the operations unviable. Any subsidized tariff needs to be subsidized through upfront state government tariff subsidy. The state Government should declare the tariff subsidies upfront. Objectors have given reference of many neighboring state governments and the quantum of subsidy support extended for subsidizing categories.

(d) Many objectors have submitted that the, cross subsidy surcharge on RE open access should not be made applicable as proposed by the licensees. The industries have only option to source renewable power from source other than DISCOMs. Increasing the CSS and application of the wheeling charges will make the RE open access unviable and will hamper the growth of RE in the state. Objectors have requested not to introduce 100% wheeling charges and the subsidized charges be continued.

(e) Some objectors have also stated that, application of normal CSS and the wheeling charges will make the RE open access unviable and indirectly force the consumers to procure power from DISCOMs.

(f) GRIDCO has submitted that the, concessional open access charges and CSS be removed as many states have withdrawn such concessional charges. The application of full wheeling charges and CSS will help the licensees to improve their revenue collection.

Rejoinder of the Licensee

(a) TPCODL has submitted that the CSS is calculated on the basis of formula given in the tariff policy and almost all the states are using the same. The differences in the charges are arising due the difference in values or amounts that have been considered in the formula. Similarly, the wheeling charges are worked on the basis of wheeling ARR and energy wheeled in the network.

(b) In response to the objections of IEX, TPCODL has submitted that the

Commission has been reducing the CSS from time to time. Licensee shall abide by the charges as worked out by the Commission for 2022-23. The licensee is guided by the Stand taken by the Commission in interpretation of various parameters under Para 388 to 392 of tariff order for FY 2021-22.

(c) TPWODL has submitted that DISCOMs are serving to about 100 lakhs consumers in the state. Out of which 10 Lakh consumers are BPL category consumers, about 2.5 Lakhs are agriculture consumers and 80 lakhs are domestic consumers whose tariffs are lower than the highest BST in the state. They are cross subsidized by industrial category through CSS. TPWODL has submitted multiple proposals to extend benefits to the industries.

(d) TPWODL has submitted that the Commission has been reducing the CSS for various categories viz. HT and EHT over a period of time. CSS has been reduced from 65% in FY 2018-19 to about 63% in FY 2021-22.

(e) Regarding the different CSS for peak and off peak period, TPWODL has submitted that the existing CSS are different to the extent of TOD benefits.

The intention of different CSS for both peak and off peak hours is to maintain harmony with regard to drawal from DISCOMs during peak and off peak hours.

45. **Additional Surcharge**

In the scheme of additional surcharge being provided for in the Electricity Act it is not possible to add any other elements of cost in the determination of additional surcharge. This is because the very concept of additional surcharge under Section 42 (4) of the Electricity Act is only for the stranded cost in relation to the obligation of supply which is the stranded power purchase cost.

Rejoinder of the Licensee

The DISCOM is entirely sourcing power from GRIDCO and GRIDCO is procuring from different generators as per PPA. A consumer having contract demand with DISCOM is reserving its capacity to draw on its need. Based on the CD of the industries and pattern of use, DISCOM is projecting its sale in the ARR. So when a consumer is opting for open access is denying the DISCOM power and in turn drawal from GRIDCO reduces and fixed cost incurred by GRIDCO cannot be prevented. Most of the neighbouring states have also fixed additional surcharge in similar manner.

46. **<u>Drawal beyond CD</u>**

In case open access is sought above contract demand then it should be allowed subject to availability of corridor and procedure establish by the Commission. The STOA consumers have the least allotment priority among other involved parties. Therefore, it will not impact the interest of new consumers of the State.

Response of the Licensee

The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets has its own capacity and limit. Continuous stress would definitely affect the network assets adversely for which it needs to be compensated.

<u>CSS on RE Consumption</u>

47. It is a fact that RE generation is still intermittent and not suitable for industrial consumption directly. At this time pushing for higher percentage of RPO obligation on the industrial / CGP based consumers and that too with imposition of cross subsidy surcharge would kill the industrial productivity. The imposition of cross subsidy surcharge on renewable energy consumption would be detrimental to the growth of RE market not only in the State but across the country.

Response of the Licensee

The Commission had provided concession to encourage the growth of renewable energy sources when the renewable sector was at the initial stage of development. However, at present, substantial growth of Renewable Sources is taking place in the country and moreover, the cost of renewable sources particularly solar and wind has come down substantially. In light of the same, it is also necessary to revisit the concessions provided to the Renewable Sources and balance the interest of DISCOMs and the consumers who source power on open access.

Submission of GRIDCO on True Up applications of DISCOMs

48. **Higher BSP Rate**

GRIDCO has been suffering from severe financial stress since past few years in absence of a sustainable revenue stream due to default in payment of power purchased by erstwhile DISCOMs. The outstanding receivables from the four erstwhile distribution utilities stands at Rs.7788 Cr. as on 30.11.2021. In order to meet this shortfall, GRIDCO has availed loans from banks supported by Government guarantee. The total outstanding loans is about Rs.8,000 Crs. And the repayment liability for FY 2022-23 is Rs.1380 Crs. Also, the State Government has not made any budgetary provisions to fund GRIDCO's past liabilities and revenue gap. Thus, GRIDCO does not have any mechanism at its disposal to recover the past dues from the DISCOMs apart from arrear collection commitments of the TP DISCOMs which provides only partial recovery of outstanding dues.

The DISCOMs are using assets worth approximately Rs.17,000 Crs. created out of Government investments without any return. Further, the State Government has decided to extend ODSSP-IV with financial assistance of about Rs.1800 Crore for distribution sector. Apart from this, the DISCOMs in their ARR petitions for FY 2022-23 have submitted substantial Capex investments in their areas of operation. All these Capex/Opex is expected to bring in additional revenue or reduction of costs/losses which shall be helpful in reducing ARR of the DISCOMs. The decrease in net/ARR of DISCOM would create margin for recovery of cost reflective BSP for GRIDCO.

There is a regulatory surplus of Rs.30 Cr. with TPSODL for first nine months ending on 31.12.2021. There is regulatory surplus of Rs.412 Crs. with TPWODL for first nine months ending on 31.12.2021. Similarly there is regulatory surplus Rs.99 Crs. with TPNODL for first nine months ending on 31.12.2021. There is a regulatory surplus Rs.58 Cr. with TPCODL for first nine months ending 31.12.2021. On the other hand, GRIDCO is suffering a provisional loss of around Rs.185 Cr. (excluding year end bills/provisions) up to third quarter. GRIDCO's cumulative loss till FY 2021 is Rs.7,446 Cr.

In view of the above, it appears that there is a scope for the DISCOMs to absorb higher BSP without increasing RST. The Commission is requested to kindly consider the same while approving ARR and BSP of GRIDCO.

49. **Norms for determination of truing up amount**

GRIDCO has prayed to disallow additional power purchase cost in line with Regulation 7.12 of the OERC Tariff Regulations, 2014. The power purchase cost should be allowed on the basis of approved distribution loss and collection efficiency target for the period. The employee cost being controllable cost DISCOMs may not be allowed expenses over and above the approved amount. The R&M cost should be allowed on actual basis. The approved A&G cost should be allowed. The additional A&G cost should be justified by the DISCOMs. The bad and doubtful debt should be allowed as 1% of the total revenue billing in HT and LT sales only on normative basis. The detailed break up of claim towards interest cost should be submitted. The interest cost only to the extent approved in the ARR for 2020-21 should be allowed after prudence check. The RoE should be allowed @16% on reserve capital for the respective period. Special appropriation should not be allowed at the truing up stage. The policy regarding employee cost capitalization should be framed. Separate accounts for truing up of the period before and after the vesting of the Utilities should be made.

E. OBSERVATION, ANALYSIS AND RECOMMENDATIONS OF CONSUMER COUNSEL "WISE" ON ARR, WHEELING AND RETAIL SUPPLY APPLICATION OF DISCOMS (PARA 50 TO 58)

50. All the licensee's LT sales are projected on higher side needs review. The BPL category of consumers have been reduced over the years. The monthly average consumption of BPL category consumers should be below 30 kWh per month. While changing the consumer category from BPL to general residential category consumer annual consumption should be checked. The genuine BPL consumers should be deprived from concessional BPL tariff.

51. Licensees need to implement energy meters at all the incoming points and feeders. On completion of metering, the energy audits should be conducted division-wise. Distribution licensees are mandated to undertake the energy audits under the Energy Conservation Act 2001. Third party audits and verification should also be undertaken.

52. It is observed that the LT consumptions is increasing and reduction observed in HT and EHT sales. The bad debts are higher in domestic consumers. With increasing trend of LT sales, licensee need to put more efforts on educating the rural consumers to opt for the digital mode of payments and incentives offered to rural consumers for timely payment and procurement of power through correct energy meters. Increased awareness about incentives and ease of payment through digital mode should benefit both. Few drives for facilitating the digital payments along the billing cycles should help the consumers in opting the digital payment modes.

53. The initiatives of licensees in adoption of cyclone prone infrastructures and improved

safety are commendable. This will improve the reliability and should reduce recurring expenditure on R&M of infrastructures after cyclone.

54. All the licenses have projected employee costs, A&G costs and R&M Costs on higher side as compared to the commission's approval in the current year. Such costs should go down after completion of the initial infrastructure restoration work is over.

55. Licensee's initiatives in digitization should help in improved consumer experience. Further, increased digitization should reduce operational costs and the benefits be passed on to consumers. The benefits of IT enabled services, technical and managerial practices should in turn reduce the losses and benefit the consumers.

56. At present the concessional wheeling charges and exemption in CSS is being offered to open access consumers opting power from renewable energy. State has RE installed capacity of about 59.22MW from bio-energy projects and 431.19MW from solar projects totaling to 490.41MW of installed capacity. Of this, only solar open access consumers are being offered concessional wheeling charges and CSS is waved-off to OA consumers sourcing power from third party. Odisha accounts about 0.54% of installed RE Capacity of India (around 105854MWas on 31 Jan 2022). MNRE assessed potential of solar of 25.75GW for Odisha out of the national potential of 750GW. Further, RE capacity addition target allotted by MNRE is of 2277 MW by FY 22. All the licensees have proposed to stop the concessional OA charges. The data submitted by licensees related to OA is varying. Hence, prudent check of RE OA needs to be taken to access the loss of wheeling charges from solar OA and loss of CSS from third party sale of solar OA to be checked. Considering the huge potential for RE capacity addition and installed capacity in the state it is felt that such concessional benefits be continued for encouraging RE installation in the state.

57. Increasing the digital payment rebate from 2%to 3% for LT domestic, LT GP and LT agriculture consumers and additional discount to rural domestic category consumers will help to improve the collection efficiency. Hon. Commission may kindly consider the same.

58. Licensees have proposed to continue the LF based incentive offered in last year's tariff order to the Steel Industries. Apart from this in order to encourage the industries to consume more power, licensees have proposed rebates to New Industries, closed industries who want to restart the operation, industries having CGP if assumed 80%

and above LF, Industries without CGP for drawl of additional power beyond 10 MVA etc. The purpose of offering the rebate is to encourage more consumption and consume available surplus power. Similarly, there is proposal to increase the TOD benefit to improve the off-peak power consumption. Licensee's proposal to incentivize the industries to increase the consumption is welcome step. However, instead of making such multiple rebate proposals, the benefit of increasing TOD benefit may provide win-win proposal and Hon. Commission may consider these proposals appropriately.

F. OBSERVATION OF STATE ADVISORY COMMITTEE (SAC) (PARA 59)

59. The Commission convened the SAC meeting on 11.03.2022. The summary of suggestions with respect to DISCOMs are placed below:

(a) There should not be hike in tariff this year because last year there was tariff hike was made twice. GRFs are not properly managed by the DISCOMs and sometimes some GRF members are given dual charge which is hampering the smooth functioning of the GRFs. The distribution licensee should not interfere with the GRF in their jurisdiction.

(b) Government should take a view on the outstanding arrears of erstwhile DISCOMs so that they can start afresh. There should be prior intimation before the power interruption.

(c) The fee for every span of line extension beyond 30 meter for LT single phase consumer should be kept Rs.6000/- instead of Rs.9300 proposed by the DISCOMs. OTS should be reintroduced for the interest of consumers. 100% metering should be done so that DISCOM's revenue will increase, since many consumers are paying less because of defective meters.

(d) Proper procedures are not being followed by TPCODL officials in accordance with Sections 126 and 135 of the Electricity Act.

(e) The employee cost suggested by DISCOMs is very high and in the age of computer, it is not acceptable. DISCOMs are not adhering to the Regulations framed by the Commission. DISCOMs are not following the billing cycle of thirty days and there are instances of billing cycle less than thirty days, which is violating the Regulation. The HT loss which is taken as 8% should not be allowed. Government should give subsidy to LI consumers as it is not possible to cross-subsidize all categories of consumers. If the industrial tariff will not reduce, all the industrial consumers will opt for open access and DISCOM will suffer due to loss of revenue.

(f) DISCOMs should concentrate on consumer satisfaction and provide uninterrupted quality power to its consumers. DISCOMs are unable to improve overloading issue of transformers and the low voltage problem in rural areas. TPNODL should take proper action for timely payment of salary to the outsourced employees.

(g) Due to shortage of staff, the GRF is not able to timely dispose the cases. DISCOMs should be aware of the common problem of the consumers, so that the minor issues can be solved at their end as a result the number of GRF cases will reduce. Since prawn culture is a commercial activity, it should not be given any concession.

(h) The Commission should review the performance of DISCOMs through professionals and should ensure that the direction of the Commission is implemented properly. There should be a mechanism, so that before going to the High Court, the Licensee should approach the GRF first. Till the availability of good communication network, the billing should continue both in online and offline mode for the convenience of consumers.

(i) In case of TPCODL, it is found that 5% of the total ARR is the investment driven cost. Unfortunately despite regular repetitive orders of the Commission, DISCOMs don’t have clarity in respect of registered assets. The Capex approved by the Commission have never been linked to loss reduction. The Commission is required to examine the Capex and Assets more meticulously to reduce its impact on ARR. No Capex should be approved without the corresponding expected end result. Government should take accountability of investment made and utilisation of assets in the power sector.

(j) DISCOMs should be liberal and keep their tendering process transparent so that more number of MSMEs of the state will able to work with them which in turn will generate more employment. The Commission should address the concerns of mega lift and industrial consumers so that it becomes viable. Third party involvement in awareness creation on controlling theft, addressing grievances of consumers, promotion of DSM initiatives among Rural consumers so as to reduce LT loss should be emphasized. DISCOMs should encourage consumers to use energy efficient devices / appliances which in turn will save the energy and reduce the losses. Due to kVAh billing the industrial tariff has increased. The Commission should address the issues of Ferro Alloy industries and mini steel plants which are moving to neighbouring states due to high industrial tariff in our state. This will increase both energy demand and revenue of the DISCOMs. ToD benefit should be increased significantly from 20 paise per unit to 50 paise per unit. Proposal of DISCOMs on application of CSS and 100% transmission charges and wheeling charges on procurement of RE power through open access should be rejected.

(k) The cable operators should take permission to utilise the electricity pole.

G. VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (PARA 60)

60. Government of Odisha vide their Lr. No. 2428/ En., Bhubaneswar, dated 22.03.2022 have submitted their views on the tariff proceeding for FY 2022-23 as follows:

(i) Considering the surplus revenue (regulatory transfer) and profit of DISCOMs as well as the loss of GRIDCO during the first nine (9) months of the current financial year, there is a scope of increasing the BST for DISCOMs without increasing the RST. The fixed cost of the PPAs signed by GRIDCO as well as the finance cost need to be taken into account in the ARR of the GRIDCO for the year 2022-23.

(ii) Concession on intra-State transmission charges, wheeling charges given on open access RE power need to be withdrawn forthwith. The Commission may also impose cross subsidy surcharge on RE power. A detailed affidavit in this regard was submitted by the Department before OERC in Case No. 81/2021, which need to be taken into consideration.

(iii) Operation of OPGC has become unviable because of present level of provisional tariff. OPGC has also filed an application before the Commission for determination of tariff. It may take some time. Hence, OPGC may be allowed reasonable and prudent provisional tariff w.e.f. 01.04.2022 for covering its fixed cost in full.

(iv) The Government have constructed the entire distribution infrastructure necessary for operationalising the mega lift irrigation points. The DISCOMs have not made any investment. The mega lift irrigation points receive power through dedicated 33 KV lines. Hence, the losses are low and the cost of supply for the mega lift points is much lower than the average cost of supply of DISCOMs. The mega lift irrigation points also use power for 10-15 days in a year as these have not been designed to provide assured irrigation rather these LIPs have been designed to provide protective irrigation for a few days when there is less rain fall. Accordingly, OERC may consider lower fixed charges and energy charges for the mega LIPs.

H. OBSERVATION AND DIRECTION OF THE COMMISSION (PARA 61 TO 237)

Tariff order formats

61. Tariff orders are unique for a particular State Commission. The tariff structure for a particular financial year is decided based on various inputs and is likely to vary with respect to previous years. In Odisha the Commission hears the issues raised by the Petitioner & objectors and disposes them thematically. There are some issues which do not require elaboration like provision of law, calculation of revenue etc. which are evident on the face of the order. If those are explained repeatedly it will unnecessarily clutter up the order. Therefore, the Commission has been consistently adopting a particular format year after year. It is a fact that there is always scope for improvement. The Commission for the sake of clarity and lucidity of the order and for the convenience of the objectors shall definitely improve upon their order whenever situation arises.

Expired Tariff Regulations

62. The Distribution system of Odisha has reached a unique stage of development. The responsibility of distribution of power has been entrusted / vested to four (4) DISCOMs (TPCODL, TPNODL, TPWODL, and TPSODL) and 51% of the equity in all the four DISCOMs has been off loaded in favour of TPCL through four vesting orders issued under Section 21 of the Electricity Act, 2003. The vesting orders have imposed certain conditionalities on the new DISCOMs and they are duty bound to follow. Such conditionalities are like AT&C loss trajectory, and infusion of capex etc. The Commission has notified Odisha Electricity Regulatory Commission (Terms and

Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014. The first control period provided in Regulation has expired on 31.03.2019 though the Regulations are in force unless it is repealed. Electricity Act is a comprehensive piece of legislation. One provision cannot be read in isolation of other. The provisions of Regulations framed under Section 61 of the Ac, which applies to any distribution licensee and the conditionalities on the vesting orders issued under Section 21 are to be harmoniously read and followed. However, when licensee comes through a vesting order then vesting order shall have precedence over the Regulations which is general in nature. This is because vesting orders are special to each licenced area whereas Regulations are general in nature and applicable to the whole state. The second phase of privatization in Odisha is in nascent state. The Commission is taking steps to reframe the Regulation keeping in mind the provisions of vesting order. The Commission cannot allow chaos and deadlock in the distribution business and allow the consumer service at the mercy of the utilities in the wrong premise of expired Regulations which has no basis. Tariffs are to be regulated anyway under Section 61 or/and through the provisions of vesting orders issued under Section 21 of the Electricity Act, 2003.

Inconsistent Tariff Petition

63. The four DISCOMs of the state have filed different tariff applications based on their requirement. The Commission has provided certain formats to elicit certain information from the DISCOMs which are useful in tariff determination process. Accordingly, DISCOMs have filed their tariff application providing relevant information in the prescribed formats. The other content of tariff applications cannot be uniform across the DISCOMs. However, DISCOMs must endeavour to prepare the tariff application in such a way that it can be easily understood by the objectors.

MYT Principle

64. In MYT principle, the operational norms & trajectories of performance parameters are specified, which gives certainty to the principle to be adopted for determining different components of tariff, such as employee cost, repair and maintenance expenses, administrative and general expenses and return on equity etc. The Commission is to differentiate between different components of ARR into two parts such as controllable and uncontrollable cost. For example, distribution loss and employee cost are controllable whereas power purchase expenses and taxes on income are

uncontrollable. Accordingly, the Business plan submitted by applicant based on above principle and forecast of ARR & expected revenue from tariff for each year of control period is to be approved by the commission, the mechanism of pass-through and sharing of approved gains or losses on account of uncontrollable factors are to be specified by the commission. The above MYT principles have been specified in the Regulation. The Commission while determining tariff, has been adopting them scrupulously on Annual basis. In addition to Regulation, four Vesting orders have been issued under Section 21 of the Act and have force of law. Accordingly, while adopting the MYT principle, the Commission takes into account the principles enumerated in the Regulation and the Vesting orders. If there is contradiction between the Regulation which is general in nature and the Vesting order issued under Section 21 which are specific to a DISCOM, then the later prevails. The Commission while issuing Vesting order has specified the trajectory for AT&C loss reduction and Capex etc. for DISCOMs. These are the part of the MYT principle. The Commission in this order has adopted MYT principle as described above. The MYT principle has no direct relationship with tariff reduction rather it gives predictability to the tariff.

Truing up

65. The Commission has carried out Truing up exercise in this order for the period 2020-21 based on the audited accounts. This is the first year of operation after privatization. The Truing up of account helps the Commission to factor in past regulatory surplus or gap in the regulatory account of the year under consideration. This, in turn, helps the Commission to arrive at the ARR of the ensuing year. The Truing up of accounts before FY 2020-21 has no impact on the present ARR for FY 2022-23 of the DISCOMs. This is because any Regulatory surplus or gap for the years prior to FY 2020-21 shall be transferred to the Special Purpose Vehicles (SPVs) which was created to retain the liabilities of erstwhile DISCOMs. It is pertinent to mention that three (3) new DISCOMs (TPCODL, TPWODL, TPSODL) came into existence during FY 2020-21, 4^{th} DISCOMs (TPNODL) took the responsibility in April 1, 2021 and these DISCOMs are free from liabilities of the past barring few as per Section 21 of the Electricity Act. The apprehension of the objector in this regard is without any basis.

Sales Forecast, Normative Loss, Input Energy and Power Purchase Cost

66. The Commission always estimates the quantum of power purchase from the past trend

and additional purchase forecast for the ensuing year. The top down approach is being followed and sale is estimated based on normative distribution loss. Once the audited account is available with the Commission in the subsequent year, the variation in expenditure, power purchase cost and revenue from sale etc. are trued up. An estimation is always made in advance as it is certainly difficult to predict exact quantum of power purchase and sale. The objector in one hand is requesting the Commission to adopt MYT principle which brings in predictability in tariff determination, on the other hand is objecting to the adoption of normative loss/ trajectory of loss, which is a component of MYT. The Commission considering network arrangement and other factors decides the level of normative loss for a particular year or succeeding years. It is pertinent to mention that the revocation of license of some DISCOMs in the past has no relationship with the level of normative loss fixed by the Commission. The objector(s) has failed to appreciate the principle adopted by the Commission under law, which has been upheld by the higher forums in many occasions.

The issue of approval of unrealistic power purchase cost

67. The Commission observed that some of the objectors have submitted that during last five years, the actual consumption of electricity in the State is much less than the projected annual energy requirement of the State as approved by the Commission. Hence, the estimation for State consumption is unrealistic resulting in approval of high power purchase cost leading to increase in BSP and RST. The Commission observed that the variations in approval and actual power purchase by DISCOMs are 1023 MU (4.16%) in FY 2016-17, 508 MU (2.02%) in FY 2017-18, 401 MU (1.54%) in FY 2018-19, 3248 MU (11.67%) in FY 2019-20 and 3554 MU (12.65%) in FY 2020-21. The higher variation in FY 2019-20 & 2020-21 is due to low industrial consumption on account of Covid-19 situation in the State and the variation in other years is nominal. The details are shown in the Table below:

Table -16

Year	DISCOMs Drawal of Energy (in MU)		Variation (in MU)	Difference (in %)
	Approval	Actual		
2016-17	24540	23517	1023	4.16
2017-18	25140	24632	508	2.02
2018-19	25990	25589	401	1.54
2019-20	27840	24592	3248	11.67
2020-21	28090	24536	3554	12.65
2021-22	27870	27824*	46	0.17

* Actual drawal of 20868 MU upto December, 2021 is prorated for the whole year.

