ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNOKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021
****

Present : **Shri G. Mohapatra, Member**
Shri S. K. Ray Mohapatra, Member

CASE NOs. 82, 83, 88 & 80 of 2022

DATE OF HEARING :	**24.02.2023 at 11.00 A.M**	**(TPSODL),**
	27.02.2023 at 11.00A.M	**(TPNODL),**
	28.02.2023 at 11.00A.M	**(TPCODL)**
	04.03.2023 at 11.00 A.M	**(TPWODL)**

DATE OF ORDER **23.03.2023**

IN THE MATTER OF: **Applications of Distribution Companies namely TPSODL, TPNODL, TPCODL & TPWODL for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff for the FY 2023-24 under Sections 62,64 & 86 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, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

AND

CASE NOs. 86, 87, 89 & 85 of 2022

DATE OF HEARING :	**24.02.2023 at 11.00 A.M**	**(TPSODL),**
	27.02.2023 at 11.00A.M	**(TPNODL),**
	28.02.2023 at 11.00A.M	**(TPCODL)**
	04.03.2023 at 11.00 A.M	**(TPWODL)**

IN THE MATTER OF: **Applications for approval of Open Access Charges for FY 2023-24 in accordance with OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system in view of Section 42 of the Electricity Act, 2003 of DISCOMs namely TPSODL, TPNODL, TPCODL & TPWODL.**

AND

CASE NO. 06 of 2023

DATE OF HEARING : 24.02.2023 at 11.00 A.M (TPSODL)

IN THE MATTER OF: Application for approval of Truing up expenses for the period of FY 2020-21(3 months) and for FY 2021-22 under Section 62& 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

CASE NO. 84 of 2022

DATE OF HEARING : 27.02.2023 at 11.00 A.M (TPNODL)

IN THE MATTER OF: Application for approval of Truing up expenses for FY 2021-22 under Sections 62 & 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

CASE NOs. 90 & 91 of 2022

DATE OF HEARING : 28. 02.2023 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) and for FY 2021-22 under Sections 62 & 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

CASE NO. 81 of 2022

DATE OF HEARING : 04.03.2023 at 11.00 A.M (TPWODL)

IN THE MATTER OF: Application for approval of Truing up expenses for the period of FY 2020-21 (3 months) and for FY 2021-22 under Sections 62 & 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

<u>CASE NOS. 12, 10, 11 & 13 of 2023</u>

DATE OF HEARING : **24.02.2023 at 11.00 A.M (TPSODL),**
27.02.2023 at 11.00A.M (TPNODL),
28.02.2023 at 11.00A.M (TPCODL)
04.03.2023 at 11.00 A.M (TPWODL)

IN THE MATTER OF: Applications of Distribution Companies namely TPSODL, TPNODL, TPCODL & TPWODL for approval of their Business Plan for FY 2023-24 in compliance to OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022.

<u>O R D E R</u>

The Distribution Companies in Odisha namely TPSODL, TPNODL, TPCODL and TPWODL 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 of Odisha
1.	**TPSODL**	Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.	30.8
2.	**TPNODL**	Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.	18.0
3.	**TPCODL**	Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur.	18.9
4.	**TPWODL**	Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda.	32.3
Odisha Total			**100.0**

The Commission initiated proceedings on the filing of Applications in respect of Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) for FY 2023-24 of the aforesaid Distribution Companies under Sections 62, 64 & 86 and other related provisions of the Electricity Act, 2003 read with relevant provisions of the OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and the OERC (Conduct of Business) Regulations, 2004 and other matters related to Tariff. All these above stated Applications are disposed of by this common Order as follows:

A. PROCEDURAL HISTORY (PARA 2 TO 12)

2. After the revocation of licenses of distribution Utilities such as SOUTHCO, NESCO, WESCO and CESU, the Commission under Section 21 of the Electricity Act, 2003 has transferred the responsibilities of erstwhile distribution utilities to TPSODL, TPNODL, TPWODL and TPCODL with effect from 01.01.2021, 01.04.2021, 01.01.2021 and 01.06.2020 respectively through separate vesting orders.

3. As per the OERC (Conduct of Business) Regulations, 2004 and the OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022, the DISCOMs i.e. TPCODL, TPWODL have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2023-24 on 09.01.2023, whereas TPSODL & TPNODL have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2023-24 on 10.01.2023.

4. The said Aggregate Revenue Requirement (ARR), Wheeling Tariff & Retail Supply Tariff applications were duly scrutinized and registered as Case Nos. 82/2022 (**TPSODL**), 83/2022 (**TPNODL**), 88/2022 (**TPCODL**) and 80/2022 (**TPWODL**) respectively.

5. As per 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 newspapers in their area of operation 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 rejoinders to the objections filed by 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 the Applications of TPSODL:-

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) M/s. Reliance JIO Infocom Ltd., Wing A&B, First Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (3) Shri Priyabrata sahu, S/o.

Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001,(4) M/s. East Cost Railway, Bhubaneswar-751017, (5) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (6) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (7) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (8) Shri Bidyadhar Mohanty, At-Chorda, P.O: Jajpur Road, Dist.-Jajpur-756019, (9) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (10) Shri Panchanana Jena, S/o. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (11) Shri Umakanta Mohapatra, S/O. Late Prabodha Chandra Mohapatra, At/P.O: Sunhat, P.S;Town, Dist.-Balasore-756002, (12) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (13) Shri Ananta Narayan Mahanty, S/o. Shri Biswanath Mahanty, At/P.O: Bamakoyi, P.S: K.Nuagum, Dist.-Ganjam-761042, (14) Shri Bibekananda Mohanty, Advocate, S/O. Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist-Jajpur-755019, (15) Shri Asitananda Biswal, S/o. Late Gobinda Chandra Biswal, At/P.O: Chorada, Jajpur Road, Dist.-Jajpur-755019,(16) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001,(17) Shri Rajendra Samal, S/o. Shri Nilamani Samal, At-Natapada, P.O: Jajpur Road, Dist-Jajpur-755019,(18) Shri Subrat Kumar Behera, Advocate, At-Ranipatna, P.S/Dist.-Balasore-756001, (19) Shri Manoranjan Routray, S/O. Shri Khetra Mohan Routray, At-Tritha Temple Street, P.S/P.O/Dist.-Koraput, (20) Shri Jayanta Kumar Jena, S/O. Late Baikuntha Bihari Jena, At-Plot No.40, Bapuji Nagar, P.O: Ashoknagar, Bhubaneswar-9,Dist.-Khordha, (21) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-22, (22) All India Weavers Welfare and Charitable Trust, C/O: B.C. Behera, Om Sai Marga, Manik Nagar-5, P.O: Hinjilicut,Dist.-Ganjam-761102,(23) M/s. ATCTelcom Infrastructure (P) Ltd.,4th Floor Module-A, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023,(24) M/s. Maa Bana Devi Poultry Pvt. Ltd., At/P.O: Nuagoan, Via-Aska, Dist.-Ganjam-761010, (25) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002, (26) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, U.P.-201301,(27) M/s. OPTCL, Janpath, Bhubaneswar-22,(28) Chief

Load Despatcher, SLDC,SLDC Building, GRIDCO Colony, Mancheswar, Bhubaneswar-751017, (29) Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati-761200 (Consumer Counsel), (30) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel),(31) The Principal Secretary to Govt. Department of Energy, Govt of Odisha

All the above named objectors have filed their objections/suggestions and out of the above, Objector Nos. 2,4,12,15,22,23,26,28 and both the Consumer Counsel remained absent during hearing through hybrid mode and also had not submitted their written notes of submission for consideration 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, Consumer Counsel and the representative of Govt. of Odisha, Department of Energy and others who were present during hearing.

Objections/Suggestions on the Applications of TPNODL:-

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) M/s. Reliance JIO Infocom Ltd., Wing A&B, First Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (3)M/s. North Odisha Chamber of Commerce and Industry (NOCCI), Ganeswarpur Industrial Estate, Januganj, Balasore-756019, (4) Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001,(5) M/s. East Cost Railway, Bhubaneswar-751017, (6) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (7) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (8) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015,(9) Shri Bidyadhar Mohanty, At-Chorda, P.O: Jajpur Road, Dist.-Jajpur-756019, (10) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (11) M/s. Sita Ratan International, At-Ward No.4,Near M.P.K. Girls High School, Lalbazar, P.O/P.S: Baripada, Dist.-Mayurbhanj-757001,(12) Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (13) Shri Umakanta Mohapatra, S/O. Late Prabodha Chandra Mohapatra,

At/P.O: Sunhat, P.S;Town, Dist.-Balasore-756002,(14) M/s. Tata Steel Ltd, Kalinganagar Industrial Complex, At/P.O: Duburi, JK Road, Dist.-Jajpur-755026, (15) M/s. Visa Steel Ltd., Kalinganagar Industrial Complex, At/P.O: Jakhapura, Dist.-Jajpur-755026, (16) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (17) Shri Ananta Narayan Mahanty, S/O. Shri Biswanath Mahanty, At/P.O: Bamakoyi, P.S:K.Nuagum, Dist.-Ganjam-761042, (18) Shri Bibekananda Mohanty, Advocate, S/O. Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist-Jajpur-755019, (19) Shri Asitananda Biswal, S/o.Late Gobinda Chandra Biswal, At/P.O: Chorada, Jajpur Road, Dist.-Jajpur-755019,(20) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001,(21)Shri Rajendra Samal, S/o. Shri Nilamani Samal, At-Natapada, P.O:Jajpur Road, Dist-Jajpur-755019, (22) Shri Subrat Kumar Behera, Advocate, At-Ranipatna, P.S/Dist.-Balasore-756001, (23) Shri Manoranjan Routray, S/O. Shri Khetra Mohan Routray, At-Tritha Temple Street, P.S/P.O/Dist.-Koraput, (24) Shri Jayanta Kumar Jena, S/O. Late Baikuntha Bihari Jena, At-Plot No.40, Bapuji Nagar, P.O: Ashoknagar, Bhubaneswar-9,Dist.-Khordha, (25) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-22, (26) M/s. Balasore Alloys Ltd., Balgopalpur, Balasore-756020, (27) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002,(28) Er..(Dr.) P.K. Pradhan, 4-B, Jayadurga Nagar, Budheswari Colony, Bhubaneswar-751006, (29) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, U.P.-201301,(30) Shri Prasanta Kumar Panda, District Executive Member, BJP, At-Goudapada, P.O: Jamujhadi, Via Simulia, Dist.- Balasore-756126, (31) M/s. OPTCL, Janpath, Bhubaneswar-22, (32) Chief Load Despatcher, SLDC,SLDC Building, GRIDCO Colony, Mancheswar, Bhubaneswar-751017,(33) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel),(31) The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above named objectors have filed their objections/suggestions and out of the above, Objector Nos.2,5,12,16,20,21,22,23,24,26,28,29,30 & 33 remained absent during hearing through hybrid mode. The Consumer Counsel namely Odisha Consumers Association, Balasore Chapter, Balasore participated in the hearing by filing their written notes of submission. All written submissions filed by objectors were taken on record and considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Councel, Balasore Chapter, the representative of the Govt. of Odisha and others who were present during hearing through hybrid mode.

Objections/Suggestions on the Applications of TPCODL:-

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) M/s. Reliance JIO Infocom Ltd., Wing A&B, First Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (3) Shri Kamalakanta Das, S/o. Late Nishakar Das, Flat No. D/102, Prestige Residence, Mahadev Nagar, Jharapada, Bhubaneswar-751006, (4) Shri Priyabrata sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001,(5) Shri Ashok Kumar Pattnaik, M/s. BRG Iron & Steel Co.Pvt. Ltd., Flat No.1001, Tower-8, Z-1,Advait, Nandankanan Road, Patia, Raghunathpur, Bhubaneswar-751024,(6) M/s. East Cost Railway, Bhubaneswar-751017,(7) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013,(8) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (9) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015,(10) Shri Bidyadhar Mohanty, At-Chorda, P.O: Jajpur Road, Dist.-Jajpur-756019, (11) Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010,(12) Shri Jyoti Prakash das, S/o.Late Satyabadi Das, Ex-Member-ELBO, At-Devimandir, Shaiskh Bazar, Cuttack-753008,(13) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (14) Shri Umakanta Mohapatra, S/O. Late Prabodha Chandra Mohapatra, At/P.O: Sunhat, P.S;Town, Dist.-Balasore-756002,(15) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029,(16) M/s. Jindal Steel & Power Ltd.,Chhendipada Road, SH 63, P.O.Nisa, Angul-759130,(17) Shri Ananta Narayan Mahanty, S/O.Shri Biswanath Mahanty, At/P.O: Bamakoyi, P.S: K.Nuagum, Dist.-Ganjam-761042, (18) Shri Rajendra Samal, S/o. Shri Nilamani Samal, At-Natapada, P.O:Jajpur Road, Dist-Jajpur-755019, (19) Shri Bibekananda Mohanty, Advocate, S/O.Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist-Jajpur-

755019, (20) Shri Asitananda Biswal, S/o.Late Gobinda Chandra Biswal, At/P.O: Chorada, Jajpur Road, Dist.-Jajpur-755019,(21) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001,(22) Shri Subrat Kumar Behera, Advocate, At-Ranipatna, P.S/Dist.-Balasore-756001, (23) Shri Manoranjan Routray, S/O.Shri Khetra Mohan Routray, At-Tritha Temple Street, P.S/P.O/Dist.-Koraput, (24) Shri Jayanta Kumar Jena, S/O. Late Baikuntha Bihari Jena, At-Plot No.40, Bapuji Nagar, P.O: Ashoknagar, Bhubaneswar-9,Dist.-Khordha, (25) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-22, (26) M/s. Pragati Milk Product Pvt. Ltd., Plot No.71/A/1 & 71/A, New Industrial Estate, Jagatpur, Cuttack-754021, (27) M/s. ATC Telcom Infrastructure (P) Ltd.,4th Floor Module-A, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (28) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002,(29) Odish Retired Power Engineers' Forum, C-7640, Bhoi Nagar, Bhubaneswar-22, (30) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, U.P.-201301, (31) Shri Santosh Kumar Agarwal, A/17, Ashok Nagar, Market Building, Bhubaneswar-751009, (32) M/s. OPTCL, Janpath, Bhubaneswar-22,(33) Chief Load Despatcher, SLDC,SLDC Building, GRIDCO Colony, Mancheswar, Bhubaneswar-751017,(34) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (35) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009(Consumer Counsel),(36) The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above named objectors have filed their objections/suggestions and out of the above, Objector Nos.2, 5,10,11,12,14,15, 17, 18, 19, 20, 21, 22, 23, 24, 27, 29, 30, 31 & 34 remained absent during hearing through hybrid mode. Both the Consumer Counsel namely Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India have also remained absent and not filed their written note of submissions for consideration by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsel and the representative of Govt. of Odisha, Department of Energy and others who were present during the hearing.

Objections/Suggestions on the Applications of TPWODL: -

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) M/s. Reliance JIO Infocom Ltd., Wing A&B, First Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (3) M/s. Scan Steels Ltd.(Unit-III), At-Bai-Bai, Tudalaga, Bargaon, Dist.-Sundargarh-770016, (4) M/s. D. D. Iron & Steel (P) Limited, H-4/5, Civil Township, Rourkela-769004, Dist-Sundargarh,(5) M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031, (6) M/s. Top Tech Steels Pvt. Ltd., At- Plot No.972/3634, Hatibari Road, Kuamunda, Dist.-Sundargarh-770031,(7) M/s.Shri Radha Krishna Ispat Pvt. Ltd., At-Plot No.19 P, Goibhanga, Kalunga, Dist.-Sundargarh-770031,(8) M/s. Chunchun Ispat Pvt.Ltd.,,At-Usra,P.O: Kaurmunda, Dist.-Sundargarh-770039,(9) M/s. Shri Radha Raman Alloys Pvt. Ltd.,At-T-16, Civil Township, Rourkela, Jharbeda, Kutra, Dist.-Sundargarh-770070, (10) M/s. Scan Steels Limited,(Unit-I), At- Rambahal, P.O: Keshramal, Near Rajgangpur, Dist.-Sundargarh-770017,(11) M/s. Puspanjana Alloys Pvt. Ltd., At-Plot No.1562/2565, Balanda, P.O: Kalunga,Dist.-Sundargarh-770031, (12) M/s. Refulgent Ispat Pvt.Ltd., At-Chikatmati, Plot No.1437, P.O: Belhidi, Sundargarh-770031,(13) M/s. Arun Steel Industries Pvt. Ltd.,At-Plot No.373, Jiabahal Road, Kalunga, Dist.-Sundargarh-770031,(14) M/s. Bajrang Steel & Alloys Ltd.,Plot No.31,Goibhanga,Kalunga,Rourkela, Dist.-Sundragarh-770031,(15) M/s. Maa Girija Ispat (P) Ltd., At-BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundargarh,(16) Shri Priyabrata sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760001,(17) M/s. East Cost Railway, Bhubaneswar-751017, (18) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (19) M/s. Bajrangabali Sponge & Power Ltd., At-Plot No.82, IDC, Kalunga, Dist.-Sundargarh-770031, (20) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007,(21) Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015,(22) Shri Bidyadhar Mohanty, At-Chorda, P.O: Jajpur Road, Dist.-Jajpur-756019,(23) Er.(Dr.) P.K.Pradhan,B-4,Jayadurga Nagar, P.O: Budheswari Colony, Bhubaneswar-751006,(24) M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (25) M/s.Greengold Bamboo Foundation, At-Dewansaheb Para, P.O/P.S: Bhawanipatna,

Kalahandi-766001,(26) Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010,(27) Shri Umakanta Mohapatra, S/O. Late Prabodha Chandra Mohapatra, At/P.O: Sunhat, P.S: Town, Dist.-Balasore-756002,(28) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029,(29) M/s. Romco Alluminate Pvt. Ltd.,(Formerly known as Rourkela Minerals Company Pvt. Ltd.), At-Bijabahal, P.O: Kaurmunda, Dist.-Sundargarh-770039, (30) Shri Ananta Narayan Mahanty, S/O. Biswanath Mahanty, At/P.O:Bamakoyi, P.S;K.Nuagum,Dist.-Ganjam-761042,(31) Shri Bibekananda Mohanty, Advocate, S/O. Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist-Jajpur-755019, (32) Shri Asitananda Biswal, S/o. Late Gobinda Chandra Biswal, At/P.O: Chorada, Jajpur Road, Dist.-Jajpur-755019,(33) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001,(34) Shri Rajendra Samal, S/o. Shri Nilamani Samal, At-Natapada, P.O: Jajpur Road, Dist-Jajpur-755019, (35) Shri Subrat Kumar Behera, Advocate, At-Ranipatna, P.S/Dist.-Balasore-756001, (36) Shri Manoranjan Routray,S/O.Shri Khetra Mohan Routray,At-Tritha Temple Street, P.S/P.O/Dist.-Koraput, (37) Shri Jayanta Kumar Jena, S/O.Late Baikuntha Bihari Jena, At-Plot No.40, Bapuji Nagar, P.O: Ashoknagar, Bhubaneswar-9,Dist.-Khordha, (38) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-22, (39) Shri Ananda Kumar Mohapatra, S/O. Jachindranath Mohapatra, Plot No. 799/4, Kotitirtha Lane, Po-OLD Town, PS-Lingaraj Police Station, Bhubaneswar-751002,(40) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, U.P.-201301, (41) M/s. Shri Jagannath Alloys Private Ltd., At-Plot No.QQQ-14, Civil Township, Rourkela, Dist.-Sundargarh-769004,(42) M/s. Ritika Ispat Private Ltd., Plot No.490, Balanda, Kalunga, Dist.-Sundargarh-770031,(43) M/s. Dalmia Cement (Bharat) Ltd., At/P.O: Rajgangpur, Dist.-Sundargarh-770017, (44) M/s. Subh Ispat Pvt.Ltd.,At-Jiabahal, Kalunga, Dist.-Sundargarh-770031,(45) M/s. Vedanta Ltd.,1st Floor, C-2,Fortune Tower, Chandrasekharpur, Nandankanan Road, Bhubaneswar-751023, (46) M/s. ATCTelcom Infrastructure (P) Ltd.,4th Floor Module-A, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (47) M/s. OPTCL, Janpath, Bhubaneswar-22,(48) Chief Load Despatcher, SLDC,SLDC Building, GRIDCO Colony, Mancheswar, Bhubaneswar-751017, (49) Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Dist.-Sambalpur-678003, (50) Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-

769012,(51) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (52) M/s. Juggernaut Association of Entrepreneurs, Plot No.1294, CRP Square, Nayapalli, Bhubaneswar-751012,(53) Director of Horticulture, Govt. of Odisha, Krushi Bhawan, Bhubaneswar-751001,(54) The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

All the above named objectors have filed their objections/suggestions and out of the above, Objector Nos. 39, 40, 41, 42, 43, 44 & 46 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 remained absent during hearing through hybrid mode. Beside the above, Shri Ananda Kumar Mohapatra also participated in the hearing. All the written submissions filed by the objectors were taken on record and also considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsel and the representative of Govt. of Odisha, Department of Energy and others who were present during hearing.

Table – 2

Sl. No.	Name of the Organisations/persons with address	Name of the Distribution Utility from where the Consumer Counsel to represent
1	Orissa Consumers' Association, Balasore Chapter, Balasore-756126	TPNODL
2	Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur-678003	TPWODL
3	Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-769012	TPWODL
4	Grahak Panchayat, Friends Colony, Parlakhemundi, Dist : Gajapati-761200	TPSODL
5	Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9.	TPCODL
6	The Secretary, PRAYAS Energy Group, Pune-411004	TPCODL, TPNODL, TPWODL & TPSODL

7. The dates and time for hearing through hybrid mode were fixed and it was duly notified in the leading English and Odia daily newspaper along with the names of the objectors. The Commission issued notice to the Govt. of Odisha represented by the Department of Energy to take part in the hearing.

8. In its consultative process, the Commission conducted public hearings through hybrid

mode for TPSODL in its area of supply on 24.02.2023 at 11.00AM.at Rural Development & Self Employment Training Institute (RSETI) Conference Hall, Paralakhemundi, Dist.-Gajapati, for TPNODL in its area of supply at "ATRIUM" NOCCI Business Park Bampada, Chhanpur, Dist.- Balasore-756056 on 27.02. 2023 at 11.00 AM, for TPCODL in its area of Supply at Zilla Parisad Conference Hall, !st Floor, Zilla Parisad Office, Mahisapat Main Road, NH 55, Near Nirupama Hotel, Dist.- Dhenkanal on 28.02.2023 at 11.00 AM and for TPWODL in its area of supply at Biju Patnaik E- Learning Centre Auditorium, VSSUT, Burla, Sambalpur on 04.03.2023 at 11.00 AM. The Commission during hearing heard the Applicants, Consumer Counsel, World Institute of Sustainable Energy, Pune and the persons/institutions/ organizations who had filed their written views and participated in the hearing through hybrid mode, the Objectors present during hearing and the representative of the DoE, Government of Odisha at length. Parties were directed to file their written note of submission, if any within 7 days. 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 through hybrid mode, if any.

9. DISCOMs have filed their applications relating to Open Access Charges for FY 2023-24 in accordance with Regulation 22, 23, 24 & 25 of Chapter-5 of the OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Stand-by charges applicable to Open Access Customers for use of intra-state transmission/ distribution system for FY 2023-24 which were registered as Case Nos. 86, 87, 89 & 85 of 2022 for TPSODL, TPNODL, TPCODL and TPWODL respectively. TPSODL & TPWODL had filed their applications for approval of Truing up expenses for 3 months of FY 2020-21 and for the whole financial year 2021-22 which had been registered as Case Nos.6/2023 and 81/2022 respectively. TPCODL had filed truing up application in respect of 10 months for FY 2020-21 and for whole year of FY 2021-22 which had been registered as Case Nos. 90 & 91 of 2022 respectively. Similarly, TPNODL had filed its truing up application for FY 2021-22 which had been registered as Case No.84/2022. The above named DISCOMs of Odisha had also filed their applications for approval of Business Plan for FY 2023-24 in compliance to OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 which were registered as Case Nos.12 of 2023, 10 of 2023, 11 of 2023 & 13 of 2023 for TPSODL, TPNODL, TPCODL and TPWODL respectively and were taken up for analogous hearing with

their ARR & RST applications for FY 2023-24 in compliance to the directions of the Commission in their vesting orders. The Commission had directed the DISCOMs to publish the Public Notice regarding their application 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.

10. For the sake of addressing the issues involved, the Commission took up hearing of all the applications of individual DISCOM as stated above through hybrid mode on 24.02. 2023 at 11.00 A.M for TPSODL, on 27.02.2023 at 11.00 A.M for TPNODL, & on 28.02.2023 at 11.00A.M. for TPCODL and on 04.03.2023 at 11.00 A.M for TPWODL with due notice to the applicants and the objectors.

11. Heard the Applicants, Consumer Counsel, the Objectors present in the hearing and the representative of Department of Energy, Government of Odisha in extenso.

12. In course of hearing of the present Applications, Learned Objectors Shri R. P. Mahapatra and some others raised the point of competency of this Commission, functioning with the Officiating Chairperson and another Member, embarking upon the exercise of determination of tariff and other related areas etc. which were held to be unsustainable in the orders passed on the different dates of hearing. Thus, that part of controversy has reached quietus in the wake of the provisions under Section 93 of the Electricity Act, 2003 read with Section 9(4) of the Orissa Electricity Reform Act, 1995 and Regulation 8(1)(b) of the OERC (Conduct of Business) Regulations, 2004.

B. ARR & RETAIL SUPPLY TARIFF PROPOSAL FOR 2023-24 (PARA 13 TO 21)

13. Energy Sales, Purchase and Distribution Loss

A statement of Energy Purchase, Sale and Overall Distribution Loss from FY2016-17 to 2023-24 as submitted by DISCOM of Odisha namely TP Central Odisha Distribution Ltd (TPCODL, erstwhile CESU), TP Western Odisha Distribution Ltd (TPWODL, erstwhile WESCO Utility), TP Southern Odisha Distribution Ltd. (TPSODL, erstwhile SOUTHCO Utility) and TP Northern Odisha Distribution Limited. (TPNODL, erstwhile NESCO Utility) is given below.