However, any financial impact arising out of such variations is being taken care of in the truing up exercise of the licensees. The Commission vide its order dated 20.10.2021 in Case Nos. 67/2018, 62/2020 and 27/2021 has trued up the accounts of GRIDCO for the period from FY 2015-16 to 2019-20. In this truing up order, the Commission has considered the actual power purchase cost & actual sale of power to DISCOMs by GRIDCO and accordingly, the cumulative gap in the GRIDCO's ARR has been reduced to (-) Rs.460.58 Crore as on 31.03.2020 (i.e. upto 2019-20) against the cumulative gap of (-) Rs.3588.02 Crore upto FY 2014-15.

68. The objector has further submitted that the power consumption of DISCOMs for the FY 2021-22 has been estimated as 27068 MU without considering Covid factors and the objector has presumed that the actual power consumption for FY 2021-22 would be at par with that of FY 2020-21, say 25000 MU and the ensuing FY 2022-23 will be no better than FY 2021-22 in the backdrop of Covid-19. The Commission observed that in the current FY 2021-22, the DISCOM's consumption upto December, 2021 is 20868 MU and prorating the same for the whole year, the DISCOMs consumption for the current FY 2021-22 comes out to be 27824 MU against the approval of 27870 MU. Since, the difference is found to be very nominal, the Commission cannot accept the suggestion of the objectors to consider 25000 MU for DISCOMs consumption for the ensuing FY 2022-23.

69. The quantum of power to be purchased by the four Distribution Utilities for the FY 2022-23 has been assessed and approved by the Commission while determining their Revenue Requirement & Tariff in Case Nos. 111/2021 (TPCODL), 108/2021 (TPNODL), 109/2021 (TPWODL) and 110/2021 (TPSODL), in line with the provisions in the existing Regulations. The Commission has approved the total energy requirement of 29500 MU for all the DISCOMs for the FY 2022-23 and this would be 6% increase over previous FY 2021-22. Accordingly the requirement of TPCODL, TPNODL, TPWODL and TPSODL would be about 9790 MU, 6020 MU, 9300 MU and 4390 MU respectively, which would be about 5%, 2%, 8% & 6% increase respectively over the approved quantum for FY 2021-22.

The issue of factoring in Miscellaneous Revenue in average cost of supply

70. One of the Objectors has stated that miscellaneous revenue should be accounted for

while finding out average cost of supply for the State. 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.

Purchase, Sales, Loss and Estimated Revenue

71. The ARR and tariff applications of DISCOMs are to be considered under prevalent OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 framed under Section 61 of the Electricity Act, 2003 and respective vesting orders issued under Section 21 of the same Act. The DISCOMs have been advised for segregation of their cost and revenue into wheeling business and retail supply business for approval of the Commission under Regulation 4.4 of OERC Tariff Regulations, 2014. Similar to previous year the Commission has approved the cost allocation matrix provisionally for FY 2022-23 consistent with the Regulations of RST order 2016-17 (paras 385 to 393).

72. The tariff design exercise carried out by the Commission is a balancing act in which revenue is matched with expenditure in such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply as per Clause 8.3 of National Tariff Policy. Ultimate objective is that tariff should be reflection of cost of supply. EHT and HT consumers are cross subsidizing LT consumers of the State. Similar to the previous years, the Commission has adopted Top Down Approach to calculate sales of ensuing year by applying normative loss

specified in the vesting order.

Table – 17
Proposed and Approved Loss of DISCOM Utilities

	FY 2020-21 (Actual)	**FY 2021-22 Approved**	**FY 2021-22 Estimated by licensees**	**FY 2022-23 Proposed by licensees**	**FY 2022-23 (Approved) by the Commission**
TPCODL					
Distribution Loss	25.90 %	22.93 %	23.42 %	22.00 %	22.93 %
Collection Efficiency	95.09 %	99.00 %	95.47 %	97.75 %	99.00 %
AT and C Loss	29.54 %	23.70 %	26.89 %	23.75 %	23.70 %
TPNODL					
Distribution Loss	20.63 %	18.35 %	20.02 %	18.35 %	18.35 %
Collection Efficiency	94.28 %	99.00 %	97.27 %	99.00 %	99.00 %
AT and C Loss	25.17 %	19.17 %	22.20 %	19.17 %	19.17 %
TPWODL					
Distribution Loss	25.07 %	19.60 %	21.40 %	21.00 %	19.60 %
Collection Efficiency	97.46 %	99.00 %	96.00 %	96.00 %	99.00 %
AT and C Loss	20.40 %	20.40 %	24.54 %	24.16 %	20.40 %
TPSODL					
Distribution Loss	23.07 %	25.00 %	25.00 %	25.00 %	25.00 %
Collection Efficiency	90.95 %	99.00 %	91.00 %	99.00 %	99.00 %
AT and C Loss	30.03 %	25.75 %	31.75 %	25.75 %	25.75 %
ODISHA					
Distribution Loss	24.17 %	21.24 %	22.02 %	21.36 %	21.25 %
Collection Efficiency	95.11 %	99.00 %	95.40 %	97.64 %	99.00 %
AT &C Loss	27.87 %	22.03 %	25.61 %	23.21 %	22.04 %

Assessment of Power Purchase Requirement of DISCOM Utilities for FY 2022-23

73. The Commission has estimated sales for EHT and HT for FY 2021-22 by averaging sales of last nine months and extrapolating the same for the whole year. The estimated sales for FY 2021-22 in HT and EHT are as follows:

Table - 18

(in MU)

Licensee	**EHT Sale for FY 2021-22**	**HT Sale for FY 2021-22**
TPCODL	1101.49	1407.30
TPNODL	1608.28	478.07
TPWODL	2063.37	1912.73
TPSODL	505.76	307.90

74. The Commission scrutinized the estimated sales of the licensee at HT and EHT level for FY 2021-22 and proposal for FY 2022-23. Further TPCODL and TPSODL in their letter dt.09.03.2022 have submitted their revised projection of sales at EHT level as 1287 MU and 591 MU respectively and revised HT sales as communicated by TPSODL is 355 MU. Accordingly, the additional sales at EHT level for FY 2022-23 is

estimated to be 184.07 MU, 17.95 MU and 109.21 MU for TPCODL, TPNODL, TPSODL respectively. Similarly the additional sales at HT level are 1.88 MU, 14.20 MU, and 57.55 MU for TPCODL, TPNODL, TPSODL, respectively. However, in case of TPWODL, the projected sale is more compared to the estimated sale for 2022-23 by the Licensee. The estimated sales of DISCOMs are, therefore, found out by adding the additional sales except TPWODL with prorated sales for FY 2021-22 for HT and EHT. The Commission has allowed power purchase for FY 2022-23 with the above additional sales considering 8% loss at HT level and no loss at EHT level over and above the power purchase estimated by the Licensees for FY 2021-22. Based on the power purchase figure so arrived for FY 2022-23 and considering overall loss & sales of power at EHT and HT level, the Commission determines estimated sales at LT level following top down approach specified in the Regulation. Accordingly, the estimated power purchase and sales figure of DISCOMs are given in the table below for FY 2022-23:

Table – 19

(In MU)

All Odisha Purchase and Sales Proposed and Approved by the Commission for FY 2022-23										
	TPCODL		**TPNODL**		**TPWODL**		**TPSODL**		**ODISHA**	
	Proposed	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**
Purchase	9550.00	9790.00	5980.11	6020.00	8843.28	9300.00	4170.00	4390.00	28543.39	29500.00
Sales										
EHT	1095.93	1280.00	1662.05	1680.00	1750.00	2060.00	480.79	590.00	4988.77	5610.00
HT	1468.12	1470.00	485.80	500.00	1850.00	1910.00	292.45	350.00	4096.37	4230.00
LT	4796.43	4795.20	2734.91	2735.30	3510.00	3507.20	2354.47	2352.70	13395.81	13390.40
Total Sales	**7360.48**	**7545.20**	**4882.76**	**4915.30**	**7110.00**	**7477.20**	**3127.71**	**3292.70**	**22480.95**	**23230.40**

Revenue Assessment

75. Based on normative parameters like distribution loss, AT&C loss, sales and collection efficiency as approved in this Retail Supply Tariff order of the Commission and billing figure for FY 2021-22, the Commission have estimated the revenue for FY 2022-23 for the DISCOMs as follows:

Table – 20
Revenue of DISCOM Utilities for FY 2022-23

(Rs. Crs.)

	TPCODL	**TPNODL**	**TPWODL**	**TPSODL**
EHT	845.43	1099.48	1332.14	395.27
HT	977.81	328.77	1177.07	225.05
LT	2449.76	1272.78	1610.27	1073.68
Total	**4273.01**	**2701.04**	**4119.48**	**1694.00**

76. **Tariff Related Issues**

DISCOMs have raised certain issues which are discussed below:-

(a) Procedure for kVAh billing

The Commission has approved kVAh billing for HT and EHT consumers w.e.f. FY 2021-22. One year is going to be completed since the introduction of kVAh billing. Now, based on the experience of the current year the following methodology should be adopted for kVAh reading of HT and EHT consumers.

For kVAh billing, leading kVArh (leading power factor) should be ignored.

kVAh consumption for the billing cycle = $\sqrt{(kWh)^2 + (kVArh\ lag)^2}$

(Where kWh, kVArh lag is consumption for the billing cycle)

Where there is no display of kVArh lag reading, then kVAh reading from the display is only to be taken for the purpose of billing. Where there is no display of kVArh lag reading, DISCOMs are required to take necessary steps for replacement of those meters. All meters installed in future should be configured as per lag only.

kVAh billing has an inherent mechanism to incentivize or penalize consumers according to their power factor. The Prime Objective of the kVAh based billing is to encourage the consumers to maintain near unity Power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile.

(b) Load enhancement for Soubhagya cases

On the query of the DISCOMs regarding recovery of security deposit of consumers, who have availed power supply under Soubhagya scheme, it is clarified that those consumers have not paid any security deposit during initial stage of supply as per the provision of the scheme. If such consumer(s) goes for load enhancement, they will not be eligible for the benefit of the Soubhagya Scheme. Therefore, if such consumer(s) goes for load enhancement at a future date, they are required to pay security deposit as applicable for the total load. This is due to the fact that security deposit is a guarantee of the consumers on the receivable of the DISCOMs in terms of energy bill. Therefore, security deposit is to be paid as per the Regulation by such consumer to DISCOM(s) at the time of enhancement of load.

(c) Issue of Mega lift point

Mega lift points are large irrigation scheme by Government of Odisha for lifting of water from the water channels such as rivers and other eligible water bodies. This scheme has been formulated for providing irrigation facilities to group of farmers in the drought prone areas of the State. After it becomes fully operational, the beneficiaries who are basically small farmers shall pay for the service they avail. In view of OERC Regulations, this type of consumers cannot be accommodated in irrigation pumping and agriculture category which limits the pump capacity to 15 HP in aggregate for a particular consumer. Therefore, Mega lift consumers are at present treated as general purpose category at HT/EHT level. Unless the Regulation is appropriately amended this category cannot get the benefit similar to agriculture and pumping category of consumers. Therefore, the Commission is considering to bring about appropriate modification in the Regulation. However, for FY 2022-23 Commission has allowed special rebate in energy charge and waiver in demand charges for mega lift category consumer.

(d) Demand Charges for HT Medium category consumers.

Presently, HT Medium Industries (CD >70 <110 KVA) are paying demand charges @Rs150/KVA. For past several years some of the DISCOMs have been submitting that the said demand charges should be enhanced to Rs.250/KVA. This matter has already been dealt in Para 331 of Retail Supply Tariff order for FY 2020-21. The load demand of such industry(ies) fluctuates throughout the year and they cannot be compared with large industrial consumer. Therefore, the Commission has been consciously keeping demand charges low for these categories of consumers to encourage small and medium category of MSME industries in the State.

(e) Monthly Minimum Fixed Charge (MMFC) for LT category of consumers

This matter has already been dealt in Para 332 of Retail Supply Tariff Order for FY 2020-21. Some of the DISCOMs want that uniform principle/practice should be followed for all LT category of consumers in respect of MMFC including additional KW. It is to clarify that this has been done purposefully to give some relief to agriculture, public lighting and small industry consumers.

As such the revenue earned from this section of consumers is very low and will have minimal impact on the overall revenue of the DISCOMs.

(f) Additional Rebate of 3% to LT category of consumers for Digital Payment

DISCOMs want to encourage digital payment to improve collection efficiency and request for enhancement in rebate from existing 2% to 3% for the LT domestic and Kutir Jyoti consumers against digital payment within due date. Considering the proposal of DISCOMs, Commission allows rebate of 3% (against existing 2%) over and above the normal rebate on the bill of the LT domestic and single phase General purpose category of consumers only over and above all the rebates who pay through digital mode. This rebate shall be applicable on the current month bill if paid in full.

(g) No cost to be recovered from consumer upto 5 KW for transformer upgradation

This matter has been dealt with in para 343 of Retail Supply Tariff Order for FY 2020-21. In many occasions, the Commission has come across the complaints of small consumers who are denied service connection by DISCOMs on the pretext of overloading of transformer in that area. Therefore, Commission direct that while providing new LT supply upto 5 KW, the cost of upgradation of transformer or installation of new transformer shall not be insisted upon or recovered from the consumers.

(h) EV Charging

As per MoP, Government of India Notification No.244347 dated 14.01.2022, the tariff for supply of electricity to public EV charging stations shall be a single part tariff and shall not exceed "Average Cost of Supply" till March, 2025. The same tariff shall also be applicable for public EV charging station(s). Since the average cost of supply for FY 2022-23 found to be Rs.5.87/unit, accordingly the Commission decides tariff for EV charging station as Rs.5.50/unit. No demand charges shall be applicable to EV charging station(s). The EV charging station established by group housing society through a separate connection shall be treated as public charging station.

(i) Billing in Odia Language

The Commission, in earlier tariff orders, had directed DISCOMs to issue electricity bill both in Odia and English language. The Commission had approved a format in this regard. During public hearing, many objectors informed that it is difficult to understand the bills raised by DISCOMs as many consumer, particularly rural consumers are not conversant with English language. It has been observed that in the past after introducing billing in bi-lingual language for some time, the DISCOMs have discontinued the practice. Therefore, Commission emphasize and direct all DISCOMs to introduce bi-lingual electricity bill immediately in which both the versions i.e. Odia and English are available and the status of implementation will be reviewed after three (3) months.

(j) Levy of CSS on RE power

At present the generation from renewable sources is about 27% of total installed generation capacity in the country and growth is phenomenal. In Odisha, the solar generation capacity has already crossed 500 MW. The cost of renewable power has also come down over the years and even gone down below the price of conventional power. The cost of solar energy which was Rs.12/unit in 2012 is now available at about Rs.2.50/unit. Similarly, the cost of wind energy which was Rs.5/- has come down to about Rs.2.75/-unit. Taking the advantage of cheaper power from renewable sources, consumers of the State have procured around 2550 MU of RE power through open access in last 10 months. Therefore, the Commission is not inclined to continue with concession in terms of transmission charge, wheeling and cross subsidy surcharge for the consumers who are availing renewable power through open access. The Commission direct that the consumers availing renewable power through open access shall pay the transmission charge, wheeling charge and cross subsidy surcharge at par with consumers who are availing conventional power through open access.

(k) Rebate to Domestic Rural Consumers

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 in addition to existing rebate for prompt payment in the current bill.

Green Tariff

77. Globally there is a growing demand for rapid transition to a Zero carbon economy. This is driving the demand for electricity from renewable sources and creating a shift

in demand pattern away from fossil fuels across the global power system. Govt. of India is also promoting RE in a big way and has kept an aggressive target of 175 GW of RE by 2022 and 500 GW by 2030. Indian corporates are also contributing a lot in achieving this aggressive target of the government and also interested to become zero carbon emission companies. In this context, some of the corporate consumers under the area of operation of TPCODL are also interested to become Zero carbon company and for becoming a part of the elite club of those companies having Zero carbon emission like Google. Many more consumers may be interested to join this club in future and buy only RE power.

Therefore, the Commission introduce the concept of Green Tariff for interested consumers with following conditions.

- It will be totally voluntary in nature. The consumer shall undertake that he shall avail full quantum of his requirement from Renewable energy sources.
- The additional charge for procurement of exclusive RE power by specific consumers would not burden other consumers.
- The additional revenue on account of green tariff shall be accounted as other income, which in turn will reduce the overall ARR.

DISCOMs will issue Green Consumer Certificate to such consumers stating that all power requirements of such consumer have been meet from renewable energy sources. Accordingly, the Commission direct as follows:

"The consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The consumer has to pay additional 50 paise per unit as premium over and above the normal rate of energy charges. This facility shall be in force for one year from the effective date of this order. The consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the consumers having Captive Generating Plants (CGPs)." However, any industry having CGP wants to meet 100% of its requirement from renewable sources they can apply to DISCOM for Green Certification and for them the DISCOM shall levy a premium of 50 paise per unit over and above the normal rate of energy charges as stated above.

Special Tariff for Industry having CGP for incremental energy drawal above 80% load factor

78. The Commission observed that surplus power would be available with GRIDCO after meeting the state demand for the FY 2022-23. GRIDCO can sell the surplus power to the industries having CGP with Contract Demand (CD) through a tripartite agreement executed between GRIDCO, concerned Distribution Licensee and the concerned Industry. The tariff for such sale of power to the industry having CGP with CD should not be less than Rs.4.30/kVAh for FY 2022-23 provided that the drawee entity operates above 80% load factor and there shall be no overdrawal penalty. For this purpose, GRIDCO shall invite bid for sale of surplus power and the bidders shall be selected through bucket filling method till the total bid quantity is exhausted. However, the ceiling limit for exemption of overdrawal penalty shall be as per the respective agreement. The Distribution Licensee(s) should be involved in the preparation of tripartite agreement and find prospective buyers for sale of surplus power. Further, any industry having CGP without CD, availing emergency power only can also get this benefit for their incremental energy (kVAh) drawal above the emergency drawal limit applicable to them. For this transaction tripartite agreement shall also be applicable. In this type of transactions, OPTCL shall get normal transmission charge of 28 paise per kWh and GRIDCO shall get Rs.3.60 per kWh. The balance amount earned out of the above sale shall be shared equally between GRIDCO and the concerned Distribution Licensee. The Commission may revisit the above Scheme at any time based on the application from the DISCOMs/GRIDCO on the success of the Scheme.

Cross-subsidy in Tariff

79. Cross Subsidy has been defined in Clause 7.77 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"7.77 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered."

According to above Regulation, cross subsidy is to be worked out based on the average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers. The average cost of supply for Odisha for FY 2022-23 is follows:

Table – 21
Average Cost of Supply (per Unit) FY 2022-23

Expenditure	2022-23 (Approved)
Cost of Power Purchase	9213.95
Transmission Charge	826.00
SLDC Charge	5.29
Total cost of Power Purchase, Transmission and SLDC Charge(A)	**10045.24**
Net Employee costs	2098.94
Repair and Maintenance	627.55
Administrative and General Expenses	404.59
Provision for Bad and Doubtful Debts	91.15
Depreciation	171.55
Interest Chargeable to Revenue including Interest on S.D	144.52
Sub-Total	3538.27
Less: Expenses capitalised	**97.39**
Total Operation and Maintenance and Other Cost	**3440.88**
Return on Equity	168.00
Total Distribution Cost (B)	**3608.88**
Total Cost (A+B)	**13654.12**
Approved Saleable Units (MU)	23,230.40
Average Cost (paisa per unit)	**587.77**

For the purpose of calculating average tariff, the estimated revenue realization from a category (HT/EHT) and total sale of energy to that category has been taken into consideration.

Average Tariff realization for a category = (Total expected revenue realisation from a category of consumer as per ARR/Total anticipated sales of energy to that category as per ARR)

The cross-subsidy calculated as per the above methodology is given in the table below:

Table - 22
Cross Subsidy Table for FY 2022-23

Year	Level of Voltage	Average cost of supply for the State as a whole (P/U)	Average Tariff P/U	Cross-Subsidy P/U	Percentage of Cross-subsidy above/below of cost of supply	Remarks
(1)	(2)	(3)	(4)	(5)=(4)–(3)	(6)=(5)/(3)	(7)
2017-18	EHT	488.26	580.45	92.19	18.88%	The tariff for HT
	HT		581.60	93.34	19.12%	

Year	Level of Voltage	Average cost of supply for the State as a whole (P/U)	Average Tariff P/U	Cross-Subsidy P/U	Percentage of Cross-subsidy above/below of cost of supply	Remarks
	LT		398.95	-89.31	-18.29%	and EHT categories have been calculated based on average tariff of that category.
2018-19	EHT	489.47	576.88	87.41	17.86%	
	HT		579.18	89.71	18.33%	
	LT		398.72	-90.76	-18.54%	
2019-20	EHT	499.71	577.21	77.49	15.51%	
	HT		579.38	79.67	15.94%	
	LT		406.21	-93.50	-18.71%	
2020-21	EHT	524.62	595.77	71.15	13.56%	
	HT		596.18	71.56	13.64%	
	LT		433.81	-90.81	-17.31%	
2021-22	EHT	548.40	626.50	78.10	14.24%	
	HT		623.90	75.49	13.77%	
	LT		466.07	-82.33	-15.01%	
2022-23	EHT	587.77	654.61	66.84	11.37%	
	HT		640.36	52.59	8.95%	
	LT		478.44	-109.33	-18.60%	

80. It would be noted from the above that Commission, in line with the mandate of the National Electricity Policy and Tariff Policy, has managed to keep cross-subsidy among the subsidised and subsidising category of consumers in the State within ±20%. The above cross subsidy is meant only for Retail Supply Tariff fixation in the state and is applicable to all consumers (except BPL and agriculture) and should not be confused with cross subsidy surcharge payable by open access consumers to the DISCOM(s). The cross subsidy surcharge is applicable only to open access consumers which is discussed hereinafter.

Open Access Charges (Cross Subsidy Surcharge and Wheeling Charges)

81. The tariff for HT and EHT consumers for determination of cross subsidy surcharge has been assumed at 100% load factor since open access drawal is made to utilise the full quantum of the power so availed. The formula prescribed in Tariff Policy in Para 8.5.1 for determination of cross subsidy surcharge is as follows:

Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where:

S is the surcharge

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

C is the per unit weighted average cost of power purchase by the Licensee, including power purchase to meet the Renewable Purchase Obligation

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

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

R is the per unit cost of carrying regulatory assets.

82. As in the previous year Commission accepts 'C' equal to BSP of respective DISCOMs as explained above. Similarly 'T' is the tariff at 100% load factor including demand charges for the respective voltage level. The wheeling charges 'D' is as determined from the distribution cost approved for the FY 2022-23 and 'L' is assumed 8% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

83. The determination of wheeling charges is independent of distribution voltage level i.e. 11 kV & 33 kV. The wheeling as per OERC (Terms & Conditions for Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 includes distribution system and associated facilities of a distribution licensee, therefore, includes both 33 kV and 11 kV network. Therefore, the Commission determines a single wheeling charge for 11 KV and 33 KV.

84. Based on the above the wheeling charges and cross subsidy surcharges have been determined as follows:

Table – 23
Wheeling Charges Approved for FY 2022-23

	TPCODL	TPNODL	TPWODL	TPSODL
Energy Handled at HT (MU)	8510.00	4340.00	7240.00	3800.00
Net Distribution Cost (Rs. Crs.)	837.60	493.41	558.32	425.62
Wheeling Charge calculated for 2022-23 (Paise per unit)	**98.43**	**113.69**	**77.12**	**112.01**

Table - 24
Computed Surcharge for Open access consumer 1MW and above for FY 2022-23

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	243.87	222.87	183.87	316.87
Surcharge for HT Consumer (P/U)	123.91	85.82	80.00	189.68

85. As per mandate of the Electricity Act, 2003 under Section 42, the Cross Subsidy Surcharge (CSS) is to be reduced progressively. The Commission is authorized to evolve a methodology for such reduction. Accordingly, the Commission has fixed the

leviable surcharge, wheeling charge and transmission charges for open access customer for FY 2022-23 as given in Table below:

Table – 25
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2022-23

<table>
<tr><th rowspan="2">Name of the licensee</th><th colspan="2">Cross Subsidy Surcharge (P/U)</th><th rowspan="2">Wheeling Charge P/U applicable to HT consumers only</th><th rowspan="2">Transmission Charges for Open access Customer</th></tr>
<tr><th>EHT</th><th>HT</th></tr>
<tr><td>TPCODL</td><td>163.39</td><td>83.02</td><td>98.43</td><td rowspan="4">The Open Access customer availing open access shall pay Rs.6720/MW/Day (Rs.280/MW/Hour) as transmission charges</td></tr>
<tr><td>TPNODL</td><td>149.32</td><td>57.50</td><td>113.69</td></tr>
<tr><td>TPWODL</td><td>123.19</td><td>53.60</td><td>77.12</td></tr>
<tr><td>TPSODL</td><td>212.30</td><td>127.08</td><td>112.01</td></tr>
</table>

Additional Surcharge

86. As per principle followed in the previous order, the Commission have not determined additional surcharge over and above the surcharge to be paid to the DISCOMs to meet the fixed cost of licensee arising out of his obligation to supply power as provided under Sub-Section 4 of Section 42 of the Act. This is because no such case has been brought before the Commission by the DISCOMs.

In summary,

(i) The wheeling charge, transmission charge and surcharge as indicated in Table above shall be applicable from 01.04.2022.

(ii) The normative transmission loss at EHT (3%) and normative wheeling loss for HT level (8%) shall be applicable for the year 2022-23.

(iii) Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge is to be levied at present.

(iv) 100% Cross-subsidy Surcharge (CSS) is payable by the consumers availing Renewable power through open access.

(v) 100% Transmission & Wheeling charge is payable by the consumers drawing power through open access from Renewable sources.

These charges as notified for FY 2022-23 will remain in force until further orders.

FINANCIAL ISSUES FY 2022-23

Employees Cost

87. The four DISCOMs (TPWODL, TPNODL, TPSODL and TPCODL), in their ARR and tariff petition for the FY 2022-23, have projected higher employee cost compared to RST order approved for FY 2021-22. A comparison of the approved Employees cost for FY 2021-22 and for FY 2022-23 as proposed by DISCOMs is shown in the following table.

Table – 26
Employee Cost (FY 2022-23)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Approved 2021-22	Proposed 2022-23	Approve d 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23	Approved 2021-22	Proposed 2022-23
1	Basic Pay + GP	110.80	181.23	101.59	117.29	94.96	95.50	200.91	338.28	508.26	732.30
2	DA	32.13	50.75	29.46	37.61	27.54	35.34	58.26	77.71	147.39	201.41
3	Reimbursement of HR	15.61	25.33	14.50	21.48	13.53	18.15	30.94	42.01	74.58	106.97
4	Other allowance	3.01	61.74	2.62	7.65	1.95	1.73	6.05	9.84	13.63	80.96
5	Arrear of 7th Pay commission of regular employees	0.00	43.65	0	29.40	0.00	28.61	0.00	75.00	0.00	176.66
6	Bonus	0.30	34.95		0.00	0	-	0.70	0.02	1.00	34.97
7	Outsource and contractual employee cost	53.92	55.54	45.70	48.00	83.83	165.05	54.68	60.15	238.13	328.74
8	Additional employee cost-CTC	24.00		24.00		24.00	77.49	54.00		126.00	77.49
9	Total Emoluments (1 to 8)	239.77	453.19	217.87	261.43	245.81	421.87	405.54	603.01	1108.99	1739.50
10	Med. Allowance/ Reimbu. of medical expenses	4.43	9.07	4.02	5.08	3.89	4.78	8.00	10.50	20.34	29.43
11	LTC/UL	0.00	1.00	0.00	0.11	0	0.15	0		0.00	1.26
12	Honorarium	0.20	0.35		-	0.01	0.01	0		0.21	0.36
13	Payment under workmen compensation Act	0.25	0.10	0.09	-	0.29	0.29	0.58		1.21	0.39
14	Employees uniform Expenses		-					2.92	0.40	2.92	0.40
15	Ex-gratia	0.30	6.50	2.23	4.59					2.53	11.09
16	Other Staff Costs	0.50	3.08	1.06	19.11	0.56	2.00	1.39	0.72	3.51	24.91
17	Total Other Staff Costs (9 to 16)	5.68	20.10	7.40	28.89	4.75	7.23	12.89	11.62	30.72	67.84
18	Staff Welfare Expenses	1.00	13.02	2.74	5.56	4.18	19.60	1.45	8.84	9.37	47.02
19	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	165.68	163.93	129.38	136.99	150.02	158.42	214.81	232.14	659.89	691.48
20	Total (9+ 17+18+19)	412.13	650.24	357.39	432.87	404.76	607.12	634.69	855.61	1808.97	2545.84
21	Less : Empl. cost capitalized	2.65	21.18	0.15	23.95	0.00	28.37	29.00	23.90	31.80	97.40
22	Total Employees Cost (2022-23)	409.48	629.06	357.24	408.92	404.76	578.75	605.69	831.71	1777.17	2448.44
	% rise over approved 2021-22		53.62		14.47		42.99		37.32		37.77

88. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee's cost compared to the approval for the FY 2021-22. TPWODL, TPNODL, TPSODL and TPCODL have projected an increase over the approval of FY 2021-22 at 53.62%, 14.47%, 42.99% and 37.32% respectively. The overall projection for all DISCOMs together is 37.77% more than the previous year's approval.

89. In the order No. 11/2020, relating to vesting of CESU, TPCODL was asked to submit proposed plan towards O&M expenses which includes Employees cost, Repair and Maintenance and A&G costs. TPCODL accordingly submitted a petition for the approval of Annual Business Plan (ABP) for FY 2020-21. The Commission vide its

order dated 16.11.2020 approved the Annual Business Plan Order for TPCODL towards additional expenses in O&M expenses for FY 2020-21.

90. In terms of the vesting order of the Commission in case No.82/2020 dt.28.12.2020 the Utility of WESCO was transferred to the new operating company TPWODL with effect from 01.01.2021. In terms of the vesting order of the Commission in case No.83/2020 dt.28.12.2020 the Utility of SOUTHCO was transferred to the new operating company TPSODL with effect from 01.01.2021. In terms of the vesting order of the Commission in case No.9/2021 dt.25.03.2021 the Utility of NESCO was transferred to the new operating company TPNODL with effect from 01.04.2021.

91. In the respective vesting orders of TPWODL, TPSODL and TPNODL, these three new operating companies were asked to submit proposed plan towards O&M expenses which includes Employees cost, Repair and Maintenance and A&G costs for FY 2021-22. TPWODL, TPSODL and TPNODL accordingly submitted their respective petitions for the approval of Annual Business Plan (ABP) for FY 2021-22. The Commission approved the Annual Business Plan for TPWODL, TPSODL and TPNODL in case No.37 of 2021 dated 27.10.2021, Case No.39 of 2021 dated 29.10.2021 and Case No.40 of 2021 dated 03.11.2021 respectively towards additional expenses in O&M expenses for FY 2021-22. The Commission in the present ARR determination for FY 2022-23 has taken into cognizance the additional expenses allowed in the Annual Business plan orders of the four DISCOMs.

92. TPCODL in the ARR petition for FY 2022-23 has projected the expenditure on the employees relating to the erstwhile CESU to the tune of Rs.727.37 crore. This includes salaries, allowances, terminal benefits, 7th pay arrears and expenses of outsource and contractual employees. TPCODL has projected total cost for the new employees to the tune of Rs.128.24 crore which includes carry forward of the existing employees to the previous year along with new recruitment during the year 2022-23. TPCODL has stated that requirement of new employees is to meet the challenges due to reasons such as aging workforce, lack of required skill set and shortage of competent manpower. TPCODL has therefore projected total employees cost of Rs.831.71 crore for FY 2022-23 against the present estimated expenditure for 2021-22 of Rs.678.30 crore.

93. TPWODL has stated that in its ABP order dt.27.10.2021, the Commission allowed 8% of the total proposed manpower to be recruited for FY 2021-22 numbering to 280 new employees. TPWODL stated that the Commission while approving such new

recruitment has not taken into considering the retirement vacancies. The TPWODL has accordingly proposed recruitment of 850 employees in the year 2021-22 and recruitment of 700 employees during FY 2022-23. The licensee has proposed the total employees cost aggregating to Rs.629.06 crore including Rs.55.54 crore towards outsource and contractual obligation of Rs.55.54 crore and balance 50% arrear of Rs.43.65 crore relating to the 7th pay recommendation.

94. TPSODL has stated that the Commission in its ABP order No.39/2021 dated 29.10.2021 that the Commission allowed 8% of the total proposed manpower of 2754 to be recruited for FY 2021-22 numbering to 160 new employees. TPSODL stated that the approval given by the Commission is inadequate and the ABP order may be accordingly reviewed. TPSODL has stated that they already recruited 426 manpower upto October, 2021 and proposed to recruit additional to remaining The TPSODL has accordingly proposed recruitment of 850 employees in the year 2021-22 and recruitment of 700 employees during FY 2022-23. The licensee has proposed the total employees cost aggregating to Rs.629.06 crore including Rs.55.54 crore towards outsource and contractual obligation of Rs.55.54 crore and balance 50% arrear of Rs.43.65 crore relating to the 7th pay recommendation.

95. TPNODL in its petition has stated that during the current year i.e., FY 2021-22 the estimated employee cost will be Rs 371.73 cr against the Commission's approval of Rs 357.24 cr. TPNODL stated that the significant challenges related to human resource are aging workforce, lack of required skill set at shortage of competent man power. The Commission in its ABP order dated 03.11.2021 allowed 8% of the total proposed manpower of 3460 numbering to 277 for the year FY 2021-22. TPNODL has proposed recruitment of total 350 new employees. TPNODL has proposed estimated Rs 47.07 cr outsources employees. TPNODL has accordingly, proposed to approve the total employee cost of Rs 432.87 cr f6or FY 2022-23.

96. The Commission in order to arrive at the estimates of requirement under Basic Pay including Grade Pay, the number of employees as on 31.3.2020, 31.03.2021 and 31.03.2022 from the submissions are ascertained. The position of the employees up to the end of FY 2021-22 as proposed by the Licensees is shown in the following table:-

Table – 27
Employees Proposed (2022-23)

Employees Proposed (2022-23)	TPWODL	TPNODL	TPSODL	TPCODL
No. of employees as on 01.04.2021	2296	2158	1969	4651
Add: Addition during 2021-22	0	515	0	23
Less: Retirement/ Expired Resignation during 2021-22	189	98	110	208
No. of employees as on 31.03.2022	2107	2575	1859	4466
Add: Addition during 2022-23	0	350	0	0
Less: Retirement/Expired/ Resignation during year 2022-23	110	93	78	169
No. of employees as on 31.03.2023	1997	2832	1781	4297

CTC Employee				
No. of employees as on 01.04.2021				611
Recruitment plan 2021-22	850	515	3	205
Recruitment plan 2022-23	700	350	269	200

97. TPCODL has projected its employee cost for the erstwhile CESU employees on the basic salary, DA @7%, HRA @ 20%, reimbursement of medical expenses @5% and nominal escalation @10% considered for other expenditures including that for outsource employees. The arrear under the 7th Pay Commission has been estimated for both regular and retired employees. Under the new Health Insurance Scheme covering at present 4965 nos. for the erstwhile CESU employees the cost has been estimated towards the annual premium amount. The estimation for outsource employees has been made considering an escalation 10% over the expenditure for FY 2021-22. As regards the additional employees TPCODL recruited about 611 people in the executive cadre during the year 2020-21, during the year 2021-22 the total recruitment has been projected at 205 nos. and for FY 2022-23 TPCODL has projected gap of about 457 nos. considering the total gap identified at the time of takeover to 1367 employees. TPCODL has stated that the rational of additional manpower is to improve operation services to reduce 11 KV interruptions, analyze each interruption and corrective actions to be taken to reduce the undue treating. TPCODL has also submitted that additional manpower is required to improve the condition of distribution transformer substation, overhead feeders, sub-transmission services, power system control, commercial services, information technology, financial accounts, human resources, procurement and stores, legal etc.

98. The Commission in all the four respective ABP orders of DISCOMs allowed 8% of the total proposed manpower for the year. The Commission further observed that any

recruitment already made without the approval of the Commission after the effective date are hereby given post facto approval and shall be included in the approved number for the year. The Commission further stipulated that the new recruitments be made as per the operational requirements. The proposed expense on HR operation may also be accordingly adjusted. The four DISCOMs approached the Commission regarding consideration to recruit more people since the numbers allowed for deployment as per the ABP order was highly inadequate.

99. The Commission analysed the manpower position, employees position, retirements and number of consumers for each DISCOMs. A comparison was made regarding the manpower position vis-à-vis the consumers in each DISCOM with that of the various DISCOMs in the country. It was found that a most of the DISCOMs of the country the manpower position varies from 1.5 per 1000 consumers to 1.75. It was revealed that TPSODL manpower position is lowest and below the scale of one. The other two DISCOMs i.e TPNODL and TPWODL have their manpower percentage of employees per one thousand consumers just above one. TPCODL on the other hand is on a more comfortable position at about two. After analysis the Commission taking into cognizance of this fact and in order to rationalize the manpower requirement in each DISCOM allowed the replenishment of the retiring manpower to the TPCODL TPWODL and TPNODL for FY 2020-21 and for TPSODL for FY 2020-21 and 2021-22. This was communicated to the DISCOMs vide Commission's letter dated 17.01.2021.

100. The Commission after analysis for the purpose of calculation of Basic pay only considers new additions during the current FY 2021-22 and also during the ensuing FY 2022-23. Accordingly Commission approves following number of employees for the DISCOMs for FY 2022-23 only for the purpose calculation of basic pay.

Table – 28

Employees Approved (2022-23)	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
No. of employees as on 01.04.2021	2296	2158	1969	4651
Add: Addition during 2021-22	0	0	0	0
Less: Retirement/Expired Resignation during 2021-22	189	98	110	208
No. of employees as on 31.03.2022	2107	2060	1859	4443
Add: Addition during 2022-23	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2022-23	110	93	78	169
No. of employees as on 31.03.2023	1997	1967	1781	4274

Employees Approved (2022-23)	TPWODL	TPNODL	TPSODL	TPCODL
Average no. of employees for FY 2021-22	2202	2109	1914	4547
Average no. of employees for FY 2022-23	**2052**	**2014**	**1820**	**4359**

101. The above table projects the addition and exit of employees those who are under the prescribed pay scales of the utility and the estimation of basic pay is made accordingly for the approval of employee cost. The Commission in the approval for the Annual Business plan of the four DISCOMs has observed the following similar to the quoted extract from the TPCODL ABP order, with regard to new recruitment:

"*In view of the above Regulations, the wages and salaries shall be determined on the basis of basic pay and Grade pay in the structured pay scale. Other allowances are also linked to the pay scales which are allowed as per the Government of Odisha rates. In the present context however, the wages and salaries proposed for the new induction will not be based on such pay scales but as per the industry norms to be decide by the TPCODL*".

The Commission analysed the expenditures incurred by the four DISCOMs during the current year and taking into account the new recruitment during the ensuing year 2022-23 allows Rs.57.13 crore to TPWODL, Rs.44.76 core to TPNODL, Rs.34.11 crore to TPSODL and Rs.98.10 crore to TPCODL towards additional employee cost including new recruitment for FY 2022-23.

102. All the Licensees have projected their employee cost for FY 2022-23 taking into account the impact of 7th Pay Commission recommendations including arrears for previous years. The DISCOMs in the reply to queries of the Commission furnished the actual cash outflow on Basic Pay + GP from April, 2021 to November, 2021 (for a period of 8 months). Accordingly the Basic pay and GP for FY 2021-22 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2022-23. The Commission in accordance with the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2014, allows 3% escalation on Basic Pay and Grade Pay (based on Govt. of Odisha notification on the escalation of annual salary increments) towards normal annual increment on year to year basis and the same principle shall also continue for estimation of Basic pay and GP for this ARR also. The actual Basic pay and GP drawn for the period April, 2021 to November, 2021 was prorated for the entire year and the Basic pay and GP for FY 2022-23 was estimated by factoring the average no. of employees for FY 2021-22 and FY 2022-23.

103. The DA as per the 7th Pay Commission recommendations and the projected DA

thereof for FY 2022-23 is shown in the following table:

Table –29

Effective Date	Rate	Status
01.01.2016	nil	Approved By GoO
01.07.2016	2%	Approved By GoO
01.01.2017	4%	Approved By GoO
01.07.2017	5%	Approved By GoO
01.01.2018	7%	Approved By GoO
01.07.2018	9%	Approved By GoO
01.01.2019	12%	Approved By GoO
01.07.2019	17%	Approved By GoO
01.07.2021	31%	Approved By GoO
01.01.2022	34%	Approved By GoO
01.07.2022	37%	Projected
01.01.2023	40%	Projected

As per the above table the DA rate for FY 2022-23 is assumed to be 37%.

House Rent Allowance and Medical Allowance

104. House rent allowance and Medical Allowances have been allowed for FY 2022-23 as a proportion of the basic pay after implementation of 7th Pay Commission recommendations as submitted by the DISCOMs.

Outsource and Contractual employees Cost

105. As regards engagement of manpower, DISCOMs have submitted in the ARR that since no recruitment has been permitted by the Commission there has been drastic reduction in the manpower. In view of the large scale electrification through rural electrification, addition of new consumers, reorganization, and to carry out MRT, Energy Audit, maintenance of DTRs and vigilance activities present manpower is inadequate. Consequently in order to improve 100% coverage, reduction of distribution loss and to improve collection they have engaged contractual personnel and outsource agencies for maintenance of existing Grid substations, sub stations under ODSSP, watch and ward activity, vigilance activities etc. DISCOMs were asked to submit the actual expenses on these activities during the current financial year 2021-22. The Commission after scrutiny allows the expenses on Contractual and outsource employees for the ensuing FY 2022-23 on the basis of the submission of DISCOMs and actual cash outgo for the current year 2021-22.

Analysis of LT Division-wise Performance and Employee Performance

106. The Commission have analysed the LT loss level of various divisions of DISCOMs as

submitted by the DISCOMs. This reveals the performance of the Divisions for FY 2019-20 on the various parameters as given in the following tables:-

Table – 30
LT Division-wise Performance (2020-21) –TPWODL

SL. No.	Name Of Division	No of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	Loss % (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing To Consumers (Rs.Crs.)	Collection Received (Rs. IN Crs.)	Collection Efficiency (%)	At & C Loss (%)	Lt P/U Realisation
OERC Target For 2020-21			**4226.00**	**3182.00**	**24.70%**	**75.30%**	**1270.29**	**1239.00**	**97.54%**	**26.56%**	**293.19**
1	Bargarh(W)	174404	529.46	303.96	42.59%	57.41%	92.25	44.47	48.20%	72.33%	83.98
2	Bargarh	122859	494.85	248.54	49.77%	50.23%	110.26	68.23	61.88%	68.92%	137.88
3	Titilagarh	224568	344.52	193.77	43.76%	56.24%	82.61	51.87	62.79%	64.68%	150.56
4	Sonepur	145244	235.62	163.94	30.42%	69.58%	65.93	35.15	53.30%	62.91%	149.16
5	Bolangir	142630	325.16	172.02	47.10%	52.90%	73.72	55.53	75.33%	60.15%	170.79
6	Nuapada	138055	209.38	111.43	46.78%	53.22%	45.39	37.43	82.45%	56.12%	178.74
7	Kwed	165168	165.67	98.58	40.49%	59.51%	45.83	38.94	84.98%	49.43%	235.06
8	Sambalpur (East)	116711	247.10	158.16	36.00%	64.00%	72.85	59.48	81.64%	47.74%	240.69
9	Sambalpur	62473	250.80	172.77	31.11%	68.89%	88.19	80.24	90.98%	37.32%	319.94
10	Jharsuguda	129453	246.45	169.36	31.28%	68.72%	81.52	78.53	96.32%	33.81%	318.62
11	Brajrajnagar	52182	104.78	74.67	28.74%	71.26%	34.70	34.94	100.70%	28.24%	333.47
12	Keed	161257	204.01	174.62	14.40%	85.60%	70.19	59.46	84.71%	27.49%	291.45
13	Sundergarh	116687	149.55	121.61	18.69%	81.31%	55.01	49.69	90.32%	26.56%	332.26
14	Rourkela	72865	156.51	130.57	16.57%	83.43%	62.09	61.41	98.90%	17.49%	392.35
15	Deogarh	76072	59.92	54.28	9.41%	90.59%	23.28	23.00	98.82%	10.47%	383.91
16	Rourkela-Sadar	110237	162.45	142.09	12.53%	87.47%	65.79	67.82	103.10%	9.82%	417.51
17	Rajgangpur	130218	155.48	145.57	6.37%	93.63%	64.38	66.33	103.03%	3.54%	426.61
Total	**TPWODL**	**2141083**	**4041.72**	**2635.96**	**34.78%**	**65.22%**	**1134.00**	**912.51**	**80.47%**	**47.52%**	**225.77**

Table – 31
LT Division-wise Performance (2020-21) – TPNODL

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU) (Assuming HT Loss 8%)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per Input P/U
OERC Target / Approval			**3589.00**	**2733.69**	**23.83%**	**76.17%**	**1139.36**	**1127.97**	**99.00%**	**24.59%**	
ACTUAL		-	-	-	-	-	-	-	-	-	-
1	**BED, Balasore**	60944	153.22	131.09	14.44%	85.56%	66.14	64.17	97.03%	16.99%	419
2	**BTED, Basta**	84453	140.38	84.76	39.62%	60.38%	34.43	28.91	83.97%	49.30%	206
3	**JED, Jaleswar**	119577	185.42	127.62	31.18%	68.82%	48.60	46.08	94.82%	34.74%	249
4	**CED, Balasore**	114856	185.88	117.89	36.58%	63.42%	51.79	44.89	86.67%	45.03%	241
5	**SED, Soro**	148640	169.08	142.83	15.53%	84.47%	62.28	51.86	83.27%	29.66%	307
6	**BNED, Bhadrak (N)**	183934	307.89	221.10	28.19%	71.81%	101.00	82.89	82.07%	41.07%	269
7	**BSED, Bhadrak (S)**	113411	152.71	114.82	24.81%	75.19%	49.23	38.75	78.71%	40.82%	254
8	**BPEDd, Baripada**	232573	273.98	226.17	17.45%	82.55%	105.45	90.62	85.93%	29.06%	331
9	**UED, Udala**	106521	94.20	87.45	7.17%	92.83%	38.90	27.12	69.70%	35.29%	288
10	**RED, Rairangpur**	202268	187.05	149.80	19.91%	80.09%	66.30	56.11	84.63%	32.23%	300
11	**JRED, Jajpur Road**	99684	243.11	152.64	37.22%	62.78%	72.00	60.14	83.53%	47.56%	247
12	**JTED, Jajpur Town**	100408	183.14	108.12	40.96%	59.04%	47.29	42.95	90.83%	46.38%	235
13	**KUED,**	117438	220.64	122.88	44.31%	55.69%	55.01	46.76	85.00%	52.66%	212