Table - 3

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

DISCOMs	Particulars	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Rev-Est)	2023-24 (Est)
TPCODL	Energy Sale (MU)	5488.59	5781.64	6310.92	6273.189	6202.32	6728	7787	8668
	Energy Purchased (MU)	8139.36	8467.09	8783.92	8160.1	8370.43	8817	10112	10999
	Overall Distribution Loss %	32.57	31.72	28.15	23.124	25.90	23.69	22.99	21.19
TPNODL	Energy Sale (MU)	4077.20	4234.96	4530.91	4722.18	3921.63	4346	5472	6246
	Energy Purchased (MU)	5329.66	5448.99	5575.60	5439.43	4941.19	5327	6702	7458
	Overall Distribution Loss %	23.50	22.28	18.74	13.19	20.63	18.40	18.35	16.25
TPWODL	Energy Sale (MU)	4799.00	5378	5972	6115	5714	7356	10071	10482
	Energy Purchased (MU)	6969.00	7248	7590	7524	7625	9313	12300	12800
	Overall Distribution Loss %	31.00	25.81	21.32	18.73	25.07	21.02	18.12	18.11
TPSODL	Energy Sale (MU)	2141.18	2334.11	2555.88	2619.97	2768.94	3021	3372	3586
	Energy Purchased (MU)	3273.45	3468.18	3638.94	3468.62	3599.29	3941	4495	4781
	Overall Distribution Loss %	34.59	32.70	29.76	24.47	23.07	23.34	25	25

14. **Sales Forecast**

TPCODL has submitted that CAGR is the reasonably common method to project future sales based on the data of past few years. Due to COVID the sales were not consistent. Now after normalization of industrial loads, TPCODL is expecting higher sales in HT and EHT category. TPCODL had projected the sales based on the previous years' trends and requests for consideration of additional sales in the LT, HT and EHT consumer categories.

TPNODL has relied on the past ten years' data with correction for the data during COVID period while projecting the sales for the year 2023-24. The expected sales for households being electrified, sales to the new industries reviving their operation after shutdown during COVID period, consumption of the CGP and steel industries have been considered on the future projections.

TPWODL has submitted that post COVID and after improvement in billing efficiency, the LT sales is expected to grow at slightly higher rate. However, due to shifting of electricity consumption through own captive generation by the steel industries and railways, the EHT sales is expected to grow at very low rate.

TPSODL has submitted that their LT sales is expected to grow at lower rate as the load in LT segment has already increased post COVID. HT and EHT segment load growth is expected to be in the range of 6 to 7% on year on year basis.

Table – 4
Sales Forecast

Licensee	LT Sales for 2023-24 (Estimated)		HT Sales for 2023-24 (Estimated)		EHT Sales for 2023-24 (Estimated)		Total Sales 2023-24 (Estimated) MU
	(MU)	% Rise over FY22-23	(MU)	% Rise over FY22-23	(MU)	% Rise over FY22-23	
TPCODL	4902	11%	1908	7%	1858	17%	8668
Remarks	Projected the sales based on previous years' trends and requests in hand.		Higher HT sales projections due to normalizing of Industrial Loads post COVID		Higher EHT sales projections due to normalizing of Industrial Loads post COVID.		
TPNODL	2607	11.31%	685	8.33%	2953	18.26%	**6246**
Remarks	Slightly more growth considered against the normal growth of 8% due to various techno-commercial initiatives to increase sales and reduce thefts. Increased sales due to electrification, agro industrial activities is expected to increase LT sales		Increased consumption by steel industries and industries with CGPs will increase consumption by HT Consumers		Considering the increasing fuel costs, increasing open access tariffs, the CGPs and OA consumers are again started availing utilities power added with few new consumers licensee is expecting good growth in EHT sales		
TPWODL	3314	7.42%	2123	4.83%	5045	1.69%	**10482**
Remarks	With improvement in consumer billing and increased sales to LT irrigation consumers, the LT sales is expected to grow slightly		Railways consumers shifted to EHT, significant increase in agriculture and allied agriculture consumption		EHT consumption is mainly by railways, steel industries. Shifting of consumption by utilities to their captive generation has led to less demand growth in EHT sector		
TPSODL	2553	3.71%	391	6.53%	642	7.04%	**3586**
Remarks	Load increased post COVID and hence for FY 2023-24 lower load growth expected		Load increased in 2022-23 post COVID and further load growth expected during the FY 2023-24		Increase in captive consumption by utilities with CGPs will lead to lower growth in this segment		

15. **System Losses and Collection Efficiency:**

The System Loss, Collection Efficiency and the target fixed by OERC in respect of AT&C Loss for the four DISCOMs since FY 2016-17 onwards are given hereunder.

Table - 5
AT&C Loss

DISCOMs	Particulars	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Rev-Est.)	2023-24 (Est)
TPCODL	Dist. Loss (%)	32.57	31.72	28.15	23.124	25.90	23.69	22.99	21.19
	Collection Efficiency (%)	96.56	96.6	96.60	90.51	95.09	97.36	99	99
	AT&C Loss (%)	34.89	34.04	30.49	30.42	29.54	25.70	23.76	21.98
	OERC Approved (AT&C Loss %)	23.77	23.77	23.77	23.77	23.70	23.70	23.70	22.00
TPNODL	Dist. Loss (%)	23.50	22.28	18.74	13.19	20.63	18.40	18.35	16.25
	Collection Efficiency (%)	96.25	93.38	94.10	86.38	94.28	94.20	99.00	99.00
	AT&C Loss (%)	26.37	27.43	23.53	25.01	25.17	23.13	19.17	17.09
	OERC Approved (AT&C Loss %)	19.17	19.17	19.17	19.17	19.17	19.17	19.17	17.09
TPWODL	Dist. Loss (%)	31.22	25.81	21.32	18.73	25.07	21.02	18.12	18.11
	Collection Efficiency (%)	88.00	88	86.87	87.91	97.71	92.93	97.2	99
	AT&C Loss (%)	39.38	34.80	31.64	28.56	26.78	26.60	20.41	18.93
	OERC Approved (AT&C Loss %)	20.40	20.40	20.40	20.40	20.40	20.40	20.40	18.90
TPSODL	Dist. Loss (%)	34.59	32.70	29.76	24.47	23.07	25.00	25.00	25
	Collection Efficiency (%)	89.90	91.44	86.95	84.34	91	99	99	99
	AT&C Loss (%)	41.20	38.46	38.93	36.30	29.99	25.75	29.50	29.49
	OERC Approved (AT&C Loss %)	26.25	26.25	26.25	26.25	26.25	25.75	25.75	25.75

16. **Revenue Gap Proposed by the DISCOMs**

The Revenue Requirement, Expected Revenue at existing tariff and Gap as submitted by Odisha DISCOMs are summarized below:

Table - 6
Proposed Revenue Requirement, Expected Revenue and Gap

	TPCODL		TPNODL		TPWODL		TPSODL		Total	
	Approved FY 2022-23	Proposed FY 2023-24	Approved FY 2022-23	Proposed FY 2023-24	Approved FY 2022-23	Proposed FY 2023-24	Approved FY 2022-23	Proposed FY 2023-24	Approved FY 2022-23	Proposed FY 2023-24
Total Revenue Requirement	4271.21	5207.02	2700.08	3707.34	4079.34	5771.94	1689.27	2289.89	12739.90	16976.19
Expected Revenue at Existing Tariff	4273.00	5144	2701.03	3503.14	4119.48	6171.82	1694.00	1985.71	12787.51	16804.67
Surplus / (Gap)	1.79	(63.02)	0.95	(204.20)	40.14	399.88	4.73	(304.18)	47.61	(171.52)

17. **Inputs in Revenue Requirement for FY 2023-24**

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 2022-23 and additional SMD in the coming FY 2023-24 which is as shown in the table given below.

Table - 7
Proposed SMD and Power Purchase Cost FY 2023-24

DISCOMs	Estimated Power Purchase in(MU)	Estimated Sales(MU)	Distribution Loss(%)	Current BSP (Paise/Unit)	Estimated Power Purchase Cost (Rs.in Cr.)(Including Transmission and SLDC Charges)	SMD proposed MVA
TPCODL	11002	8668	21.21%	300	3610	2192
TPNODL	7458	6246	16.25%	321	2604	1500
TPWODL	12800	10482	18.11%	360	5100.06	1850
TPSODL	4781	3586	25.00%	227	1220	800

b) **Employees Expenses**

TPCODL, TPNODL, TPWODL and TPSODL have projected the employee expenses for FY 2023-24 and revised estimates for FY 2022-23 based on the six months' actual expenses. The projected employee expenses are based on the projected employee strength and has considered the expenses towards salary for permanent and contractual employees, PF payment, medical and other incentives, terminal benefits, payment of arrears etc. Further, the net employee expenses after capitalization are compared with the current year's projections and summarized in the following table.

Table -8
Employee Expenses after Capitalization

Employee Expenses after	TPCODL	TPNODL	TPWODL	TPSODL

capitalization				
Employee Expenses in 22-23	773.55	429.29	564.71	517.60
Employee Expenses in 23-24	827.23	484.90	614.97	608.90
% Rise YOY	6.94%	12.95%	8.90%	17.64%

c) **Administrative and General Expenses**

As per the Wheeling and Retail Supply Tariff (RST) Regulations, 2022, the five year MYT period starts from FY 2022-23 to FY 2027-28. The regulation permits 7% escalation YOY for estimating the A&G expenses for the ensuing year. The licensees have only six months' data of A&G expenses of the base year i.e. for the period from April 22 to September, 2022. Due to implementation of different activities for reduction of AT&C loss and increasing the billing & collection, the licensees are incurring higher A&G expenses than that approved by the Commission. Accordingly, the licensees have requested 7% increase over the revised estimates of A&G expenses for the FY 2022-23. Further over the normal escalation of 7%, the licensees have projected additional A&G expenses for various activities considered as important and necessary. The approved A&G expenses for the FY 2022-23, revised estimates of A&G expenses for the FY 2022-23, A&G expenses proposed for the FY 2023-24, and additional A&G etc. are summarised in following table:

Table - 9
A&G Expenses

A&G expenses	**TPCODL**	**TPNODL**	**TPWODL**	**TPSODL**
A&G expenses approved by OERC for FY 2022-23	132.72	84.23	110.39	77.25
Revised estimated A&G expenses for FY 2022-23	-	150.84	173.76	-
Estimated Normal A&G expenses for FY 2023-24	142	98.21	185.78	68.04
Additional A&G expenses proposed for FY 2023-24	20	101.01	76.37	69.55
Total A&G expenses proposed in ARR for FY 2023-24	163.51	199.22	262.16	137.47

The licensees have submitted that the higher A&G expenses during the current and ensuing year are on account of meter reading, billing and collection, IT Automation, AMR related expenses, insurance expenses, professional charges, enforcement activities, Customer care, compensation towards electrical accidents etc.

TPCODL, TPNODL, and TPSODL have proposed additional A&G expenses for the undertaking the activities related to metering, billing and Collection. TPWODL has proposed additional A&G expenses towards Energy Audit, special drive for shifting of meter to outside premises, GIS, SCADA, Communication, OT, Data Charges, special drive to improve MBC activity, re-establishment of energy police stations, IT automation, Vigilance and enforcement etc.

Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have estimated the A&G expenses of Rs.163.51 Cr, Rs 199.22 Cr, Rs.262.16 Cr and Rs.137.59 Cr respectively for the FY 2023-24.

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

As per the Wheeling & RST Regulations 2022, the R&M expenses are permitted at specified rate on the opening GFA owned by the licensee and at the rate of 3% for the assets created through consumer contribution and grants. Accordingly, the licensees have projected the R&M expenses as per following for the FY 2023-24:

Table - 10
R&M Costs (Rs. in Cr)

R&M expenses	**TPCODL**	**TPNODL**	**TPWODL**	**TPSODL**
Opening GFA of DISCOMS own assets in Rs. Cr as on 1st April, 2023	5256.99	2778.83	3009.44	1541
% of GFA on DISCOM's own assets approved towards R&M	4.2%	4.5%	4.5%	5.4%
R&M Expenses for DISCOM's own assets in Rs Cr	220.79	125.05	135.42	83.21
Opening GFA of assets created through grants in Rs. Cr as on 1 April 2023	2350.04	2033.26	3398.17	2406
% of GFA on assets created through grants approved towards R&M	3%	3%	3%	3%
R&M Expenses for assets created through grants in Rs Cr	70.50	60.99	101.95	72.18
Total R&M Expenses for FY 2023-24 as per Regulation 2022	**291.29**	**186.05**	**237.37**	**155.40**

TPCODL and TPSODL have proposed the R&M expenses of Rs 291.29 Cr and Rs 155.40 Cr respectively based on the normative R&M permitted under the Regulations 2022.

TPNODL has estimated the R&M expenses for FY 2023-24 as Rs.257.19 Cr. towards Civil repairs and maintenance, distribution line repairs and maintenance, transformer repairs, Other R&M work etc. They have submitted that the regulation permits special R&M for the licensees to undertake critical activities which are not covered under approved capital investment plan. They have mentioned critical need of 11 and 33 KV AMC for improvement in reliability. Accordingly, TPNODL has proposed R&M expenses for FY 2023-24 as Rs 257.19 Cr.

TPWODL has submitted that for the current FY 2022-23, as per the Wheeling & RST Regulations 2014, 5.4% of opening GFA is permitted towards R&M. The licensee has reported that they have incurred the expenditure of Rs 156.03 Cr towards R&M in first six months and considering balance six month's total expenditure towards R&M in FY 2022-23 will be close to Rs. 300 Cr. They have further submitted that FY 2023-24 being the first year of the control period and they have already executed the AMCs for R&M of the distribution lines and to ensure the proper reliability they have requested to permit R&M at 5.4% of GFA which is Rs. 346.01 Cr for 2023-24.

e) **Provision for Bad and Doubtful Debts**

The Regulations 2022, allows provision towards Bad and Doubtful Debt at the rate of 1% of the revenue billed for sale of electricity. This 1% revenue is allowed to pass through in the ARR. The provision for the bad and doubtful debts proposed by the licensees is as follows:

Table - 11
Provision for Bad and Doubtful Debt

DISCOMs	Total revenue billed for 2023-24 (Rs in Cr)	1% Provision towards Bad and Doubtful Debt (Rs in Cr)	Proposed Bad Debts for 2023-24 (Rs in Cr)
TPCODL	5086.6	50.87	50.87
TPNODL	3503.14	35.03	35.03
TPWODL	6171.82	61.72	61.72
TPSODL	1985.71	19.86	19.86

f) **Depreciation**

As per the OERC Tariff Regulations 2022, the depreciation on the assets transferred through vesting order is calculated on the pre-up valued cost of assets at pre 1992 rate on the assets base approved by the Commission. For the new created assets, the depreciation is calculated based on the straight line method by all the licensees at the rate defined in the Regulations. Accordingly, the depreciation projected for the ensuing financial year by TPCODL is Rs.81.38 Cr., by TPWODL Rs.97.06 Cr., by TPNODL Rs.66.88 Cr. and by TPSODL Rs.62.09 Cr.

g) **Interest Expenses**

TPCODL, TPNODL, TPWODL & TPSODL have submitted the interest expenses towards interest on capital loan and working capital and the interest earned on security deposit for the FY 2023-24.

The major components of the interest expenses of these licensees are as follows:

i) Interest on Capital Loan

TPCODL has estimated the interest on long term debt as Rs.46.61 Cr. Accordingly, TPNODL has estimated the interest on long term debt as Rs.39.44 Cr. TPWODL has estimated the interest on long term debt as Rs.58.32Cr. TPSODL has estimated the interest on long term debt as Rs.28.34 Cr.

ii) Interest on Working Capital

As per the Wheeling and RST Regulations 2022, the components for interest on Working capital includes O&M for 1 month, Spares 20% of R&M of 1 month, 1month power purchase cost. The licensees have considered the rate of interest for working capital as SBI base rate plus 300 basis points. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on working capital as Rs.46.87Cr., Rs.35.22 Cr., Rs.58.95 Cr. and Rs.20.27 Cr. for FY 2023-24 respectively.

iii) Interest earned on Security Deposit (SD)

TPCODL, TPSODL, TPNODL and TPWODL have projected the interest on SD as Rs.65.56 Cr., Rs.18.13Cr., Rs.36.03 Cr., and Rs.46.75Cr. for FY 2023-24 respectively.

h) **Non-Tariff Income**

TPCODL, TPNODL, TPWODL and TPSODL have proposed non-tariff income for FY 2023-24 to the tune of Rs.109.56 Cr, Rs.178.45Cr, Rs.289.33 Cr and Rs.55.65Cr respectively from the wheeling business and retail supply business which is mainly through receipts of licensee from meter rent, service connection charges, reconnection charges, Over Drawl Payment (ODP), Delayed Payment Surcharge (DPS), rebate on power purchase, interest on Fixed Deposit (FD) etc.

i) **Return on Equity and Tax on Income**

TPCODL has projected the RoE of Rs.98.75 Cr. and tax on Income of Rs. 33.21 Cr. for FY 23-24. TPWODL has projected the RoE of Rs.109.44 Cr and tax on Income of Rs. 36.81 Cr. for FY 23-24. TPNODL has projected the RoE of Rs.79.42Cr and tax on Income of Rs. 26.71Cr. for FY 23-24. TPSODL has projected the RoE of Rs. 54.14Cr for FY 23-24.

18. **Revenue at Existing Tariff**

The Licensees have estimated the expected revenue from sale of power by considering the sales projected for FY 2023-24 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.5144Cr by TPCODL, Rs.3503.14 Cr by TPNODL, Rs.6171.82 Cr by TPWODL, Rs.1985.71 Cr by TPSODL.

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

The proposed revenue requirement and expected revenue of DISCOMs have been summarized below:

Table – 12
Proposed Revenue Requirement of DISCOMs for the FY2023-24(Rs in Cr.)

Particulars	**TPCODL**	**TPNODL**	**TPWODL**	**TPSODL**	**Total**
Total Power Purchase, Transmission & SLDC	3610.3	2604.23	5100.06	1219.9	12534.49
Total Operation & Maintenance and Other Cost	1574.32	1153.95	1545.95	1071.42	5345.64
Return on Equity	98.75	79.42	109.44	54.14	341.75
Tax on ROE	33.21	26.71	36.81		96.73
Total Distribution Cost (A)	5316.58	3864.31	6792.26	2345.46	18318.61
Total Special Appropriation (B)	0	21.48	(730.99)	0	(709.51)
Total expenditure including special appropriation (A+B)	5316.58	3885.79	6061.27	2345.46	17609.1
Less: Miscellaneous Receipt	109.56	178.44	289.33	55.57	632.9
Total Revenue Requirement	5207.02	3707.34	5771.94	2289.89	16976.19
Expected Revenue(Full year)	5144	3503.14	6171.82	1985.71	16804.67
GAP at existing (+/-)	(63.02)	(204.20)	399.88	(304.18)	(171.52)

20. **Truing Up of expenses for the FY 2020-21 and the FY 2021-22**

TPSODL, TPCODL, TPWODL & TPNODL have submitted their true-up expenses for the FY 2020-21 & FY 2021-22 as provided in the table below:

Table - 13

DISCOM	**Truing Up requirement Amount in Cr**	
TPSODL	FY 2020-21 (3 months)	FY 2021-22
Surplus/(Gap)	16.59	4.47
TPCODL	FY 2020-21 (10 months)	FY 2021-22
Surplus/(Gap)	(92.89)	(213.45)
TPWODL	FY 2020-21 (3 months)	FY 2021-22
Surplus/(Gap)	29.52	506.78
TPNODL	FY 2020-21	FY 2021-22
Surplus/(Gap)		(47.22)

21. **Tariff Proposals and Rationalization Measures:**

The licensees have proposed some tariff rationalization measures to improve the revenue and recovery the cost of supply. The brief details of their proposal are as under:

(a) Special tariff for drawal of RE power at premium rate (TPNODL, TPWODL)

TPNODL and TPWODL have submitted that the special green tariff approved by the Commission for drawal of renewable power by industry at the premium rate i.e. 50 paisa per unit over and above the tariff applicable for that category of consumer has not attracted many consumers to opt for green energy. The licensees, therefore, propose to reduce the premium to 25 paisa per unit. The licensees have also proposed methodology for issuance of Green power certificates to the end users opting for Green Power. Apart from the green tariff revision,

The Commission had launched premium rate for RE power. Even though provision for CGP industries was created for fulfilment of 100% of its requirement from renewable sources is the hurdle. DISCOM power is costlier than their own generation in addition to that levy of premium rate of 50 paise is on higher side. Therefore, the licensee has requested the Commission to reduce the premium from 50 paisa to 25 paisa per unit. Further, certification by DISCOM is another concern. GRIDCO is the obligated entity on behalf of DISCOM for fulfilment of RE requirement, unless GRIDCO passes on/allocates RE to DISCOM, it is not possible for DISCOM to provide required certificate. The licensee has proposed the allocation of RE power across DISCOMs at GRIDCO level. If Commission permits allocation of RE availability to all the licensees then DISCOM can provide certificate to the consumer willing to pay premium tariff for “Green Energy” without recurring consent/approval from GRIDCO Therefore, if RE power can be assigned (through certification) for industries opting to draw with premium special rate then it will be a win-win situation for the industries as well as for other stake holders. The premium price shall be added to the bill. The industry has to opt in advance for booking of quantum. The licensees propose a premium charge of 25 paise per unit over and above normal charges.

(b) Levy of Cyclone Resilient Network Cess (TPCODL)

Odisha is extremely vulnerable to cyclones with increasing frequency of occurrences. To restore the system after cyclone, the state government and central government do extend support to the licensees based on the impact of cyclone. However, the Licensee is of the view to maintain some inventory in order to timely restore the system and accordingly the petition was also submitted. Further licensee has proposed to levy a Cess of 2 paisa per unit to all consumers except BPL category to support the DISCOMs to build inventory so that mitigation / emergency restoration activities can be taken up faster to tackle such events.

(c) Creation of disaster resilient Corpus Fund

The Licensees i.e. TPNODL & TPWODL have proposed to charge Rs. 2 per month per consumer to create a corpus fund for meeting the immediate system restoration works post cyclones.

(d) Amendment to the ToD tariff (TPCODL)

The licensees have observed that there are two peaks in summer and winter at different times during the day and they have submitted the 15 minutes' demand profile. At present the ToD tariff discount of Rs 0.20 per units is offered for the time slot between 10 pm to 6 am to three phase consumers. In view of changing demand licensee has proposed to change the off-peak period as 1.00 to 6.00 hrs and 16.30 to 18.00 hrs during summer months. Similarly, they proposed the off-peak period of 00 hrs to 5.00 hrs for winter months for the purpose of extending discounted tariff.

(e) Continuity of Special tariff for Existing industries having CGP if assured 80% LF of existing CD (TPNODL)

Regarding the above matter, TPNODL has submitted that a special mechanism for sale of surplus power of GRIDCO through tripartite agreement was approved by Commission as per para 370 of BST order FY 2022-23 & clause (viii) Annexure-B of RST order. However, in absence of firm power GRIDCO and DISCOMs filed a separate petition (Case no. 25 of 2022) for approval of price till firm power is available with GRIDCO. Commission vide order dt.18th May 22, has approved a special price of Rs.4.75 per kVAh. GRIDCO has to be paid @ Rs.4.26 per kwh for the power consumed beyond 80% of CD and OPTCL is entitled for 28 paise as transmission charges. Balance amount is DISCOM share. The intention of such scheme was to sale the surplus power of the state to the industries inside the state. As a result, industries can get cheaper/competitive power and may opt to close their CGP or may avoid undertaking open access of power. The licensee proposed to continue the scheme in the ensuing year also with bucket filling method. In addition, they proposed that an industry availing this benefit shall not be permitted to avail benefit of another scheme.

Similarly, as per the submission of TPWODL, in FY 2022-23, industry having CGP with CD up to 20MW willing to avail power from DISCOMs up to double the CD were allowed to draw power without payment of overdrawal penalty provided they need to maintain more than 80% LF. Seeing good response, licensee proposed to continue this benefit for FY 23-24. Industries availing this benefit shall not be permitted to avail benefit under other scheme. Continuity of Special tariff for Existing industries having CGP with CD >20 MW with minimum offtake 80% of existing CD (TPWODL) for FY 2022-23, industry having CGP willing to avail power from DISCOMs and operating at load factor more than 80% were allowed to draw power at the rate not less than Rs.4.30/kVAh for all incremental energy drawal above 80% load factor without any overdrawl penalty has been proposed. Licensee requested to continue this scheme for the ensuing year with bucket filling method. In addition to this an industry availing this benefit shall not be permitted to avail benefit of another scheme.

(f) Billing with Defective Meter (TPNODL, TPWODL):

As per OERC Distribution (Conditions of Supply) Code, 2019, the licensee is permitted to raise provisional bill for maximum upto three months and during this time the defective meter has to be replaced with new meter. Thereafter, the provisional bill so raised shall be revised considering actual meter reading for consecutive six billing cycle. Further as per OERC Distribution (Conditions of Supply) Code 2019, the billing is to be done on the basis of average meter reading of past three billing cycles immediately preceding the meter being found / reported defective. The provisional bill is required to be revised as per the average of six consecutive billing after the new meter is installed. Licensees face issues that the consumers are not paying even the actual bill after replacement of defective meters unless the bill is revised. Further the consumers are also controlling the consumptions after the installation of new meter. To improve the collection efficiency licensee also cannot wait for six months. Licensee has requested for the practice direction for the same in the RST order.