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU) (Assuming HT Loss 8%)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per Input P/U
	Kuakhia										
14	**KED, Keonjhar**	109263	96.96	98.53	-1.62%	101.62%	48.67	47.77	98.14%	0.27%	493
15	**Joed, Joda**	84064	100.65	113.76	-13.03%	113.03%	56.33	49.52	87.91%	0.64%	492
16	**AED, Anandapur**	130099	151.74	108.35	28.60%	71.40%	48.84	45.75	93.67%	33.11%	302
TPNODL TOTAL		**2008133**	**2846.04**	**2107.78**	**25.94%**	**74.06%**	**952.27**	**824.29**	**86.56%**	**35.89%**	**290**

Table – 32
LT Division-wise Performance (2020-21 – TPSODL)

Sl. No.	Name of Division	No. of Consumer	Energy Input(MU)	Energy Sold (MU)	LOSS (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection received	Collection Efficiency (%)	AT & C Loss (%)	LT Realisation per LT Input p/u
OERC Target / Approved For 2021-22			**2,965.00**	**2,240.23**	**24.44%**	**75.56%**		**873.88**	**98.6%**	**25.5%**	**2.95**
Actual											
	AED-I	65608	139.23	57.33	58.82%	41.18%	23.91	22.98	96.12%	60.42%	1.65
	AED=II	67540	118.37	57.97	51.03%	48.97%	24.62	20.69	84.04%	58.84%	1.75
	NED	282517	246.46	212.32	13.85%	86.15%	86.68	46.85	54.06%	53.42%	1.90
	GNED	111171	215.60	119.51	44.57%	55.43%	50.33	45.34	90.08%	50.07%	2.10
	BOED, BOUDH	112881	103.39	92.73	10.31%	89.69%	35.10	20.16	57.43%	48.49%	1.95
	MED	143854	150.51	134.42	10.69%	89.31%	55.76	32.58	58.42%	47.82%	2.16
	KED	147599	148.83	104.40	29.85%	70.15%	43.10	32.69	75.85%	46.79%	2.20
	Purusottampur	121614	157.28	105.84	32.71%	67.29%	42.80	36.98	86.40%	41.86%	2.35
	PED, Phulbani	173325	146.45	108.81	25.70%	74.30%	44.59	36.47	81.79%	39.23%	2.49
	HED, Hinjilikatu	93830	122.72	88.65	27.77%	72.23%	36.62	34.66	94.65%	31.63%	2.82
	BNED, Bhanjanagar	142884	170.64	117.73	31.00%	69.00%	46.73	46.31	99.10%	31.63%	2.71
	JED, Jeypore	162211	166.82	146.91	11.94%	88.06%	63.02	51.73	82.08%	27.72%	3.10
	GSED, Digapahandi	110310	115.32	94.03	18.47%	81.53%	37.49	36.76	98.04%	20.06%	3.19
	PKED, Paralakhemundi	139655	117.79	107.04	9.13%	90.87%	45.77	44.45	97.12%	11.74%	3.77
	RED, Rayagada	168646	151.89	152.16	-0.18%	100.18%	65.90	61.08	92.69%	7.15%	4.02
	GED, Gunupur	77929	70.98	71.39	-0.57%	100.57%	28.68	28.68	97.19%	2.26%	4.04
	Berhampur- II	62695	140.56	133.39	5.10%	94.90%	64.48	69.97	108.52%	-2.99%	4.98
	Berhampur- I	80384	153.82	154.79	-0.63%	100.63%	73.02	78.37	107.33%	-8.00%	5.09
	Berhampur- III	76059	89.25	89.02	0.25%	99.75%	39.06	42.43	108.63%	-8.36%	4.75
Actual Total TPSODL		**2,340,712**	**2,725.91**	**2,148.43**	**21.18%**	**78.82%**	907.66	**789.19**	**86.86%**	**31.54%**	2.89

Table – 33
LT Division-wise Performance (2020-21 TPCODL)

Sl. No.	Name of Division	No of Consumers	Energy Input(MU)	Energy Sold(MU)	Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumers (Cr.)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C LOSS (%)	LT Realization Per LT Input
OERC Target /Approved For 2020-21			6289.64	4794.11	23.78%	76.22%	2110.79	2089.68	99.00%	24.54%	3.32
ACTUAL											
1	**BCDD-1**	60736.00	204.63	209.75	-2.50%	102.50%	117.13	116.46	99.43%	-1.92%	5.69
2	**BCDD-2**	175418.00	442.35	461.39	-4.31%	104.31%	245.73	241.61	98.32%	-2.55%	5.46
3	**BED**	128652.00	394.65	395.53	-0.22%	100.22%	208.93	207.31	99.22%	0.55%	5.25
4	**NEDN**	184129.00	380.09	193.09	49.20%	50.80%	87.71	72.13	82.24%	58.22%	1.90
5	**PED**	181818.00	370.31	262.22	29.19%	70.81%	118.94	91.64	77.05%	45.44%	2.47
6	**NED**	207832.00	217.57	173.24	20.37%	79.63%	77.52	66.32	85.55%	31.88%	3.05
7	**KED**	184063.00	368.15	265.92	27.77%	72.23%	128.08	100.24	78.26%	43.47%	2.72
8	**BEDB**	112256.00	175.54	128.56	26.76%	73.24%	57.59	49.48	85.92%	37.07%	2.82
9	**CED**	156178.00	400.81	210.44	47.50%	52.50%	109.59	78.20	71.36%	62.54%	1.95
10	**CDD-I**	76765.00	277.78	254.59	8.35%	91.65%	132.88	138.29	104.07%	4.62%	4.98
11	**CDD-II**	76520.00	268.99	214.37	20.31%	79.69%	113.97	113.65	99.72%	20.53%	4.23
12	**AED**	125128.00	248.89	123.98	50.19%	49.81%	57.08	42.93	75.21%	62.54%	1.73
13	**SED**	111020.00	203.68	115.88	43.11%	56.89%	54.21	42.33	78.08%	55.58%	2.08

Sl. No.	Name of Division	No of Consumers	Energy Input(MU)	Energy Sold(MU)	Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumers (Cr.)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C LOSS (%)	LT Realization Per LT Input
14	**KED-I**	197504.00	290.90	196.53	32.44%	68.56%	90.54	78.14	86.31%	41.69%	2.69
15	**KED-II**	93270.00	113.46	67.55	40.46%	59.54%	28.94	28.26	97.65%	41.86%	2.49
16	**PDP**	107728.00	196.19	152.63	22.20%	77.80%	68.77	50.07	72.80%	43.36%	2.55
17	**JED**	128519.00	179.69	127.95	28.79%	71.21%	56.30	52.10	92.54%	34.10%	2.90
18	**DED**	189697.00	371.49	232.01	37.55%	62.45%	109.53	97.74	89.24%	44.27%	2.63
19	**ANED**	154085.00	262.55	164.91	37.19%	62.81%	76.47	71.53	93.55%	41.24%	2.72
20	**TED**	141455.00	323.23	166.06	48.63%	51.37%	80.89	62.01	76.67%	60.61%	1.92
TPCODL	**TOTAL**	2792773.00	5690.92	4116.59	27.66%	72.34%	2020.78	1800.44	89.10%	35.55%	3.16

107. The Commission has always expressed concern regarding high losses at LT level. There is marginal reduction in losses and continue to be quite high in many divisions. Consequently the ‘Realization per LT input’ of these divisions is dismally low and much lower than the Bulk supply price and Average cost of supply. Almost all divisions have, therefore, been spending more on establishment cost than the revenue realization.

108. The Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have vested the three utilities i.e. CESU, WESCO and SOUTHCO to M/s Tata Power Company Ltd. (TPCL). The respective vesting orders for these companies elaborately deals with many performance parameters, loss reduction targets, capital expenditure, recovery of past arrears, treatment of employee liabilities etc. The Commission has also elaborated review of performance and commitments provided by the TPCL while acquiring these utilities. The Commission has also set the terms for revocation of license in addition to the provisions related to Revocation of License under Section 19 of the Act.

109. The Commission in view of the new dispensation in the distribution utilities and in terms of the Vesting order believes that there will be significant improvement of the functioning, consumer service, billing and collection efficiency and general health of the new distribution companies. The Commission have also approved enhanced expenses on employee cost, repair and maintenance cost and A&G cost for the FY2021-22 in order to allow the new companies to plan and execute their actions on the all required areas for improvement of the services.

Terminal Liability

110. All the DISCOMs have projected their terminal liability for the ensuing year. A comparative position of the approved terminal liability in ARR of FY 2021-22 vis-a-

vis projection made by the DISCOMs for FY 2022-23 is given in the following table:

Table – 34

Terminal Liability	Approved FY 2021-22 (Rs. Cr.)	Proposed FY 2022-23 (Rs. Cr.)	Percentage increase (in %)
TPWODL	165.68	163.93	-1.06%
TPNODL	129.38	136.99	5.88%
TPSODL	150.02	158.42	5.60%
TPCODL	214.81	232.14	8.07%
Total	**659.89**	**691.48**	4.79%

111. All the four DISCOMs have projected the terminal benefits (Pension, Gratuity and Unutilized Leave on the cash flow basis.

112. The Commission has been analysing the expected corpus fund available with the DISCOMs taking into the provision allowed in the successive tariff orders of the Commission. The expected corpus fund as per funds approved in the ARRs from FY 1999-00 onwards till FY 2020-21 is stated in the table given below:

Table – 35
Expected Corpus Fund Availability

(Rs. in Cr.)

	TPWODL	TPNODL	TPSODL	TPCODL
OB As on 01.04.99/Fund transfer from GRIDCO to DISCOM	70.77	68.00	67.39	138.56
Allowed by the Commission				
1999-00	6.71	5.62	7.78	0.00
2000-01	6.27	7.07	7.07	0.00
2001-02	7.92	7.00	6.63	6.09
2002-03	8.08	7.21	6.81	6.27
2003-04	8.96	7.56	7.57	6.90
2004-05	11.30	8.35	9.40	3.25
2005-06	12.06	8.92	10.03	3.51
2006-07	12.07	9.55	9.73	13.19
2007-08	16.36	15.30	13.97	18.28
2008-09	37.02	25.16	24.49	48.10
2009-10	37.04	27.19	20.53	49.68
2010-11	51.81	51.13	58.22	75.84
2011-12	55.91	59.86	60.78	131.39
2012-13	66.13	67.88	68.81	149.84
2013-14	93.21	71.21	55.66	210.50
2014-15	95.38	96.53	77.73	122.89
2015-16	107.76	90.96	96.95	135.30
2016-17	73.16	87.06	61.46	135.24
2017-18	77.70	78.69	66.68	133.54
2018-19	82.72	84.63	74.60	151.09

	TPWODL	TPNODL	TPSODL	TPCODL
2019-20	133.70	122.05	156.63	217.52
2020-21	141.47	152.06	134.90	230.74
2021-22	165.68	129.38	150.02	214.81
Sub-Total	1308.42	1220.37	1186.45	2063.97
Grand Total	**1379.19**	**1288.37**	**1253.84**	**2202.53**

113. The Commission allows the terminal liabilities on the actual cash out go basis for the ensuing year. The DISCOMs during the present ARR analysis were asked to submit actual cash outgo on terminal liability for the current FY 2021-22 up to Nov 2021. On the basis of their submission the actual liability paid up to Nov 2021 was extrapolated to full year of FY 2021-22 and then after prudence analysis by the Commission, the expected terminal liability for FY 2022-23 is approved. The Commission after analysis found that the proposed terminal liability by all the four DISCOMs are prudent and accordingly approve the same for FY 2022-23. The approval for FY 2022-23 is given in the following table:

Table – 36
Terminal Liability (Approved)
(Rs. in Crore)

Terminal Liability	**Proposed FY 2022-23**	**Approved FY 2022-23**
TPWODL	163.93	163.93
TPNODL	136.99	136.99
TPSODL	158.42	158.42
TPCODL	232.14	232.14
Total	**691.48**	**691.48**

114. The DISCOMs implemented the recommendation of the 7th Pay Commission during August 2018. The 7th Pay Commission envisages revision of pay and pension with effect from January, 2016. The DISCOMs have projected for payment of the balance 50% of the arrears towards 7th Pay Commission recommendations during the ensuing FY 2021-22. However, Government of Odisha has notified 30% of the payment of arrears towards 7th Pay Commission recommendation which has been allowed in this ARR. The Commission further observes that as and when the notification for the balance 20% is notified by Government of Odisha, which becomes due to the employees, the DISCOMs will pay the same and project such expense in their subsequent truing up petition which Commission will allow after prudence check.

115. In light of the discussions in the foregone paragraphs, the Employee cost proposed by

the DISCOMs vis-à-vis approval by the Commission for FY 2022-23 is shown in the following table:

Table – 37
Employee Cost (Approved FY 2022-23)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2022-23	Approved 2022-23	Proposed 2022-23	Approved 2022-23	Proposed 2022-23	Approved 2022-23	Proposed 2022-23	Approved 2022-23	Proposed 2022-23	Approved 2022-23
1	Basic Pay + GP	181.23	104.00	117.29	99.70	95.50	91.92	338.28	204.82	732.30	500.44
2	DA	50.75	38.48	37.61	36.89	35.34	34.01	77.71	75.78	201.41	185.16
3	Reimbursement of HR	25.33	15.60	21.48	14.95	18.15	13.79	42.01	30.72	106.97	75.07
4	Other allowance	61.74	4.00	7.65	2.02	1.73	1.73	9.84	9.84	80.96	17.59
5	Arrear of 7th Pay commission of regular employees	43.65	26.19	29.40	17.64	28.61	17.17	75.00	45.00	176.66	106.00
6	7th Pay arrear of retired employees towards differential gratuities, commuted pension and unutilised leave					-					
6	Bonus	34.95	0.30	0.00	0.00	-	0	0.02	0.02	34.97	0.32
7	Outsource and contractual employee cost	55.54	55.54	48.00	48.00	165.05	70.00	60.15	58.87	328.74	232.41
8	Additional employee cost-CTC		57.13		44.76	77.49	34.11		98.10	77.49	234.10
9	Total Emoluments (1 to 8)	453.19	301.25	261.43	263.96	421.87	262.73	603.01	523.15	1739.50	1351.09
10	Med. Allowance/ Reimbu. of medical expenses	9.07	5.20	5.08	4.98	4.78	4.60	10.50	10.24	29.43	25.02
11	LTC/UL	1.00	0.00	0.11	0.00	0.15	0		0.00	1.26	0.00
12	Honorarium	0.35	0.35	-		0.01	0.01		0.00	0.36	0.36
13	Payment under workmen compensation Act	0.10	0.10	-	-	0.29	0.29		0.00	0.39	0.39
14	Employees uniform Expenses	-						0.40	0.40	0.40	0.40
15	Ex-gratia	6.50	0.00	4.59	4.59					11.09	4.59
16	Other Staff Costs	3.08	1.00	19.11	3.31	2.00	0.56	0.72	0.72	24.91	5.59
17	Total Other Staff Costs (9 to 16)	20.10	6.65	28.89	12.88	7.23	5.46	11.62	11.36	67.84	36.35
18	Staff Welfare Expenses	13.02	3.00	5.56	3.96	19.60	4.18	8.84	8.84	47.02	19.98
19	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	163.93	163.93	136.99	136.99	158.42	158.42	232.14	232.14	691.48	691.48
20	Total (9+ 17+18+19)	650.24	474.83	432.87	417.80	607.12	430.79	855.61	775.49	2545.84	2098.90
21	Less : Empl. cost capitalized	21.18	21.18	23.95	23.95	28.37	28.37	23.90	23.90	97.40	97.40
22	Total Employees Cost (2022-23)	629.06	453.65	408.92	393.85	578.75	402.42	831.71	751.59	2448.44	2001.50

116. It is directed that employee cost needs to be incurred in the ARR order, ABP order and any other directions by the Commission in this regard. Any expenses beyond the approval need to be justified in the true up petition.

Administrative and General Expenses

117. The Administrative and General Expenses covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance and travelling expenses, material related expenses and other expenses including metering, billing and collection activities. The DISCOMs have projected their estimates for FY 2022-23 in their ARR in the following manner which are compared with approved A&G expenses for previous FY 2021-22.

Table - 38

(Rs. in Cr.)

A&G Expenses	**Approved FY2021-22**			**Approved as per ABP**	**Total to be considered after ABP**	**Proposed FY 2022-23**		
DISCOM	**Normal A&G**	**Additional A&G**	**Total A&G**	**Additional**		**Normal A&G**	**Additional A&G**	**Total A&G**
TPWODL	43.66	20.00	63.66	39.51	103.17	138.42	13.35	151.77
TPNODL	29.20	20.00	49.20	29.52	78.72			155.18
TPSODL	25.13	20.00	45.13	27.07	72.20	50.70	63.12	113.82
TPCODL	62.94	20.00	82.94		124.03	145.34	1.50	146.84

118. TPCODL has submitted that the proposed A&G expenses are based on the zero based budgeting exercise where the individual activities have been estimated, the estimates worked out however are higher than allowed through norms. The natures of expenses in A&G are largely towards either customer related activities, statutory expenditure, towards IT systems etc. The customer related services include creation of dedicated master customer care centre at division level to enable single interaction touch point for all customers of the concern division. In the meter related A&G activities modernsing meter infrastructure along with the associated equipments and IT services are envisaged. In the billing and collection activity 100% consumer coverage target in both meter reading and collection is designed to be achieved. The meter reading, billing and collection activities are carried out through agencies deployed across division/sub-division the agencies have been selected and given performance based contract to ensure timely meter reading billing and collection. TPCODL has estimated that in order to carry out these activities for a consumer base of 28 lakh on monthly basis expenditure of Rs.69 crore is estimated with an average cost of Rs.9.00 (for both reading and collection activity) per consumer.

119. TPWODL was vested on 01.01.2021 vide Commission’s order in Case No.82 of 2021 dated 28/12/2020. The commission in the vesting order allowed TPWODL to file a

separate Annual Business Plan (ABP) for FY 2021-22 with respect to the O&M expenses. The Commission while disposing such order in Case No.37 of 2021 dated 27.10.2021 allowed additional A&G expenses of Rs.39.51 crore for FY 2020-21. Therefore, the total approval for FY 2021-22 was Rs.103.17 crore (Rs.63.66 approved in ARR plus Rs.39.51 crore approved in ABP order). TPWODL has proposed that the A&G expenses relate to the activities such as energy audit on monthly basis in respect of Bulk Supply consumption, Bulk Supply consumption vrs. 33 kV feeder consumption, EHT consumption, dedicated industrial consumption of high valued industrial consumers and consumption of residential/commercial apartment. The other activities include vigilance and enforcement activity where in at present 29 squads have been engaged through different agencies in all 17 divisions. The other important activity is IT automation required to implement Meter Billing and Collection (MBC) application. The MBC activity agencies are engaged through the system of competitive bidding to carry out performance based task of MBC in their assigned circles. In order to improve reliability and reduce losses and to increase performance, TPWODL has proposed opex expenditure towards automation, GIS and communication.

120. TPSODL was vested on 01.01.2021 vide Commission's order in Case No. 83 of 2020 dated 28.12.2020. The commission in the vesting order allowed TPSODL to file a separate Annual Business Plan (ABP) for FY 2021-22 with respect to the O&M expenses. The Commission while disposing such order in Case No.39 of 2021 dated 29.10.2021 allowed additional A&G expenses of Rs.27.07 crore for FY 2021-22. Therefore, the total approval for FY 2021-22 was Rs.72.20 crore (Rs.45.13 approved in ARR plus Rs.27.07 crore approved in ABP order). TPSODL has stated that the meter reading and collection system has been revised and the meter reading agencies are engaged on fixed cost basis for reading. The meter reader is required to visit consumer site based on reading route sequence allotted to him in a period of 15 days of every month. This practice has lead to higher average and provision bills and by implementation of integrated IT system timely meter reading is ensured along with reduction in provisional billing. TPSODL has proposed performance based contract for door to door collection to ensure timely recovery of payment. The customer services and communication needs to be augmented for providing connectivity and single touch point at offices. Other important expenses include meter management expenses to ensure high percentage of meters installed with modem, their rectification

and trouble shooting.

121. TPNODL was vested on 01.01.2021 vide Commission's order in Case No. 9 of 2021 dated 25.03.2021. The commission in the vesting order allowed TPWODL to file a separate Annual Business Plan (ABP) for FY 2021-22 with respect to the O&M expenses. The Commission while disposing such order in Case No.40 of 2021 dated 03.11.2021 allowed additional A&G expenses of Rs.29.52 crore for FY 2020-21. Therefore, the total approval for FY 2021-22 was Rs.78.72 crore (Rs.49.20 approved in ARR plus Rs.29.52 crore approved in ABP order). TPNODL has proposed A&G expenses mainly on MBC activities, rent rate and taxes, AMC of fluent grid, IT help desk and security and surveillance.

122. The Commission observes that A&G expenses are a controllable cost and the DISCOMs would not be allowed more than the approvals in the truing up exercise. The DISCOMs should make efforts to spend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. In the present changed scenario, the management of all the four DISCOMs has been handed over to the private entity through a competitive bidding process. The new management in the DISCOMs has projected enhanced A&G expenses which is more than the norms under the OERC (Tariff Determination) Regulation 2014. The Commission finds that the proposals for A&G expenses in the petition relates to improving metering, billing and collection activities, energy audit, AMR metering, implementation of PAT scheme, IT automation etc.

123. The Commission over the years in the ARR has been allowing A&G by escalating 7% over the previous expenses. The Commission also allows additional expenses on AT&C loss reduction activities, accident compensation, IT automation, training programme, inspection fee etc. The Commission accordingly after prudence check approves the A&G expenses for FY 2022-23 to all the four DISCOMS in the following manner:

Table – 39

A & G Expenses Approved for FY 2022-23	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Normal A&G expenses (Escalated @7% over FY 2021-22) (A)	46.72	31.24	26.89	67.35
Total Additional Expenses (B)	20.00	20.00	17.00	20.00
Total A&G expenses (A+B)	66.72	51.24	43.89	87.35

124. The Commission further observes that the DISCOMs shall make the expenditure in A&G Expenses head in a prudent manner and achieve the objectives for which these

expenses are being made. The Commission will extensively check such expenses made by the DISCOMs while allowing them in the Truing up. The higher expenses in A&G shall also reflect in the reduction of AT&C losses and general improvement in the customer services. The Commission will also take into account such parameters while scrutinizing A&G expenses.

Repair and Maintenance (R&M) Expenses

125. The DISCOMs in their ARR and tariff petition for FY 2022-23 have proposed higher requirement for R&M over the previous year's approved expenses as follows:

Table – 40
R & M Proposal for FY 2022-23
(Rs. in Cr.)

R & M Expenses	Approved for FY 2021-22	Approved in ABP for FY 2021-22	Total approved for FY 2021-22	Proposed for FY 2022-23	% rise of proposed over FY 2021-22 approved
TPWODL	109.22	50.78	160.00	278.52	74.08%
TPNODL	114.23	33.25	147.48	240.01	62.74%
TPSODL	55.36	33.21	88.57	137.91	55.71%
TPCODL	202.94		202.94	252.35	24.35%
TOTAL	481.76	117.24	598.99	908.79	51.72%

126. As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2014, Repair and Maintenance expenses shall be allowed as follows:

"7.29 Repair and Maintenance expenses would be allowed at the rate of 5.4% of Gross Fixed Assets (GFA) only on the assets owned by the distribution company for each year of the control period.

7.30 The licensee shall prepare a plan and budget for periodic preventive maintenance of distribution network including emergency repairs and restoration works under each division.

7.31 The Commission may provisionally allow an amount for maintenance of assets added under RGGVY, BGJY programme etc.. The licensee is required to submit to the commission along with ARR the details of assets taken into service under these programmes.