With this mechanism the licensee is facing the following difficulties:

a) Consumers are not paying current bill even after replacement of defective meter unless the bill is revised. The licensee is helpless, as they have to wait for six consecutive billing cycles for the bill to correct and are not able to release bills.

b) In many cases, consumers are desiring to revise the bill considering past actual consumption in corresponding period, however, this is not permitted under the Regulation.

c) Some are insisting for bill revision considering actual metering after one month's consumption.

d) Most of the consumers are trying to control the consumption and are tempted to use through other means with an intention to reduce six month's average billing even though they have actually used more and more energy during the meter defective period.

Licensee has requested the Commission to consider past assessment based on the first full month's consumption after the replacement of the meter and issue the direction in the RST order FY 2023-24. The consumption of subsequent months till 6th month can be used for correction/ adjustments to the assessment amount which was initially done basing on first full month's consumption. The differential amount can be billed to the consumer at the end of 6 month's post meter replacement.

(g) Revision of meter rent for Smart Meter Connections (TPCODL)

At present Rs.60 per month and Rs. 150 per month of meter rent for single and three phase smart energy meters is in force. CEA and MOP have directed to implement smart meters for all consumers by 2025. Considering the present cost of Rs. 5200/- for single phase smart meter it is not possible to recover the meter cost at the present meter rent. Accordingly, the licensee has proposed to revise the meter rent to Rs. 80 per month to be recovered over a period of 90 months. Licensee has also requested to specify pre-paid smart meters for all the new connections having consumption above 100 units per month.

(h) Full recovery of meter rent (TPCODL and TPSODL)

In order to ensure replacement of existing meters by prepaid smart energy meters, the licensee has requested the Commission to permit recovery of full cost. The cost of single and three phase meters discovered through competitive bidding by TPSODL is of Rs. 5197/- and Rs. 8564/- TPSODL proposed the revised meter rent of Rs 84/- and

Rs139/- for single and three phase smart meters to be recovered in 7 years or alternatively Rs. 111/- per month to be recovered over the period of 5 years.

(i) Provision regarding Industries owning Generating Station and CPP availing Emergency Supply only (TPCODL)

Industries owning CGP consume power for short period with very high demand leading to increase in SMD of the licensees. In order to avoid such situations, the licensee has proposed to restrict the drawl at 10% LF or 100% of the highest capacity of generation unit. In case due to such drawals, if SMD is breached due to overdrawal, then penalty on excess demand of 10% of the highest generation unit shall be charged to the consumer at the same rate applicable for the HT and EHT consumers.

(j) Proposal for considering Contract Demand in case of conversion of connection from Emergency Supply into two-part tariff after continuous violation for 3 months (TPCODL)

In case of conversion from Emergency Supply to two-part tariff in the event of continuous violation for 3 months, the licensee has proposed to levy Contract Demand at 10% of the highest generation unit's capacity or as per 80% CD or MD whichever is higher and restricting the consumption of electricity upto 10% of highest generation capacity.

(k) LT tariff for Consumers with CD<=70kVA (TPCODL)

The licensee has submitted that the consumers, who would have been normally supplied on LT (i.e. upto 70 kVA), are supplied in HT due to non-availability of as LT supply and they are billed at HT tariffs. In such cases, the transformer loss is passed on to LT consumers due to HT metering and this leads to grievances. Therefore, TPCODL proposes that all consumers with CD<=70 kVA, shall be billed on LT tariff irrespective of supply voltage and category.

(l) Overdrawl penalty & Demand Charge for all consumers with CD>=110 kVA (TPCODL)

Licensee has proposed to levy overdrawl penalty and the demand charge principle of 80% of CD or MD whichever is higher to LT consumers with CD>=110 kVA.

(m) Need for Separate Tariff Category for HT Public lighting (TPCODL)

Public lighting tariff category is available only for LT supply. However, some of the public lighting connections are provided supply through HT and Licensee has proposed to have separate HT Public Lighting supply category for such consumers.

(n) Revision of Reconnection Charges with penalty clause (TPCODL, TPNODL and TPWODL)

Licensees have submitted that the reconnection charges are constant for quite long time and there is need for upward revision in the reconnection charges considering the rising costs. further, licensee has proposed double reconnection charges for consumers having repeated reconnections to avoid such reconnections. Present and proposed charges are as follows:

Table - 14

	Prior to 1st April 2012	Continuing since 1st April 2012	Proposed Reconnection Charges
LT Single Phase Domestic Consumer	Rs.75/-	Rs.150/-	Rs.300/-
LT Single Phase other consumer	Rs 200/-	Rs.400/-	Rs 800/-
LT 3 Phase consumers	Rs.300/-	Rs.600/-	Rs.1200/-
All HT & EHT consumers	Rs.1500/-	Rs.3000/-	Rs.6000/-

(o) Creation of Energy Police Station (TPCODL and TPWODL)

In past during 2008, the State Government had taken anti-theft initiatives and created 29 numbers of Energy Police Stations across all the DSICOMs. Effectiveness of EPS in the past was not encouraging at that point of time due to nos of factors. Loss Reduction being one of the key objectives, TPCODL and TPWODL proposed to setup at least 5 EPS each, one in each circles with around 124 staffs. With the change in management and control of the DISCOMs, re-establishment of Energy Police Stations will definitely have positive impact in enforcing discipline and accelerating Loss Reduction. Accordingly, licensee has requested for additional A&G for EPS.

(p) Billing of Public Lighting (TPCODL)

Earlier for many reasons the public lighting connections were not metered. Licensee proposed to consider 11 hours of supply throughout the year for calculation of average use of electricity for billing purpose. The Licensee has proposed mandatory installation of energy meters for new public lighting connections.

(q) Demand Charges to HT medium category consumers (TPNODL, TPCODL)

The HT medium category consumers are now availing supply at demand charges of Rs 150 per kVA as against the GP and SPP category which are paying Rs 250 per kVA as demand charges. Due to the differential demand charges, consumers under HT medium category just below 110kVA are always trying to avail demand benefit even though their actual connected load is more than 110kVA and above. To curb such type of disparity in demand charges the licensee proposed to revise to Rs 250 per kVA for HT medium category consumers.

(r) MMFC for LT Category Consumer (TPNODL)

Presently LT category of consumers, except Large PWWs>110kVA & Specified Public Purposes>110kVA and above are paying Monthly Minimum Fixed Charges (MMFC) on the basis of their connected load. MMFC for all the LT category of consumers is proposed to be rationalized with single rate for 1st kW or part thereof as well as additional kW or part thereof. At present, a Small industry with 10 kW load is paying Rs.80 for 1st kW and for balance 9kW is paying @ Rs. 35 per kW (Rs.35X9 kW=Rs.315). So the demand charges paid are Rs.395/- instead of Rs.800/- (i.e. Rs.80 X 10kW), similarly in case of LT medium industry it is Rs.100/- for 1st kW or part thereof and for additional kW it is only Rs.80/- per kW. The minimum load for LT medium category is >= 22 kVA. Licensee has proposed to levy the MMFC for all the LT category of consumers with single rate for 1st kW or part thereof as well as additional kW or part thereof.

(s) Increase in rebate from 3% to 4% for LT Domestic, LT GP single phase & Single phase irrigation consumers (TPNODL, TPWODL)

The Commission had extended additional rebate of 3% towards digital payment for LT single phase Domestic & GP category of consumers since FY 2022-23. This is yielding very good results and the cost of collection is decreasing significantly. Hence, licensee requested for further increase in the digital rebate from 3% to 4% which would further motivate digital payment and will help to do away with the culture of door to door collection.

(t) Incremental digital rebate to rural consumers (TPNODL)

The introduction of multiple initiatives of digital collection like My Tata Power App, Airtel Payment Bank tie-up, Spice Money tie up, tie up with SBI, BBPS & other UPI facilities, there has been a significant boost in rural digital payments. Hence, Licensee proposed to extend additional 3% rebate for rural LT domestic consumers for digital payment.

(u) Considering Actual average LF for the category during assessment of unauthorized drawl (TPNODL)

As per OERC Supply Code, 2019, the assessment of unauthorized consumption is done as LxHxF.

Where L=Connected load found in the consumer premises during the course of inspection in kW: H=No. of hours of the period of assessment, F=Load factor as has been prescribed for collection of SD in Regulation 52.

The load factor prescribed by the OERC in Supply Code for various categories is found to be very less which does not reflect the actual probable usage of the various equipment which results in negative assessment thereby not providing the penal environment to discourage unauthorized drawls. Hence, it is requested to allow for taking into consideration the load factor for assessment as average actual load factor for Domestic category or may consider approving 20% LF for domestic, 25% LF for commercial and industrial and 50% LF for continuous process industries over a 24 hours' period.

(v) Levy of CSS on RE power (TPNODL, TPWODL)

The Commission had introduced levy of CSS on RE power with effect from FY 2022-23. Accordingly, 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. This CSS amount collected by licensee has helped the licensee to accommodate the BST increase and ultimately has aided towards non-increase in RST. Hence, the licensee has requested for continuation of levy of CSS and wheeling charges on RE power for FY 2023-24.

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

After announcement of above special tariff scheme for the industry, few of the other industries those who have no CGP has started approaching for similar type of scheme for them so that they can utilize their existing installed capacity in full, beyond CD or may add capacity in the existing premises beyond CD if permitted. In line with special tariff for industry having CGP, a special tariff for non CGP industries connected in 33 kV level or above is proposed by licensee. In order to avail special tariff under the scheme, the licensee proposes that the consumer need to maintain 85% LF during the billing period, overdrawal upto a limit of 15000 KVA is permissible and there will be no demand charge for consumption over and above 85% LF. Sourcing power through Open Access and Load reduction to consumer is not permitted.

(x) Special tariff for Industries for temporary business requirement (TPNODL and TPCODL)

The temporary supply is permitted to meet temporary needs on special occasions for a period not exceeding six months at 10% higher energy charges. Under TPNODL area, there are around 21 industries having their own CGPs. Some of them have single unit of generation and some are having multiple units with different capacity. To maintain the generating unit's annual maintenance and some of the other industries are in need of power intermittently to meet seasonal requirements and for such temporary outages of their CGP and short-term business need, they do approach DISCOM for supply of power for couple of months. In view of the above, TPNODL has proposed temporary additional load beyond CD for a short period of maximum 3 months and proposed the industry has to bear 10% higher charges on both normal Demand and energy component. Such additional consumption will contribute towards revenue enhancement and will definitely help to protect risk of tariff enhancement.

(y) Revision of Meter Rent if not permitted under CAPEX (TPNODL, TPWODL)

Licensee has proposed to revise meter rent as per following along with change in recovery period from 60 to 90 months. Licensee further proposed the entire new connection as well as replacement of defective meter to be permitted through Smart Meters only.

Table - 15

Sl. No.	Monthly recovery of meter cost	Existing	Proposed
1	Single Phase AMR/AMI Compliant Smart meter	60	80

(z) Discount to Domestic Rural Consumers (TPWODL)

Rural LT domestic consumers were offered discount @ 5 paise per unit in addition to existing prompt payment rebate who draw their power through correct meter and pay the bill in time. Licensee has requested to increase such rebate and proposed to offer @10 paisa per unit for the next year.

(aa) Pay Digitally and get refund of six-month electricity bill (TPWODL)

To promote more digitalization, the licensee is proposing a new mechanism which not only helps in improving digital collection but will insure the consumer with risk of any mishap. For this purpose, no such separate premium is leviable to consumer nor the license shall incur any cost for insurance premium. The proposed scheme is as follows:

- All the single-phase Domestic including Kutirjyoti, sing phase GP & single phase Irrigation and Agriculture category of consumers are eligible under this scheme.
- The consumer has to pay its monthly energy bill digitally /online mode regularly during the financial year.
- Existing consumers those who are paying digitally/online mode are also eligible under this insurance scheme.
- During the financial year, in case of death of the consumer due to any reason then last six months electricity bill as paid shall be refunded to the family members in whose name the electrical connection is transferred. The amount of refund shall be credited to the consumer account in whose name it is transferred.
- The family member of the deceased consumer in whose name the electrical connection was continuing has to produce the death certificate along with application for name change/transfer of connection.
- The beneficiary in whose name the connection would be transferred needs to undertake payment of monthly electricity bills in future digitally/online mode only.

(bb) Inter DISCOM Feed extension to Railway (TPWODL)

Benefit of feed extension is being allowed if the recorded MD on one traction Substation exceeds due to its feed extension over another Traction Sub-Station (TSS) of same DISCOM area. However, when feed of one TSS of a DISCOM is extended over another TSS of other DISCOM then the benefit is not given. The Railway's connection is at 132 kV level and above that voltage it is under OPTCL jurisdiction. MD exceeds due to fault on OPTCL network. Licensee has submitted to provide necessary guidelines in this regard to extend such facility to Indian Railway who is a prime customer of all the DISCOMs.

(cc) Creation of Category for Mega lift points under EHT (TPWODL)

The licensee is having a consumer under mega lift with CD of 13500 kVA and availing power supply with 132kV level. As there is no such tariff category under EHT for such supply, TPWODL is billing them with HT irrigation category where demand charges & energy charges are very nominal. Licensee requested for separate category under EHT with demand charges of Rs.250 per kVA and energy charges under graded slab method.

(dd) Special tariff to Steel Industry (TPWODL)

HT industrial consumers (Steel Plant) having Contract Demand (CD) of 1 MVA and above were offered a rebate on energy charge on achieving the load factor through RST order for FY 2022-23. The benefit was specifically for industries who are not having their own CGP. The intention of not extending this benefit to CGP industries is due to availability of own generation where they prefer to keep lower CD with the DISCOMs and achieve required LF to avail this benefit. Separate benefit to industries with CGP was extended wherein industry can draw up to double their CD with flat tariff of @ 4.30 per unit for additional drawal up to CD of 20 MW without levy of any overdrawal penalty. If both the incentive based tariff is made available to Steel industry as well as CGP, then the industries power purchase cost would be less than the BST of the DISCOM (Additional power @ Rs.4.30 per unit minus steel industry discount 20% on entire power which comes more than 1 Rupee i.e. Less than Rs.3.30 per unit). In view of the above, licensee has requested for more clarity.

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

There are number of industries who have closed their units since long which is wasting the resources and also not providing employment. Support to such closed industries will generate employment and benefits to state. Hence, licensee proposed allowing support to closed industries to restart their operation by extending 20% incentive on entire consumption for LF above 60%. Proposed incentive will be over and above all other existing incentives in the tariff.

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

TPWODL is sourcing it's entire power from GRIDCO through OPTCL network assets at 132 kV level & above. Presently there are 182 interconnection points located across the licensee area, where OPTCL is having metering unit & on the basis of same both OPTCL & GRIDCO are raising their monthly bills. Licensee observed that in most of the locations the available meters are Apex 100 with non DLMS and some are Apex 100 type with DLMS specifications. In addition to that, in some of the locations EHT consumers like Rourkela Steel Plant (RSP) is connected with multiple feeders where one feeder is with non-DLMS meter and in other one it is DLMS type, so in every month for energy accounting DISCOM is facing difficulty in integrating all the required parameters for billing purposes. Therefore, licensee has requested the Commission to direct OPTCL to replace the non-DLMS meters with DLMS type and fixing of summation meters where energy accounting is measured through multiple meters.

(gg) Charges for line extension to LT single phase connection up to 5 kW (TPWODL)

The LT extension charges were increased from Rs.5000 to Rs.8000 per span in the RST order dt.24.03.2022. The licensee has submitted that the cost estimates for 1 phase LT extension be permitted as Rs.9300 per span and Rs.12500 per span for 3 phase as the actual cost is much higher in many cases. Even if for single pole or two poles cases the transportation, loading & unloading, erection cost is much higher. The licensee has also made a separate request to allow enhancement of LT extension cost beyond Rs.8000 per span. However, the Commission had allowed the excess cost over permitted amount to be booked under load growth keeping overall CAPEX approval intact for FY 21-22

& FY 22-23. Licensee has submitted to extend this for FY 2023-24. Licensee has further proposed the maximum span limit of 6 i.e. 180 meters and for LT extension is beyond 180 meters, the licensee has proposed the beneficiary to opt deposit work mechanism.

Assessment in case of Theft of energy (TPWODL)

Even though separate guidelines for assessment of unauthorized use are provided in the regulation, however, as per field condition applicability of the provision while doing the assessment it is not possible to adhere. So for lucidity, licensee has submitted that in case of consumer found using electricity unauthorized way then in such case the assessment has to be made with LDF basis. In that case, Domestic LF of 30%, GP of 60% and in case of continuous process industries, 100% LF may be used for assessment.

(hh) Special Scheme for Alumina Melting Unit (TPWODL)

One of the industry namely M/s. Romco Aluminates Pvt. Ltd. has filed a petition before Hon'ble Commission to extend load factor benefit to such industries as like of Steel Industries, which is yet to be registered. It is the contention of the industry they do have electric arc furnace and using electricity for manufacturing white fused alumina. The Commission has approved the load factor benefit to steel industries connected at 33kV level having with load more than 1 MVA, who are using induction furnace and having no CGP. As the scheme is purely for steel industries, the licensee is not extending this scheme to Ferro Alloy industries using arc furnace. So, licensee has requested the Commission for necessary directions.

C. OBJECTIONS, QUERIES RAISED DURING THE HEARING & THEIR REJOINDERS BY THE PETITIONER (PARA 22 TO 69)

22. Public hearing on ARR and Tariff application of all the DISCOMs for the FY 2023-24 was initiated with PowerPoint 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 licensees and the analysis of the ARR with observations.

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:

23. **Incomplete ARR Filings and information disclosures**

One of the objectors pointed out that the OERC has prescribed Technical formats T1 to T9, Financial Formats F-1 to F-29 and Commercial / Performance formats P-1 to P-17 for submission of required data along with the ARR petition. However, none of the licensees had submitted the complete and required information along with the petition on the website and without the availability of complete information the stakeholders can not submit their comments. The objector requested OERC to direct the Registry for proper scrutiny of the documents filed by the petitioners before accepting the and registering the cases for admission and hearing. One of the objectors requested for disclosure of rebate, DPS, wheeling charges collected, energy wheeled by consumers through inter and intra Open Access, arrears collected by DISCOMs etc.

Rejoinder of the Licensee

TPCODL has submitted that, after commencement of its operation on 1st June 2022, it has initiated the process of automation of various manual process and other IT initiatives like SAP. The transition from manual to IT based system has taken some time to stabilize as it entailed creation of infrastructure, re-engineering of processes, blue-printing, implementation, testing, training etc. Because of the above factors, some data were not available at the time of submission of our ARR petition as a result some forms could not be submitted. However, the balance forms have been submitted to the Commission on 17th Feb 2022.

TPNODL has submitted that under the provisions of the New Tariff Regulations, 2022 the Licensee should be allowed to furnish such information as and when required by the Commission to access such calculations for determining the tariff. As such, the licensee abides by the directions of the Commission in true letter and spirit.

24. **Truing up of ARR of erstwhile DISCOMs**

One of the objectors pointed out that the erstwhile DISCOMs had huge surplus revenue as revealed from the last tariff proceedings. The excess revenue was due to the excess tariff recovery by the erstwhile DISCOM over and above the notified tariff and non-utilization of depreciation. The trueing up exercise was not carried out since FY 2014. As per regulation the DISCOMs have to file true-up petition by 1st week of October and Commission shall pass the true up order by 1st week of November and the DISCOM shall consider the true-up order while filing the petition for ensuing FY. The objector requested Hon. Commission to complete the true-up exercise and consider the cash surplus available with DISCOMs and pass on the same to consumers.

Rejoinder of the Licensee

TPSODL has submitted that they have filed its true up petition for FY 2020-21 (3 Months) and FY 2021-22 and the estimated surplus for FY 2022-23 is based on the performance for H1 of FY 2022-23. Though there was surplus in 2020-21 and 2021-22, however, there will be deficit in FY 2022-23 and 2023-24.

TPCODL has submitted that TPCODL has not been transferred any surplus as has been claimed by the objector and consequently they are unable to comment upon the same other than the fact that CESU's audited balance sheet as on 31.05.2020 (prior to Effective Date) reflects accumulated loss.

TPNODL and TPWODL have submitted that as per provisions of OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions of determination wheeling tariff and Retail Supply Tariff) Regulations, 2014 had filed the Petition for Revised Truing Up of FY 2020-21 (3 months), Truing up of FY 2021-22 along with original ARR for FY 2023-24 on 30.11.2022. However, the Commission directed the DISCOMs to file the revised ARR for FY 2023-24 within 15 days from the date of the Gazette Notification of the New Tariff. Accordingly, the licensee in accordance to the new Tariff Regulations, 2022 had only filed the revised ARR for FY 2023-24. The licensee has submitted that it is well guided and follows the provisions of the Regulations and Codes of the Commission.

25. **Non-Constitution of Commission**

One of the objectors pointed out that the Chairman of the Commission has not yet been appointed for more than 12 months which is inconsistent with the provisions of the Electricity Act, 2003 and hence the last year's tariff may be carried forward, till the appointment of regular Chairperson and initiate fresh hearings after appointment of Chairperson of the Commission.

Rejoinder of the Licensee

The licensee has submitted that the objection raised is beyond the scope of present proceedings.

26. **Auctioning of Distribution Utilities in favor of Tata Power:**

One of the objectors raised the issue of sale verses auctioning of Utilities at throwaway price. The objector pointed out that in case of sale it becomes necessary to recast the Balance Sheet of the Utility, basing on which the Equity is determined for sale purposes which is the prudent practice. Act empowers sale of Utility; however, the utilities were auctioned by fixing reserve price. The net worth of the four utilities of Odisha inclusive of Govt. Grant Assets was not less than Rs 10,000 Cr.

Rejoinder of the Licensee

No specific reply has been filed by the DISCOMs.

27. **Cash basis of regulatory accounts vis a vis Accrual basis accounting**

One of the objectors pointed out that the cash basis accounting is more real than the accrual basis accounting. The regulatory accounts of SERC primarily consider cash basis accounting for the purpose of pass out of the ARR cost because of the mandate stipulated in the Electricity Act, 2003. The objector has urged OERC to opt the cash basis accounting.

Rejoinder of the Licensee

TPCODL has submitted that the audited Financial Statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (as amended from time to time) and it includes expenditure on accrual basis.

TPNODL and TPWODL have submitted that the licensee has been maintaining the account as per provisions specified in Regulation 1.2.1 (30) of the OERC (Terms and Conditions of Wheeling and Retail Supply Tariff) Regulations, 2022 and in accordance with Companies Act, 2013.

28. **Power cuts and unreliable Power supply**

One of the objectors argued that the state had experienced huge power cuts and unreliable power supply during extreme summer. Rural consumers also experience huge pain in acute summer. Increased power cut was due to short approval of power demand for the state. Also, the poor R&M, increased gap between peak and off-peak demands, unplanned annual overhauling of Generators and ineffectiveness of GRIDCO are some of the reasons for increased power cuts. As the consumers are paying full cost for the power supply, they should not be prevented from getting reliable power supply. Remedial measures should be taken to ensure reliable power supply to all consumers.

Rejoinder of the Licensee

TPNODL & TPWODL submits that the licensees have initiated number of activities for reduction of interruption, break down etc. during last two years. Since FY 2021-22, TPNODL has attained many achievements such as establishment of 24x7 & Operational Power System Control Centre (PSCC) and provided mobile applications to all 33/11KV Primary Sub-Station to collect the operational information, Planned Outages monitoring and information pass on to consumers regarding the outages in their area before 48 hrs.

TPCODL has submitted that there is no intentional power cut by TPCODL except the breakdowns and outage taken for the purpose of preventive maintenance. TPCODL has been providing steady and reliable power supply to its customers across its geographical area during Current Financial Year. TPCODL has largely focused on preventive maintenance of its existing network and assets and hence there were large scale maintenance activities on the 11 & 33 KV Feeders are being carried out in terms of "tree trimming" / damaged pole upkeep / low sag conductor restringing/ jumper repairing etc to keep network equipment in good and healthy condition. TPCODL has further submitted that, the distribution system reliability is measured by some of the indices i.e. SAIDI and SAIFI. The above indices for the period FY 2021-22 and 9 months' period of FY 2022-23 are: SAIDI (hrs) 155 and 114 and SAIFI (nos.) are 377 and 282 respectively and the report shows considerable reduction in number of failures /outages. TPCODL submitted that in case of planned outages, consumers are informed beforehand and in case of every major breakdown, the same is communicated to our centralized Call Centre so that consumers may be benefitted.

29. **Energy and Demand Forecast**

One of the objectors submitted that the energy forecasted by all the four DISCOMs together and that by GRIDCO and OPTCL is different and needs reconciliation. Also the demand forecasts are different than that of GRIDCO and OPTCL and hence need reconciliation.

Rejoinder of the Licensee

TPNODL has submitted that the licensee forecast demand (SMD - 1396 MVA) based on the past record and additional load growth in each category and additional load towards upcoming EHT consumers for FY 2023-24. Whereas, the SMD of the DISCOM as recorded by GRIDCO is without deducting demand component of open access drawl by industries.

TPWODL has submitted that the licensee has projected 1850 MVA as SMD for FY 2023-24 considering the average SMD of 1st six months of FY 2022-23. The licensee has submitted that demand projections (SMD) for a year are estimated based on load mix, consumption pattern and other economic policies. The licensee has submitted that GRIDCO has projected higher demand for TPWODL than projected by DISCOM.

30. **Higher AT&C Losses**

The AT&C losses in Odisha DISCOMs are higher than the national average of 20.73% for FY 2019-20 or higher than the state sector DISCOMs having average AT&C loss of 21.50% or the private sector DISCOMs loss of 7.95%. Further, Commission had also approved higher losses year on year and the inefficiencies of the DISCOMs are passed on to the consumers. Objector urged to take pragmatic action to improve the performance of DISCOMs. Also the targets set for AT&C loss reduction in the vesting order are very low as compared to the actual performance of the licensee and the objector requested for review of the AT&C loss targets set under the vesting order.