7.32 The commission may also allow special R&M actually incurred during the previous year, in order to enable DISCOMs to undertake critical activities such as loss reduction, energy audit, consumer indexing, pole scheduling etc. provided the commission will undertake a prudence check before allowing such expenditure."

127. In order to calculate Repair and Maintenance allocation, which is a percentage of fixed assets, the commission analyses the fixed assets of the DISCOMs and subsequent

additions during the year. In the tariff submission for FY 2022-23 the DISCOMs have proposed capital expenditure and addition of fixed assets scheme wise for FY 2021-22 which is shown in the following table.

Table – 41
Proposed addition of Fixed Assets FY 2021-22

(Rs. in Cr.)

Proposed Capital expenditure and addition of Fixed Assets for FY 2021-22	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**	
	Capital Exp.	**Addition**	**Capital Exp.**	**Addition**	**Capital Exp.**	**Addition**	**Capital Exp.**	**Addition**
Land Building, F& F and others	1.68					26.71		
School Anganwadi-Grant			6.72					
RAPDRP							18.65	
S.I. Scheme	3.86							
Deposit work	233.82		2.33		5.99			
Deposit work - Consumers			104.89					
SOUBHAGYA							6.90	
Capex Plan (GoO)			1.20					
Statutory safety & security	101.63						66.92	
Loss reduction	43.84						52.01	
Network Reliability	50.48						110.39	
Load growth	40.98						16.84	
Own capex			201.37		237.52			
Technology & civil infrastructure	106.86						101.41	
Elephant corridor			32.21		18.05			
Other works (Govt funded/consumer fund)							168.14	
IDC							1.63	
Employee cost capilized							22.34	
GRIDCO contribution in kind							78.45	
Total	**583.15**	**0.00**	**348.72**	**0.00**	**261.56**	**26.71**	**643.68**	**0.00**

128. The Commission analysed the proposed CAPEX and the proposed addition to the fixed assets. The scheme wise asset addition already made till date and the assets which are likely to be added within the FY 2021-22 is considered by the Commission after prudence check. The assets owned by Government of India and Government of Odisha schemes which are not handed over to DISCOMs have not been considered as

addition to fixed assets. Accordingly the approved addition of fixed assets during FY 2021-22 is given in the following table.

Table – 42

(Rs. in Cr.)

Approved addition of Fixed Assets for FY 2021-22	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Plant & machinery (Line networks)	112.20	55.51	53.99	388.28
Computer	23.42	38.29	33.48	22.37
Building	7.59	28.94	25.56	7.39
Office equipment (F & F)		4.36	1.00	3.93
Vehicle		0.32	1.00	0.8
Other works				
Total	**143.21**	**127.42**	**115.03**	**422.77**

129. The Gross Fixed Assets as on 01.04.2021 has been computed based on the audited accounts and the approved addition for the FY 2021-22.

130. The R&M for FY 2022-23 is calculated as the 5.4% of the GFA as on 1.04.2022 in terms of the OERC Tariff Determination Regulation 2014. The Commission in order to ensure maintenance of the assets under RGGVY, DDUGVY & Biju Gram Jyoti Scheme, which continue to be with the Govt. of Odisha, also allows additional amount to each DISCOM subject to detailed scrutiny in next tariff proceedings. The approved R&M for FY 2022-23 is accordingly shown in the following table:

Table – 43
R&M Approved for FY 2022-23

(Rs. in Cr.)

R&M for FY 2022-23	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**	
	Proposed	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**
DISCOM's Gross fixed assets(GFA) as on 01.04.2022	1963.50	1963.50	2533.44	2026.48		1115.62	4302.85	4059.82
Rate of R & M on GFA	5.40%	5.40%	5.40%	5.40%		5.40%	5.40%	5.40%
R&M on GFA	106.03	**106.03**	136.81	**109.43**	137.91	**60.24**	232.35	**219.23**
Govt. (Funded/Grant) Assets as on 01.04.2022	3194.50		2575.16				2624.00	
Rate of R & M on Govt. (Funded/Grant) Assets	5.40%							
R&M on Govt. funded Assets	172.50	50.00	103.20	32.00		30.00	20.62	20.62

R&M for FY 2022-23	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**
Total R & M incl Spl R & M	278.53	**156.03**	240.01	**141.43**	137.91	**90.24**	252.97	**239.85**

Interest on Loan

131. The source-wise loans and interest burden as proposed by the four DISCOMs for FY 2022-23 is given in the following table:

Table – 44

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on working capital	32.61	31.19	27.31	46.48
Interest on CAPEX loan/long term debt	29.52	27.99	32.32	40.28
Interest on security deposit	38.56	26.22	13.06	30.78
Total interest before capitalisation	100.69	85.40	72.69	117.54
Less: Interest Capitalised	0	1.24	7.85	0
Total Interest proposed	**100.69**	**84.16**	**64.84**	**117.54**

132. The Commission analyzed the interest on loans proposed by the DISCOMS in the ARR petition. The Commission in the respective vesting orders have observed that the Section 21(a) of the Electricity Act provides that the utility shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the utility. The Commission has accordingly carved out the new opening balance sheet and the old loans along with the interest on that are not passed on to the new operating companies from the date of their vesting.. Hence the Commission has not considered the interest on the existing loans while determining the ARR in this order.

Interest on CAPEX loan/long term debt

133. The proposed interest on CAPEX loan is of Rs. 29.52 crore, Rs. 27.99 crore, Rs. 32.32 crore and Rs. 40.28 crore by TPWODL, TPNODL, TPSODL and TPCODL respectively. The commission asked for additional information on latest position of the actual CAPEX loan availed. From the replies of the DISCOMs it is observed that except for TPCODL other DISCOMs have not availed any CAPEX loan till the date of submission. The Commission after a prudent verification allows a provisional amount towards interest. Any variances with the actual amount shall be addressed at the appropriate stage of truing up.

Interest on Security Deposit

134. The Interest on security deposit is allowed by the Commission as per the OERC Distribution (Conditions of Supply Code), 2004. The prevailing bank rate during March, 2022 as notified by RBI is 4.25% per annum as ascertained from the RBI website. The Commission accordingly allows the interest at the rate of 4.25% on the closing balance on consumer's security deposit as on 31.3.2022 as shown in the table below:

Table - 45
Interest on Security Deposit approved (2022-23)

(Rs. in Cr.)

Interest on Consumer's Security Deposit	Proposed interest on Consumer's SD for FY 2022-23	Consumer's Security deposit as on 31.03.2022 (Proposed)	Approved interest on Consumer's SD @ 4.25% for FY 2022-23
TPWODL	38.56	882.42	37.50
TPNODL	26.22	616.89	26.22
TPSODL	13.06	288.52	12.26
TPCODL	30.78	724.26	30.78

Financing costs of short term loans/cash credits for working capital

135. DISCOMs have proposed to take working capital loan for carrying out various obligations as envisaged in the said Regulations. The Commission will analyze such requirement at the appropriate stage during the truing up. Accordingly the Commission has not approved any interest on working capital loan while determining the ARR for FY2022-23.

136. Accordingly the total interest on loan proposed by DISCOMs and approved by the Commission for FY 2022-23 is summarized below:

Table - 46
Total Annual Interest approved

(Rs. in Cr.)

Source	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Interest on working capital	32.61		31.19		27.31		46.48	
Interest on capex loan/long term debt	29.52	7.00	27.99	7.00	32.32	7.00	40.28	20.00
Interest on security deposit	38.56	37.50	26.22	26.22	13.06	12.26	30.78	30.78
Total interest before capitalisation	100.69	44.50	85.40	33.22	72.69	19.26	117.54	50.78
Less: Interest Capitalised	-	-	1.24	1.24	7.85	2.00	-	-
Total Interest proposed	100.69	44.50	84.16	31.98	64.84	17.26	117.54	50.78

Depreciation

137. DISCOMs have calculated depreciation for FY 2022-23 on the existing taken over

assets as well as the new assets created after taken over date. The depreciation amounts claimed by the four DISCOMs are given as under.

Table – 47

(Rs. in Cr.)

	TPWODL	TPNODL	TPSODL	TPCODL
Proposed	49.39	70.78	44.29	55.99

138. The Commission analyzed the same relating to the depreciation on existing (transferred) assets and on the newly created assets as per the vesting orders.

139. Accordingly, the Commission approves the following amount towards depreciation for the FY 2022-23.

Table – 48

(Rs. Cr.)

Depreciation	TPWODL	TPNODL	TPSODL	TPCODL
On existing (Transferred) assets	32.15	30.94	16.11	15.66
On newly created assets	14.37	13.72	15.92	32.68
Total Depreciation approved	46.52	44.66	32.03	48.34

Manner of utilization of depreciation:

140. As per the respective vesting orders, the Commission, with regard to depreciation on assets transferred to the operating companies, has observed that all existing assets would continue to earn depreciation as per existing depreciation rates approved by the Commission. Since the depreciation relates to existing assets, against which no loan has been availed by the new operating company, the depreciation allowed to be recovered from tariff must be utilized in the following manner:

a) For funding of additional service liabilities

b) Capital investment

c) Working capital requirement

The Commission have further observed that the manner of utilization of such depreciation shall be as per the direction of the Commission and the operating company shall maintain a separate account for such depreciation. No depreciation shall be allowed to be recovered on assets created out of Government grants/capital subsidy/capital contribution from consumers.

The Commission in light of these facts directs that the depreciation shall be used only for the purpose as stipulated in the respective vesting order.

Provision for Bad & doubtful debts

141. The TPWODL, TPNODL, TPSODL and TPCODL have proposed Bad and doubtful debts for the ARR for FY 2022-23 which is shown in the table below:

Table – 49

(Rs. cr)

Bad & Doubtful Debt FY2022-23 (Proposed)	TPWODL	TPNODL	TPSODL	TPCODL
Proposed revenue (Rs. in Crores)	4038.71	2,657.21	1618.55	4154.50
Bad and Doubtful debt (Rs. in Crores)	40.39	26.57	16.19	41.54

142. The OERC Tariff determination Regulation, 2014 at Regulation 7.55 provides for the Bad debts in the following manner:

The commission shall allow a provision for bad debts as a prudent commercial practice in the revenue requirement of the licensee. This provision for bad debts will be established as percentage of sales revenue as determined by the Commission from time to time. Before establishing a provision for bad debts, the commission may direct the licensee to audit the receivables so that there will be no financial burden on genuine consumers due to inappropriate provision..

143. Therefore according to the above provisions of the Regulation the Commission is required to establish a percentage of the sales as Bad debt. The Commission in the previous RST orders has approved Bad and Doubtful debts at certain percentage of the total annual revenue billing.

144. The Commission in line with the previous ARR allowed Bad and Doubtful debt of 1% of the total annual revenue billing in HT and LT sales only on normative basis. Hence the amount of Bad and doubtful debt as proposed by the DISCOMs and approved by the Commission for FY 2022-23 is summarized below. Commission directs that the procedure for classification of an amount under bad and doubtful debt have to be in place prior to implementation.

Table – 50
Bad & Doubtful Debt FY 2022-23 (Approved)

(Rs. in Crore)

	Proposed		Approved				
DISCOM	Revenue	Bad debt	Total Revenue	Revenue from EHT sales	Revenue at HT	Revenue at LT	Bad debt (1% of LT & HT revenue)
TPWODL	4038.71	40.39	4,119.48	1332.14	1177.07	1610.27	27.87
TPNODL	2657.21	26.57	2,701.03	1099.48	328.77	1272.78	16.02

	Proposed		Approved				
DISCOM	**Revenue**	**Bad debt**	**Total Revenue**	**Revenue from EHT sales**	**Revenue at HT**	**Revenue at LT**	**Bad debt (1% of LT & HT revenue)**
TPSODL	1618.55	16.19	1,694.00	395.27	225.05	1073.68	12.99
TPCODL	4154.50	41.54	4,273.00	845.43	977.81	2449.76	34.28

Additional Serviceable Liabilities (ASL)

145. TPCODL in the ARR petition has submitted that the funding of ASL is to be considered which may be allowed in the ARR. The Commission in the vesting order dated 26.5.2020 at Para-54(e) has defined how the ASL is to be dealt when there are more current liabilities than the current assets. The Commission in its another order dated 30.9.2021, relating to segregation of the balance sheet of CESU as on 31.05.2020 and opening balance sheet of TPCODL, has worked out a negative ASL of Rs 56.62 cr considering the fact that Current Assets are more than the current liabilities. TPCODL has made a separate request for reconsidering the ASL amount from negative Rs.56.62 crore to positive Rs. 391.82 crore. In the present ARR petition the similar amount of ASL of Rs 391.82 cr, has been considered by the TPCODL. TPCODL has submitted that after deducting the depreciation allowed in the ARR of 2020-21 of Rs 72.35 cr from the revised claimed ASL of Rs. 391.82 crore, the balance amount of Rs 319.47 cr is required to be funded. Considering the interest rate of 8% p/a, the interest rate for FY 2021-22 works out to Rs 5.12 cr and for FY 2022-23 the same works out to Rs 14.12 cr. TPCODL has submitted to allow Rs.14.12 crore in the present ARR of FY 2022-23.

146. The Commission in this regard observes that a separate request filed by the TPCODL in this regard for revision of the ASL is under consideration of the Commission and this will dealt separately. The Commission is therefore not inclined to consider any amount in the present ARR for FY2022-23 for TPCODL. The same will also be applicable to other three DISCOMs, TPWODL, TPSODL and TPNODL basing on their separate request, regarding revision of ASL.

Return on Equity

147. The Return on Equity is projected at Rs.84.66 crore, Rs. 48.00 crore, Rs. 65.85 crore and Rs. 64.45 crore by TPCODL, TPWODL, TPNODL and TPSODL respectively. TPCODL, TPNODL and TPSODL have projected the ROE based on their equity capital and the normative equity on the proposed CAPEX.

148. The Commission has considered allowing the RoE as per the OERC (Determination of Wheeling and Retail Tariff) Regulation, 2014. The said Regulation states that the RoE shall be allowed @16% on the amount of equity capital determined in accordance with Regulation. The Commission at present is not inclined to allow RoE on the normative Equity as no equity has been infused by the DISCOMs in real terms. The Commission observes that as and when the actual Equity is infused by both the shareholders, DISCOM and GRIDCO, this will be considered in the ARR.As per the respective vesting order of the four DISCOMs ,GRIDCO who is 49% shareholder is allowed to bring matching equity in kind for any capex infusion along with 51% equity to be bought by the DISCOMs.GRIDCO will infuse the equity by transferring matching Govt. assets lying in the DISCOMs area as per the requirement of capex infusion on which ROE will be allowed in the ARR. Accordingly the amount of ROE proposed and allowed by the Commission is given in the table below.

Table - 51

(Rs. in cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Amount proposed by DISCOMs	48.00	65.85	64.45	84.66
Amount approved by the Commission	48.00	40.00	32.00	48.00

Miscellaneous receipts/ Non Tariff Income

149. The Non Tariff Income proposed by the licensees for the FY 2022-23 against the approved for FY 2021-22 are given in the table below:

Table - 52
Miscellaneous Receipts

(Rs. in cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Amount approved for FY 2021-22	237.45	137.42	25.56	104.80
Amount proposed for FY 2022-23	267.69	154.15	35.16	107.21

150. The miscellaneous receipts/ Non Tariff Income of the DISCOMS is mainly on account of meter rent, commission for collection of ED, miscellaneous charges, interest on loans and advances, interest on bank deposit, DPS, over drawl penalty, supervision charges and Reliability surcharge, open access charges, and other miscellaneous receipts.

151. Commission observes that the miscellaneous receipts are of fluctuating nature and the reasonable estimate of future receipts would be on the basis of the analysis of past trends. The Commission after scrutiny and analysis allows the miscellaneous receipts/

Non Tariff Income (NTI) equal to the amount proposed by the DISCOMs as the commission has no means to verify the same other than NTI in previous year audited accounts. Any variation with the actual amount shall be addressed at truing up stage.

152. The approved miscellaneous receipts/ Non tariff Income for FY 2022-23 is shown in the following table:

Table -53

(Rs. in cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Amount proposed for FY 2022-23	267.69	154.15	35.16	107.21
Amount approved for FY 2022-23	267.69	154.15	35.16	107.21

Receivables from DISCOMs and Others

153. GRIDCO in its filing submitted that it has outstanding dues to be received from DISCOMs towards securitized dues, NTPC Bond dues, Non-payment of BSP dues and Year End Adjustment Bills of DISCOMs. The Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have now handed over the three utilities i.e. CESU, WESCO and SOUTHCO to M/s Tata Power Company Ltd. (TPCL) who acquired 51% of equity share in the new companies. Government of Odisha through it's entity GRIDCO hold 49% equity share in the new companies. The utility of CESU was vested in a new company, TPCODL on 01.06.2020 in terms of the vesting order No.11/2020 dated 26.05.2020, WESCO was vested on 01.01.2021 in the new company TPWODL in terms of the vesting order No.82/2020 dated 28.12.2020 and SOUTHCO was vested in the new company TPSODL on 01.01.2021 in terms of the vesting order No.83/2020 dated 28.12.2020. NESCO was vested in the new company TPNODL on 01.04.2021 in terms of the vesting order No.9//2021 dated 28.03.2021. The respective vesting orders for these companies' deals with the segregation of the balance sheet as on the date of vesting by transfer of assets and liabilities to the new company. Accordingly all the outstanding dues of the GRIDCO will be dealt as per the provisions of the respective vesting order.

Revenue Requirement

154. In the light of above discussion, the Commission approves the revenue requirement of FY 2022-23 of four DISCOMs, as shown in Annexure-A.

155. A summary of the approved revenue requirement, expected revenue at the approved

tariff and approved revenue gap for FY 2022-23 by the Commission is given below:

Table - 54

(Rs. in Cr.)

DISCOM	Revenue Requirement FY 2022-23		Expected Revenue FY 2022-23		Gap (-)/Surplus(+)	
	Proposed	Approved	Proposed	Approved	Proposed	Approved
TPWODL	3326.81	4093.54	3148.97	4119.48	-177.84	25.94
TPNODL	2860.44	2700.08	2623.18	2701.03	-237.26	0.95
TPSODL	1539.60	1692.16	1391.90	1694.00	-147.70	1.84
TPCODL	4313.93	4248.82	3595.48	4273.00	-718.45	24.18
Total	12040.78	12734.60	10759.53	12787.51	-1281.25	52.91

Segregation of wheeling and retail supply business

156. 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 i.e., Retail Supply Tariff". Further, Regulation 3.2 provides that the Commission shall determine the Aggregate Revenue Requirement (ARR) and Tariff for (a) Wheeling Business and (b) Retail Supply Business. The Regulation 4.3 further provides that "the distribution licensee shall segregate the accounts of the licensed business into wheeling business and retail supply business.

157. The proviso to the Regulation 4.4 states that "provided that for such period until accounts are segregated, the licensee shall prepare an allocation statement to apportion cost and revenues to wheeling business and retail supply business and submit it along with its ARR for approval of the Commission.

158. The DISCOMs in their ARR submissions have proposed allocation statement of wheeling and retail supply cost.

Table – 55
Allocation of Wheeling and Retail Supply Cost

Sl. No.	Cost/Income Component	Ratio for consideration in Wheeling Business	Ratio for consideration in Retail Supply Business
1	Cost of Power	0%	100%
2	Transmission Charges	0%	100%
3	SLDC Charges	0%	100%
	Total power purchase cost *		
	O&M		
4	Employee Cost	60%	40%

Sl. No.	Cost/Income Component	Ratio for consideration in Wheeling Business	Ratio for consideration in Retail Supply Business
5	Repair & Maintenance Cost	90%	10%
6	Administrative & General Expenses	40%	60%
7	Bad & Doubtful Debt including Rebate	0%	100%
8	Depreciation	90%	10%
	Interest on Loans		
9	for Capital loan	90%	10%
10	for Working capital	10%	90%
11	Interest on Security Deposits	0%	100%
12	Return on Equity	90%	10%
	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	90%	10%
	Grand Total		
	Miscellaneous Receipt		
16	Non-Tariff Income - Wheeling	as per actual/ assumption	as per actual/ assumption
17	Non-Tariff Income - Retail Business	as per actual/ assumption	as per actual/ assumption

159. The distribution licensees are yet to segregate the accounts of their licensed business into wheeling and retail supply business as provided in the OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The Commission therefore, based on the above uniform allocation matrix allows cost towards Retail Supply business and Wheeling business in the following manner. The Commission shall monitor this later.

Wheeling Business

160. As per the OERC Tariff Regulation "Wheeling Business" means the business of operating and maintaining a distribution system for transfer of electricity in the area of supply of Distribution Licensee. As such the apportioned cost towards wheeling business has been considered while determining Aggregate Revenue Requirement and wheeling charges. The Miscellaneous receipts for the wheeling business, receipts on account of wheeling charges from open access consumers, supervision charges and Service line rentals are considered out of the total approved Miscellaneous receipts in this order from the Annual accounts. However, such segregation is not available in the audited accounts of the DISCOMs for the FY 2019-20. Therefore, in order to arrive at the segregated Miscellaneous receipts for FY 2021-22 the approved proportion of the

wheeling and retail business of FY 2019-20 is applied. This has been shown in the following table:

Table – 56
Miscellaneous Receipts

(Rs. Cr.)

	TPWODL	TPNODL	TPSODL	TPCODL
Total Miscellaneous Receipts Approved for FY 2019-20	173.99	123.33	36.15	162.71
Approved Miscellaneous Receipt for Wheeling Business- FY 2019-20	15.32	7.08	1.14	22.33
Approved %age of wheeling business	8.81%	5.74%	3.15%	13.72%
Total Miscellaneous Receipts Approved for FY 2022-23	267.69	154.15	35.16	107.21
Approved Miscellaneous Receipt for FY 2022-23 Wheeling Business applying same percentage as in FY 2019-20	23.58	8.85	1.11	14.71
Approved Miscellaneous Receipt for FY 2022-23 Retail Business	244.11	145.30	34.05	92.50

161. On the basis of the aforesaid Allocation of Wheeling and Retail Supply Cost matrix table, the ARR for wheeling business for TPWODL, TPNODL, TPSODL and TPCODL is approved at Rs.558.31 cr, Rs. 493.41 cr, Rs. 425.63 cr and Rs. 837.60 cr respectively. The wheeling charges (per unit) for TPWODL, TPNODL, TPSODL and for TPCODL have been accordingly determined at 77.11 paise/unit, 113.69 paise/unit, 112.01 paise/unit and 98.43 paise/unit. The details of the Wheeling Business cost allocation and determination of wheeling charges is shown in the following table:

Table - 57
Allocation of cost towards Wheeling Business – FY 2022-23

(Rs. in Crs.)

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling
Employee costs(After Capitaisation)	60	453.65	272.19	393.85	236.31	402.42	241.45	751.59	450.96	2,001.50	1200.90
Repair & Maintenance	90	156.03	140.43	141.43	127.29	90.24	81.22	239.85	215.87	627.55	564.80
A & G Expenses	40	110.39	44.16	84.23	33.69	77.25	30.90	132.72	53.09	404.59	161.84
Depreciation	90	46.52	41.87	44.66	40.19	32.03	28.83	48.34	43.50	171.55	154.39
Interest on capital Loan (Excluding SD)	90	44.50	40.05	31.98	28.78	17.26	15.54	50.78	45.70	144.52	130.07
Return on equity	90	48.00	43.20	40.00	36.00	32.00	28.80	48.00	43.20	168.00	151.20
Gross Total		**859.09**	**581.89**	**736.14**	**502.26**	**651.20**	**426.73**	**1271.28**	**852.31**	**3517.72**	**2363.20**

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling
Less: Miscellaneous receipts	10		**23.58**		**8.85**		**1.11**		**14.71**		**48.25**
Total wheeling Cost			**558.31**		**493.41**		**425.63**		**837.60**		**2314.95**
Total MU approved for LT & HT consumers			7240.00		4340.00		3800.00		8510.00		23890.00
Wheeling charges (P/U)			**77.11**		**113.69**		**112.01**		**98.43**		**96.90**

Retail Supply Business

162. As per the OERC Tariff Regulation "Retail Supply Business" means the business of sale of electricity by Distribution Licensee to the category of consumers within its area of supply in accordance with the terms of the Licence for distribution of electricity. The apportioned cost towards Retail Supply business has been considered while determining Aggregate Revenue Requirement. While considering the Miscellaneous receipts for the retail business, receipts on account of wheeling charges from open access consumers, supervision charges and Service line rentals have been excluded from the total approved Miscellaneous receipts. This has been shown in the given table:

Table - 58
Miscellaneous Receipts- Retail Supply Business 2022-23 (Approved)
(Rs. in cr.)