Rejoinder of the Licensee

TPCODL has submitted that the Commission in its Vesting Order has set the AT&C loss trajectory for tariff determination till FY 2030 thereby insulating the consumers from the actual performance of the DISCOM. Against the respondent’s observation that the higher T&D loss are being approved than actual loss, it is clarified that the approved T&D loss for FY-21 as considered for Tariff determination was 22.93 % against which the actual T&D loss was 25.9% (for 12 months) and 24.9% (for 10 months June’20 to Mar’21). Similarly, for FY -22, the actual T&D loss was 23.69% against the approved T&D loss of 22.93 % used for tariff determination.

TPWODL submitted that the Commission under the vesting order has already decided the normative AT&C loss level trajectory till FY 2030-31 for determination of ARR and consequent tariff and hence, the tariff of consumers is not impacted by actual distribution loss of the licensee.

TPNODL & TPSODL submitted that the actual level of loss of DISCOM would not affect the consumers at all. The Tariff would be determined by the Commission on the basis of loss trajectory specified in the bidding document and in the Vesting Order. Hence the consumers are insulated from the actual loss levels of DISCOMs.

31. **Need for reduction of normative HT loss**

Some of the objectors pointed out that the normative HT loss level of 8% is being considered for tariff determination for long period and there is need to revise the same close to 4% or atleast need to have reducing trajectory instead of present constant 8%. The licensee is incurring huge CAPEX investment and the same will lead to loss reduction and hence the HT loss should have reducing targets. One of the objectors pointed out that the licensee has not yet completed 100% feeder and substation metering. Without this Energy Audit can't be completed. Further, without proper Energy Auditing of losses, the estimated losses projected can't be accepted.

Rejoinder of the Licensee

Licensee submitted that the T&D loss of 8% is applicable for HT Open Access Transactions. The estimation of sales by the DISCOM as well as the approval of the same in the Tariff Order are not based on the HT T&D Loss. Hence the tariff to consumers are not impacted by the loss levels for HT. TPSODL submitted that the licensee is in the process of installing the infrastructure for carrying out the Energy Audit. After installation of the same, the loss level for HT i.e. 33 kV and 11 kV can be determined and the licensee proposed to complete the infrastructure development activity to access actual HT loss by end of FY 2023-24.

TPCODL submitted that, they have carried out software based load flow study (CYMEDist software) for 33KV & 11KV Network and assessment of technical loss in the network has been done. Based on the assessment, HT loss at 33 KV and 11 KV was aggregating to around 8.5%. In view of the above, the Commission's approval of HT loss to the tune of 8% is reasonable in the current situation.

TPNODL & TPWODL submitted that the Commission in its Tariff Order has approved the HT loss to the tune of 8% which is justified in the current situation. The licensee submitted that the work of system strengthening, network augmentation, setting up

33/11 kV substations is in progress. The Licensee hopes that in future years the T&D loss may be reduced taking into account the network situation prevailing at the time.

32. **Energy Audit and metering of DTs and Feeders**

One of the objector cited RST order 2006-07 wherein the Commission insisted for consumer-feeder-transformer metering for correct reading of technical losses and billing to the consumer on the basis of correct meters. The DISCOMs are not submitting the authenticated data based on the energy audits. The expenditure of energy audit has gone astray and not served the purpose. The objector further pointed out regulatory violations by DISCOM.

Rejoinder of the Licensee

TPCODL submitted that, they have established dedicated Energy Audit Group to carry out Energy Audit Activities. They are strengthening the group by appointing experts from IT, Finance and Technical departments, which is led by an Energy Manager as per the guidelines of Bureau of Energy Efficiency (BEE). This group carries out energy audit and submits the Quarterly & Annual Energy Audit Report to BEE, State Designated Agency and OERC in the prescribed format as per the guidelines issued by them from time to time. Further, these reports are verified by an External Third Party Accredited Energy Auditor as per the guidelines of BEE and PAT regulations.

TPWODL has submitted that the licensee had engaged M/s. Power tech consultant for conducting third party audit of FY 2021-22 who had completed the audit and provided the audit report in October'2022. Key findings of the said report have been captured under Energy Audit details in the ARR. TPWODL management is committed to carry out the energy auditing activity in scientific and professional manner and in coming years it will yield result.

33. **Compensation for violation of Regulations by DISCOMs w.r.t. Standard of Performance (SOPs)**

One of the objectors pointed out the regulatory provisions framed under section 57,58,59 of the Electricity Act 2003 to protect the interest of the consumers. But till date not a single consumer could get compensation under SOP though there are various violations of regulations by DISCOM. Further, the objector requested the Commission to look into the matter as to why the GRFs are not inclined to award compensation to affected consumers for violation of SOPs. Further, the objector appealed DISCOM to encourage automatic compensation to consumers against the violation of SOPs and penalize the field officers for negligence. Quarterly reports of the same should be submitted to the Commission and made available on website.

Rejoinder of the Licensee

The licensees did not provide specific reply to the objection raised by the objectors. TPSODL acknowledged the receipt of objections and thanked for bringing to the notice of TPSODL the issues related to the non-compliance in the area of Energy Bill, provisional billing and also the difficulties faced in providing power supply to prospective consumers. In case of disconnection notice, TPSODL submitted that for LT consumers, TPSODL is providing the Disconnection notice (wherever applicable) with the next bill. The receipt of the bill (along with the Disconnection notice) serves as an acknowledgment. Only after such notice (after 15 days), the power supply is disconnected. TPSODL submitted that as objections raised are not related to the ARR filings they may not be able to provide a suitable reply in the present submission and requested the objector to mark the specific cases to Chief Commercial Officer of TPSODL.

TPCODL submitted that they have carried out SoP Audit for FY 2021-22 through a third party and submitted the Audit report to the Commission.

34. **Consumer Service and Co-ordinating Officers of DISCOMs**

One of the objectors submitted that in most of the rural areas, the internet access is not that good and hence consumers may be permitted the offline power supply application in local offices till 100% mobile network is ensured in rural areas. The rural consumers should not be forced to travel to urban areas and incur expenses for submission of online applications. Further, some of the consumers have complained about very strict and restricted access to utilities offices for the consumers and they are facing issues in communicating and getting their problems resolved with the help of senior officials. The consumers also requested for appropriate dress codes to employees for easy recognition of staff and the business associates or outsiders. Also, the objectors requested for disclosure of official phone numbers and email address and areas of work of key officials on company websites and be displayed at local offices to facilitate the consumers to approach appropriate staff for resolution of their issues. Licensee were required to come up with the notification of designated officer for different services and charges after the vesting order. The objectors also proposed that the customer care phones should be avoided during holidays and lunch hours.

Rejoinder of the Licensee

TPSODL acknowledged the receipt of objections and thanked for bringing to the notice of the licensee the issues related to the non-compliance in the area of Energy Bill, provisional billing and also the difficulties faced in providing power supply by prospective consumers. TPSODL submitted that they have issued identity cards to all the employees including those who are Business Associates of TPSODL for identification.

They submitted that as objections raised are not related to the ARR filings they may not be able to provide a suitable reply in the present submission and requested the objector to mark the specific cases to Chief Commercial Officer of TPSODL.

35. **Issues with regard to Electricity Bill Format with requisite information including recording of demand for LT Consumers**

Some of the objectors pointed out that electricity bill should be in two languages in Odia and English. The paper quality of electricity bill should be improved so as to preserve the same for long period. Further, the LT consumer's electricity bills do not contain the information related Recorded Demand and the bills are produced by considering the contract demand for billing purpose. However, the demand charges should be levied on the basis of recorded demand. The objector pointed out that licensee is violating the regulations and bills are not generated on the basis of recorded demand for LT consumers. The objectors further pointed out that, the bills are wrong and licensee cannot serve disconnection notice based on wrong demands. Some of the objectors pointed that the bills do not contain the information related to due date for rebate and the DPS and Rebate be disclosed separately.

Rejoinder of the Licensee

TPSODL submitted that there is technical challenge to issue bills for SBM consumers. However, such bills may be downloaded from the Website of TPSODL from 31st May 2023. Further, in case of estimates, TPSODL is presenting the estimates on the basis of the situation and providing the required details. In case the Commission has a particular format, it may direct TPSODL to provide the details of estimates in that format.

TPNODL submitted that the Licensee has already taken the necessary steps to provide the monthly electricity bill both in Odia and English language as per direction of the Commission. While we appreciate the objectors' concern, the licensee also in the process of printing the same in Odia language. The length of the energy bill would be reduced through involvement of technology in coming years

36. **Consumer specific complaints on violation of Regulations by DISCOMs**

Some objectors have submitted regarding violation of some specific regulatory provisions by DISCOMs referring to the GRF orders and the matters pending before the Hon'ble High Courts. Those matters relate to the claims of infrastructure costs, tariff categories, LT/HT billing issues, cost of AMR, meter rent and assessment under Section 126 and Section 135 of the Electricity Act, 2003.

Rejoinder of the Licensee

The DISCOMS submitted that the issues are not related to the present ARR filing and they requested the objectors to raise the issues at appropriate forum so as to take appropriate action in this regard.

37. **DSM and Consumer Awareness Initiative**

One of the objectors submitted that DISCOMs should conduct customer awareness drives for DSM.

Rejoinder of the Licensee

TPCODL has submitted that they have launched number of programs for the consumers in collaboration with vendors to purchase energy-efficient appliances such as Air Conditioners, BLDC fans and energy efficient Motors at a discounted rate and with extended warranty at consumer's doorstep. Licensee has signed a MoU with a EESL to distribute Energy Efficient Products like BLDC Fan, Super Energy Efficient AC and IE3 Motors. Licensee is also working with ESCO for energy audits and implementation of projects under revenue sharing model. Licensee has taken a note of suggestion to launch consumer awareness programs

38. **O&M Cost**

One of the objectors submitted that O&M is the second largest cost in ARR. Further, without the knowledge of opening balance as per the cash flow statement the ARR cost given cannot be trusted and be passed out prudently. The O&M costs projected for ensuing year are high as compared to the actual and the same should not be considered for projecting the ARR. The licensees have not submitted the cash flow statements. As per the PFC report the all India state average of O&M cost for state sector DISCOMs is 0.62 Rs/kWh and that of private sector DISCOMs is 0.54 Rs/kWh whereas the Odisha DISCOM has incurred Rs. 1.06 per kWh. The sharp increase in O&M cost for past, current and ensuing FY is the inflated cost of O&M.

Rejoinder of the Licensee

TPSODL has submitted that they have commenced operation on 1st January 2021 and FY 2023-24 is the 2nd full year of operation after excluding the initial 3 months of operation in FY 2020-21. During the initial year i.e. FY 2021-22, TPSODL was establishing the processes and practices and hence the expenditure of FY 2021-22 does not reflect the stabilized O&M cost and can't be the base for the future years.

TPCODL has submitted that, the O&M expense for FY 2021-22 are claimed based on audited Financial Statements which have been prepared in accordance with Indian Accounting Standards. With specific reference to employee cost, provisions were majorly created against 7th Pay Arrear, HRA arrear, Performance Pay, etc. which were paid in subsequent months of FY 22-23. It is pointed out that, the accounts including the expenditure incurred and provisioned are audited under stringent Accounting Standards, the True up claim is based on the same which is in line with the requirement of the Tariff Regulations. The projection of expenditure for FY 2023-24 has been done prudently based on the extant Regulations and the same has been included in the ARR filed for FY 2023-24.

In justification of reasons for increase in Employee cost, R&M cost and A&G cost, in FY 2022-23 compared to FY 2021-22, TPWODL has submitted that FY 2021-22 was the first year of operation, lots of issues from areas like meter reading, billing, collection, repair and maintenance of network assets, customer service, civil maintenance, hiring of employees, creation of different office set up etc. was the major challenge for the licensee. The ABP was filed in Feb-21 which was being approved in Oct-21, pending decision of the Commission, TPWODL was conservative in engaging the AMC contracts, carrying out competitive bidding process for appointment of circle wise MBC agencies, hiring of employees etc. Now from the current financial year the costs towards above initiatives has already taken up. Accordingly, the estimated expenditure for the current year i.e. FY 2022-23 onwards will obviously be higher and not unnatural than the costs actually incurred in FY 2021-22.

39. **Employee Cost and Recruitment of Staff**

Some of the objectors submitted that the employee cost proposed by the licensee is very high and the estimated cost is more than the Commissions approved cost which should not be approved without prudent check. Licensees are recruiting employees from other states and no preference given to locals. The objector requested the information on number of people recruited after vesting order, executive and non-executives, odia speaking in both the level etc. The CTC offered to new employees is quite high as compared to the outsourced employees working earlier and there are wide variations in salary structures. The non-executive staff retired is not filled through regular posts and are filled from outsourced employees. One of the objectors requested for grant of additional non-executive posts for absorption from outsources people. The licensee is recruiting staff based on the number of employees per consumers served. However, the licensee is outsourcing lot of activities and the outsource staff should also be considered while estimating the employees per 1000 consumers served for comparing the national benchmarks. Apart from the employees per 1000 consumers benchmark carried over years the actual employees required should go down due to implementation of IT infrastructure and online payment options in the licensee areas with enabling supporting mechanisms of rebates for online payment.

Rejoinder of the Licensee

TPWODL submitted that recruitment was prohibited by the Commission in the past for which no recruitment was made by erstwhile Wesco utility. However, on transfer of utility to TPWODL as per the vesting order staff deployment plan has been duly approved. Accordingly, as per provisions in vesting order TPWODL is permitted to deploy 4209 numbers of staff under different category. As regards FY 2023-24, the licensee has considered recruitment of 761 nos employee. With a continuous increasing consumer base and to maintain the ratio of 1.40 employees / 1000 consumers the recruitment done by the licensee can be justified.

TPNODL submitted that over the decades, there has been no recruitment and only after obtaining approval of the Commission, the applicant has made a comprehensive recruitment plan and made recruitments at strategic locations. Further, the employee cost over the years should have been seen along with the inflation over the years. The detail manpower recruitment plan has already been submitted before the Commission. As per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the applicant has submitted the required details in the prescribed format

TPSODL submitted that the period of FY 2022-23 reasonably presents the expenditure of a stabilized operation and may be used for future projections. They have projected the employee cost by considering a rise of about 8% in salaries and additional recruitment in FY 2023-24 and thereby additional cost.

Regarding the objections on recruitment of personnel in TPSODL, licensee submitted that, they have been operating TPSODL on the basis of the terms of the Vesting Order of the Commission. Further the recruitment of manpower is carried out on the basis of the approval of the Commission from time to time.

40. **A&G cost**

The A&G expenses proposed by the licensee are higher than the OERC approved A&G costs for the current financial year. Further, the estimated A&G expenses for the ensuring financial year are also higher. Objectors requested for prudent check of the expenses.

Rejoinder of the Licensee

TPSODL submitted that the licensee incurs normal and Special A&G expenditure. Further, these are permitted with 7% escalation. However, some of the expenditures are statutory and mandatory in nature and licensee feels it should be permitted at actual. The normal and special A&G expenditure is required for efficiently running of the operations, increase collection and improve billing processes, improve billing processes, and providing improved customer services. The expenditure in FY 2022-23 should form the basis of the estimation of expenditure for FY 2023-24 as the activities of licensee are getting stabilized. Licensee further increased in the MBC activity and also substantial increase in the rates for MBC.

TPNODL submitted that the licensee has prepared the ARR as per the provision of OERC (Terms and Condition for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022, therefore all the projections have been estimated in the ARR as per the norms and terms of the said regulation. Further, all the audited financial reports of licensee are also furnished to the Commission periodically for its prudent check.

TPWODL submitted that the licensee has provided detailed justification and head wise break up of the A&G expenses vide para 2.5 in its ARR application for FY 2023-24. The Commission has always approved the component wise ARR of DISCOMs with prudent check and proper justification.

TPCODL submitted that the licensee in its ARR Petition has given detailed justifications for Employee expenses, A&G expenses and R&M expenses at Page Nos. 37-54. Further, prudent check of the cost as estimated by the licensee shall be done by the Commission before approval.

41. **Gross Fixed Asset and CAPEX Plan**

One of the objectors referred to the PFC report comparing the per capital fixed assets across different states in India and pointed out that Odisha ranks 21 in terms of per capita capital fixed assets of the distribution licensee. It was further pointed out that Rs. 20,000Cr Government assets have been set aside from the books of accounts of DISCOM and urged to include the Govt. Assets in the books of accounts. One of the objectors submitted that all the DISCOMs have committed capital investment plan and as per the vesting order and compliance of the same so far be disclosed in the tariff order. Some of the consumers submitted that the DISCOMs should submit the benefits derived from infrastructure work completed through CAPEX plan and its impact on tariff.

One of the objectors objected that the all the LT/HT consumers to whom supply is required and where additional infrastructure is required are compelled to invest money at their own expenses. The objector requested for the information on how much consumer contribution made for creation of infra and was adjusted in energy bill as per the Regulation.

Rejoinder of the Licensee

TPSODL has submitted that they have filed separate petition providing the details of all schemes that have been proposed including the benefits arising from that scheme. In this petition, based on the quantum proposed in the Capex petition, appropriate amount has been considered for working out the ARR.

TPCODL has submitted that, they have utilized the grant made available to them in the opening balance sheet as well as subsequently they are sticking to the terms of the grant and any assets created out of the grant are being capitalized in the books of accounts. Further, TPCODL is providing audited statements to the Commission. TPCODL further submitted that, its CAPEX plan for FY 2023-24 is submitted to the Commission on 22.12.2022 and they have provided a detailed cost benefit analysis.

TPNODL has submitted that the licensee had submitted its CAPEX plan for FY 2023-24 to the Commission on 22.12.2022 providing a detailed cost benefit analysis.

TPWODL has submitted that the licensee places its CAPEX application in prior consultation with all stakeholders and investment proposal has been considered only on priority wherever there is requirement for overall improvement. The Commission approves the Capex amount for each year after considering every aspect and appoint consultant to check the relevancy of the Capex application.

42. **R&M Cost**

One of the objectors, submitted that the R&M being controllable cost, the licensees have proposed very high R&M costs for the ensuing FY 2023-24.

Rejoinder of the Licensee

TPSODL submitted that the Commission has been approving R&M for assets owned by TPSODL @ 5.4% of the Opening GFA and additional amount for assets that are not on the Balance Sheet. On the higher estimated R&M expenditure over Commission's approval, Licensee submitted that high losses are due to non-spending on R&M. The earlier licensee could not spend on R&M and they were only executing the breakdown maintenance which takes its toll on the reliability of the Network. They submitted that Distribution licensees are reluctant to take up any preventive maintenance and condition based maintenance unless sufficient amounts are allowed under R&M. Licensee has proposed preventive maintenance through outsourcing by placing performance based AMCs through Business Associates.

The selected BA's carryout regular surveillance in their operational area for timely detection of abnormal operating conditions of the equipment and report the findings to respective Area-in-Charge so that corrective actions can be initiated, implemented and monitored to prevent failures. It also involves rectification and maintenance of Overhead System, repairing/replacement of equipment, extensive trimming of trees, Daily and weekly registration of complaints and their closures etc. In addition, the expenditure is required to be incurred for Power Transformer repairs, DTs repairs, DSS Maintenance, DT Replacement, 33 KV Line repairs and Maintenance, HT Line Maintenance, LV Line Maintenance and maintenance of other equipment etc. The expenditure on R&M as per norm of 5.4 % of the GFA is clearly not adequate for carrying out satisfactory R&M expenditure and therefore, the licensees incur substantial increase in R&M expenditure after privatization as this expenditure was not incurred in the past.

TPSODL submitted that the asset base of Government Assets is about Rs 2406 Crores which is about 2 times the asset base of TPSODL and the approved expenditure of Rs 30 Crores on Government Funded assets is not sufficient.

43. **Depreciation**

One of the objectors pointed out that the cash flow statement of the licensee does not show any real payment of infrastructure loan and all the infrastructures are constructed with owner’s contributions or the grants. Due to pass out of unnecessary depreciation and no requirement of payment of interest on infrastructure loans, there is huge cash accrued with DISCOMs.

Rejoinder of the Licensee

TPSODL has submitted that the licensee has claimed Depreciation on the basis of the rates provided in the New Tariff Regulations, 2022 for assets created prior to take over of business (i.e. 1st January 2021) as well as for assets created thereafter. The Commission may decide the utilization of the same in the ARR in line with the provisions of the New Tariff Regulations, 2022.

TPCODL has submitted that Depreciation is claimed strictly in accordance with the provisions of the Tariff Regulations.

TPWODL has submitted that the licensee has calculated its depreciation cost on assets transferred under segregation order in straight line method at pre 92 rates and on assets created by the licensee as per new Regulation, 2022. As per vesting order at para No. 44 a(iii), “No depreciation shall be allowed to be recovered on assets created out of Government grants/capital subsidy/capital contribution from consumers irrespective of whether the corresponding grant is transferred to TPWODL or not”.

44. **Return on Equity**

One of the objectors proposed that GRIDCO has 49% stake in the DISCOM and equivalent ROE of GRIDCO equity should be set aside in this tariff proceeding.

Rejoinder of the Licensee

TPWODL & TONODL have submitted that they abide by the Regulations and Vesting Order of the Commission. It is strictly guided by and follows the appropriate Regulations and this is well within the ambit of the same. Furthermore, determination of tariff is the prerogative of the Commission u/s 61 & 86 of the Electricity Act, 2003.

45. **Non-Tariff Income**

One of the objectors submitted that apart from the normal revenue realization, the licensee generates revenue through non-tariff incomes like penalty on theft cases. The performance of licensee should be reviewed based on the collection of penalty as it is the major revenue under non-tariff income. NTI disclosed by TPWODL for FY23 and FY 24 is very less and hence the same needs detailed scrutiny.

Rejoinder of the Licensee

TPSODL has submitted that under non-tariff income they only receive income from DPS. The same is netted off by discount given to the consumers in the non-tariff income for FY 2023-24. They do not have any revenue from CSS.

TPCODL has submitted that the income from CSS (income from Open Access) has been taken into account while estimating the Non-Tariff income in the ARR FY 2023-24 petition. Further, they have provided detailed item wise break up of Non-Tariff income at Table 4-22 and Table 4-23 under the section 4.10 of ARR FY-24 petition. Also they have estimated the NTI by considering Rebate on Power Purchase Cost (incl. Transmission & SLDC charges), DPS (after allowing rebate) in Table 4-22 of ARR petition.

TPWODL has submitted that the Commission while approving the provisional truing up for FY 20-21 (3 months) in ARR for FY 2022-23 has set a principle that Meter rent, Delayed Payment Surcharge and Over drawl penalty are to be excluded from miscellaneous receipt. However, the Licensee has offered 1/3rd of DPS, ODP and supervision charges to be passed on in accordance with the regulation.

46. **Interest on working capital**

The licensees have abundant cash/bank balance in its books which has been utilized for the purpose of working capital. The cash flow statement does not show any short term loan floated by licensee and hence the claim of interest on working capital submitted by licensee in ARR may be rejected.

Rejoinder of the Licensee

TPSODL has submitted that the licensee has claimed Interest on Working Capital on the basis of the norms provided in the Tariff Regulations 2022. The Commission may decide the utilization of the same in the ARR in line with that provided in the New Tariff Regulations, 2022.

TPCODL has submitted that, they have working capital including Overdraft facility with banks like SBI, IDBI, Canara bank etc. amounting to Rs. 1022 Cr which were utilized in a prudent manner with dynamic drawls and repayments to match cash flow deficit/surplus. In their Cash Flow 'Proceeds from Working Capital Loan' refers to outstanding loan against Working Capital facilities i.e. Rs. 308.85 Crore. With respect to interest on working capital the extant Regulations require the same to be allowed on normative basis with any efficiency brought about by the DISCOM with respect to the actual interest on working capital vis-à-vis its normative allowance being shared with the consumers (1/3rd) and 1/3rd kept in Tariff balancing reserve, with only the balance 1/3rd being allowed to be retained/paid out as dividend by the Licensee.

TPNODL & TPWODL have submitted that the interest on working capital on normative basis claimed by the licensee is in line with the Regulation 3.10 of the New Tariff Regulations, 2022. Furthermore, the variation between the normative interest on working capital recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors.

47. **Revenue Subsidy and gap**

One of the objectors submitted that all the State Governments, except Odisha are paying revenue subsidy so as to keep the tariffs low. One of the objectors pointed out that the subsidy extended by Govt. of Odisha is capital in nature which has been scrupulously misappropriated. Objector requested to review the subsidy policy of Govt.

of Odisha. One of the objectors submitted that the policy and regulation do not provide any mechanism and scope to pass out revenue gap or revenue surplus / deficit in the ARR and requested the Commission to make the revenue gap as zero.

Rejoinder of the Licensee

TPCODL has submitted that they have submitted the true up petition for FY 2020-21 (10 Months) and FY 2021-22. In addition, they have estimated revenue gap for FY 2022-23 based on the actual performance for H1 and estimate for H2 of FY 2022-23 and they projected deficit (along with the carrying cost) upto end of FY 2023-24.

48. **Provision for Bad & Doubtful Debt**

One of the objectors submitted that the DISCOMs have proposed 99% collection efficiency and hence considered 1% as the bad debt. The objector pointed out that the 1% of the unrealized collection which is over one-year-old can be collected in the preceding 7 years. So practically (1/7) i.e. 0.15% should be the bad debt which is proposed by objector and requested for only 0.15% bad debt to be passed on to the ARR in the present tariff proceedings.

Rejoinder of the Licensee

TPSODL has claimed the provision for Doubtful Debts on the basis of the Tariff Regulations 2022. TPCODL also submitted that they have claimed the provision for Doubtful Debts on the basis of the Tariff Regulations 2022 which is allowed on normative basis of 1% of the total annual revenue billed for sale of electricity.

TPWODL & TPNODL have submitted that the Distribution Licensee abides by the Regulations and Vesting Order of the Commission. It is strictly guided by and followed by the appropriate Regulations and is well within the ambit of the same. Furthermore, determination of tariff is the prerogative of the Commission as per Section 61 & Section 86 of the Electricity Act, 2003.