	TPWODL	TPNODL	TPSODL	TPCODL
Approved Miscellaneous Receipt for FY 2022-23 Retail Business	244.11	145.30	34.05	92.50

163. On the basis of the aforesaid allocation of Wheeling and Retail Supply cost matrix table, the net retail supply cost for TPWODL, TPNODL, TPSODL and for TPCODL is shown in the following table:

Table – 59
Revenue Requirement of DISCOMs for the FY 2022-23- Retail Business
(Rs. in Cr.)

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	**(%)**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**
Cost of power purchase	100	3348.00	3348.00	1932.42	1932.42	996.53	996.53	2937.00	2937.00	9,213.95	9213.95

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	**(%)**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**	**Approved Total**	**Approved Retail**
Transmission Charges	100	260.40	260.40	168.56	168.56	122.92	122.92	274.12	274.12	826.00	826.00
SLDC Charges	100	1.67	1.67	1.08	1.08	0.79	0.79	1.75	1.75	5.29	5.29
Employee costs(After Capitalisation)	40	453.65	181.46	393.85	157.54	402.42	160.97	751.59	751.59	2,001.50	800.60
Repair & Maintenance	10	156.03	15.60	141.43	14.14	90.24	9.02	239.85	23.99	627.55	62.76
A & G Expenses	60	110.39	66.24	84.23	50.54	77.25	46.35	132.72	79.63	404.59	242.76
Bad and Doubtful debt	100	27.87	27.87	16.02	16.02	12.99	12.99	34.28	34.28	91.15	91.15
Depreciation	10	46.52	4.65	44.66	4.47	32.03	3.20	48.34	4.83	171.55	17.15
Interest on Capital Loan (Excluding SD)	10	7.00	0.70	5.76	0.58	5.00	0.50	20.00	2.00	37.76	3.78
Interest on security deposit	100	37.50	37.50	26.22	26.22	12.26	12.26	30.78	30.78	106.76	106.76
Return on equity	10	48.00	4.80	40.00	4.00	32.00	3.20	48.00	4.80	168.00	16.80
Gross Retail Supply Cost		**4497.03**	**3948.89**	**2854.22**	**2375.55**	**1784.43**	**1368.74**	**4518.42**	**4144.77**	**13654.11**	**11387.00**
Less: Miscellaneous Receipts		267.69	244.11	154.15	145.30	35.16	34.05	107.21	92.50	564.21	515.97
Net Retail Supply Cost		4229.34	**3,704.78**	2700.07	**2,230.25**	1749.27	**1,334.68**	4411.21	4052.27	13089.89	10871.03

164. The Commission in the last RST order had directed DISCOMs to segregate their accounts for wheeling business and retail supply business as per Regulation 4.4 of OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The Commission directs DISCOMs to take necessary steps in order to segregate their accounts for wheeling business and retail supply business as per the said OERC Regulation. The compliance on this account must be furnished by 31st July, 2022.

Regulatory Surplus

165. GRIDCO made an additional submission dated 17.3.2022 related to the performance of DISCOMs in view of the Limited Review Report for Unaudited Financial results submitted by the four DISCOMs to their respective Board of Directors for nine months covering period from April, 01 2021 to December 31, 2021. GRIDCO in its

submission has analyzed such reports and summarized results in the following table:

Table - 60

Particulars	TPCODL	TPNODL	TPWODL	TPSODL	All DISCOMs
Revenue	3195.71	2083.81	3647.76	1287.69	10214.97
Profit/(loss) before movement in regulatory deferral and tax	85.95	156.43	446.67	92.48	781.53
Add/(Less): net movement in regulatory deferral balances	-58.03	-99.43	-412.2	-30.4	-600.06
Profit/(Loss) before tax	27.92	57.00	34.47	62.08	181.47
Tax expenses	7.03	14.35	8.67	23.87	53.87
Profit/(Loss) after tax for the period	20.85	42.65	25.80	38.26	127.6

166. GRIDCO submitted that as revealed from the above table there is a regulatory surplus of about Rs. 600 crore aggregating of the four DISCOMs for the first nine months ending on 31.12.2021. GRIDCO has stated that the regulatory surplus is expected to further increase to Rs 800 cr by the end of the year covering 12 months period. The carry forward of revenue surplus, which may be available with the DISCOMs for FY 2021-22 and for the ensuing year FY 2022-23, may aggregate to around Rs 1500 cr considering revenue trends of last nine months, reduction in AT&C loss and overall performance in the ensuing year.

167. GRIDCO submitted that DISCOMs have been using assets worth approximately Rs 17000 cr created out of Government investments. The State Government has further decided to extend ODSSP-IV with financial assistance of about Rs 1800 cr and other CAPEX Schemes such as elephant corridor ,etc to the distribution sector which will reduce cost of DISCOMs. GRIDCO has therefore, submitted that around 60% of carry forward revenue surplus (i.e. Rs 1500 Cr) of DISCOMs (i.e. 0.6xRs 1500 Cr = i.e., Rs 900 cr), can accommodate a BSP rise of around 30 p/u without increase in existing RST.

168. The Commission has taken cognizance of such additional submission by the GRIDCO basing on the Limited Review Report for Unaudited Financial results submitted by the four DISCOMs to their respective Board of Directors for nine months from 1st April, 2021 to 31st December, 2021. The Commission has taken note of this fact that there

appears to exist a surplus in the all four DISCOMs for the current year and the ensuing year. The Commission is also conscious of the fact that these are limited review report and the results may undergo change at the end of the financial year wherein surplus may change substantially, which will be ascertained when the audited accounts for the year are available. GRIDCO being the shareholders of all the four DISCOMs has assessed that this surplus will further go up due to better performance, reduction in AT&C loss and better MBC activities.

169. The Commission in view of such a scenario observes that the surplus available for the current year i.e, FY 2021-22 may be considered while determining the ARR for FY 2022-23 in order to keep the Retail tariff unchanged and determining BSP at the appropriate level. The Commission, therefore, has considered certain surplus provisionally from the current year (FY 2021-22) of operation towards the ARR determination for FY 2022-23. After analysis, surplus of Rs. 150 crore has been considered for TPWODL, Rs.60 crore for TPSODL and Rs.140 crore for TPCODL. The actual adjustment of the surplus will be considered in the truing up order for the year after the audited accounts are available. No surplus has been considered for TPNODL as the company has been vested during the current year and audited accounts for the first year of operation is yet to be available.

Truing up of DISCOMs

170. In terms of the OERC (Determination of Wheeling & Retail Supply Tariff) Regulation, 2014, the DISCOMs are required to file truing up petition along with the available audited accounts for the year. In terms of such Regulation, TPCODL have filed the application for approval of truing up for FY 2020-21 (June 2020 to March 2021) which has been registered as Case No.115 of 2021. TPWODL have filed the application for approval of truing up for FY 2020-21 (January 2021 to March 2021) which has been registered as Case No.114 of 2021. TPSODL have filed the application for approval of truing up for FY 2020-21 (January 2021 to March 2021) which has been registered as Case No.118 of 2021. These three DISCOMs have also submitted their audited accounts along with the truing up petition.

171. TPCODL in its truing up petition has stated that while filing this petition they have taken into account the Commission's orders regarding opening balance sheet as on 01.06.2020 in the order dated 30.09.2021, Vesting order, order on approval of capex proposal for FY 2020-21dated 08.09.2021 and order on the Annual Business Plan for

FY 2020-21 towards additional O&M Expenses dated 14th November 2020.

172. TPCODL has submitted that the Total Sales (5226 MU) for the period of ten months during the year compared to the same period of the previous year (5095 MU for FY 2019-20) has shown increased sales in spite of restrictions due to covid situation. The AT&C loss achieved for the 10 month period (25.5%) is well within the loss stipulated in the vesting order for the entire year (29.10%). Total Power Purchase cost for the period has been shown at Rs. 2052.04 for 6961 MU. However TPCODL has proposed that Power purchase cost may be calculated by grossing up of the total sales by computing normative distribution loss. TPCODL has calculated normative distribution loss of 22.93% and by grossing up of the sales of 5226.19 MU the Normative input unit is arrived at 6781 MU. By multiplying the power purchase rate of 2.70 (P/u) the purchase rates is arrived at Rs. 1829.69 crore and including transmission and SLDC charges the total Power purchase cost is calculated at Rs. 2000.41 crore. After applying rebate availed of Rs. 17.7 crore the power purchase cost is proposed at Rs. 1982.7 crore. Total capitalisation carried out during the period has been at Rs. 233.31 crore (includes R APDRP of Rs. 129.31 crore, Subhagya Scheme of Rs. 13.39 crore, consumer contribution of Rs. 2.57 crore and against TPCODL CAPEX schemes of Rs. 88.4 crore excluding meters) out of the total approval of Rs. 280.63 crore. The capitalisation from TPCODL was Rs. 66.1 crores the debt portion was Rs. 46.3 (70%) and Equity of Rs. 19.8 crore (30%). Since no equity was infused by the TPCL and GRIDCO for this capitalisation, TPCODL has proposed that this may be treated from the internal accruals and this may be considered for allowing normative ROE. The depreciation proposed for the truing up is Rs. 14.82 crore against the approval of Rs. 78.80 crore after excluding depreciation on the assets created out of consumer contribution. TPCODL has claimed normative interest on the working capital of Rs. 35.29 crore as per regulation 7.49 of the OERC (Determination of Wheeling and Retail Supply Tariff) Regulation 2014.TPCODL has proposed Rs 22 cr towards the actual interest on security deposit. TPCODL has claimed return on equity of Rs 41.32 cr on the total equity of Rs 319.84 cr (Rs 300 cr as opening equity plus normative addition of equity of Rs 19.84 cr). The total approval for the period amounts to Rs 567.80 cr which includes prorated employee cost for June to March, 2021 of Rs 522.2 cr and additional employee cost in Opex order dated 16.11.2020 amounting to Rs 48.36 cr. However, TPCODL has claimed total employee cost for the period amounting to Rs 598.4 cr which includes actual employee cost of Rs 552.78 cr and

additional cost employee cost of Rs 48.4 cr. TPCODL has claimed actual R&M of Rs 142.33 cr. TPCODL has claimed A&G expenses of Rs 84.72 cr against the approval of Rs 96.82 cr for the period of Truing up. TPCODL has claimed bad and debt of Rs 28.16 cr and income tax of Rs. 13.90 cr. TPCODL has considered non tariff income for the period of truing up amounting to Rs 100.03 cr which includes meter rent of Rs 28.67 cr. TPCODL has also claimed incentive for the past arrear as per the vesting order and has proposed that DPS shall not be treated as part of the miscellaneous receipt.

173. TPWODL has claimed a deficit of Rs 115.60 cr in the employee cost mainly because the difference the terminal benefits between actual and audited accounts. In the R&M expenses, the Commission had approved Rs 92.24 cr (pro-rated for three months i.e., Jan, 2021 to March, 2021). However, the actual expenditure shown in the audited accounts is Rs 20.66 cr. TPWODL has proposed to allow Rs 92.24 cr in this true up. The depreciation cost allowed for the period was Rs 61.4 cr. However, the actual depreciation claimed for the Rs 16.40 cr after deducting depreciation towards service line contribution, subsidy and grants Government funded projects. The Petitioner has proposed to allow Rs 162 cr in the truing up towards bad and doubtful debt against the approval of Rs 23.29 cr. TPWODL has claimed Interest cost of Rs. 98.69 crore against the approval of Rs. 53.2 crore. TPWODL has claimed ROE of Rs. 17.83 crore on the Equity base of Rs. 300 crs. In the miscellaneous receipt head the total receipt shown in the audited account is Rs 262.61cr against the approval in the ARR of Rs 191.35 cr. Accordingly, TPWODL has shown a gap of Rs 256.50 cr in the truing up petition with a prayer to allow the same.

174. TPSODL has claimed Rs 793.84 cr towards power purchased cost inclusive of BSP, Transmission and SLDC charges against of approval of Rs 878.26 cr. TPSODL has claimed Rs 374.65 cr towards employee expenses. However, the actual expenditure for the last three months was Rs 120.60 cr. The major different is on account of the terminal dues which was approved at Rs 134.90 cr, however as per audited account it is Rs 173.57 cr. The petitioner has claimed R&M of Rs 45.96 cr against the actual incurred of Rs 6.39 cr. TPSODL has claimed A&G cost of Rs 63.28 cr against the approval of Rs 35.49 cr. Depreciation has been claimed of Rs 17.56 cr based on actual assets capitalisation as per the audited accounts. Regarding the provision of the bad doubtful debt TPSODL has shown it as Rs 3.53 for the period. TPSODL has claimed

interest cost of Rs 45.26 cr as per the audited accounts against the approved interest cost of Rs 25.78 cr in the ARR. TPSODL has claimed RoE of Rs 16.73 cr have it taken into account equity investment of Rs 200 cr. The miscellaneous receipt as per audited accounts Rs. 57.60 cr against the approval of Rs 39.77 cr. Basing on the element of expenses expected revenue TPSODL has shown a negative balance of Rs 0.61 cr in the true up petition.

175. The principles adopted by the Commission with regard to truing up of DISCOMs for FY 2020-21 are summarized below:-

(a) Power Purchase and its cost: The power purchase cost has been accepted in full as shown in the audited accounts for the FY 2020-21.

(b) Distribution Loss: Benchmark losses as per the vesting order has been taken for the purpose of true up assuming collection efficiency of 99%.

(c) Sale: Sale of energy determined as per the actual power purchase and benchmark distribution as per the vesting order assuming collection efficiency of 99%.

(d) Employee Cost: The employee cost has been allowed as per actual shown in the audited accounts excluding terminal benefits. As regards terminal benefits, the same has been allowed as approved in the RST order for the FY 2020-21.

(e) Repair and Maintenance: The expenditure towards Repair and Maintenance of substations allowed as per actual shown in the audited accounts.

(f) A & G Expenses: The Administration and General expenses has been allowed in line with approval of the Commission in the ARR for FY 2020-21 subject to the maximum amount reflected in the audited accounts for that year.

(g) Bad & Doubtful Debt: In the ARR the provision towards bad and doubtful debt is allowed as 1% of HT and LT sales only. The same percentage is applied to the true up sales for arriving at the provision towards bad and doubtful debt.

(h) Depreciation: The depreciation is allowed as per the respective vesting orders.

(i) Interest Expenses: Only Interest on security Deposit has been allowed as per actual in the audited accounts as no long term loans have been transferred to new DISCOMs. No interest on working capital has been allowed as it was not allowed in the ARR.

(j) Other Expenses: The audited accounts the licensees reflects certain items under the head “Other Expenses”. Commission after due scrutiny allows the expenses for the purpose of true up.

(k) Expenses Capitalized and prior period expenses– The expenses under this head are allowed as per audited figures.

(l) Miscellaneous Receipt: The miscellaneous receipt as shown in the audited accounts have been considered excluding DPS, meter rent and overdrawl penalty.

(m) Computation of the revenue of the DISCOMs: The Commission has considered the annual revenue based on the distribution loss accepted by the Commission for truing up exercise. The saleable unit is multiplied with the average rate of billing (as computed from the audited data filed by the licensee) to arrive at the revenue earned.

176. With the above observation the summary of truing up exercise for the three DISCOMs are given in the following tables:

Table- 61
TRUE UP OF TPCODL (FY 2020-21)

	Approved in the ARR 2020-21	**Cost further allowed in Annual Business Plan**	**Total Approval including ABP**	**TPCODL June 20 to March 21 (Pro rated)**	**TPCODL June 20 to March 21 (Proposed)**	**Audited (10 months)**	**Allowed in true up TRUE Up**
Expenditure							
Cost of Power Purchase	2709.86		2709.86	2258.22	2034.1	2034.1	2034.1
Employee costs	622.15	48.36	670.51	566.82	598.41	474.26	474.26
Repair & Maintenance	139.62	142.63	165.90	142.63	142.33	145.75	142.33
Administrative and General Expenses	70.82	37.85	108.67	90.56	84.72	132.11	90.56
Provision for Bad & Doubtful Debts	30.25		30.25	25.21	28.16	28.12	25.21
Other expenses							0
Interest on security deposit					22.00	22.19	22.19
Depreciation	94.56		94.56	78.80	14.82	75.64	14.82
Interest on Working capital					35.29	1.21	0
Interest Chargeable to Revenue	69.81		69.81	58.18	1.45	9.77	1.45
Sub-Total	**3737.07**		**3849.56**	**3220.41**	2961.28	2923.15	2804.92
Less: Expenses capitalised	15.4			12.83	2.73	2.73	2.73
Prior period expenses(Debit,credit)							0
(A)Total expenses	**3752.47**		**3849.56**	**3233.24**	2964.01	2925.88	2807.65
Income Tax					13.9	0	0
Contingency reserve							0

	Approved in the ARR 2020-21	Cost further allowed in Annual Business Plan	Total Approval including ABP	TPCODL June 20 to March 21 (Pro rated)	TPCODL June 20 to March 21 (Proposed)	Audited (10 months)	Allowed in true up TRUE Up
(B)Total Special Approriation							0
(C)Return on equity	11.64		11.64	9.70	41.32	41.32	40.00
TOTAL(A+B+C)	**3764.11**		**3861.20**	**3242.94**	**3019.23**	**2967.20**	**2847.65**
Less Miscellaneous Receipt	178.98		178.98	149.15	79.24	168.32	79.24
Receipt on account of CSS					20.79		20.79
Total Revenue Requirement	3585.13		3682.22	3093.79	2919.20	2798.88	2747.62
Revenue from Sale of Power	3569.58		3569.58	2974.65	2791.6	2837.28	2910.01
GAP(+/-)	**-15.55**		**-112.64**	**-119.14**	**-127.60**	**38.40**	**162.39**
Approved Regulatory Gap							
Total Gap considered for True up							
Units Purchased(MU)(Actual)	9470.00			7891.67	6961.00		
Dist Loss(%)(Approved)	23.00%			23.00%	23.00%		
Dist Loss(MU)	2178.10			1815.08	1601.03		
Units Billed (MU) (Approved)	7291.90			6076.58	5359.97	133.97	
Units Billed As Per Audit (MU)					5226.00		
Revenue (Rs In Crores) (Audit)					2837.28		
Average Rate of Realisation (P/Kwh) (Audit)					**5.43**		
Expected Revenue For Truing Up(Rs In Cr)					2910.01	72.73	

Table – 62
TRUE UP OF TPSODL (FY 2020-21)

	Approved in the ARR 2020-21	TPSODL Jan 21 to March 21 (Pro rated)	Proposed (3 months)	Audited (3 months)	Allowed in true up TRUE Up
Expenditure					
Cost of Power Purchase	878.26	219.57	205.56	198.75	198.75
Employee costs	370.88	92.72	120.60	78.79	78.79
Repair & Maintenance	45.96	11.49	1.47	1.42	1.42
Administrative and General Expenses	35.49	8.87	15.42	11.4	11.4
Provision for Bad & Doubtful Debts	11.01	2.75	3.53	3.53	2.75
Other expenses		0.00			
Depreciation	29.03	7.26	6.91	6.91	6.91
Interest on Working capital		0.00			
Interest Chargeable to Revenue (Including SD)	25.48	6.37	8.98	4.73	4.73
Sub-Total	**1396.11**	**349.03**	**362.47**	305.53	304.75
Less: Expenses capitalised					0
Prior period expenses (Debit, credit)					0
(A)Total expenses	**1396.11**	**349.03**	**362.47**	305.53	304.75

	Approved in the ARR 2020-21	TPSODL Jan 21 to March 21 (Pro rated)	Proposed (3 months)	Audited (3 months)	Allowed in true up TRUE Up
Income Tax		0.00		0	0
Contingency reserve		0.00			0
(B)Total Special Appropriation		0.00			0
(C)Return on equity	6.03	1.51	10.69	10.69	10.69
TOTAL(A+B+C)	**1402.14**	**350.54**	**373.16**	**316.22**	**315.44**
Less Miscellaneous Receipt	39.77	9.94	17.17	24.17	17.17
Receipt on account of CSS		0.00			
Total Revenue Requirement	1362.37	340.59	355.99	292.05	298.27
Revenue from Sale of Power	1372.94	343.24	355.38	355.38	355.38
GAP(+/-)	**10.57**	**2.64**	**-0.61**	**63.33**	**57.11**
Approved Regulatory Gap					
Total Gap considered for True up					
Units Purchased(MU)(Actual)				902.24	
Dist Loss(%)(Approved)				25.00%	
Dist Loss(MU)				225.56	
Units Billed(MU)(Approved)				676.68	
Units Billed As Per Audit(MU)				717.52	
Revenue(Rs In Crores)(Audit)				355.38	
Average Rate Of Realisation (P/Kwh) (Audit)				**4.95**	
Expected Revenue For Truing Up(Rs In Cr)				335.15	

Table- 63
TRUE UP OF TPWODL (FY 2020-21)

	Approved in the ARR 2020-21	TPWODL Jan 21 to March 21 Approved (Pro rated)	TPWODL Jan 21 to March 21 (Proposed for true up)	Audited (3months)	Allowed in true up
Expenditure					
Cost of Power Purchase	2707.62	676.91	692.05	692.05	692.05
Employee costs	361.02	90.26	79.85	79.85	79.85
Repair & Maintenance	92.24	23.06	5.75	5.75	5.75
Administrative and General Expenses	52.8	13.20	109.45	109.45	13.20
Provision for Bad & Doubtful Debts	23.39	5.85	8.53	8.53	8.53
Other expenses		0.00			
Depreciation	61.4	15.35	16.4	16.4	16.4
Interest on Working capital		0.00			
Interest Chargeable to Revenue(Including SD)	53.2	13.30	10.94	10.94	10.94
Sub-Total	**3351.67**	**837.92**	922.97	922.97	826.72
Less: Expenses capitalised					
Prior period expenses (Debit,credit)					0
(A)Total expenses	**3351.67**	**837.92**	922.97	922.97	826.72
Income Tax				0	0
Contingency reserve					0
(B)Total Special Appropriation					0
(C)Return on equity	7.78	1.95	12	12	12.00
TOTAL(A+B+C)	**3359.45**	**839.86**	**934.97**	**934.97**	**838.72**

	Approved in the ARR 2020-21	TPWODL Jan 21 to March 21 Approved (Pro rated)	TPWODL Jan 21 to March 21 (Proposed for true up)	Audited (3months)	Allowed in true up
Less Miscellaneous Receipt	191.39	47.85	29.06	75.7	54.9
Receipt on account of CSS		0.00			
Total Revenue Requirement	3168.06	792.02	905.91	859.27	783.82
Revenue from Sale of Power	3187.81	796.95	892.89	887.25	919.62
GAP(+/-)	**19.75**	**4.94**	**-13.02**	**27.98**	**135.80**
Total Gap considered for True up					
Units Purchased(MU)(Actual)					2013.06
Dist Loss(%)(Approved)					19.60%
Dist Loss(MU)					394.56
Units Billed(MU) (Approved)					1618.50
Units Billed As Per Audit(MU)					1561.53
Revenue(Rs In Crores)(Audit)					887.25
Average Rate of Realisation(p/kwh) (Audit)					**5.68**
Expected Revenue For Truing Up(Rs In Cr)					919.62

177. From the above three tables, it is observed that in the truing up exercise for FY 2020-21 relating to the three DISCOMs there accrues surplus of Rs 162.39 cr in TPCODL (relating to ten months from June, 2020 to March, 2021), Rs 135.80 cr in TPWODL (relating to three months period from Jan, 2021 to March, 2021) and Rs 57.11 cr in TPSODL (relating to three months from Jan, 2021 to March, 2021). The Commission observes that these three DISCOMs had only few months of operation during the first year of operation (FY 2020-21). The Commission while vesting the utilities, in the respective vesting orders has allowed few relaxations beyond the terms of the OERC (Determination of Wheeling and Retail Supply Tariff) Regulations, 2014 such as higher O&M cost, Return on Equity, profit sharing mechanism, utilization of depreciation and incentive on past arrear recovery etc. The Commission has also dealt with the transfer of current assets and liabilities to the new utilities beyond the Section 21(a) of the Electricity Act, 2003 including how the Additional Serviceable Liabilities (ASL) is to be treated. The Commission has also allowed a recruitment plan for the new utilities and filing up of retirement vacancies in a planned manner, wherever required, so that they maintain employees per thousand consumer ratio at 1:4.

178. The Commission has carried out this truing up exercise purely based on the Tariff regulations 2014, wherein many such features of the vesting orders and subsequent orders are required to be further scruitinised. This exercise has resulted in a surplus scenario for the utilities in spite of having only few months of operation when the

AT&C losses still are prevailing at pre vesting level. Moreover all the utilities were vested during the height of the Covid pandemic situation. In these circumstances it is observed that this truing up exercise require further scrutiny of the expenditure vis-à-vis approval in the ARR along with concessions allowed in the vesting order and other related orders of the Commission. Moreover audited accounts of a full year will give the right scenario of the performance of the new DISCOMs. Under this circumstances the Commission considers this truing up as provisional and the DISCOMs are allowed to file any submissions in this regard for further consideration of the Commission. The Commission may take a view in this regard later in order to address the issues and to finalise the truing up along with the next year truing up for FY 2021-22 when the full year audited accounts are available.

TARIFF DESIGN

The present tariff structure

179. In line with the prevailing practice of tariff design, the Commission has decided to continue with the prevailing practice of single part, two part and three part tariffs for the ensuing year. While single part tariff is applicable to consumers covered under Kutir Jyoti, the other categories of consumers are covered under two part and three part tariffs.

180. Two part tariff covers LT consumers with connected load/contract demand less than 110 kVA and they are having MMFC (Rs./kW or KVA) and energy charges.

181. Three part tariff is applicable to HT and EHT consumers with contract demand of 110 kVA and above having demand charges (Rs./kVA), energy charges (Rs./KVAh) and customer service charge (Rs./month).

Single Part Tariff

Kutir Jyoti consumers: Fixed Monthly Charge (Rs./Month) for consumption upto 30 units per month.

Two Part Tariff – for LT Supply less than 100 KW / 110 kVA

All classes of consumers other than Kutir Jyoti

(a) Energy Charge (kWh) (Paise/unit)

(b) Monthly Minimum Fixed Charge (MMFC) (Rs./KW/Month)

Three Part Tariff - LT consumers with connected load 110 kVA and above

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

HT Consumers

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

EHT Consumers

(a) Demand Charge (Rs./kVA)

(b) Energy Charge (Rs./kVAh)

(c) Customer Service Charge (Rs./Month)

182. In addition, certain other charges like prompt payment rebate, meter rent, delayed payment surcharge, over drawal penalty, incentive, other miscellaneous charges, etc. are payable under different circumstances as mentioned in the later part of this order.

183. The Commission has decided, RST structure for the FY 2022-23 in general will remain uncharged and most of the applicable charges for various category of consumers will remain same as that of FY 2021-22. The details of charges applicable to various categories of consumers classified under OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

(a) <u>Tariff for LT Consumers availing Power Supply at LT</u>

184. The consumers availing power supply at LT with CD less than 110 kVA or 100 KW have to pay Monthly Minimum Fixed Charge (MMFC) and energy charges as described below:

(a) The MMFC is payable by the LT consumers with contract demand less than 110 kVA.

(b) The Commission has decided that rate of MMFC determined for FY 2021-22 shall continue for FY 2022-23.

Table – 64
MMFC for LT consumers

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge for first KW or part (Rs.)*	Monthly Fixed Charge for any additional KW or part (Rs.)
		Approved For FY 2022-23	
	LT Category		
1.	Domestic (other than Kutir Jyoti)	20	20
2.	General Purpose LT (<110 kVA)	30	30
3.	Irrigation Pumping and Agriculture	20	10
4.	Allied Agricultural Activities	20	10
5.	Allied Agro-Industrial Activities	80	50
6.	Public Lighting	20	15
7.	LT Industrial (S) Supply	80	35
8.	LT Industrial (M) Supply	100	80
9.	Specified Public Purpose	50	50
10.	Public Water Works and Sewerage Pumping <110 kVA	50	50

* When agreement stipulates supply in kVA this shall be converted to kW by multiplying with a power factor of 0.9 as per Regulation 2 (20) of OERC Distribution (Conditions of Supply) Code, 2019.

185. Some consumers with connected load of less than 110 kVA might have been provided with simple energy meters which record energy consumption and not the maximum demand. But the OERC Distribution (Conditions of Supply) Code, 2019, provides that "contract demand for connected loads of 110 kVA and above shall be as stipulated in the agreement and may be different from the connected load. Contract Demand for a connected load below 110 kVA shall be the same as connected load. However, in case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA or 100 KW, the above stipulation holds good. The licensees are directed to follow the above provision of Regulation strictly.

Energy Charge (Consumers with Connected Load less than 110 kVA)

Domestic

186. The Commission is aware of the paying capability of Below Poverty Level (BPL) consumers. Therefore, the Kutir Jyoti consumers will only pay the monthly minimum fixed charge @ Rs.80/- per month for consumption upto 30 units per month. In case

these consumers consume in excess of 30 units per month, they will be billed like any other domestic consumers depending on their consumption and will lose their BPL status from that month onward.

187. The Commission is also conscious of affordability of non-Kutir Jyoti consumers. Keeping this in view the Energy Charges for supply to LT domestic consumers using low tension system remains unchanged for FY 2022-23 which are given below:

Domestic consumption slab per month	**Energy charge**
Upto and including 50 Units	300 paise per unit
From 51 to 200 units	480 paise per unit
From 201 to 400 units	580 paise per unit
Balance units of consumption	620 paise per unit

188. In accordance with the provision under the OERC Distribution (Condition of Supply) Code, 2019, initial power supply shall not be given without a correct meter. Load factor billing has been done away with since 1st April, 2004, as stipulated in the Commission's RST order for FY 2003-04. As such licensees are directed not to bill any consumer on load factor basis.

General Purpose LT (<110 kVA)

189. The Commission reviewed the existing tariff structure and decided to continue with existing rate for GP LT category of consumers.

Table - 65

Slab	Energy charge (P/U)
First 100 units	590
Next 200 units	700
Balance units	760

Irrigation Pumping and Agriculture

190. The Commission decides that the Energy Charge for this category shall be 150 paise per unit for supply at LT level as usual. Consumers in the irrigation pumping and agriculture category availing power supply at HT level will pay 140 paise per unit (kVAh) as usual.

Allied Agricultural Activities

191. The Commission decides that the tariff of this category shall continue at 160 paise per unit (kWh) at LT level and 150 paise per unit (kVAh) at HT level.

Allied Agro-Industrial Activities

192. The Commission decides to continue with tariff of 470 paise per unit (kWh) at LT level and 460 paise per unit (kVAh) at HT level.

Energy Charges for Other LT Consumers

193. The Commission, keeping its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following tariff structure is continued for FY 2022-23 for all loads at LT level except domestic, Kutir Jyoti, general purpose, irrigation pumping, allied agricultural activities and allied agro-industrial activities.

Voltage of Supply	Energy Charge
LT	620 paise per unit

The above rate shall apply to the following categories:

1) Public lighting
2) LT industrial(S) supply <22 KVA
3) LT industrial(M) supply >=22 KVA <110 KVA
4) Specified Public Purpose
5) Public Water works and Sewerage pumping < 110 KVA
6) Public Water works and Sewerage pumping >= 110 KVA
7) General Purpose >= 110 KVA
8) Large Industries >=110 KVA

Tariff for consumers availing power supply at LT level with contract demand of 110 kVA and above are given hereunder.

Customer Service Charge at LT level

194. As explained earlier these categories of consumers are required to pay three part tariff. The existing customer service charge for consumers with connected load of 110 kVA and above shall continue for FY 2022-23 as given in Table below.

Table - 66

Category	Voltage of Supply	Customer Service Charge (Rs. per Month)
Public Water Works (=>110kVA)	LT	30
General Purpose (=>110kVA)	LT	30
Large Industry >=110 kVA	LT	30

Demand charges at LT level

195. The Commission examined the existing level of Demand Charge of

Rs.200/kVA/month payable by the consumers with a contract demand of 110 kVA and above and decides not to revise it. This shall include Public Water Works and Sewerage Pumping, General Purpose Supply and Large Industry of contract demand of 110 kVA or more.

Voltage of Supply	**Demand charge**
LT (110 kVA & above)	Rs.200/ kVA/month

(b) Tariff For HT & EHT Consumers

(i) **Customer Service Charge for consumers with contract demand of 110 kVA and above at HT & EHT level**

196. All the consumers at HT and EHT level having CD of 110 kVA and above are liable to pay customer service charge. This charge is meant for meeting the expenditure of the licensees on account of meter reading, preparation of bills, delivery of bills, collection of revenue and maintenance of customer accounts etc. The licensee is bound to meet these expenses irrespective of the level of consumption of the consumer. The customer service charges as existing shall continue as per details given in the table below:

Table – 67

Category	Voltage of Supply	Customer service charge (Rs./month)
Bulk Supply (Domestic)	HT	Rs.250/- for all categories
Irrigation Pumping and Agriculture	HT	
Allied Agricultural Activities	HT	
Allied Agro-Industrial Activities	HT	
Specified Public Purpose	HT	
General Purpose (HT >70 kVA <110kVA)	HT	
HT Industrial (M) Supply	HT	
General Purpose (=>110kVA)	HT	
Public Water Works and Sewerage Pumping	HT	
Large Industry	HT	
Power Intensive Industry	HT	
Mini Steel Plant	HT	
Emergency Supply to CGPs	HT	
Railway Traction	HT	
General Purpose	EHT	Rs.700/- for all categories
Large Industry	EHT	
Railway Traction	EHT	
Heavy Industry	EHT	
Power Intensive Industry	EHT	
Mini Steel Plant	EHT	
Emergency Supply to CGPs	EHT	

(ii) Demand charge for HT & EHT consumers

197. The Commission examined the existing level of Demand Charge of Rs.250/kVA/month payable by the HT and EHT consumers and Rs.150 for HT Industrial (M) consumers only (>=22 kVA and less than 110 kVA) and decides applicable not to revise the same. The class of consumers, the voltage level of supply and applicable demand charge (Rs.250/150 per KVA per month) are listed below.

<u>HT Category (Rs.250 per KVA per month)</u>

Specified Public Purpose

General Purpose (>70 kVA <110 kVA)

General Purpose (>=110 kVA)

Public Water Works and Sewerage Pumping

Large Industry

Power Intensive Industry

Mini Steel Plant

Railway Traction

<u>HT Category (Rs.150 per KVA per month)</u>

HT Industrial (M) Supply

<u>EHT Category (Rs.250 per KVA per month)</u>

General Purpose

Large Industry

Railway Traction

Heavy Industry

Power Intensive Industry

Mini Steel Plant

198. Consumers with contract demand 110 kVA & above are to be billed on two-part tariff on the basis of actual reading of the demand meter and the energy meter. They are also allowed to increase their contract demand. The Demand Charge reflects the recovery of fixed cost payable by the consumers as capacity in reserved for them by the licensee. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the consumer it is necessary that the consumer pays at least a certain amount of fixed cost to the licensee. To arrive at that cost, the Commission studied the pattern of demand recorded by the demand meters of all such consumers of the licensee. After taking into consideration this aspect, the Commission has decided that the existing method of billing the consumer for the Demand Charge

on the basis of the maximum demand recorded or 80% of the contract demand, whichever is higher shall continue. The method of billing of Demand Charge in case of consumers without a meter or with a defective meter shall be in accordance with the procedure prescribed in OERC Distribution (Conditions of Supply) Code, 2019. Again in case of statutory load restriction the contract demand shall be assumed as the restricted demand.

199. As per the OERC Distribution (Conditions of Supply) Code, 2019, for contract demand above 70 kVA but below 555 kVA, supply shall be at 3-phase, 3-wire, 11 kV. However, these consumers connected prior to 01.10.95 may be allowed to continue to receive power at LT level. The Commission decides to continue with the same demand charges for following consumers at HT level.

Table - 68

Category	(Rs./KVA/month)
Bulk Supply Domestic	20
Irrigation pumping	30
Allied Agricultural Activities	30
Allied Agro-Industrial Activities	50

200. However, the demand in respect of consumers with Contract Demand of less than 110 kVA (for all categories of consumers) and having static meters shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. For billing purpose, the highest demand recorded in a month shall be considered from the month it occurred till the end of the financial year.

(iii) Energy Charge for HT and EHT consumers

201. The Commission always aim for rationalisation of tariff structure by progressive introduction of a cost-based tariff and has set the Energy Charge at different voltage levels to reflect the cost of supply. While determining the Energy Charge, the principle of higher rate for supply at low voltage and gradual reduction in rate as the voltage level goes up has been adopted. The Commission has introduced kVAh tariff for HT and EHT consumers since FY 2021-22. This method of billing for energy charge captures both active and reactive energy consumed by the consumers and the same will continue for FY 2022-23.

202. For domestic HT bulk supply consumers, the energy charges has been fixed at 490 paise per unit (kVAh).

Graded Slab Tariff for HT/EHT Consumers

203. The Commission has decided to continue with the graded slab of tariff structure for HT and EHT consumers where the demand charges are billed on kVA basis as given in Table below:

Table – 69
Slab rate of energy charges for HT & EHT (Paise per unit (kVAh))

Load Factor (%)	HT	EHT
=< 60%	585	580
> 60%	475	470

204. All HT industrial consumers (Steel Plant) having Contract Demand (CD) of 1 MVA and above shall get a rebate on energy charge on achieving the load factor as given below for the FY 2022-23:

	CD upto 6 MVA	CD above 6 MVA
For load factor of 65% and above upto 75%	10% on energy charge	-
For load factor above 75% upto 85%	15% on energy charge	8% on energy charge
For load factor above 85%	20% on energy charge	10% on energy charge

The above rebate shall be on energy charges of entire unit of consumption.

Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2022-23.

205. Load factor has to be calculated as per Regulation 2 (42) of OERC Distribution Code, 2019. However, in calculation of load factor, the actual power factor of the consumer and power-on-hours during billing period shall be taken into consideration.

206. Power consumption in hours is defined as total hours in the billing period minus allowable power interruption hour. The maximum allowable power interruption hours in a month shall be 60 hours and the same shall be deducted from the total interruption hour. In case power interruption hours is 60 hours or less in a month then no deduction shall be made.

Supply at HT level for Irrigation pumping, Allied Agricultural Activities and Allied Agro-Industrial Activities Consumers

207. The Commission has decided to continue with the present tariff structure in respect of Irrigation pumping, Allied Agricultural and Allied Agro Industrial Activities categories availing power at HT level. The Energy Charge applicable to them has been fixed as follows:

Category		Energy Charge
Irrigation Pumping	-	140 paise per unit
Allied Agricultural Activities	-	150 paise per unit
Allied Agro-Industrial Activities	-	460 paise per unit

Industrial Colony Consumption

208. To encourage increase in the HT & EHT consumption, the Commission has decided to continue with the provision that the units consumed for the colony attached to the industry shall be separately metered and such consumption shall be deducted from the main meter reading and billed at 490 paise per unit for supply at HT level and 485 paise per unit at EHT level. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

Colony / Hostel consumption

209. The Educational Institution (Specified Public Purpose) having attached hostel and / or residential colony who draw power through a single meter at HT level shall be eligible to be billed at 15% of their energy drawal in bulk supply domestic category @ 490 paise per unit.

Emergency power supply to CGPs/Generating stations

210. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs subject to technical feasibility and availability of required quantum of power/energy in the system as per the provision under the OERC Distribution (Condition of Supply) Code, 2019. For them, (i) a flat rate of 780 paise/kWh at HT level and (ii) 770 paise/kWh at EHT level would apply. The industry owning CGP and having zero contract demand can draw power supply for its CGP from the Grid maximum upto the electrical energy in kWh limited to 10% load factor of the highest capacity of the Captive Generating unit. Overdrawal of energy beyond 10% of load factor of highest capacity of generating unit for consecutively three months shall attract and shall be billed on two part tariff in kVAh per unit with ceasing of emergency power supply status.

Green Certification

211. The consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The

consumer has to pay additional 50 paise per unit as premium over and above the normal rate of energy charges. This facility shall be in force for one year from the effective date of this order. The consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the consumers having Captive Generating Plants (CGPs). However, the industry having CGP wants to meet 100% of its power requirement from renewable sources they can apply for Green Certification with payment of above stated premium in energy charges.

Electric Vehicle

212. Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs.5.50 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

Mega Lift Points

213. The Mega Lift consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP consumers and shall not pay any demand charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective energy charges.

Peak and Off-Peak Tariff

214. Section 62(3) of the Electricity Act, 2003 mandates as follows:

"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."

215. Accordingly, the Commission decides to allow off-peak hours for the purpose of tariff from 10:00 PM to 6.00 AM of the next day. Three-phase Consumers barring those mentioned below having static meters, recording hourly consumption with a memory of 31 days and having facility for downloading printout drawing power during off-peak hours shall be given a discount at the rate of 20 paise per unit of the energy consumed during this period. This discount, however, will not be available to the following categories of consumers.

i) Public Lighting Consumers

ii) Emergency supply to captive Generating plants

iii) LT Domestic

iv) LT General Purpose

Charges for Overdrawal

Penalty for Overdrawal

216. Demand charge shall be calculated on the basis of 80% Contract Demand (CD) or actual Maximum Demand (MD) whichever is higher during period other than off peak hour. The overdrawal penalty shall be charged on the excess drawal over the 120% CD during the off-peak hours. The penalty rate is Rs.250/KVA.

No off peak overdrawal benefit will be available, if one overdraws beyond off peak hours. In such circumstances, the overdrawal penalty @ Rs.250/KVA shall be levied on the drawal in excess of the CD irrespective of the hours it occurs.

This penalty for overdrawal in all the above cases shall be over and above the normal demand charges.

217. When Maximum Demand is less than the Contract Demand during hours other than off peak hours then the consumer is entitled for overdrawal benefit limited to 120% of Contract Demand during off peak hours. If MD exceeds 120% of CD during off peak hours then the consumer is liable for overdrawal penalty only on the excess demand recorded over 120% of CD @ Rs.250/- per KVA per month provided no other penalty due to overdrawal is levied. If Maximum Demand exceeds the Contract Demand beyond the off peak hours then the consumer is not entitled to get off peak hour over drawal benefit even if the drawal during off peak hours is within 120% of CD.

Incentive for Overdrawal during off peak hours

218. As per the existing Commission's Order all the consumers who pay two-part tariff with CD > 110 KVA are allowed to draw upto 120% of contract demand during off peak hours on payment of demand charge as per the 80% of the contract demand or maximum demand drawn during other than off peak hours whichever is higher where drawal of maximum demand is within CD.

219. The Commission has decided to continue with the existing tariff provisions wherein there is no penalty for overdrawal during off-peak hours upto 120% of the contract demand. The off-peak hours is defined as 10:00 PM to 6 AM of the next day.

However, any consumer overdrawing during hours other than off-peak hours shall not be eligible for overdrawal benefit during off-peak hours. In case of Statutory Load Regulation deemed contract demand shall be the restricted contract demand.

Eligibility for availing over drawal benefit during off peak hours

220. HT and EHT consumers are allowed for 120% over drawal benefit only if their maximum demand drawn during the period other than off peak hours remains within the contract demand. In case the consumer overdraws more than contract demand during the period other than off peak hours, but within 120% of contract demand during off-peak hours, no overdrawal benefit shall be allowed to such consumer. In that case the demand charge will be calculated as per the recorded maximum demand, irrespective of hours of its drawal.

Metering on LT side of Consumers Transformer

221. As per Regulation 151 (ix) of OERC Distribution (Conditions of Supply) Code, 2019 Transformer loss, as computed below has to be added to the consumption as per meter reading.

Energy loss = (730 X rating of the transformer KVA) /200.
Demand Loss in the transformer in KVA = Rating of the transformer in KVA / 200

Incentive for prompt payment

222. The Commission examined the existing method of incentive and its financial implications. The Commission has decided to grant incentive for early and prompt payment as below:

a) A rebate of 10 paise/unit shall be allowed on energy charges if the payment of the bill (excluding all arrears) is made by the due date indicated in the bill in respect of the following categories of consumers.

LT: Domestic, General purpose <110 KVA, Irrigation Pumping and Agriculture, Allied Agricultural Activities and LT Industrial (S), Public Water Works and Sewerage Pumping.

HT: Bulk supply Domestic, Irrigation Pumping and Agriculture, Allied Agricultural Activities, General purpose >70 & <110 KVA, Public Water Works and Sewerage Pumping.

b) Consumers other than those mentioned at Para ‘a’ above shall be entitled to a rebate of 1% (one percent) of the amount of the monthly bill (excluding all arrears), if payment is made within 3 working days of presentation of the bill.

223. **Special Rebates**

a. Hostels attached to the Schools run by SC/ST Dept. of Government of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT/HT).

b. All Swajala Dhara consumers shall get 10% special rebate on total bill (except electricity duty and meter rent) in addition to other rebates they are otherwise eligible if the electricity bill is paid within the prescribed due date of normal rebate.

c. All rural LT domestic consumers availing power through correct meter shall avail 10 paise per unit additional rebate over and above the 10 paise prompt payment rebate if they pay the bill in time.

d. 3% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single phase general purpose category of consumers only over and above all the rebates who pay through digital means (cash less). The rebate shall be applicable on the current month bill, if paid in full.

e. Own Your Transformer – “OYT Scheme” is intended for the existing individual LT domestic, individual / Group General Purpose consumers who would like to avail single point supply by owning their distribution transformer. They will continue to be LT consumers with appropriate tariff category. In addition, licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the ‘OYT’ transformer shall be made by DISCOM Utilities. For removal of doubt, it is clarified that the “OYT Scheme” is not applicable to any existing or new HT/EHT consumer.

Reconnection Charge

224. The Commission decided that existing re-connection charges shall continue as follows:

Table - 70

Category of Consumers	Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/-
LT Single Phase other consumer	Rs.400/-
LT 3 Phase consumers	Rs.600/-
HT and EHT consumers	Rs.3000/-

Delayed Payment Surcharge

225. The Commission has examined the present method and rate of DPS and has decided that if payment is not made within the due date, Delayed Payment Surcharge shall be charged for every day of delay @ 1.25% per month on the amount remaining unpaid (excluding arrears on account of DPS) in respect of categories of consumers as mentioned below:

i. Large industries
ii. LT/HT Industrial (M) Supply
iii. Railway Traction
iv. Public Lighting
v. Power Intensive Industries
vi. Heavy Industries
vii. General Purpose Supply >=110 KVA
viii. Specified Public Purpose
ix. Mini Steel Plants
x. Emergency supply to CGP
xi. Allied Agro-Industrial Activities
xii. Colony Consumption

226. There is a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers who don't pay delayed payment surcharge to be negligent towards bill payment once the due date is over. Therefore, it is directed that 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. Thereafter, if the bill is paid within the next due date, there shall be no Rebate/Delayed Payment Surcharge. But if it is paid beyond the next due date then there shall be a Delayed Payment Surcharge of 1% of the billed value for each month of delay.