49. **Wheeling tariff and OA charges for Renewables**

Some of the objectors referred to the Govt. of Odisha Renewable Energy Policy 2022 and highlighted the provision under policy related to reduced wheeling charges, transmission charges and no CSS for procurement of RE by industries. The objectors requested for guidelines from the Commission for implementation of Odisha RE Policy 2022.

Rejoinder of the Licensee

TPCODL submitted that the sole power for allowance of any concessions, etc. on levy of charges is with that of the Commission. The Respondent is aware that the exemption/ concession with regard to Wheeling Charges, Transmission Charges, Cross Subsidy Surcharge was withdrawn by the Commission in its Tariff Order dated 24.03.2022 itself. The Commission was of the view that, with the reduction in the cost of generation from the solar and wind plants, there may be no justification for continuation of concessional open access charges and burden on other consumers can be avoided.

TPWODL submitted that as per para 23.5 of Odisha RE Policy,2022, no CSS shall be applicable to industries on harnessing RE power through GRIDCO, which appears to be a different mechanism than prevailing Open Access. Further, as per RE policy the benefit is being extended only when it is generated inside the state of Odisha during the policy period. On other hand, MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023, where in it has been mentioned that. "(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -(a) transmission charges; (b) wheeling charges; (c) cross subsidy Surcharge; (d) standby charges wherever applicable; (e) banking Charge; and (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission. However, the Commission may take a judicious decision in this regard

TPNODL submitted that the Commission may pass necessary order as deem fit to promote scaling of RE projects in the state in line with Odisha Renewable Policy, 2022. However, the existing provision of levy of CSS and wheeling charges as applicable to consumers availing conventional power may please be continued for availing open access from RE projects outside the state.

50. **Cross Subsidy Surcharge and Open Access Charges**

One of the objectors submitted that the Cross Subsidy Surcharge (CSS) are high in the State of Odisha which makes the OA transactions unviable. Further, he requested to reduce CSS by 50%. One objector opined that CSS should be reduced progressively and the Commission still has not specified the procedure for progressive reduction of CSS. DISCOMs to submit the actual income from CSS for the past years and project the income for future and the objector proposed that CSS should not be levied on the consumption exceeding the forecasted consumption.

Rejoinder of the Licensee

TPNODL has submitted that Tariff Design and Determination is the sole prerogative of the Commission.

TPWODL has submitted that the Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. The licensee requested the Commission to suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period of time.

TPCODL submitted that Tariff Design and Determination is the sole prerogative of the Commission.

51. **Cross Subsidy surcharge & Average Cost of Supply**

Some of the objectors contended about the increased burden of CSS on HT and EHT consumers and they referred to the tariff policy provision wherein the applicable tariff was proposed to be kept with +/- 20% of cost of supply. One of the objectors mentioned that due to high cross subsidy surcharge, the industries are not able to go for availing power supply through open access

Rejoinder of the Licensee

TPCODL has submitted that the Commission has been determining tariffs in consonance with the provisions of the Electricity Act, 2003, as well as the National Tariff Policy. The Tariffs are stipulated by the Commission within ±20% of the average cost of supply of the DISCOMs. On the point, cross subsidy should be equal to cross subsidy surcharge which is collected to compensate the distribution licensee for financial loss incurred by due to loss of cross subsidy. The licensee submitted that the Tariff Design and Determination is the sole prerogative of the Commission.

TPNODL has submitted that, from FY 2018-19 to FY 2021-22, the no. of consumers availing open access has been increased from 11 to 18 whereas the quantum of power availed through open access has been increased from 1250 MU to 1550 MU during the same period.

TPWODL has submitted that the Commission has been reducing the applicable CSS for tariff fixation for various categories viz. EHT and HT over the period of time. 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. The said Clause 7.77 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." In table No. 22 of the RST order, the Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within ± 20% as advised in National Electricity & Tariff Policy. The licensee submitted that Commission may suitably decide the CSS keeping in mind the provisions under Tariff Policy.

52. **Issues in kVAh vis a vis kWh billing**

Some of the objectors pointed out that the DISCOMs purchase power at BSP which is charged on kWh basis. The unit rate being charged for consumers under kVAh billing is high as compared to kWh based billing. Further, due to kVAh based billing the consumers are not getting any PF incentive or disincentive. One of the objectors submitted that adoption of KVAh billing is the safeguard to the licensee from commercial point of view. By introduction of KVAh system of billing, the PF incentive is withdrawn and there is more revenue to DISCOM at higher kVAh recording but system may be damaged. The consumers pointed out that for working of the power system, reactive power is also required and hence they requested to reintroduce the kWh based billing with PF incentive and disincentives or may reduce the unit rates of the kVAh based billing.

Rejoinder of the Licensee

TPSODL submitted that, they are not able to appreciate the connection of kVAh billing with the standardization of DTRs by BEE. After a long time, the Commission has allowed kVAh billing instead of the kWh billing. While opting the kVAh billing, the Power Factor (PF) penalty and incentive was withdrawn. TPSODL submitted that such billing would improve the power factor of the consumer. Moreover, kVAh billing is prevalent in many states of India like Maharashtra, Himachal Pradesh, Delhi Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana and Punjab.

TPCODL & TPWODL have submitted that the Commission has introduced kVAh billing in FY-2021-2022 which was supposed to be introduced in FY-2014-2015. The licensee had submitted that it is an established fact that kVAh billing system would give benefit to both the consumer as well as the licensee in maintaining system stability, ensuring power quality and achieving loss reduction. In this regard, it is apt to submit that the Hon'ble APTEL in several cases passed orders in favour of the kVAh billing.

53. **DPS for Domestic & Commercial Consumers**

One of the objectors submitted that the DPS was introduced for delay payment of electricity bills by the domestic consumers. Some of the consumers pointed that the licensee is issuing provisional bills and the bills are also served late and DPS is charged which is penalizing the consumers. The licensee should take the acknowledgement of bills delivery. The objectors proposed to withdraw DPS till 100% metering is not done. Further, he pointed out that the FD rates are close to 6% and hence, the consumers are penalized by 18% DPS.

Rejoinder of the Licensee

TPSODL has submitted that, bills are being served to the consumers and only after the Due date, DPS is being charged as per the provisions of the Tariff Order. In case there is any specific instance of not following the order of the Commission, the same may be brought to the attention of TPSODL.

TPWODL & TPNODL have submitted that, to avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Commission has introduced Delayed Payment Surcharge mechanism. The licensee never intends that its esteemed customers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as deterrent for non-payment of bills in time. The objector is erred in comparing interest on fixed deposits to delayed payment surcharge which in turn is a penalty for non-payment of bills.

TPCODL submitted that the bill copy is being served to the consumers in time with proper due date. Also e-copy of bills is served immediately after generation of bill through whatsapp, e-mail and message to the registered number/email id. In case there is any specific instance of not following the order of the Commission, the same may be brought to the attention of TPCODL

54. **Billing through the defective meters and provisional bills**

One of the objectors submitted that billing through the defective meters be done as per Regulation instead of the average of summer consumption as proposed by the licensee. One of the objectors referred to the provisions of regulations where the provisional bills can be served not more than one billing cycle. However, this is grossly violated and around 30% of the bills are served as provisional and the same is impacting the collection efficiency of the DISCOMs.

Rejoinder of the Licensee

TPWODL & TPNODL have submitted in its ARR Applications that the licensee has requested the Commission for a practice direction for revision of the provisional bill in case of defective meter, considering the past corresponding period's actual consumption. That means if meter found defective in Summer, bill shall be revised considering actual consumption of summer only and if it is in winter, past winter period actual meter reading may be taken into consideration.

55. **Security Deposit (SD)**

Objector referred to the Regulation 52, 53 and 54 of OERC Distribution Conditions of Supply Code 2019 and referred to these provisions in detail for its implementation based on the actual SD deposited and the average bills and the revised security required. The excess SD deposited should be returned to the consumers. The information on shortfall and excess security deposit submitted by all the consumers be made available on website for excess and shortfall in SD. One of the objectors suggested that Security deposit interest is very low and it should be increased for all consumers. One of the objectors submitted that the MSMEs be allowed to deposit SD in three equal installments. It was also proposed that the security deposit be calculated to nearest hundred rupees instead of odd figures for easy transactions and for fair accounts.

Rejoinder of the Licensee

TPSODL has submitted that the interest rate on SD is decided by the Commission in each Tariff Order. The interest rate in turn is dependent on the SBI Bank rate and same as in March 2022 was 4.25% as explained in the Tariff Order for FY 2022-23 and recently the rates have risen. The Commission may revise the rates in the tariff Order for FY 2023-24 and TPSODL will pay the interest on the revised rate.

TPWODL and TPNODL have submitted that the distribution Licensees are being abided by the Regulations of the Commission and the specified Supply Code as in force from time to time. It is strictly guided by and following the appropriate Codes of the OERC (Conditions of Supply) Code, 2019 and is well within the ambit of the same.

TPCODL has submitted that the interest on Security Deposit is allowed by the Commission as per OERC Distribution (Conditions of Supply Code), 2019 which has been linked by the Commission in the FY 22-23 Retail Supply Tariff Order to the prevailing Bank Rate notified by RBI in the March 22. The fixation of benchmark rate of interest on security deposit is the sole prerogative of the Commission who shall decide the same for FY 2023-24.

56. **Separate consumer category for Railways**

East Coast Railways is sourcing EHT supply from all the DISCOMs in Odisha. Railways is providing efficient and eco-friendly mode of transport and has many such added advantages. Railways referred to the separate tariff category created by other states and requested similar separate tariff category for railways with concessional tariff. Railways requested for tariff at par with the EHT consumers having LF >60%. Railways also requested to extend LF benefits from 40% instead of 60% and requested to charge the unit rate at par with the cost of supply for EHT consumers.

Rejoinder of the Licensee

TPSODL has submitted that the Commission may design an appropriate Tariff structure for Railways. They also requested the Commission to compensate TPSODL for any reduction/increase in revenue due to change in tariff structure to Railways.

TPCODL has submitted that, the ‘Railway Traction’ is already a separate category (both under HT and EHT). With regard to the issue of Tariffs including fixation of Demand / Energy Charges, the Commission has the sole prerogative for Tariff Design and Determination of applicable Tariffs. The Commission may decide taking into account the submission of the Respondent including its phase of supply, load factor, etc. TPCODL further submitted that the Commission may take into account the adverse revenue impact of any such change in slab from 60% to 40% which would require compensation.

TPNODL & TPWODL have referred to the tariff for Railways in other adjacent States and Railway tariff in State of Odisha. The tariff applicable to Railways herein Odisha is much competitive. Hence reduction of Railways tariff as compared to other HT & EHT category will affect the revenue of the utility. When Railways is also being separately categorized under HT & EHT as "Railway Traction", there is no such requirement for creation of another specialized category.

TPSODL has submitted that the Commission may design an appropriate Tariff structure for Railways. However, TPSODL should be compensated for any reduction/increase in revenue due to the above change

57. **Ceasing of emergency Supply status**

Some objectors have objected on the licensees' proposal to cease the emergency supply status in case of breach of any of the required parameters for three consecutive months.

Rejoinder of the Licensee TPCODL

In order to ensure no misuse of the Emergency Supply provision and to allow DISCOMs to estimate and plan for their demand better, it has been proposed by TPCODL that in addition to the provision for Emergency Supply being restricted to 10% of the load factor of the highest capacity of Generating Unit, the maximum demand should also be restricted upto 100% of highest Generation Capacity. Further, in-order to avoid any ambiguity, TPCODL has requested to specify the over drawal penalty.

58. **Separate Consumer category for 'Mega Steel Plant' with special Tariff**

One of the objectors requested for introduction of a separate consumer category for Mega Steel Plant with special tariff.

Rejoinder of the Licensee

TPCODL has submitted that as per regulation, steel industries having contract demand of 100 MVA will come under heavy industry category. So, there is no need for creation of separate category. Further, tariff for all the categories under EHT is same and in the

RST Order FY 2022-23, the Commission had allowed additional rebates for steel industries."

TPNODL has submitted that the licensee has proposed a number of measures to support industrial growth. Presently there are 36 tariff categories. Increase in tariff categories will just create much complications in the procedure. However, the Commission may decide the matter on merit.

59. **Applicability of Industrial Tariff to Telecom towers**

Reliance Jio Infocomm Ltd, is being charged under commercial category at present. They have posed importance of telecom sector and their key role in IT sector. IT industries are being charged under Industrial tariff in AP. With wider penetration of 5G, more telecom towers will be installed across the country and hence, they requested telecom towers be provided with the supply under Industrial Consumer Category.

Rejoinder of the Licensee

TPCODL has submitted that, Fixation of Tariff is the sole prerogative of the Commission who may take appropriate decision in this regard. The licensee submitted that, telecom industries (Towers) is covered under General purpose (Category) category as per existing OERC Distribution (Conditions of Supply) Code, 2019 under Chapter-VIII (Classification of Consumer) and any change in classification would require amendment to the Supply code. Considering the nature of business of Telecom Company which is neither carrying out any process of manufacturing, etc., the licensee is of view that the present applicable GP rate for Telecom segment is appropriate.

TPWODL & TPNODL have submitted that other states have higher Industrial rate and commercial tariff for same load whereas Odisha has cheaper commercial rate. In Odisha if power supply in LT, then slab rate is applicable, where rate of initial slab is Rs.5.90 per unit and in case of HT supply the rate for consumption up to 60% LF is Rs.5.85 per unit and for consumption of more than 60% LF it is as cheaper as Rs.4.75 per unit. Therefore, the present applicable GP rate for Telecom segment is appropriate.

60. **Introduction of three slab graded tariff**

One of the objectors referred to the MoP report on "Electricity Tariff & Duty and Average Rates of Electricity supply in India – March 2019" and also referred to the PFC report on "Performance of Distribution Utilities for FY 21" from the perspective of comparative tariffs and tariff rationalization measures adopted across states. One of the objectors submitted that tariff should be rationalized as proposed under the Electricity Act, 2003 and tariff should reflect the cost of supply and the consumers at particular voltage should have same tariff. One of the objectors requested to reintroduce 3 slab graded incentive tariff. The objectors also submitted that with reopening of HT and EHT industries post COVID, the industrial consumption is going to increase. Also with "Make in Odisha Conclave" new industries are being planned in Odisha which will further increase sales and hence the objectors have requested for reduction in HT and EHT tariffs.

Rejoinder of the Licensee

TPCODL& TPWODL have submitted that, Tariff Design is the sole prerogative of the Commission and the licensee is of the view that the 3-slab based graded incentive tariff mechanism is not actually beneficial as it complicates the billing mechanism without offering commensurate benefit. In the 3 slab mechanism, the difference in slab tariff was negligible, but in two slabs, the difference is more than one rupee which is almost a reduction of 19%.

TPNODL has submitted that the determination of tariff is the prerogative of the Commission u/s 62 & 86 of the Electricity Act, 2003 and the Licensee is guided by the same.

61. **Load Factor Incentive to steel industries having Induction Furnaces**

Utkal Chamber of Commerce & Industry referred to the LF incentive extended to steel industries having Induction furnaces in the last tariff order. Along with Chamber some of the industries have also requested to extend the LF incentive to entire Iron and Steel sector having electric arc furnaces. One of the objectors requested to extend the LF incentive to alloy industry also. The objector submitted that operating the iron and steel plant at more than 85% is difficult due to the regular maintenance and hence proposed reduction of LF by 5% to make win-win situation for DISCOM and consumers and proposed the following changes:

Table - 16

	CD upto 6 MVA	**CD above 6 MVA**
For load factor of 65% and above up to 70%	10% on energy charge	
For load factor above 70% up to 80%	15% on energy charge	8% on energy charge
For load factor above 80%	20% on energy charge	10% on energy charge

Rejoinder of the Licensee

TPCODL has submitted that the Commission, in the RST order for FY 2022-23, has approved rebate for all HT consumers (steel plants with induction furnaces) having CD of 1MVA and above based on their LF. This load factor rebate structure recommended for the induction furnace specially keeping in mind their consumption pattern. Since Tariff Fixation is the sole prerogative of the Commission and therefore, the Commission may decide the request of the Respondent.

TPWODL submitted that the Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the state of Odisha. However, the Commission may take a suitable decision in this regard.

62. **TOD benefit**

Some of the objectors requested to make broad classification of consumers eligible for TOD tariffs. Further, to promote demand side management and to encourage the consumers to shift their load from peak hours to off peak, the objector requested to increase the TOD benefits from 20 paisa to 50 paisa per unit. One of the objectors pointed out that DISCOM has not introduced remote metering and still undertaking manual meter reading. Further, licensee is not giving supportive dump reports to consumers as and when asked for, in case anomalies are observed in bills even after making payments.

Rejoinder of the Licensee

TPCODL has submitted that, they do not agree with the proposal as majority of TOD rebate are being availed by the HT and EHT consumers and revenue realisation from HT & EHT will be reduced on allowing additional TOD rebate which may result in additional tariff hike for all the category of consumers. Any fixation of the same is the sole prerogative of the Commission.

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

TPWODL has submitted that the load curve behavior/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Hence, in spite of increase of 30paise/unit in ToD rebate, changes in overall ToD mechanism may be more beneficial. The Commission may take a suitable decision in this regard.

63. **Revision of Reconnection Charges**

Some of the Objectors submitted that licensees do not maintain record of disconnection and reconnection as per Regulation 51 of the Supply Code and the same is required to be verified by the third party and the data is not provided on website. The disconnections are done without issuing proper notice. Licensee's proposal to revise reconnection charges which is very high will not have positive effect and hence it should not be considered.

Rejoinder of the Licensee

TPCODL has submitted that the proposed reconnection charges are only in case of such non-smart meters which cannot be remotely disconnected and connected. TPCODL has proposed for revision of reconnection charge due to the increase in costs as these charges have remained at the level fixed in 2012. The licensee proposed that they do not intend to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers.

TPNODL and TPWODL have submitted that the biggest challenge in the field even after disconnection, consumers are reconnecting power supply through their own means and ways. This is not only affecting business of the licensee, but at the same time, risk of fatal accident cannot be ruled out. It is not possible to monitor post disconnection by 24 x 7 with the available resources as well as it is not cost effective. Further, reconnection charges are continuing since last 10 years even though BST and RST of DISCOMs have been increased number of times.

64. **Introduction of Special Tariff for the industries who have closed their units**

Some of the objectors have proposed modification in the Special tariff structure proposed by TPWODL for encouraging the closed industries to re-start their production. The objectors proposed an additional discount of 50 p/unit on entire energy charges to be provided to industries who will start their operation in FY 2022-23. The objectors also proposed that the closed industries availing this revival discount should be eligible for additional discount and load factor incentives and other tariff structure related to the operating industries.

Rejoinder of the Licensee

TPWODL has submitted that the proposal submitted by licensee in its ARR application for FY 2023-24 is for revival of the closed industries and is beneficial for both industry as well as DISCOMs. The licensee in its proposal submitted to the Commission requested for an incentive equivalent to 20% on entire units consumed if achieves 60% L.F. in a month, provided that the industry has to start with the load when it was closed and no load reduction is permissible before or after availing this benefit during FY 23-24.

However, the modifications suggested by the objectors appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating and it will create disparity among the industries which are operating at present and those which shall re-start their operations. The licensee requests the Commission to take appropriate decision in this regard.

65. **Modification in the applicability of Special Tariff Structure applicable to steel industry based on load factor and Special tariff to Industries having CGP having CD < 20 MW.**

Some of the industries are opposing to the modification proposed by TPWODL in special Tariff Structure applicable to steel industry based on load factor and Special tariff to Industries having CGP having CD < 20 MW. The industries propose that the present provisions as recommended by the tariff in FY 2022-23 tariff order may be continued without any change.

Rejoinder of the Licensee

TPWODL has submitted that Special Tariff Structure applicable to steel industry based on load factor as specified in Annexure B (vi) in the tariff schedule of FY 2022-23 tariff order issued by the Commission is applicable for all HT industrial consumers (steel plant) having CD of 1 MVA and above with the DISCOM. At present the LF based graded tariff can be availed by the steel industries having CGP as well as not having the CGP. The licensee further submitted that the industries having CGP prefer to keep lower CD with the DISCOM as they have CGP to meet their requirement of electricity and avail the benefit easily by maintaining the CD at desired level.

The licensee in its proposal submitted in ARR application for FY 2023-24 requested the Commission to make distinction between the Special tariff structure recommended for the industries under (vi) and (vii) in Annexure B to the effect that the Special graded tariff structure based on load factor shall be allowed to the steel plants **without CGP** and the special tariff recommended in (vi) in Annexure B shall be applicable to any industry having CGP **with CD** up to 20 MW willing to avail power from DISCOMs up to double the CD without over drawl penalty .

66. **Issues regarding Meter Rent and recovery period**

Some of the objectors pointed that the licensee's proposal to increase the meter rent for installation of smart energy meters is in the interest of licensee as AMC facility of smart meter is required by licensee. Consumers are getting the supply through normal energy meter and they do not require AMC facility. Hence the cost of replacement of existing meters should be borne by licensee. They also submitted that the energy meter rent being collected for 60 months is proposed to be enhanced to Rs. 80 per month is very high and the licensee may be permitted to recover the meter rent up to the cost of meter only. The MMFC for LT domestic consumers is Rs 40/- and the proposed meter rent of Rs. 80/- is higher than the fixed charges and meter rent should not be increased. Licensee is collecting Rs.40 as meter rent for 60 months which is totaling to Rs. 2400 against the meter cost of Rs.1000/- and hence meter rent needs to be reviewed. One of the objector suggested to use the existing operational electronic meters for street lights or other BPL consumers in rural areas without replacing with the Smart Meters.

Rejoinder of the Licensee

TPSODL has proposed for enhancement of meter rent to the Commission considering the cost of meter, its box and cost of installation discovered recently through a tendering process. The rents proposed, after considering the cost of funds are just adequate to meet the capital cost of the meter in 5 years. In order to reduce the burden on the consumers, TPSODL has proposed the recovery of the meter rent in 7 years. They further submitted that meter rent would be recovered on the basis of the Supply Code Regulations and on the basis of the directions of the Commission.

TPCODL has submitted that, the cost of a Single Phase Smart Meter is presently in the range of Rs.4,500 to 5,000 including meter-box, seals, etc. inclusive of GST. Beyond a point, additional bulk purchase does not result in linear or pro-rata reduction in price, with such marginal benefits of scale reducing progressively. They further pointed out that, with Rupee depreciating, the cost of Smart Meters has risen due to sizeable imported components.

TPNODL has submitted that the consumer has always an option to install own meter and in such a case, meter rent is not recoverable. Further, cost of meter needs to be considered along with other incidental expenditures like installation cost, etc.

TPWODL has submitted that the Commission had permitted the recovery of Smart Meter cost through monthly meter rent. Currently, TPWODL recovers an amount of Rs. 1500/- (Meter Cost - Rs.1271/- + Rs.229/- GST) under "Mo Bidyut" towards installation of Single-Phase meter while providing new connection. The cost of Single-Phase Smart Meter would be around Rs.4500/- (with GST) including installation which needs to be recovered from the consumer. However, as per existing RST order for single phase Smart meter, monthly meter rent is only Rs.60 and licensee are permitted to recover maximum upto 60 months. As a result, entire cost of Smart Meter including cost of installation is not fully recoverable. Hence, the Licensee has requested the Commission for suitable revision of the monthly meter rent i.e. from Rs. 60 to Rs.80 for Single-Phase Smart Meter.

67. **Creation of Energy Police Station**

One of the objectors pointed out that licensees have made no use of these police stations over the years except bearing the establishment burden. The objector opined that in a democratic setup everything cannot be controlled through Law and Order, however licensees should try to change the consumer behaviour through awareness and rapport. Technology can be used to detect pilferage and to take remedial measures.

Rejoinder of the Licensee

TPCODL has submitted that creation of Energy Police Stations shall have a salutary effect towards prevention of theft and control, whose benefits shall accrue to the State and its consumers.

68. **Levy of Cyclone Resilient Cess**

Some of the objectors oppose the proposal of DISCOMs on the creation of separate Cess for building funds for initiating immediate network restoration activities after cyclone.

Rejoinder of the Licensee

TPCODL has submitted that, the DoE has clarified that funds from SDRF and NDRF are made available only for immediate restoration and DISCOMs should plan for unforeseen contingent situations. As the frequency of natural calamities have increased, TOCODL felt imperative to create separate fund to build inventory bank to ensure quicker restoration of power after the calamitous situations.

69. **Modification in Rebate structure in the tariff applicable to Steel Industries**

Some of the industries propose changes in allowed rebate structure for the Steel Industries in the manner as provided below:

Table - 17

	CD upto 6 MVA	**CD above 6 MVA**
For L.F of =>65% to 70%	10% on EC	
For L.F of >70% to 80%	15% on EC	8% on EC
For L.F of >80%	20% on EC	10% on EC

Rejoinder of the Licensee

TPWODL has submitted that the licensee in its ARR application for FY 2023-24 proposes to continue the special rebate with more clarity on applicability of it. However, the objector in their objection stated that industries are facing difficulties in maintaining the LF approved by the Commission in FY 2022-23 tariff order and therefore has proposed a change in LF rebate mechanism as described above. The licensee submits that the Commission may take a suitable decision in this regard.

D. OBSERVATION OF STATE ADVISORY COMMITTEE (SAC) (PARA 70)

70. The Commission convened the SAC meeting on 15.03.2023. The summary of suggestions with respect to DISCOMs are placed below:

(a) The State Government should provide subsidy to MSME industries operating at higher load. As Tata Company is providing electricity throughout the State, appropriate measures may be taken so that it should not have monopoly. More numbers of GRF / Ombudsman offices can be set up. Adequate compensation should be given to the persons on whose land distribution infrastructure is erected.

(b) Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognised as power intensive industry and the benefit of special tariff can be extended to them.

(c) All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve. Further, awareness programme should be organised in this regard to sensitise the consumers.