The tariff as determined above is reflected in Annexure-B. For any discrepancy, Annexure-B is final.

Rounding off of consumers billed amount to nearest rupee

227. The Commission directs for rounding off of the electricity bills to the nearest rupee and at the same time directs that the money actually collected should be properly accounted for.

Charges for Temporary Supply

228. The tariff for the period of temporary connection shall be at the rate applicable to the relevant consumer category with the exception that Energy Charges shall be 10% higher (in case of temporary connection) compared to the regular connection. Connections, temporary in nature, shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc.

New Connection Charges for LT

229. Prospective small consumers requiring new LT single phase connection upto and including 2 kW load shall only pay a flat charge of Rs.1500/- and beyond 2 KW upto 5 KW a flat charge of Rs.2500/- as service connection charges and a processing fees of Rs.50/- excluding security deposit and cost of meter as applicable. If the line extension is required beyond 30 meters, the Licensee /supplier shall charge @ Rs.8,000/- for every span of line extension in addition to above charges. The service connection charges include the cost of material and supervision charges. In case of Single phase LT new or load enhancement consumers upto 5 KW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

Meter Rent

230. The existing meter rent for consumer shall continue unaltered during FY 2022-23 as follows:

Table - 71

Type of Meter	Monthly Meter Rent (Rs.)
1. Single phase electro-magnetic Kwh meter	20
2. Three phase electro-magnetic Kwh meter	40
3. Three phase electro-magnetic tri-vector meter	1000
4. Tri-vector meter for Railway Traction	1000
5. Single phase Static Kwh meter	40
6. Three Phase Static Kwh meter	150
7. Three phase Static Tri-vector meter	1000
8. Three phase Static Bi-vector meter	1000
9. LT Single phase Smart meter	60
10. LT Three phase AMR/AMI compliant meter	150

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of 60 months only. Once it is collected for sixty months meter rent collection should stop. All statutory levies shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

231. The Commission has decided that in general, RST for FY 2022-23 will remain

unchanged. However, some tariff rationalisation measures, as detailed in the document, have been introduced to reduce tariff burden on LT domestic consumers & MSME and increase industrial consumption, particularly electricity consumption of Power intensive industries etc. The modification in respect of some of charges & rebate is likely to encourage industrial growth& employment generation, timely payment of electric bills etc. In the process the collection efficiency & revenue earnings of DISCOMs is expected to increase. All these efforts are in the overall interest of consumers of the state and to provide a conducive environment for DISCOMs to become operationally & financial stable and to achieve the ultimate goal of reliable, affordable, uninterruptible (24x7) Quality Power for All.

Direction and expectations of Commission from DISCOMs

232. Distribution system is vital in the power delivery chain and establishes the last mile connectivity with the ultimate consumers. Consumer is supreme and the revenue generator to support the entire system in the power delivery chain. Distribution service providers have taken number of good measures for system improvement, reduction in distribution losses and resolving the meter &billing related issues etc. Distribution licensees have also suggested number of good tariff rationalisation measures. However, following actions are required to achieve ultimate goal of availability of reliable, affordable and (24x7) uninterrupted quality of power for all.

a) Development of distribution infrastructure for reduction of AT&C loss and for improving reliability of supply needs proper planning, designing & engineering and smooth Operation & Condition Based Maintenance. Planning of infrastructure development should match with development of Intra-state transmission system. It shall include the conversion of a large system into smaller ring main system, limiting the line length & the power flow at 11 kV & 33 kV level; selection of proper size of conductor or use of high temperature/high temperature &low sag conductor for overhead line(s), selection of suitable insulator (polymer / long rod /RTV coated porcelain insulator) for coastal area and areas affected by industrial pollution to minimise tripping due to coastal & industrial pollution; providing adequate redundancy at transformation level in each substation; GIS mapping of distribution assets& consumer indexing; installation of prepaid/smart meters, particularly in Govt. establishments, industry &in some pockets of urban area in initial stage and extending the same in phases to all types of consumers; resolution of billing & meter related disputes of consumers; addressing low voltage issues, and strengthening of GRF to address the consumer grievances etc..

b) Odisha being very frequently affected by cyclone there is need for development of cyclone resilient distribution system and different approach has to be followed for existing and new distribution system. For existing system, strengthening of existing foundation of structure of overhead lines; reduction in span length by introduction of additional pole/double pole structure (to increase strength of existing structure / poles); use of steel pole; conversation of overhead line to underground cable system upto 20 kms of coast line; moving pole mounted transformer to plinth mounted structure etc. shall be some of the measures required to minimise further damage due to cyclone. Similarly, in case of new system, laying of underground cable upto 20 kms of coast line & similar action for areas located beyond 20km & up to 60km based on importance of the connectivity with load centres; use of Aerial Bunched Cable for 11kV & LT lines; use of robust steel monopoles, galvanized steel poles / rails / joists/ Double pole structures, tubular poles of concrete / composite material / galvanised steel lattice structure, use of HVDS system; use of structures with reduced span; use of indoor installation (with conventional switchgear / GIS) for all new Distribution Substation and compact substation with underground cable system; use of suitable insulator for overhead lines in coastal area; painting of steel structure to prevent corrosion due to saline environment, adoption of concept of smart grid, automation, AMI and robust communication system etc. are essential.

c) Complete protection system for lines, underground cables & substations shall be in place including provision for auto reclosing and Ring man unit (RMU).

d) In this connection, the report of Task force on “The Cyclone resilient robust Transmission & Distribution infrastructure in coastal areas” constituted by Ministry of Power (MoP), Govt. of India suggesting various measures shall be referred.

e) Safety aspect needs to be addressed to minimise accident of workers. Proper O&M (Condition Based Maintenance) and monitoring all of Distribution Transformers and substation equipment to minimise the failure. The energy audit; use of covered conductor in forest areas to prevent electrocution of animals like elephant, monkey etc; creation of EV charging infrastructure to promote electric mobility; promotion of electric power fencing to prevent damage to installation &the cultivation by animals like elephant etc. are shall also be taken up.

f) The details of steps already taken and the future planning for strengthening the distribution infrastructure as mentioned above paragraphs, assessment of HT loss, reduction of AT&C loss, improving reliability of supply and other performance parameters shall be furnished by all four(4) Discoms (TPCODL, TPNODL, TPWODL, TPSODL) within next three (3) months.

Effective date of Tariff

233. The tariff schedule attached to this order shall be made effective from 01.04.2022 and shall remain in force until further order of the Commission. The DISCOMs should ensure that the billing cycle of any consumer should not be disturbed due to the above stipulations.

234. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this order (in Case Nos. 112, 113, 114 & 115 of 2021) shall be made effective from 1st April, 2022 and shall be in force until further order. The cases are disposed of accordingly.

235. The Turing Up applications of TPWODL, TPSODL and TPCODL, in Case Nos. 116/2021 (TPWODL), 117/2021 (TPSODL) and 118/2021 (TPCODL), shall be made effective from 1st April, 2022 and shall be in force until further order. The cases are disposed of accordingly.

236. The applications of TPNODL, TPWODL, TPSODL and TPCODL, in Case Nos. 108/2021 (TPNODL), 109/2021 (TPWODL), 110/2021 (TPSODL) and 111/2021 (TPCODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2022-23 are disposed of accordingly.

237. The Retail Supply Tariff as stipulated in the order shall be effective from 1st April, 2022 and shall remain in force until further orders.

Sd/-	Sd/-
(S. K. RAY MOHAPATRA)	**(G. MOHAPATRA)**
MEMBER	**OFFICIATING CHAIRPERSON**

Annexure-A

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2022-23										
	TPWODL		**TPNODL**		**TPSODL**		**TPCODL**		**Total**	
Expenditure	**Proposed 2022-23**	**Approved 2022-23**	**Proposed 2022-23**	**Approved 2022-23**	**Proposed 2022-23**	**Approved 2022-23**	**Proposed 2022-23**	**Approved 2022-23**	**Proposed 2022-23**	**Approved 2022-23**
Cost of Power Purchase	3033.00	3348.00	1913.63	1932.42	863.19	996.53	2675.97	2937.00	8485.79	9213.95
Transmission Cost	252.00	260.40	167.44	168.56	116.76	122.92	264.33	274.12	800.53	826.00
SLDC Cost	1.44	1.67	1.02	1.08	0.71	0.79	1.584	1.75	4.75	5.29
Total Power Purchase, Transmission & SLDC Cost(A)	**3,286.44**	**3,610.07**	**2082.09**	**2102.06**	**980.66**	**1,120.24**	**2,941.88**	**3,212.87**	**9291.07**	**10045.24**
Employee costs	650.24	474.83	432.87	417.80	607.12	430.79	855.61	775.49	2545.84	2098.90
Repair & Maintenance exp.	**278.52**	**156.03**	**240.01**	**141.43**	**137.91**	**90.24**	**252.35**	**239.85**	**908.79**	**627.55**
Administrative and General Expenses	151.77	110.39	155.18	84.23	113.82	77.25	146.84	132.72	567.61	404.59
Provision for Bad & Doubtful Debts	40.39	27.87	26.57	16.02	16.19	12.99	41.54	34.28	124.69	91.15
Depreciation	49.39	46.52	70.78	44.66	44.29	32.03	55.99	48.34	220.45	171.55
Interest on loan and S.D	100.70	44.50	84.16	31.98	72.69	17.26	118.66	50.78	376.21	144.52
Total Operation & Maintenance and Other Cost	**1,271.00**	**860.14**	**1,009.57**	**736.11**	**992.02**	**660.56**	**1,470.99**	**1,281.45**	**4,743.58**	**3,538.27**
Less: Employee cost capitalised	21.18	21.18	23.94	23.94	28.37	28.37	23.90	23.90	97.39	97.39
Less: interest Capitalised	10.87				7.85				18.72	0.00
Return on equity	48.00	48.00	65.85	40.00	64.45	32.00	84.66	48.00	262.96	168.00
Tax on ROE	16.15		22.15				28.47		66.77	0.00
Carrying Cost on Regulatory Asset/Liability	(7.13)		20.51						13.38	0.00
Interest on ASL									0.00	0.00
Expenditure of DSM							14.12		14.12	0.00
Total Distribution Cost	**1,295.97**	**886.96**	**1094.14**	**752.17**	**1,020.25**	**664.19**	**4,517.38**	**1,305.55**	**7927.74**	**3608.88**
Less: Miscellaneous Receipt/ Non tariff Income	267.69	267.69	154.15	154.15	35.16	35.16	107.21	107.21	564.21	564.21
Net Distribution Cost(B)	**1,028.28**	**619.27**	**939.99**	**598.02**	**985.09**	**629.03**	**107.21**	**1,198.34**	**3060.57**	**3044.66**
True up of Surplus/(Losses) shown for FY 2021-22	95.69								95.69	0.00
Provisional Surplus considered		150.00				60.00		140.00		350.00
Contingency reserve	-								0.00	0.00
Total Special Appropriation (C)	-		-		-				0.00	0.00
Total Revenue Requirement (A+B+C)	**4,219.03**	**4,079.34**	**3022.08**	**2700.08**	**1965.75**	**1,689.27**	**4,410.17**	**4,271.21**	**13617.03**	**12739.90**
Expected Revenue(Full year)	**4038.71**	**4119.48**	**2657.21**	**2,701.03**	**1618.55**	**1694.00**	**4154.50**	**4273.00**	**12,468.97**	**12,787.51**
GAP at existing(+/-)	**(180.32)**	**40.14**	**(364.87)**	**0.95**	**(347.20)**	**4.73**	**(255.67)**	**1.79**	**-1148.06**	**47.61**

Annexure-B

RETAIL SUPPLY TARIFF EFFECTIVE FROM 1st APRIL, 2022

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./KVA/ Month)	Energy Charge	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first KW or part (Rs.)	Monthly Fixed Charge for any additional KW or part (Rs.)	Rebate (P/kWh/ kVAh) / DPS
	LT Category			**(P/kWh)**				
1	Domestic							
1.a	Kutir Jyoti <= 30 Units/month	LT	FIXED MONTHLY CHARGE-->			80		
1.b	Others							Rebate 10
	(Consumption <= 50 units/month)	LT		**300.00**		20	20	
	(Consumption >50, <=200 units/month)	LT		**480.00**				
	(Consumption >200, <=400 units/month)	LT		**580.00**				
	Consumption >400 units/month)	LT		**620.00**				
2	General Purpose < 110 KVA							Rebate 10
	Consumption <=100 units/month	LT		**590.00**				
	Consumption >100, <=300 units/month	LT		**700.00**		30	30	
	(Consumption >300 units/month)	LT		**760.00**				
3	Irrigation Pumping and Agriculture	LT		**150.00**		20	10	Rebate 10
4	Allied Agricultural Activities	LT		**160.00**		20	10	Rebate 10
5	Allied Agro-Industrial Activities	LT		**470.00**		80	50	Rebate/DPS
6	Public Lighting	LT		**620.00**		20	15	Rebate/DPS
7	L.T. Industrial (S) Supply <22 KVA	LT		**620.00**		80	35	Rebate 10
8	L.T. Industrial (M) Supply >=22 KVA <110 KVA	LT		**620.00**		100	80	Rebate/DPS
9	Specified Public Purpose	LT		**620.00**		50	50	Rebate/DPS
10	Public Water Works and Sewerage Pumping <110 KVA	LT		**620.00**		50	50	Rebate 10
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	**620.00**	30			Rebate 10
12	General Purpose >= 110 KVA	LT	200	**620.00**	30			Rebate/DPS
13	Large Industry >=110 KVA	LT	200	**620.00**	30			Rebate/DPS
	HT Category			**Energy Charge (P/kVAh)**				
14	Bulk Supply - Domestic	HT	20	**490.00**	250			Rebate 10
15	Irrigation Pumping and Agriculture	HT	30	**140.00**	250			Rebate 10
16	Allied Agricultural Activities	HT	30	**150.00**	250			Rebate 10
17	Allied Agro-Industrial Activities	HT	50	**460.00**	250			Rebate/DPS
18	Specified Public Purpose	HT	250	**As indicated in the notes below**	250			Rebate/DPS
19	General Purpose >70 KVA < 110 KVA	HT	250		250			Rebate 10
20	H.T Industrial (M) Supply	HT	150		250			Rebate/DPS
21	General Purpose >= 110 KVA	HT	250		250			Rebate/DPS
22	Public Water Works & Sewerage Pumping	HT	250		250			Rebate 10
23	Large Industry	HT	250		250			Rebate/DPS
24	Power Intensive Industry	HT	250		250			Rebate/DPS
25	Mini Steel Plant	HT	250		250			Rebate/DPS
26	Railway Traction	HT	250		250			Rebate/DPS
27	Emergency Supply to CGP (kWh)	HT	0	**780.00**	250			Rebate/DPS
28	Colony Consumption (Both SPP & Industrial)	HT	0	**490.00**	0			Rebate/DPS
	EHT Category			**Energy Charge (P/kVAh)**				
29	General Purpose	EHT	250	**As indicated in the notes below**	700			Rebate/DPS
30	Large Industry	EHT	250		700			Rebate/DPS
31	Railway Traction	EHT	250		700			Rebate/DPS
32	Heavy Industry	EHT	250		700			Rebate/DPS
33	Power Intensive Industry	EHT	250		700			Rebate/DPS
34	Mini Steel Plant	EHT	250		700			Rebate/DPS
35	Emergency Supply to CGP (kWh)	EHT	0	**770.00**	700			Rebate/DPS
36	Colony Consumption	EHT	0	**485.00**	0			Rebate/DPS

Note:

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

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

(i) Energy charges for all LT consumers shall continue to be billed on the basis of kWh whereas the energy charges for HT and EHT consumers shall be billed on the basis of kVAh drawal. All open access transaction will be maintained in 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 Electricity Duty purpose kWh shall be the unit for the consumers for whom ED is levied on the per unit basis. For load factor purpose kWh reading shall be taken into consideration.

(ii) Power factor penalty / incentive and reliability surcharge are abolished.

(iii) The reconnection charges w.e.f. 01.04.2015 shall continue unaltered

Category of Consumers	Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/-
LT Single Phase other consumer	Rs.400/-
LT 3 Phase consumers	Rs.600/-
All HT & EHT consumers	Rs.3000/-

(iv) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.

(v) The meter rent w.e.f. 01.04.2022 shall be as follows:

Type of Meter	Monthly Meter Rent (Rs.)
1. Single phase electro-magnetic kWh meter	20
2. Three phase electro-magnetic kWh meter	40
3. Three phase electro-magnetic tri-vector meter	1000
4. Tri-vector meter for Railway Traction	1000
5. Single phase Static kWh meter	40
6. Three Phase Static kWh meter	150
7. Three phase Static Tri-vector meter	1000
8. Three phase Static Bi-vector meter	1000
9. LT Single Phase Smart Meter	60
10. LT Three phase AMR/AMI compliant meter	150

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of 60 months only. Once it is collected for sixty months meter rent collection should stop. All statutory levies shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

(vi) All HT industrial consumers (Steel Plant) having Contract Demand (CD) of 1 MVA and above shall get a rebate on energy charge on achieving the load factor as given below:

	CD upto 6 MVA	CD above 6 MVA
For load factor of 65% and above upto 75%	10% on energy charge	-
For load factor above 75% upto 85%	15% on energy charge	8% on energy charge
For load factor above 85%	20% on energy charge	10% on energy charge

The above rebate shall be on energy charges of entire unit of consumption.

Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2022-23.

(vii) Any industry having CGP with CD up to 20MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawal penalty. For this purpose, the Industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy drawl (kVAh) beyond CD shall be Rs.4.30 paise per kVAh. However, the DISCOMs shall not exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawal the distribution system is not overloaded and no load shedding is imposed during that period.

(viii) Any industry having CGP willing to avail power from DISCOMs and operating at load factor more than 80% shall be allowed to draw power at the rate not less than Rs.4.30/kVAh for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. Any industry having CGP without CD availing emergency power only can also get this benefit for incremental energy (kVAh) above emergency drawal. For this purpose the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO.

(ix) All the industrial consumers drawing power in EHT shall be eligible for a rebate of 10 paise per unit (kVAh) for all the units consumed in excess of 80% of load factor.

(x) LT Single Phase consumers of all categories having CD upto 5 KW with pole within 30 meters from the consumer premises shall pay new connection charges excluding processing fees as follows:

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.8,000/- for every span of line extension in addition to the above charges.

(xi) A “Tatkal Scheme” for new connection is applicable to LT Domestic, Agricultural and General Purpose consumers.

(xii) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA, the above shall form the basis.

(xiii) 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. Thereafter, if the bill is paid within the next due date, there shall be no Rebate/Delayed Payment Surcharge. But if it is paid beyond the next due date then there shall be a Delayed Payment Surcharge of 1% of the billed value for each month of delay.

(xiv) The billing demand in respect of consumer with Contract Demand of less than 110 KVA should be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.

(xv) Three phase consumers with static meters are allowed to avail TOD rebate excluding Public Lighting, emergency supply to CGP, LT Domestic and LT General Purpose categories @ 20 paise/unit for energy consumed during off peak hours. **Off peak hours has been defined as 10 PM in the evening to 6 AM of the next day.**

(xvi) Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.

(xvii) Swajala Dhara consumers under Public Water Works and Sewerage Pumping Installation category shall get special 10% rebate if electricity bills are paid within due date over and above normal rebate.

(xviii) During the statutory restriction imposed by the Fisheries Department, the Ice Factories located at a distance not more than 5 Km. towards the land from the sea shore of the restricted zone will pay demand charges based on the actual maximum demand recorded during the billing period.

(xix) Poultry Farms with attached feed units having connected load less than 20% of the total connected load of poultry farms should be treated as Allied Agricultural Activities instead of General Purpose category for tariff purpose. If the connected load of the attached feed unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

(xx) The food processing unit attached with cold storage shall be charged at Agro-Industrial tariff if cold storage load is not less than 80% of the entire connected load. If the load of the food processing unit other than cold storage unit exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be.

(xxi) Drawal by the industries during off-peak hours upto 120% of Contract Demand without levy of any penalty has been allowed. “Off-peak hours” for the purpose of tariff is defined as a period from 10 PM in the evening to 6.00 A.M. of the next day. The consumers who draw beyond their contract demand during hours other than the off-peak hours shall not be eligible for this benefit. If the drawal in the off peak hours exceeds 120% of the contract demand, overdrawal penalty shall be charged on the drawal over and above the 120% of contract demand (for details refer Tariff Order). When Statutory Load Regulation is imposed then restricted demand shall be treated as contract demand.

(xxii) General purpose consumers with Contract Demand (CD) < 70 KVA shall be treated as LT consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019 the supply for load above 5 KW upto and including 70 KVA shall be in 3-phase, 3 or 4 wires at 400 volts between phases.

(xxiii) Own Your Transformer – “OYT Scheme” is intended for the existing individual LT domestic, individual/Group General Purpose consumers who would like to avail single point supply by owning their distribution transformer. In such a case licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the ‘OYT’ transformer shall be made by DISCOM utilities. For removal of doubt it is clarified that the “OYT Scheme” is not applicable to any existing or new HT/EHT consumer.

(xxiv) 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 in addition to existing rebate for prompt payment.

(xxv) 3% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single phase general purpose category of consumers only over and above all the rebates who pay the bill through digital mode. This rebate shall be applicable on the current month bill, if paid in full.

(xxvi) 2% rebate shall be allowed to all pre-paid consumers on pre-paid amount.

(xxvii) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible for shall be allowed at the end of the financial year (the bill for 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.

(xxviii) The Educational Institution (Specified Public Purpose) having attached hostel and / or residential colony who draw power through a single meter in HT shall be eligible to be billed 15% of their energy drawal in HT bulk supply domestic category.

(xxix) The consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The consumer has to pay additional 50 paise per unit as premium over and above the normal rate of energy charges. This facility shall be in force for one year from the effective date of this order. The consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the consumers having Captive Generating Plants (CGPs).

(xxx) The printout of the record of the static meter relating to MD, PF, number and period of interruption shall be supplied to the consumer wherever possible with a payment of Rs.500/- by the consumer for monthly record.

(xxxi) Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs.5.50 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

(xxxii) The Mega Lift consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP consumers and shall not pay any demand charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective energy charges.

(xxxiii) LT Industrial (S) Supply consumers shall avail a rebate of 10 paisa per unit for all the units consumed if their monthly operating load factor is more than 60%.

(xxxiv) Tariff as approved shall be applicable in addition to other charges as approved in this **Tariff order w.e.f. 01.04.2022.**

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Annexure C

1. The Open Access Charges i.e. Cross Subsidy Surcharge, Wheeling and Transmission Charge for Open Access consumer of 1MW and above for FY 2022-23 effective from 01.04.2022 as determined by the Commission are given in the table below:

Surcharge, Wheeling Charge & Transmission Charge for Open Access consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT consumers)
	EHT	HT		
TPCODL	163.39	83.02	98.43	The Open Access customer availing Open Access shall pay Rs.6720/MW-day (Rs.280/MWh) as transmission charges.
TPNODL	149.32	57.50	113.69	
TPWODL	123.19	53.60	77.12	
TPSODL	212.30	127.08	112.01	

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (8%) are applicable for the year 2022-23.

3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be given to the embedded licensee.

4. The consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to consumers availing conventional power.

5. These charges as notified for the FY 2022-23 will remain in force until further order.

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