(d) The employee cost suggested by DISCOMs is very high and is not acceptable because of adoption of technology & computerisation in each stage of operation. DISCOMs are not adhering to the Regulations framed by the Commission. DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the licensees, if allowed. Government should give subsidy to LI consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced. Further, proposed O&M cost, particularly the employee cost proposed by the DISCOMs is too high. All the O&M works of DISCOMs have been outsourced. Hence, 1.4 employees per thousand consumers appear to be very high. The Licensees have proposed outsourced employee cost also. That above 60% of the existing employees are sitting idle and outsourced staffs are managing the operations. Prudent check of the cost effectiveness of the proposed expenditure is to be made.

(e) More the consumption, Less the rate principle should be adopted since State of Odisha is considered as a power surplus State. Neighbouring State like West Bengal is charging meter rent of Rs.10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

(f) There should be waival of minimum fixed charges for industries. Fine imposed for overdrawl may be abolished. DISCOMs are serving the electricity bills with huge dues suddenly after a long gap of 2 to 3 years and insisting for payment at one go. This type of practices should be stopped. Further, the consumers may not be penalised for drawl beyond the approved contract demand.

(g) Sanitisation of consumer data base and introduction of KYC for all consumers to identify the actual consumers should be made. Consumer indexing linking to DTs will be helpful for DISCOMs for energy auditing. The consumers are not being informed about the power supply interruptions through messages.

(h) The electricity tariff in Odisha may be reduced like Delhi and Gujarat. Further, the Disaster Fund may be created from the Government Fund. DISCOMs are not following the proper procedure while assessing under Section 126 and Section 135 of the Electricity Act, 2003.

(i) Newly introduced OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations have not been followed by the DISCOMs while submitting the petitions. Penal charges (1% to 2%) may be imposed in coming years for non-submission of petitions in proper manner. Tata Power managed DISCOMs have earned a profit of almost Rs.1.00 per Unit during FY 2021-22 and as per Retail Supply Tariff Regulations, tariff is to be reduced progressively and one-third of the profit is to be passed on to consumers. In earlier era (managed by Reliance), salary of top executives was borne by Reliance. Cold storage (who are operating in 2 degree centigrade environment) can be given allied agricultural status and suitable order in this regard may be passed by the Commission. Standard design may be published by OPTCL/ DISCOM so that local MSME can manufacture the same and supply to them.

(j) Consumer should have right to select the vendor for installation of solar PV plant. DISCOMs must appraise the Commission about AT&C loss reduction in regular interval. DISCOMs should also submit Division-wise losses. Meter is an integral part in the electricity business like gas and telecom business. However, meter installation and its rent is becoming almost a new business for the DISCOMs. Addition of 1 P/U or 2 P/U in tariff should be made instead of charging the monthly meter rent.

(k) More structured ToD tariff is required to flatten the load curve. The present level of ToD tariff is very low, so the same may be increased. However, suitable incentive / penalty mechanism may be introduced. The generation of harmonics by steel and Aluminium Industries is also a concern. Harmonic measurement may be required for those industries. The industries generating harmonics and injecting to the system may be penalized.

(l) The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

E. VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (PARA 71)

71. Government of Odisha vide their Lr. No. 3402/ En., Bhubaneswar, dated 21.03.2023 have submitted their views on the tariff proceeding for the FY 2023-24 as follows:

(a) State Government has no plans to provide any direct subsidy to any class of consumers,since Government have been providing huge budgetary support over the years for creation of capital assets in order to keep the tariff low.

(b) The Commission may take an appropriate decision for extending agricultural tariff to bamboo clusters.

(c) PPAs are binding in nature. GRIDCO had moved OERC for disapproval of some PPAs with the hope that such disapproval would strengthen its case with MoP for surrender of those high cost PPAs. However, MoP has not agreed for permanent surrender of the PPAs; rather some PPAs have been temporarily allocated to other states, which needed that power. Hence fixed cost of all PPAs signed by GRIDCO needs to be provided to ensure financial viability of GRIDCO.

(d) In the matter of adequate coal supply to Vedanta for availing full entitlement of power as per PPA, GRIDCO is being advised to take necessary action.

(e) OTS cost of KBUNL and Ash transportation costs of NTPC needs to be recognized and provided for as it has already been paid. BSP of 3 DISCOMs namely, TPCODL, TPNODL & TPWODL may be increased as thought prudent by the Commission, to the extent not to increase RST during FY 2023-24. Remaining unrealized cost may be recognized as Regulatory Asset of GRIDCO to be recovered during subsequent years. The RST for FY 2023-24 may not be increased from present level.

(f) Government cannot provide any support for smart meters. OERC may consider recovery of the Smart Meter cost over an extended period. The back-end infrastructure for smart metering may be allowed in the CAPEX of DISCOMS.

(g) Interest burden of GRIDCO needs to be fully recognized in its ARR. The reason advanced by OERC for not recognizing the interest cost of loans incurred beyond 2015-16 is not reasonable. On the other hand, Government has been supporting GRIDCO through various means. State Govt. has provided soft loan of Rs.700 crore to GRIDCO during FY 2022-23. Another Rs.700 Cr. of soft loan is proposed to be provided during FY 2023-24. State Govt. has also converted Rs.2,039.39 Cr. of loan to equity in FY 2021 -22.

(h) As intimated vide this Department letter No. 3333 dated 24.03.2021, Govt. has agreed to extend the status-quo on up- valuation of assets of OPTCL, Generators and other licensees till FY 2025-26.

(i) Commission would have taken note of the submissions made by the Department's representatives during public hearings as well as SAC meeting. Hence. it is not necessary to provide further details in this regard, especially it is requested that necessary enabling provisions be made in the ARR/RST orders for giving effect to various provisions of RE Policy, 2022.

Also the following specific suggestions may kindly be considered.

(j) The cold storages may be promoted through concessional tariff. Drinking water supply system maintained by the Gram Panchayats need to be charged at a lower tariff. Commission may consider reduction of 6% supervision charges for Govt. funded projects as the investments made by Govt. ultimately helps in strengthening the distribution infrastructure. Government educational institutions consume power mostly during the day time. Until ToD tariff is implemented for them, they may be charged at a concessional tariff.

(k) Reference is invited to Letter No-11894 dt.03.12.2022 & 11896 dt.03.12.2022 of Energy Department. The Commission is requested to consider the suggestion for creation of material bank for restoration of network damaged by natural calamities.

F. OBSERVATION AND DIRECTION OF THE COMMISSION (PARA 72 TO 249)

New Tariff Regulations

72. 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 conditions on the new DISCOMs and they are duty bound to follow the same. Such conditions are like AT&C loss trajectory, and infusion of capex etc. In the meantime, the Commission has notified Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 on 20.12.2022. DISCOMs have filed their applications under this Regulation which has been notified under Section 61, 62 and 86 read with Section 181 of the Electricity Act, 2003. We shall dispose of the present applications of DISCOMs which includes ARR & Tariff application, Truing up application and approval of Business Plan application under the provisions of said Regulation. Similarly, the Open Access related applications of DISCOMs shall be disposed of under OERC (Terms and Conditions of Intra-state Open Access) Regulations, 2020.

Truing up

73. The Commission has carried out Truing up exercise in this order for the period 2020-21 (3 months/10 months) and FY 2021-22 based on the audited accounts. This is the second 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 2023-24 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, 4th 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.

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

74. The ARR and tariff applications of DISCOMs are to be considered under New OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 (OERC Wheeling & RST Regulations, 2022) framed under Section 61, 86 and 181 of the Electricity Act, 2003 and respective vesting orders issued under Section 21 of the said Act.

75. 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 2.5 of OERC Wheeling & RST Regulations, 2022. The said Regulations 2022 provides for segregation of accounts into wheeling business and retail supply business within one year of notification of OERC Wheeling & RST Regulations, 2022. The wheeling charges have to be determined on the basis of segregated accounts of wheeling business. Regulation 2.5.2 of the said Regulations provide the allocation matrix for segregation of accounts into wheeling business and retail supply business till the licensees submit audited segregated accounts for wheeling and retail supply business. The Commission has approved the allocation matrix as per the provisions under OERC Wheeling & RST Regulations, 2022.

76. 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. Further, Regulation 5.15.2 of OERC Wheeling & RST Regulations, 2022 provides that the Commission shall endeavor to reduce gradually the cross subsidy between the consumer categories with respect to the Average cost of Supply. Also the Commission is guided by the provisions under Regulation 5.15.3 wherein the Commission has to ensure that the tariff progressively reflects the cost of supply of electricity. The Commission has determined the category wise tariff considering the above provisions under OERC Wheeling & RST Regulations, 2022.

77. As per the Regulation 2.1 of OERC Wheeling & RST Regulations, 2022, the DISCOMs have to submit separate petition for approval of long-term Business Period spanning over the control period containing Sales and demand forecast for each consumer and sub category, Distribution loss trajectory and collection efficiency trajectory, Power Procurement Plan Capital investment Plan etc. of distribution licensees.

78. Due to time constraint, the DISCOMs have submitted the Business Plan for the FY 2023-24 only through their petitions which are registered as Case No. 11 of 2023 (TPCODL), Case No. 10 of 2023 (TPNODL), Case No. 12 of 2023 (TPSODL) and Case No. 13 of 2023 (TPWODL). The licensees have requested the Commission to grant some more time for filing of Business Plan for the balance period of the present control period i.e. FY 2024-25 to 2027-28.

79. The Commission has reviewed the application of Business Plan of licensees and found it appropriate to approve the ARR for FY 2023-24 (i.e. first year of the present control period). Considering the prayers made by the licensees. The Commission directed them to submit the business plan for the balance control period by 30th April 2023.

80. The Commission has scrutinized the sales estimate submitted by licensees for FY 2023-24 as per the provisions in Regulations 5.3.4 of OERC Wheeling & RST Regulations, 2022 as reproduced below :

"The Commission shall examine the forecasts for their reasonableness based on growth in the number of consumers, pattern of consumption, losses and demand of electricity in previous years and anticipated growth in the subsequent year(s) and any other factor, which the Commission may consider relevant and approve the sales forecast with such modifications as deemed fit. The Distribution Licensee(s) shall develop a robust database of all consumers with desired particulars regarding their demand to facilitate the forecasting process in accordance with the direction given by the Commission".

81. The Commission has reviewed the sales data (voltage -wise) for FY 2023-24 submitted by the licensees and observed that the licensees have projected energy sales for FY 2023-24 based on actual sale recorded during FY 2021-22, and revised estimate for FY 2022-23. The Commission has observed that there has been a significant difference in EHT and HT sales projected by the licensees for FY 2022-23 in comparison with that approved of by the Commission for FY 2022-23 in last tariff order. The Commission has directed the licensees to submit the actual monthly sales data for FY 2022-23 and reasons for higher HT and EHT sales for FY 2022-23. Similarly, the information about new and additional load under HT and EHT category for FY 2023-24 was also sought from the licensees. The Commission has considered the submission of the licensees while approving the sales for FY 2023-24.

82. The Commission has estimated the energy sales for FY 2022-23 considering the actual average monthly sales during nine months of FY 2022-23 and prorating the same for whole twelve months excluding Tripartite Agreement (TPA) sales. The Commission has noted the additional sales proposed by the licensees for FY 2023-24 in comparison to revised projection of FY 2022-23. The Commission has estimated the sales of different category of consumers (EHT, HT, LT) for FY 2023-24 considering additional sales quantum proposed by the licensees.

The details of approved sales and estimated sale of licensees for the FY 2023-24 are given in the Table below.

Table- 18
Approved sales for FY 2023-24 (MU)

	Monthly Avg. consumption (April 22 to December 22)	Estimate for FY 2022-23 by prorating the monthly average	Licensees Estimate for 2022-23	Licensees Proposal for ARR 2023-24	Additional sale projected by Licensee for 2023-24 over 2022-23	OERC estimate for 2023-24	OERC Approval for 2023-24
-	**1**	**2= 1 x12**	**3**	**4**	**5 =4-3**	**6 = 2 + 5**	**7 = Higher of 4 & 6**
TPCODL							
EHT	129.76	1,557.09	1,589.002	1,858.003	269.00	1,826.09	1,858.003
H.T	151.89	1,822.71	1,783.996	1,908.000	124.00	1,946.71	1,946.712
LT	381.38	4,576.51	4,414.997	4,902.176	487.18	5,063.69	5,063.690
Total (MU)	**663.026**	**7,956.31**	**7,787.996**	**8,668.180**	880.18	**8,836.49**	**8,868.405**
TPNODL							
EHT	207.13	2,485.50	2,497.221	2,953.300	456.08	2,941.58	2,953.30
H.T	51.76	621.13	632.810	685.584	52.77	673.91	685.58
LT	198.65	2,383.80	2,342.442	2,607.759	265.32	2,649.11	2,649.11
Total (MU)	**457.536**	**5,490.43**	**5,472.473**	**6,246.643**	774.17	**6,264.60**	**6,288.00**
TPWODL							
EHT	272.30 (Excl. TPA Sale)	3,267.54	2,861.000 (Excl. TPA Sale)	3,045.000 (Excl. TPA Sale)	84.00	3,351.54 (Excl. TPA Sale)	5,351.54 (Incl. TPA Sale)
H.T	175.15	2,101.81	2,025.000	2,123.000	98.00	2,199.81	2,199.81
LT	258.61	3,103.37	3,085.000	3,314.000	229.00	3,332.37	3,332.37
Total (MU)	**706.059**	**8,472.71**	**10,071.000**	**10,482.000**	411.00	8,883.71	**10,883.71**
TPA Sale		-	2100.000	2,000.000	**TPA Sale**	**2,000.00**	
TPSODL							
EHT	58.91	706.95	619.335	642.472	23.14	730.09	706.95
H.T	33.86	406.34	367.222	391.294	24.07	430.42	430.42
LT	181.13	2,173.56	2,385.096	2,552.775	167.68	2,341.24	2,552.77
Total (MU)	**273.904**	**3,286.85**	**3,371.653**	**3,586.541**	214.89	**3,501.74**	**3,690.14**
ALL ORISSA							
EHT	668.09	8,017.08	9,666.558	10,498.775			**10,869.79**
H.T	412.67	4,951.99	4,809.029	5,107.879			**5,262.52**
LT	1,019.77	12,237.23	12,227.536	13,376.710			**13,597.95**
Total (MU)	**2,100.53**	**25,206.30**	**26,703.122**	**28,983.364**			**29,730.26**

83. For projecting the power purchase quantum, Regulations 5.4 of OERC Wheeling & RST Regulations, 2022 mentions that power purchase quantum would be based on energy sales and calculated distribution loss derived from the approved AT&C loss i.e. bottom of approach is to be followed. The Commission has already approved the AT&C Loss trajectory in the corresponding vesting orders of the licensees. The AT&C losses proposed by Licensees and approved by the Commission for all four DISCOMs are given in the Table below:

Table-19
Proposed and Approved Loss of DISCOMs

	FY 2021-22 (Actual)	FY 2022-23 Approved	FY 2022-23 Estimated by licensees	FY 2023-24 Proposed by licensees	FY 2023-24 (Approved) by the Commission
TPCODL					
Distribution Loss	23.62 %	22.93 %	22.99 %	21.19 %	21.21 %
Collection Efficiency	98.06 %	99.00 %	99.00 %	99.00 %	99.00 %
AT and C Loss	25.10 %	23.70 %	23.76 %	21.98 %	22.00 %
TPNODL					
Distribution Loss	18.40 %	18.35 %	18.35 %	16.25 %	16.25 %
Collection Efficiency	94.20 %	99.00 %	99.00 %	99.00 %	99.00 %
AT and C Loss	23.13 %	19.17 %	19.17 %	17.09 %	17.09 %
TPWODL					
Distribution Loss	21.02 %	19.60 %	18.12 %	18.11 %	18.08 %
Collection Efficiency	92.67 %	99.00 %	97.20 %	99.00 %	99.00 %
AT and C Loss	26.80 %	20.40 %	20.41 %	18.93 %	18.90 %
TPSODL					
Distribution Loss	23.93 %	25.00 %	25.00 %	24.99 %	25.00 %
Collection Efficiency	89.14 %	99.00 %	94.00 %	94.00 %	99.00 %
AT and C Loss	32.19 %	25.75 %	29.50 %	29.49 %	25.75 %
ODISHA					
Distribution Loss	21.76 %	21.25 %	22.02 %	19.58 %	19.58 %
Collection Efficiency	94.23 %	99.00 %	95.40 %	98.38 %	99.00 %
AT &C Loss	26.28 %	22.04 %	25.61 %	20.88 %	20.39 %

84. Following the provisions given in Regulations 5.4 of OERC Wheeling & RST Regulations 2022, the Commission has approved the power purchase quantum for each licensee by considering the approved sales and approved distribution loss. Accordingly, the approved power purchase quantum and sales for FY 2023-24 of each licensee are given below.

Table-20
Purchase and Sale (proposed and approved by the Commission) for FY 2023-24

	TPCODL		TPNODL		TPWODL		TPSODL		ODISHA	
	Proposed	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**
Purchase	10999.00	11256.00	7458.90	7508.00	12800.00	13286.00	4781.27	4920.00	36039.17	36970.00
Sales										
EHT	1858.00	1,858.003	2953.30	2,953.30	5045.00	5,351.54	642.00	706.95	10,498.78	10,869.79
HT	1908.00	1,946.712	685.58	685.58	2123.00	2,199.81	391.00	430.42	5,107.88	5,262.52
LT	4902.00	5,063.690	2607.76	2,649.11	3314.00	3,332.37	2552.77	2,552.77	13,376.71	13,597.95
Total Sales	**8,668.00**	**8,868.405**	**6246.64**	**6,288.00**	**10482.00**	**10,883.71**	**3586.00**	**3,690.14**	**28,983.37**	**29,730.26**

Revenue Assessment

85. 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 2022-23, the Commission have estimated the revenue for FY 2023-24 for the DISCOMs as follows:

Table – 21
Revenue of DISCOM Utilities for FY 2023-24
(Rs. Crs.)

	TPCODL	TPNODL	TPWODL	TPSODL
EHT	1218.12	1813.86	3286.02	450.78
HT	1339.06	459.07	1350.95	286.82
LT	2613.51	1286.09	1615.02	1253.17
Total	**5170.68**	**3559.02**	**6251.99**	**1990.77**

86. **Tariff Related Issues**

Objectors have raised certain issues which are discussed below:-

- **Non-truing up of ARR of erstwhile DISCOMs**

One of the objectors stated that prior to the re-privatisation which started from FY 2020-21, the erstwhile DISCOMs had huge revenue surplus. The truing up exercise has not been carried out since 2014. The cash surplus available with those erstwhile DISCOMs should be passed on to the consumer. We examined the objection. We find that the licenses of erstwhile DISCOMs i.e. NESCO, WESCO & SOUTHCO were cancelled w.e.f. 04.03.2015. After that the Utilities of the DISCOMs were being managed through a scheme under Section 22 of the Electricity Act along with CESU. Subsequently the power Utilities were vested with new Licenses where TPCL holds 51% of the equity. During the period when Utilities were being managed through a scheme and after the year 2014 they had not filed any true up application with the Commission. Rather they had challenged the tariff orders of the Commission before Hon'ble APTEL stating that the revenue allowed to them in the successive tariff orders by the Commission was not sufficient to manage their expenditure. Hon'ble APTEL had accepted their contention and the order of the Hon'ble APTEL has been appealed before the Hon'ble Supreme Court by the Commission. The matter is sub-judice with Apex Court. Had the accounts of erstwhile DISCOMs were trued up as per the directives of Hon'ble APTEL then they would have deficit in their account. There was no question of any surplus being passed on through subsequent ARR of DISCOMs. However, the truing up their account will be subject to the final disposal of the matter before Hon’ble Supreme Court. The erstwhile Utilities were vested with new DISCOMs (Licensees) under Section 21 of the Electricity Act, 2003 which states that the Utility shall vest in the purchaser as the case may be free from any debt, mortgage or similar obligation of the Licensee or attaching to the Utility. Pursuant to that the Commission in the vesting orders of the Utilities has clarified that treatment of true up of past period i.e. for period prior to taking over or effective date, if any, shall be done by the Commission in a manner that will not cause any financial gain or loss to the new DISCOMs. Therefore, it is incorrect to state that had the truing up been completed for the past period prior to taking over of new DISCOMs, any surplus would have been passed on to the consumers in terms of reduction in tariff. Regarding truing up of the period after the taking over the new DISCOMs, they have filed their truing up applications upto FY 2021-22 (for the period for which audited account is available) as per Regulation in force with the Commission.

- **Higher AT&C Loss**

One objector has stated that the AT&C losses of Odisha DISCOMs are higher than national average and also are higher than private DISCOMs of the country. He further points out that the Commission has approved higher losses year on year basis and failuers of the DISCOMs are being transferred to the consumers in terms of higher tariff. He has requested the Commission to review the AT&C loss target given in the vesting order. In this matter we want to state that reduction of AT&C loss was a component in the RFP documents when the privatisation took place. As per the RFP documents the bidders were required to provide AT&C loss trajectory for first five years or 10 years of operation. It was also binding on them to reduce the AT&C loss below a particular level in the third and fifth years of operation. These are the conditions of vesting. The Commission also in the vesting order has given a 10 year AT&C loss trajectory for tariff determination which in initial years of taking over is less than the AT&C loss commitment by the DISCOMs. Therefore, the DISCOMs though are unable to achieve AT&C loss target for tariff determination still bear the differential loss between actual AT&C loss and AT&C loss set by the Commission for tariff determination. The DISCOMs will invest a huge sum of around Rs.5,640 Crores in the coming five years to reduce the AT&C loss and for improvement in quality of supply. Since the actual AT&C loss level at the time of taking over was high, therefore, DISCOMs will take time to reduce their AT&C loss to a desired level after investment in network upgradation. Hence, it is incorrect to say that the Commission has given higher AT&C loss target to DISCOM to achieve. Vesting order is a Judicial order and appealable in the higher forum. Any review of that order requires certain procedure and we cannot visit the same in the present order.

- **Normative HT Loss**

Some objectors have pointed out that the normative HT loss of 8% adopted by the Commission is in the higher side. After incurring huge expenses in CAPEX it should have been reduced. We want to state that after adoption of new Wheeling & Retail Supply Tariff Regulation, 2022 the Commission has changed the procedure for determination of the quantum of power purchase requirement. So normative loss of 8% has lost its relevance as far as power purchase requirement is concerned. The Commission has directed the licensees to complete the energy audit in HT segment early and find out actual HT loss. Once energy audit is completed DISCOMs will be required to reduce HT loss, if required by technical intervention.

- **kVAh billing and issues of PF incentives**

Some objectors have pointed out that DISCOMs purchase power at BSP which is charged on kWh basis. But HT and EHT consumers are paying in terms of kVAh. Therefore, they have requested to re-introduce kWh billing for HT and EHT consumers along with re-introduction of PF incentive and penalty. It is to be pointed out that kVAh billing is a simplified method and takes care of both power factor incentive and penalty. In case of higher power factor, kVAh billing will be less and will be nearer to kWh billing. The consumers should try to improve the power factor which will reduce technical loss of the DISCOMs and will also reduce the billing of the consumer. The BSP billing and consumers billing are two different concepts. In the BSP billing meeting the generation cost and transmission charges are of prime importance. But in the consumer billing in addition to above management of voltage at different locations of the network and reduction of line loss are also important. Unless drawal in kVAh are captured properly the tariff cannot be said to be an efficient one. Therefore, in the first phase, the Commission has introduced kVAh billing for HT and EHT consumers similar in line with many other States. It is also to be added that tariff determination is a ARR balancing mechanism where all the prudent expenditures of DISCOMs are balanced with the revenue collected from the consumers. So, the DISCOMs do not get unnecessarily enriched by paying BSP in kWh terms and charging consumers in kVAh term. Since power factor of each DISCOM has crossed 95%, the gap between kWh and kVAh is also narrowing down over the time.

- **Separate category and tariff for Railways**

Electricity Act, 2003 in its preamble mandates the Commission to rationalise tariff. Similarly, Section 61 (b) of the Electricity Act states that the generation, transmission, distribution and supply of electricity are to be conducted on commercial principle. This means the cost to serve a unit of electricity is to be recovered from the user. Accordingly, the Commission has tried to rationalise tariff by putting all the consumer categories into three voltage levels. This is because the cost to serve a particular voltage level is nearer to the cost to serve to a particular consumer category in that voltage category. Therefore, the tariff of any category of consumer at a particular voltage level has been made more or less equal irrespective of category in that voltage level except LT consumers. The Railway traction being an EHT consumer has been allotted a tariff equal to other EHT consumers since cost to serve railways at EHT is similar to the cost of service of other categories of consumer at EHT level. We are aware of the nature of traction load which operates below 50% load factor. Therefore, we are allowing rebate of 25 paise per unit to Railway Traction load for the FY 2023-24. The issue of feed extension raised by DISCOMs has been elaborately dealt by the Commission in the past orders. In this regard our Retail Supply Tariff order for FY 2007-08 may be referred as under

"5.25.5 Railways pleaded that payment of maximum demand charges from each of traction substation could be replaced by a system of simultaneous maximum demand recording in contiguous substation. It may be mentioned that the railway traction supply is given by different licensees from the EHT network of the OPTCL and billing is done for the supply made against agreements executed between the supply licensees and the consumer. Since separate agreements are executed for individual traction loads, it will not be possible to adopt SMD for billing on the basis of simultaneous maximum demand recorded in contiguous substations."

The Railway has executed different agreement for traction sub-stations and extension of supply from one sub-station to other is not permissible under the Regulation. This will create problem for the traction section which are near the interface of two DISCOMs. In that event, of feed extension from traction sub-section situated in one DISCOM to a traction sub-station in other DISCOM will add to the SMD and energy drawal of the first DISCOM. Since DISCOMs are different and their energy & SMD are fixed by the Commission separately for tariff determination, it cannot be interfered in this manner.

However, Railways is advised to enter into special agreement with DISCOMs under Regulation 139 of the OERC Distribution (Conditions of Supply) Code, 2019 to avail a special tariff and condition of supply.

- **Allotment of Industrial Tariff to the Telecom towers**

Reliance Jio Infocom has requested that their tariff for availing power supply to the telecom towers be made equal to industrial tariff instead of commercial tariff. The industrial category has been defined in the OERC Supply Regulations, 2019. The nature of activities associated with the telecom towers is different from that of industry as defined in the Regulation. Therefore, it is not possible include them under LT industrial tariff category.

- **Auctioning of Distribution Utilities in favour of Tata Power**

One of the objectors states that the Utilities have been auctioned at throwaway price. He pointed out that in case of sale, it becomes necessary to recast the balance sheet of Utility basing on which the equity is determined for sale purposes. We bring to the notice of the objectors about the provision under Section 20(1)(a) of the Electricity Act, 2003, where it states as follows:

"(a) the appropriate Commission shall invite applications for acquiring the utility of the licensee whose licence has been revoked and determine which of such applications should be accepted, primarily on the basis of the highest and best price offered for the utility;"

Accordingly, the Commission had launched the RFP which included the last audited balance sheet of the Utilities. The Commission had also fixed a reserve price above which the highest price quoted was to be accepted. This proves that the investors must have taken into consideration the balance sheet of erstwhile Utilities while quoting the purchase price.

- **Capital Fixed Assets and DISCOMs plan for CAPEX**

One of the objectors points out that as per PFC report, the per capita fixed assets of DISCOMs is one of the lowest in India. He urges that the Government assets should immediately be included in the Books of Accounts of DISCOMs. It is to be mentioned here that the majority of the Government assets is yet to be transferred to the DISCOMs. DISCOMs have only right of use of those assets for which a repair and maintenance cost is allowed to them by the Commission. This has been clearly mentioned in the vesting order of the Commission which states that in the event that the

Government assets are transferred to DISCOMs in lieu of equity investment by GRIDCO, the same shall be allowed in fixed assets base for determination of tariff. Therefore, Government assets shall be included in the Books of Accounts of DISCOMs in terms of equity contribution of GRIDCO as and when required. In view of this, comparing Odisha Distribution Assets in the Books of Accounts with other States is not fair.

- **Electricity bill format, content and demand charges basing on recorded demand**

Some objectors submit that the billing is done in English and recorded demand is not reflected in the bill. In this context, the Commission has been consistently urging upon the DISCOMs even before privatisation to prepare bill both in English and Odia. It is observed that they have started billing in Odia in some places. DISCOMs have informed during the hearing. It is expected that it will cover the whole State gradually. Regarding the issue of billing based on recorded demand, we reiterate our last tariff order for FY 2022-23 at Schedule -B which states that *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*.

We direct DISCOMs to obviate the non-recording of actual demand in the bill. However, with use of smart meter which is in the offing, this problem will be resolved.

- **Billing vrs. Recovery by DISCOMs**

One of the objectors has submitted that the recovery of the licensee is more than the billing. The DISCOMs have recovered more than the tariff determined by the Commission. He has estimated that the DISCOMs have collected Rs.2604.06 Crore from the consumers during the tariff period from FY 2021-22 to 2022-23. We mention here that the DISCOMs are strictly directed to bill the consumers in the tariff rate determined by the Commission from year to year. If any DISCOM has billed the consumer over and above the tariff determined by the Commission, then it will become a billing dispute. The objectors should raise this issue before the DISCOMs and get their bills rectified as per the law. In addition to that, the Commission has mechanism to adjust regulatory surplus / deficit in the ARR of DISCOMs in subsequent years through truing up mechanism.

- **Calculation of Cost of Supply**

One of the objectors has pointed out that the per unit cost of supply to the consumers should take into consideration the miscellaneous revenue other than the tariff recovered by the DISCOMs. In this regard, we reiterate our earlier RST order in FY 2022-23 below and clarify that miscellaneous revenue is extraneous to the core operation of the DISCOMs and can be utilized for many other purposes not necessarily for supplying power to the consumers.

"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.

- **Employee cost and recruitment of Staff**

Some objectors have pointed out that the employee expenses has been increasing due to higher salary offered to the newly recruited employees. The out-sourced personnel should also be considered while estimating employees for one thousand consumers. In this regard, we point out that the employee cost of the DISCOM is regulated as per the provision in Regulation 3.9.10 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and it has nothing to do with individual employee cost. The relevant provision is reproduced below:

"3.9.10.The expenses for the employees recruited after Effective Date shall be determined based on the formula shown below:

$EMP_n = EMP_{n-1} x\ (1+Index_{Escn})$

where,

$EMP_{n:}$ Employee Cost of Distribution Licensee for the ensuing year;

$EMP_{n-1:}$ Approved Employee Cost of Distribution Licensee for the year preceding ensuing year;

Provided that for first year of the control period EMPn shall mean employee expenses as approved by the Commission for the first year of the Control Period in the Business Plan;

$Index_{Escn}$ = CPIn

where,

'CPIn' (expressed in %) means the average yearly inflation of Consumer Price Index (Industrial workers) over the years for the nth year."

Similarly, the provision for number of employees per one thousand consumers has no relationship with out-sourced personnel, who have been deployed for a particular work. However, the DISCOMs take into account the expenditure in this regard during finalisation of employee cost only as per the Regulations.

- **Billing of HT consumers under LT Category**

One of the objectors has pointed out that HT consumers in case of <70 KVA CD are billed under LT category. Those consumers own the transformer. Therefore, it is wrong to add transformer loss in their bill. We agree with the contention that in that case, transformer loss should not be added in the bill because transformer loss is built in the LT tariff. Objector also states that the large industries >=110 KVA drawing power at LT have been paying demand charges at Rs.200 per month per KVA since many years. Their demand charges should be made equal Rs.250 per KVA similar to HT industries. We have examined the issue and found that LT large industry consumer pays higher energy charge than that of their HT counterpart, therefore, the demand charges has been consciously kept equal to other categories of consumers in LT having CD >=110 KVA as a part of the tariff rationalisation measures.

- **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.

- **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 clarified 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.

- **Additional Rebate of 4% to LT category of consumers for Digital Payment**

Since Digital rebate is yielding good result with increase in number of digital payment, DISCOMs have requested for enhancement in rebate from existing 3% to 4% for the LT domestic and General purpose consumers if the bill is paid in full. We agree with the proposal of DISCOMs and direct that 4% 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, if such consumer would pay the entire amount

- **Special tariff for drawl of RE power with premium rate**

In order to promote RE in the State and combat GHG emission the Commission in FY 2022-23 Retail Supply Tariff Order had introduced Special tariff for interested consumers to get a Green Consumer Certification by drawing 100% green power from the DISCOMs. For that purpose, they were to pay a premium of 50 paise per unit over the normal tariff of respective consumer category. The DISCOMs have requested the Commission to reduce the premium to 25 paise per unit and to simplify the procedure. We direct that the consumer interested in getting Green Consumer Certification shall pay a premium of 25 paise per unit over the normal tariff for full drawal of their requirement.

There are some obligated entities, particularly industries having CGPs who are required to fulfil their Renewable Purchase Obligation (RPO). Such entity can purchase their obligated quantum of renewable power from DISCOMs by payment of premium of 25 paise per unit over and above the normal tariff available to them. However, Green

Consumer Certification cannot be issued to such CGP as their 100% electricity consumption is not from renewable sources. The Commission has directed GRIDCO to allocate the total drawal of Renewable Energy from different RE sources among the DISCOMs as approved in GRIDCO's BSP order. While issuing Green Consumer Certification and selling renewable power to industries having CGPs for meeting their RPO, the DISCOMs shall operate within the green power allotted to them for the FY 2023-24 in GRIDCO's BSP order.

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

The Commission observed that some surplus power may be available with GRIDCO after meeting the State demand for the FY 2023-24. GRIDCO can sell such surplus power to the industries having CGP with Contract Demand (CD) above 20 MW through a tripartite agreement executed between GRIDCO, Distribution Licensee and the Industry concerned. The tariff for such sale of incremental power (beyond 80% load factor) to the industry having CGP with CD should be Rs.5.00/kVAh for FY 2023-24 provided that the drawee entity operates above 80% load factor and there shall be no overdrawal penalty. For sale of such intermittent incremental surplus power, GRIDCO shall get Rs.4.55/kWh, OPTCL shall get normal transmission charge of Rs.0.24 per kWh and DISCOMs shall keep the balance amount as margin, out of the fixed price of Rs.5.00 per kVAh.

Similarly, 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 80% of CD (minimum) for the entire month. The applicable charges for incremental energy drawl (kVAh) beyond CD shall be Rs.5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under any other schemes. 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. The concerned DISCOM must take prior permission of GRIDCO for providing this concession to consumer. Whenever, GRIDCO will have surplus power for a particular period, then it will give in-principle approval to the concerned DISCOM to draw power for selling to those industries.

The Issue of DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers

87. The issue of levy of DPS to above categories of consumers was raised by DISCOMs during hearing. The Commission thoroughly scrutinised the issue. It is found that levy of DPS is acting as a hurdle for small consumers in resolving their disputed bills. The revenue impact of DPS for these small consumers is also not substantial. Therefore, in order to resolve bill disputes quickly, the Commission decides to abolish DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers w.e.f. 01.04.2023.

Cross-subsidy in Tariff

88. Cross Subsidy has been defined in Clause 7.77 of the OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of the 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."

89. 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 2023-24 is follows:

Table – 22
Average Cost of Supply (per Unit) FY 2023-24

(Rs. In Crore)

Expenditure	**2023-24 (Approved)**
Cost of Power Purchase	12189.00
Transmission Charge	887.28
SLDC Charge	5.72
Total cost of Power Purchase, Transmission and SLDC Charge(A)	**13082.00**
Net Employee costs	2439.16
Repair and Maintenance	928.28
Administrative and General Expenses	532.92
Provision for Bad and Doubtful Debts	169.72
Depreciation	256.29
Interest Chargeable to Revenue including Interest on S.D	471.25
Sub-Total	4797.62

Expenditure	2023-24 (Approved)
Less: Expenses capitalised	**98.78**
Total Operation and Maintenance and Other Cost	**4656.46**
Return on Equity	225.08
Total Distribution Cost (B)	**4881.54**
Total Cost (A+B)	**17963.42**
Approved Saleable Units (MU)	29,730.26
Average Cost (paisa per unit)	**604.22**

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

Average Tariff realization = (Total expected revenue realisation from a category of for a category 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 - 23
Cross Subsidy Table for FY 2023-24

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 and EHT categories have been calculated based on average tariff of that category.
	HT		581.60	93.34	19.12%	
	LT		398.95	-89.31	-18.29%	
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%	
2023-24	**EHT**	604.22	622.71	18.50	3.06%	
	HT		652.90	48.68	8.06%	
	LT		497.71	-106.51	-17.63%	

90. It would be noted from the above that the 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 (CSS) payable by open access consumers to the DISCOM(s). The Cross Subsidy Surcharge (CSS) is applicable only to open access consumers which is discussed hereinafter.

Open Access Charges (Cross Subsidy Surcharge and Wheeling Charges)

91. 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.

92. As in the previous year, the 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 2023-24 and 'L' is assumed 8% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

93. The determination of wheeling charges is independent of distribution voltage level i.e. 11 kV & 33 kV. The wheeling as per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 means the operation whereby the distribution system and associated facilities of a Distribution Licensee, are used by another person for the conveyance of electricity on payment of charges to be determined under these Regulations. Therefore, Regulation does not differentiate distribution system in terms of voltage level and includes both 33 kV and 11 kV network. Therefore, the Commission determines a single wheeling charge for 11 KV and 33 KV.

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

Table – 24
Wheeling Charges Approved for FY 2023-24

	TPCODL	TPNODL	TPWODL	TPSODL
Energy Handled at HT (MU)	9398.00	4554.70	7934.46	4213.05
Net Distribution Cost (Rs. Crs.)	936.74	642.60	758.00	580.16
Wheeling Charge calculated for 2023-24 (Paise per unit)	**99.67**	**141.09**	**95.53**	**137.71**

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

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

94. 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 charges and transmission charges for open access customer for FY 2023-24 as given in Table below:

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

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

Additional Surcharge

95. As per principle followed in the previous order, the Commission has 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 Electricity Act, 2003. This is because no such case has been brought before the Commission by the DISCOMs. The Renewable Policy, 2022 of Government of Odisha shall be taken into consideration for availing renewable power through open access.

In summary,

(i) The wheeling charge, transmission charge and surcharge as indicated in above Table shall be applicable from 01.04.2023.

(ii) The normative transmission loss at EHT (3%) and normative wheeling loss at HT level (8%) shall be applicable for the year 2023-24.

(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.

Exemption under Odisha Renewable Energy Policy 2022:

(i) Fifty percent (50%) of Cross Subsidy Surcharge (CSS) are payable by the Open Access consumers, on consumption of energy from RE projects, commissioned in the State during the policy period for fifteen (15) years.

(ii) No Cross-subsidy surcharge are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(iii) 25% wheeling charge is payable by the Captive/ Open Access consumer drawing power from Renewable projects commissioned in the State during the RE Policy period for Fifteen (15) years.

(iv) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access consumers on consumption of energy from RE projects commissioned in the State, during the policy period for fifteen (15) years. This exemption shall be allowed for five (5) more years in case of projects commissioned before 31.03.2026.

FINANCIAL ISSUES FY 2023-24

Employee Cost

96. The four DISCOMs (TPWODL, TPNODL, TPSODL and TPCODL), in their ARR and tariff petition for the FY 2023-24, have projected higher employee cost compared to the approved cost in the ARR order for FY 2022-23. A comparison of the Employee cost approved for FY 2022-23 and proposed for FY 2023-24 by DISCOMs is shown in the following table.

Table – 27
Employee Cost (FY 2023-24)

(Rs. in Cr.)

Particulars	TPWODL			TPNODL			TPSODL			TPCODL			TOTAL		
	Approved 2022-23	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**
Basic Pay + GP	104.00	207.52	106.45	99.70	114.71	114.48	91.92	94.48	92.23	204.82	211.10	206.60	500.44	627.81	519.75
DA	38.48	59.84	47.90	36.89	43.26	51.52	34.01	41.57	41.50	75.78	99.21	92.97	185.16	243.88	233.89
Reimbursement of HR	15.60	26.71	20.40	14.95		18.14	13.79	18.90	16.71	30.72	42.22	39.45	75.07	87.83	94.71
Other allowance	4.00	35.25	2.13	2.02	27.23	4.25	1.73	12.47	7.93	9.84	6.51	6.51	17.59	81.46	20.82
Arrear of 7th Pay commission of regular employees	26.19			17.64			17.17			45.00			106.00	0.00	0.00
Bonus	0.30	0.35	0.35	0.00			0			0.02			0.32	0.35	0.35
Outsource and contractual employee cost	55.54	39.01	39.01	48.00	59.14	59.14	70.00	200.80	95.00	58.87	64.90	64.90	232.41	363.85	258.05
Additional employee cost-CTC	57.13		129.30	44.76	92.37	53.09	34.11	111.55	111.44	98.10	132.70	95.80	234.10	336.62	389.63
Total Emoluments (1 to 8)	**301.25**	**368.68**	**345.54**	**263.96**	**336.71**	**300.61**	**262.73**	**479.77**	**364.81**	**523.15**	**556.64**	**506.24**	**1351.09**	**1741.80**	1517.20
Med. Allowance/ Reimbu. of medical expenses	5.20	10.70	5.07	4.98		4.85	4.60		4.54	10.24	10.55	10.69	25.02	21.25	25.15
LTC/UL	0.00	1.07	1.07	0.00	2.75	2.75	0			0			0.00	3.82	3.82
Honorarium	0.35	0.50	0.50				0.01			0			0.36	0.50	0.50
Payment under workmen compensation Act	0.10	0.10	0.10	0.00			0.29			0.00			0.39	0.10	0.10
Employees uniform Expenses										0.40			0.40	0.00	0.00
Ex-gratia	0.00	6.50	6.50	4.59	5.00	5.00					18.04	18.04	4.59	29.54	29.54
Other Staff Costs	1.00	14.30	6.00	3.31	0.36	0.36	0.56			0.72	19.61	19.61	5.59	34.27	25.97
Total Other Staff Costs (9 to 16)	6.65	**33.17**	**19.24**	12.88	**8.11**	**12.96**	**5.46**	**0.00**	**4.54**	11.36	**48.20**	**48.34**	36.35	89.48	85.08
Staff Welfare Expenses	3.00	16.61	10.37	3.96	4.08	4.08	4.18	20.33	20.33	8.84	11.21	11.21	19.98	52.23	45.99
Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+ NPS /CPS)	163.93	222.17	205.41	136.99	211.73	211.73	158.42	139.03	136.31	232.14	237.44	237.44	691.48	810.37	790.89
Total (9+ 17+18+19)	**474.83**	**640.63**	**580.57**	**417.80**	**560.63**	**529.37**	**430.79**	**639.13**	**526.00**	**775.49**	**853.49**	**803.22**	**2098.90**	**2693.88**	**2439.17**
Less : Empl. cost capitalized	21.18	25.66	25.66	23.95	16.58	16.58	28.37	30.24	30.24	23.90	26.29	26.29	97.40	98.77	98.77
Total Employees Cost	**453.65**	**614.97**	**554.91**	**393.85**	**544.05**	**512.79**	**402.42**	**608.89**	**495.76**	**751.59**	**827.20**	**776.93**	**2001.50**	**2595.11**	2340.40

97. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee cost compared to the approval for the FY 2022-23. TPWODL, TPNODL, TPSODL and TPCODL have projected an increase over the approval of FY 2022-23 at 35.56%, 38.14%, 51.31% and 10.06% respectively. The overall projection for all DISCOMs together is 29.66% more than the previous year's approval.

98. TPCODL in the ARR petition for FY 2023-24 has projected the expenditure on the employees relating to the inherited employees to the tune of Rs.720.79 crore. This includes salaries, allowances, terminal benefits and expenses of outsource and contractual employees. Total cost for the new employees to the tune of Rs.132.72 crore which includes carry forward of the existing CTC employees to the previous year along with new recruitment during the year 2023-24. TPCODL has stated that requirement of new employees is to fulfil operational requirements and to achieve organisational objectives. TPCODL has therefore projected total employee cost of Rs.853.52 crore for FY 2023-24 against the present estimated expenditure for 2022-23 of Rs.797.45 crore.

99. TPWODL has proposed the total employee cost aggregating to Rs.640.64 crore including Cost of inherited employees and CTC employee, against the present estimated expenditure for 2022-23 of Rs.583.68 crore.

100. TPSODL has proposed the total employee cost aggregating to Rs.639.13 crore including Rs.111.55 crore towards CTC employee cost against the present total estimated expenditure for 2022-23 of Rs.545.95 crore.

101. TPNODL has proposed the total employee cost aggregating to Rs. 560.63 crore including Rs.92.37 crore towards CTC employee cost against the present total estimated expenditure for 2022-23 of Rs.444.79 crore.

102. The Commission in order to arrive at the estimates for the inherited employees ascertained the requirement under Basic Pay including Grade Pay, the number of employees as on 31.3.2022, 31.03.2023 and 31.03.2024 from the submissions. DISCOMs have also provided the existing CTC employees and their requirement during the ensuing year. The position of the employees up to the end of FY 2023-24 as proposed by the Licensees is shown in the following table:-

Table – 28
Employees Proposed (2023-24)

Employees Proposed (2023-24)	TPWODL	TPNODL	TPSODL	TPCODL
Inherited				
No. of employees as on 01.04.2022	2121	2059	1858	4490
Add: Addition during 2022-23	0	0	0	0
Less: Retirement/Expired/ Resignation during 2022-23	109	100	79	183
No. of employees as on 31.03.2023	2012	1959	1779	4307
Add: Addition during 2023-24	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2023-24	88	52	76	140
No. of employees as on 31.03.2024	**1924**	**1907**	**1703**	**4167**

Employees Proposed (2023-24)	TPWODL	TPNODL	TPSODL	TPCODL
CTC Employee				
No. of employees as on 01.04.2022	514	524	475	775
Add: Addition during 2022-23	693	562	528	135
Less: Retirement/Expired/ Resignation during 2022-23	31	0	0	12
No. of employees as on 31.03.2023	1176	1086	1003	898
Add: Addition during 2023-24	761	294	526	200
Less: Retirement/Expired/ Resignation during year 2023-24	0	0	0	0
No. of employees as on 31.03.2024	**1937**	**1380**	**1529**	**1098**
Total no. of employees including CTC	**3861**	**3287**	**3232**	**5265**

103. TPCODL has projected its employee cost for the erstwhile CESU employees on the basic salary, projected DA rate, HRA @ 20%, reimbursement of medical expenses @5% and nominal escalation @10% considered for other expenditures including that for outsource 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 2022-23. As regards to the additional employees, TPCODL recruited about 611 people in the executive cadre during the year 2020-21. The total recruitment has been projected at 135 nos. during the year 2022-23 and for FY 2023-24 TPCODL has projected gap of about 200 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 trippings. 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. The other three DISCOMs have projected their employee cost on the same lines except for TPSODL who have projected abnormally high outsourced employees with a projected cost of Rs. 200 crore. TPNODL have not projected any cost of outsourced employees in this head but have clubbed it in A& G Cost.

104. The Commission had earlier analysed the manpower 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 in Odisha with that of the various DISCOMs in the country. It was found that in 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 was lowest i.e less than one per 1000 consumers. The other two DISCOMs i.e TPNODL and TPWODL had their manpower/ employees per one thousand consumers just above one. TPCODL, on the other hand, is on a more comfortable position with about two employees per 1000 consumers. 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 in the DISCOMs This was communicated to the DISCOMs, vide Commission's letter dated 17.01.2021.

105. The Commission after analysis for the purpose of calculation of Basic pay only considers average no. Of employees during the current FY 2022-23 and also during the ensuing FY 2023-24 for the inherited employees. As regards the CTC employees, similar methodology was followed to the number of employees during the year keeping ratio of employees per 1000 consumers as 1.4. Accordingly, Commission approves following number of employees for the DISCOMs for FY 2023-24 only for the purpose calculation of basic pay.

Table - 29

Employees Approved (Inherited)	TPWODL	TPNODL	TPSODL	TPCODL
No. of employees as on 01.04.2022	2121	2059	1858	4490
Add: Addition during 2022-23	0	0	0	0
Less: Retirement/Expired /Resignation during 2022-23	109	100	79	183
No. of employees as on 31.03.2023	2012	1959	1779	4307
Add: Addition during 2023-24	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2023-24	88	52	76	140
No. of employees as on 31.03.2024	1924	1907	1703	4167
Average no. of employees for FY 2022-23	2067	2009	1819	4399
Average no. of employees for FY 2023-24	1968	1933	1741	4237
Employees Approved – CTC	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
No. of employees as on 01.04.2022	514	524	475	775
Add: Addition during 2022-23	600	562	496	135
Less: Retirement/Expired Resignation during 2022-23	31	20	0	12
No. of employees as on 31.03.2023	1083	1066	971	898

Add: Addition during 2023-24	725	277	526	100
Less: Retirement/Expired/ Resignation during year 2023-24	0	30	0	0
No. of employees as on 31.03.2024	1808	1313	1497	998
Average no. of employees for FY 2022-23	799	795	723	837
Average no. of employees for FY 2023-24	1446	1190	1234	948
Total no. of employees including CTC	3732	3220	3200	5165

106. All the Licensees have projected their employee cost for FY 2023-24 taking into account the impact of the new recruitments. The DISCOMs in their reply to queries of the Commission furnished the actual cash outflow on Basic Pay + GP from April, 2022 to November, 2022 (for a period of 8 months). Accordingly, the Basic pay and GP for FY 2022-23 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2023-24 for the inherited employees. The Commission 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 for the inherited employee 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, 2022 to November, 2022 was prorated for the entire year and the Basic pay and GP for FY 2023-24 was estimated by factoring the average no. of employees for FY 2022-23 and FY 2023-24.

107. The DA as per the 7th Pay Commission recommendations and the projected DA thereof for FY 2023-24 is shown in the following table:

Table – 30

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	38%	Approved By GoO
01.01.2023	42%	Projected
01.07.2023	45%	Projected
01.01.2024	48%	Projected

As per the above table the DA rate for FY 2023-24 is assumed to be 45%.

House Rent Allowance and Medical Allowance

108. House rent allowance and Medical Allowances have been allowed for FY 2023-24 as a proportion of the basic pay as submitted by the DISCOMs.

Outsource and Contractual employees Cost

109. As regards engagement of manpower, DISCOMs have submitted that as no recruitment was permitted by the Commission, there has been drastic reduction in the manpower. In view of the large scale rural electrification, addition of new consumers, reorganization, MRT, Energy Audit, maintenance of DTRs and vigilance activities etc., the present manpower was inadequate. Consequently in order to improve condition of supply, reduction of distribution loss and to improve collection, DISCOMs 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 2022-23. The Commission after scrutiny allows the expenses on Contractual and outsource employees for the ensuing FY 2023-24 on the basis of the submission of DISCOMs and actual cash outgo for the current FY 2022-23.

Analysis of LT Division-wise Performance and Employee Performance

110. The Commission have analysed the LT loss level of various divisions of DISCOMs as submitted by the DISCOMs. The performance in respect of LT segment of all four DISCOMs (Division wise) for FY 2021-22 on the various parameters is as given in the following tables.

Table – 31
L.T. PERFORMANCE OF TPCODL FOR THE FY 2021-22

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
1	BCDD-1	62263	218.389	232.69	-6.55%	106.55%	129.94	129.96	100.02%	-6.56%	5.95
2	BCDD-2	187739	497.8	525.35	-5.54%	105.54%	274.35	279.44	101.85%	-7.50%	5.61
3	Bhubaneswar ED	140480	423.1	454.43	-7.41%	107.41%	238.53	237.49	99.56%	-6.95%	5.61
4	Nayagarh ED	194400	382.0	196.20	48.63%	51.37%	96.84	87.35	90.20%	53.67%	2.29
5	Puri ED	198075	384.3	262.90	31.59%	68.41%	135.02	117.82	87.26%	40.31%	3.07
6	Nimapara	213124	224.4	177.86	20.73%	79.27%	88.28	78.81	89.28%	29.23%	3.51
7	Khurda ED	192493	365.2	55.75	29.96%	70.04%	134.89	124.66	92.41%	35.28%	3.41
8	Balugaon EDB	115477	172.5	25.34	27.33%	72.67%	60.85	58.34	95.88%	30.32%	3.38
9	Cuttack ED	163707	410.7	205.60	49.94%	50.06%	109.86	91.02	82.85%	58.52%	2.22
10	Cuttack DD-I	80103	275.3	273.72	0.58%	99.42%	149.09	154.63	103.72%	-3.12%	5.62
11	Cuttack DD-II	79789	262.7	233.70	11.05%	88.95%	125.39	126.19	100.64%	10.47%	4.80
12	Athagarh ED	126707	232.3	116.10	50.03%	49.97%	57.33	52.28	91.19%	54.43%	2.25
13	Salipur ED	116580	197.6	112.49	43.08%	56.92%	55.62	52.94	95.18%	45.82%	2.68
14	Kendrapara ED-I	204237	293.0	206.76	29.44%	70.56%	103.30	100.43	97.22%	31.40%	3.43
15	Kendrapara ED-II	95541	109.7	73.73	32.76%	67.24%	35.98	34.03	94.58%	36.40%	3.10

16	Paradeep DP	111444	186.4	121.07	35.03%	64.97%	60.31	55.03	91.24%	40.72%	2.95
17	Jagatsinghpur ED	134017	179.2	129.66	27.66%	72.34%	62.23	61.83	99.35%	28.13%	3.45
18	Dhenkanal ED	196831	376.0	220.09	41.47%	58.53%	114.87	109.39	95.23%	44.26%	2.91
19	Anagul ED	165353	256.8	179.99	29.91%	70.09%	93.89	88.42	94.17%	33.99%	3.44
20	Talcher ED	149127	309.7	185.04	40.25%	59.75%	96.46	81.88	84.88%	49.28%	2.64
TPCODL TOTAL		**2927487**	**5756.933**	**4288.45**	**25.51%**	**74.49%**	**2223.01**	**2121.93**	**95.45%**	**28.90%**	**3.69**

Table - 32
L.T.PERFORMANCE OF TPNODL FOR THE FY 2021-22

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	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 LT Input P/U
1	BED, BALASORE	63048	157.266	138.828	11.72%	88.28%	77.71	70.23	90.38%	20.21%	447
2	BTED, BASTA	85356	126.905	79.324	37.49%	62.51%	37.97	29.34	77.28%	51.70%	231
3	JED, JALESWAR	121761	164.434	125.459	23.70%	76.30%	56.56	45.38	80.23%	38.79%	276
4	CED, BALASORE	119226	200.014	128.650	35.68%	64.32%	63.64	52.52	82.52%	46.92%	263
5	SED, SORO	153018	167.631	143.431	14.44%	85.56%	68.59	56.45	82.29%	29.59%	337
6	BNED, BHADRAK (N)	190050	304.674	213.300	29.99%	70.01%	109.87	91.57	83.35%	41.65%	301
7	BSED, BHADRAK (S)	116724	151.076	106.862	29.27%	70.73%	51.45	46.89	91.13%	35.54%	310
8	BPED, BARIPADA	238965	284.313	237.126	16.60%	83.40%	119.32	97.89	82.04%	31.57%	344
9	UED, UDALA	111266	91.918	92.580	-0.72%	100.72%	45.64	31.49	69.01%	30.50%	343
10	RED, RAIRANGPUR	209439	206.843	180.019	12.97%	87.03%	89.02	60.92	68.43%	40.44%	295
11	JRED, JAJPUR ROAD	102621	220.138	152.580	30.69%	69.31%	81.69	75.31	92.19%	36.10%	342
12	JTED, JAJPUR TOWN	103572	181.098	108.908	39.86%	60.14%	53.40	51.53	96.50%	41.97%	285
13	KUED, KUAKHIA	120048	219.956	121.438	44.79%	55.21%	60.84	56.06	92.15%	49.13%	255
14	KED, KEONJHAR	123049	102.243	112.240	-9.78%	109.78%	59.95	52.10	86.90%	4.60%	510
15	JOED, JODA	91014	119.342	115.019	3.62%	96.38%	62.66	57.74	92.14%	11.20%	484
16	AED, ANANDAPUR	139926	157.822	111.944	29.07%	70.93%	56.99	45.40	79.66%	43.49%	288
TPNODL TOTAL		**2089083**	**2855.673**	**2167.708**	**24.09%**	**75.91%**	**1095.31**	**920.83**	**84.07%**	**36.18%**	**322**

Table – 33
L.T.PERFORMANCE OF TPWODL FOR THE FY 2021-22

SL. NO.	NAME OF DIVISION	No of LT 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
1	BARGARH(W)	165580	590	343	41.81%	58.19%	112.52	54.38	48.33%	71.88%	92
2	BARGARH	121716	504	260	48.44%	51.56%	125.06	77.81	62.22%	67.92%	155
3	SONEPUR	129036	294	179	39.24%	60.76%	81.41	44.90	55.15%	66.49%	153
4	TITILAGARH	222433	366	210	42.56%	57.44%	101.07	61.40	60.75%	65.10%	168
5	BOLANGIR	145155	347	195	43.79%	56.21%	94.60	64.91	68.62%	61.43%	187
6	NUAPADA	132702	241	136	43.61%	56.39%	63.18	45.02	71.25%	59.82%	187
7	KWED	165168	166	99	40.49%	59.51%	45.83	38.94	84.98%	49.43%	235
8	SAMBALPUR (EAST)	116711	247	158	36.00%	64.00%	72.85	59.48	81.64%	47.74%	241
9	KEED	159948	236	189	20.05%	79.95%	87.84	64.37	73.28%	41.41%	273
10	SAMBALPUR	60266	239	180	24.56%	75.44%	105.45	83.30	78.99%	40.41%	349
11	JHARSUGUDA	122593	231	188	18.60%	81.40%	100.61	88.10	87.56%	28.73%	382
12	BRAJRAJNAGAR	50381	107	83	22.86%	77.14%	42.42	39.79	93.81%	27.64%	371

SL. NO.	NAME OF DIVISION	No of LT 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
13	SUNDERGARH	110697	150	128	14.67%	85.33%	67.04	59.17	88.26%	24.69%	394
14	DEOGARH	73052	67	59	11.63%	88.37%	29.09	26.13	89.85%	20.60%	391
15	ROURKELA-SADAR	105254	168	155	8.07%	91.93%	82.89	74.76	90.19%	17.08%	444
16	ROURKELA	70653	141	133	6.19%	93.81%	70.29	69.51	98.90%	7.22%	492
17	RAJGANGPUR	130218	155	146	6.37%	93.63%	64.38	66.33	103.03%	3.54%	427
	Total TPWODL	**2087702**	**4296.368**	**2872.378**	**33.14%**	**66.86%**	**1390.87**	**1041.66**	**74.89%**	**49.93%**	**242**

Table – 34
L.T.PERFORMANCE OF TPSODL FOR THE FY 2021-22

Sl. No.	Name of Division	No. of Consumer	Energy Input(MU)	Energy Sold (MU)	LOSS (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing (Lakhs)	Collection Received (Lakhs)	Collection Efficiency (%)	AT & C LOSS (%)	LT Realisation per LT Input p/u
1	**AED- I, ASKA**	65578	135	56	58.32%	41.68%	2719.48	2455.89	90.31%	62.36%	1.82
2	**AED- II, ASKA**	69221	116	56	51.41%	48.59%	2759.96	2226.30	80.66%	60.81%	1.92
3	**NED, NABARANGPUR**	271184	291	217	25.43%	74.57%	10093.28	5525.31	54.74%	59.18%	1.90
4	**KED, KORAPUT**	119648	162	114	29.22%	70.78%	5228.03	3722.37	71.20%	49.61%	2.30
5	**GNED, CHATRAPUR**	153631	205	118	42.41%	57.59%	5737.26	5147.50	89.72%	48.33%	2.52
6	**BOED, BOUDH**	135074	116	91	21.43%	78.57%	4107.41	2767.10	67.37%	47.07%	2.38
7	**MED, MALKANGIRI**	170243	147	119	19.14%	80.86%	5818.22	3869.43	66.51%	46.22%	2.64
8	**PED, PHULBANI**	169848	150	116	22.44%	77.56%	5951.84	4484.15	75.34%	41.57%	2.99
9	**JED, JEYPORE**	144975	202	160	21.02%	78.98%	7499.70	5794.87	77.27%	38.97%	2.86
10	**PSED, PURUSOTTAMPUR**	144059	165	111	32.54%	67.46%	4950.69	4564.93	92.21%	37.79%	2.77
11	**BNED, BHANJANAGAR**	139001	161	112	30.36%	69.64%	5367.82	5289.08	98.53%	31.39%	3.28
12	**HED, HINJILICUT**	129050	115	84	27.17%	72.83%	4020.82	3844.15	95.61%	30.37%	3.34
13	**RED,RAYAGADA**	149251	163	156	4.85%	95.15%	7861.16	6192.89	78.78%	25.04%	3.79
14	**GSED,DIGAPAHANDI**	104270	118	93	21.59%	78.41%	4298.97	4162.59	96.83%	24.08%	3.52
15	**PKED, PARALAKHEMUNDI**	125495	125	112	10.51%	89.49%	5478.65	4807.62	87.75%	21.47%	3.86
16	**GED, GUNUPUR**	64649	77	75	2.47%	97.53%	3524.75	3068.45	87.05%	15.10%	3.97
17	**BED- II, BERHAMPUR**	64358	158	137	13.19%	86.81%	7464.85	7536.91	100.97%	12.35%	4.76
18	**BED- III, BERHAMPUR**	77817	96	93	2.86%	97.14%	4667.07	4622.19	99.04%	3.79%	4.83
19	**BED- I, BERHAMPUR**	88760	170	172	-0.89%	100.89%	8664.86	8721.74	100.66%	-1.55%	5.13
ACTUAL TOTAL TPSODL		**2,386,112**	**2,863**	**2,193**	**23.41%**	**76.59%**	**106214.81**	**88803.46**	**83.61%**	**35.96%**	3.10

111. The Commission has always expressed concern regarding high losses at LT level. There is marginal reduction in losses and but it continues 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 in comparison to revenue realization.

112. The respective vesting orders for the four DISCOMs 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.

113. The new Distribution companies have taken over the management of the distribution system of Odisha during the FY 2020-21 & FY 2021-22. The Commission expects significant improvement in functioning, consumer service, billing and collection efficiency and financial health of the new distribution companies. The Commission have also approved required expenses on employee cost, repair and maintenance cost and A&G cost for the FY2023-24 in order to allow the new distribution licensees to plan and execute their actions in all required areas for improvement of the services.

114. The Commission has also reviewed the performance of the DISCOMs during the current year, having tariff implications for the ensuing year FY 2023-24. It is observed that all the DISCOMs have exceeded the power purchase and sale of power during the year resulting in higher revenue and have achieved reduction in AT&C losses over the previous years. Due to inherent advantage, the three DISCOMs TPWODL, TPNODL and TPCODL have increased the sales under EHT and HT categories, which are the cross-subsidising categories in the tariff matrix. It is observed that TPWODL has taken initiatives in order to attract various industries to draw power at affordable cost. There was sale of surplus power by GRIDCO at competitive rates to different industries through Third Party Arrangement (TPA), particularly steel industries, and Bilateral agreement with small CGP's. Additional revenue was earned due to imposition of CSS & transmission charge on open access consumers availing intra-state Renewable Power, thereby absorbing the increased power purchase cost of GRIDCO and facilitating no increase in Retail Supply Tariff (RST). Therefore, the Commission has considered continuation of such initiatives for the overall benefit of the sector in the ensuing year.

Terminal Liability

115. All the DISCOMs have projected their terminal liability for the ensuing year. A comparative position of the approved terminal liability in ARR of FY 2022-23 vis-a-vis projection made by the DISCOMs for FY 2023-24 is given in the following table:

Table – 35
Terminal Liability proposed for FY 2023-24

Terminal Liability	Approved FY 2022-23	Proposed FY 2023-24	Percentage increase (in %)
TPWODL	163.93	222.17	35.53%
TPNODL	136.99	211.73	54.56%
TPSODL	158.42	139.03	-12.24%
TPCODL	232.14	237.40	2.27%
Total	**691.48**	**810.33**	17.19%

116. All the four DISCOMs have projected the terminal benefits (Pension, Gratuity and Unutilized Leave) on the actual outgo basis.

117. The Commission allows the terminal liabilities on the actual cash out go basis for the ensuing year. As per the vesting order, the Commission, in the ARR, will allow to fund the trusts on the cash outgo requirement and not on the actuarial projection. During the present ARR analysis DISCOMs were asked to submit actual cash outgo on terminal liability for the current FY 2022-23 up to Nov 2022. On the basis of their submission of the actual liability paid up to Nov 2023, the terminal liability was extrapolated for the FY 2022-23 and after prudent analysis by the Commission, the expected terminal liability for FY 2023-24 has been approved, the details of which is given in the following table.

Table – 36
Terminal Liability (Approved) for the FY 2023-24
(Rs. in Crore)

Terminal Liability	Proposed FY 2023-24	Approved FY 2022-23
TPWODL	222.17	205.41
TPNODL	211.73	211.73
TPSODL	139.03	136.31
TPCODL	237.44	237.44
Total	**810.37**	**790.89**

118. 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 2023-24 is given in the following table:

Table – 37
Employee Cost (Approved FY 2023-24)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2023-24	**Approved 2023-24**	**Proposed 2023-24**	**Approved 2023-24**	**Proposed 2023-24**	**Approved 2023-24**	**Proposed 2023-24**	**Approved 2023-24**	**Proposed 2023-24**	**Approved 2023-24**
1	Basic Pay + GP	207.52	106.45	114.71	114.48	94.48	92.23	211.10	206.60	627.81	519.75
2	DA	59.84	47.90	43.26	51.52	41.57	41.50	99.21	92.97	243.88	233.89
3	Reimbursement of HR	26.71	20.40		18.14	18.90	16.71	42.22	39.45	87.83	94.71
4	Other allowance	35.25	2.13	27.23	4.25	12.47	7.93	6.51	6.51	81.46	20.82
5	Arrear of 7th Pay commission of regular employees									0.00	0.00
6	Bonus	0.35	0.35							0.35	0.35
7	Outsource and contractual employee cost	39.01	39.01	59.14	59.14	200.80	95.00	64.90	64.90	363.85	258.05
8	Additional employee cost-CTC		129.30	92.37	53.09	111.55	111.44	132.70	95.80	336.62	389.63
9	Total Emoluments (1 to 8)	**368.68**	**345.54**	**336.71**	**300.61**	**479.77**	**364.81**	**556.64**	**506.24**	**1741.80**	1517.20
10	Med Allowance/ Reimbursement of medical expenses	10.70	5.07		4.85		4.54	10.55	10.69	21.25	25.15
11	LTC/UL	1.07	1.07	2.75	2.75					3.82	3.82
12	Honorarium	0.50	0.50							0.50	0.50
13	Payment under workmen compensation Act	0.10	0.10							0.10	0.10
14	Employees uniform Expenses									0.00	0.00
15	Ex-gratia	6.50	6.50	5.00	5.00			18.04	18.04	29.54	29.54
16	Other Staff Costs	14.30	6.00	0.36	0.36			19.61	19.61	34.27	25.97
17	Total Other Staff Costs (9 to 16)	**33.17**	**19.24**	**8.11**	**12.96**	**0.00**	**4.54**	**48.20**	**48.34**	89.48	85.08
18	Staff Welfare Expenses	16.61	10.37	4.08	4.08	20.33	20.33	11.21	11.21	52.23	45.99
19	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	222.17	205.41	211.73	211.73	139.03	136.31	237.44	237.44	810.37	790.89
20	Total (9+ 17+18+19)	**640.63**	**580.57**	**560.63**	**529.37**	**639.13**	**526.00**	**853.49**	**803.22**	**2693.88**	**2439.17**
21	Less : Empl. cost capitalized	25.66	25.66	16.58	16.58	30.24	30.24	26.29	26.29	98.77	98.77
22	Total Employees Cost	**614.97**	**554.91**	**544.05**	**512.79**	**608.89**	**495.76**	**827.20**	**776.93**	**2595.11**	2340.40

119. The Commission directs that employee cost needs to be restricted as per the ARR order, ABP order and any other directions by the Commission in this regard.

Administrative and General Expenses

120. 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 2023-24 in their ARR in the following manner which are compared with approved A&G expenses for previous FY 2022-23.

Table – 38
A&G Expenses

(Rs. in Cr.)

A&G Expenses	Approved FY 2022-23			Proposed FY 2023-24		
DISCOMs	Normal A&G	Additional A&G	Total A&G	Normal A&G	Additional A&G	Total A&G
TPWODL	110.39	--	110.39	185.78	76.37	262.15
TPNODL	84.23	--	84.23	140.08		140.08
TPSODL	77.25	--	77.25	70.89	66.58	137.47
TPCODL	132.72	--	132.72	163.50		163.50

121. The Commission observes that A&G expenses as per the OERC Tariff Regulations 2022 are a controllable cost and the DISCOMs would not be allowed more than the approved amount 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 have projected enhanced A&G expenses which is more than the norms under the OERC (Tariff Determination) Regulation 2022. 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.

122. The Commission allows A&G as per the Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff Regulations, 2022 by escalating 7% over the expenses for the previous year of the control period. The Commission may also allow additional expenses under the head for special measures to be undertaken by the distribution licensees. The A&G expense shall be allowed on normative basis in the ARR for the ensuing year and shall be subject to true up. The Commission, accordingly, after prudence check, approves the A&G expenses for FY 2023-24 to all the four DISCOMS in the following manner:

Table – 39
A&G Expenses approved for FY 2023-24

A & G Expenses Approved for FY 2023-24	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Normal A&G expenses (Escalated @7% over FY 2022-23) (A)	118.12	90.13	82.66	142.01
Additional Expenses (B)	40.00	30.00	30.00	-
Total A&G expenses (A+B)	158.12	120.13	112.66	142.01

123. 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 additional expenses have also been allowed under this head in view of the fact that that the normal escalation of 7% over the last year approval is insufficient to meet the A&G expenses. The Commission has also taken into cognisance of the expenditure during current FY 2022-23 and found that additional expenses are required to meet the committed obligations. The Commission has therefore allowed additional expenses which must be utilised for the purpose envisaged in the Tariff Regulations, 2022. However, the Commission will check prudently 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 through data verification, field visits by the Commission and third-party audit. The Commission hereby directs that the DISCOMs must limit its expenditure within the amount approved in ARR for the FY 2023-24.

Repair and Maintenance (R&M) Expenses

124. The DISCOMs in their ARR and tariff petition for FY 2023-24 have proposed higher requirement for R&M over the previous year's approved expenses as follows:

Table – 40
R & M Proposal for FY 2023-24

(Rs. in Cr.)

R & M Expenses	**Approved for FY 2022-23**	**Proposed for FY 2023-24**	**% rise of proposed over FY 2022-23 approved**
TPWODL	156.03	346.01	121.76%
TPNODL	141.43	257.19	81.85%
TPSODL	90.24	155.40	72.20%
TPCODL	239.85	291.29	21.45%
TOTAL	627.55	1049.89	67.30%

125. As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022, Repair and Maintenance expenses shall be allowed as a percentage of the opening Gross Fixed Assets (GFA) only on the assets owned by the distribution company, for each year of the control period. The expenses allowed under R&M as per the new Regulation for FY 2023-24 is shown in the following table:

Table - 41

DISCOM	TPCODL	TPWODL	TPNODL	TPSODL
R&M expenses allowed (%)	4.20%	4.50%	4.50%	5.40%

126. The wheeling & RST Regulations, 2022 provides that the licensee shall prepare a plan and prepare budget for periodic preventive maintenance of distribution network including emergency repairs and restoration works under each division. The Distribution Licensee shall provide the breakup details of R&M expenses in the ARR along with requirement of annual maintenance spares for smooth operation with minimum downtime of the system. The Commission shall allow 3% of the opening GFA of assets added under the state and Central Government schemes for maintenance of such assets The commission may also allow special R&M in order to enable the Distribution Licensees to undertake critical activities which are not covered under capital investment plan approved by the Commission.

127. In order to calculate Repair and Maintenance, the Commission has analysed the fixed assets of the DISCOMs and subsequent additions during the year. In the submission for FY 2023-24, the DISCOMs have proposed capital expenditure and addition of fixed assets scheme wise for FY 2022-23 which is shown in the following table.

Table – 42
Proposed addition of Fixed Assets FY 2022-23

(Rs. in Cr.)

Proposed Capital expenditure	TPWODL	TPNODL	TPSODL	TPCODL
Land Building, F& F and others	1.66			
School Anganwadi- Grant		2.88		
RAPDRP				
APDRP				
RE/MNP				
S.I. Scheme	3.86	0.01		
Deposit work	155.05			
Deposit work - Consumers		154.77		
DDUGJY		0.01		

Proposed Capital expenditure	TPWODL	TPNODL	TPSODL	TPCODL
DDUGJY (12th Plan)				
PMU				
Biju Gram Jyoti		10.22		
Biju Sahar VY				
SOUBHAGYA				
DESI (GoO)	76.23	0.23		
RLTAP				
Capex Plan (GoO)		0.17		
IPDS				
ODSSP		0.23		
NH				
Statutory safety & security	115.32		48.05	101.96
Loss reduction	72.08		63.83	149.49
Network Reliability	151.00		112.76	257.47
Load growth	151.62		22.53	59.52
Own capex		553.17		
Technology & civil infrastructure	119.47		55.55	208.56
Meter and cable		48.42		
Elephant corridor Grant		69.31		
Other works (Govt funded/consumer fund/ Disaster)		43.61		413.59
IDC				3.03
Employee cost capitalized				32.82
Gridco contribution in kind				6.62
Total	**846.29**	**883.03**	**302.72**	**1233.06**

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 during the FY 2022-23 has been considered by the Commission after prudence check. The assets provided under various schemes of by Government of India and Government of Odisha, which were not handed over to DISCOMs, have not been considered as addition to fixed assets. Accordingly, the addition of fixed assets during FY 2022-23 is given in the following Tables for all four DISCOMs.

Table – 43
TPWODL (New Assets)

(Rs. in Cr.)

Gross Fixed Assets	As on 01.04.2022 (Audited)	Proposed Addition FY 2022-23	GFA approved for FY 2022-23	Govt. Assets/ Consumer Contribution	New asset considered for GFA
Land			0		0
Buildings	29.51		29.51		29.51

Gross Fixed Assets	As on 01.04.2022 (Audited)	Proposed Addition FY 2022-23	GFA approved for FY 2022-23	Govt. Assets/ Consumer Contribution	New asset considered for GFA
Plant & machinery	303.54	275.70	579.24	24.30	554.94
Vehicles	1.39	1.55	2.94		2.94
Furniture & Fixtures	1.00	1.95	2.95		2.95
Office Equipment	1.75	8.0	9.75		9.75
Office equipment - computer	27.41	16.34	43.75		43.75
Software	25.66	10.54	36.2		36.2
Total	390.26	314.08	704.34	24.30	680.04

Table – 44

TPNODL (New assets)

Gross Fixed Assets	As on 01.04.2022 (Audited)	Proposed Addition FY 2022-23	GFA approved FY 2022-23	Govt. Assets/ Consumer Contribution	New asset considered for GFA
Land			0		0
Buildings	4.02	37.57	41.59		41.59
Plant & machinery	140.84	420.56	561.4	278.70	282.70
Vehicles	0.32	0.69	1.01		1.01
Furniture & Fixtures	0.81	2.62	3.43		3.43
Office Equipment	1.35	3.53	4.88		4.88
Office equipment - computer	13.81	8.53	22.34		22.34
Software	19.42	14.53	33.95		33.95
Total	180.57	488.03	668.60	278.70	389.90

Table – 45

TPSODL (New assets)

Gross Fixed Assets	As on 01.04.2022 (Audited)	Proposed Addition FY 2022-23	GFA approved FY 2022-23	Govt. Assets/ Consumer Contribution	New asset considered for GFA
Land			0		0
Buildings	23.39	19.57	42.96		42.96
Plant & machinery	87.46	240.86	328.32	12.87	315.45
Vehicles	0.66	2.00	2.66		2.66
Furniture & Fixtures	5.27	3.15	8.42		8.42
Office Equipment	34.67	0.01	34.68		34.68
Software	34.82	16.17	50.99		50.99
O/E Computer		19.97	19.97		19.97
Total	186.27	301.73	488.00	12.87	475.13

Table – 46
TPCODL (New assets)

Gross Fixed Assets	As on 01.04.2022 (Audited)	Proposed Addition FY 2022-23	GFA approved FY 2022-23	Govt. Assets/ Consumer Contribution	New asset considered for GFA
Land			0		0
Buildings	14.56	8.07	22.63		22.63
Plant & machinery	892.06	610.00	1502.06	516.62	985.44
Vehicles	1.61	1.69	3.3		3.3
Furniture & Fixtures	14.87	1.57	16.44		16.44
Office Equipment	5.81	1.32	7.13		7.13
Office equipment - computer	0	33.75	33.75		33.75
Software	22.56		22.56		22.56
Total	951.47	656.40	1607.87	516.62	1091.25

129. The Gross Fixed Assets as on 01.04.2021 has been computed based on the audited accounts and additional assets approved during the FY 2022-23. The R&M for FY 2023-24 is calculated at the different rates of percentage of the GFA as on 1.04.2023 in terms of the OERC Wheeling & Retail Supply Tariff Determination Regulation 2022. In order to ensure maintenance of the assets created under RGGVY, DDUGVY & Biju Gram Jyoti Scheme, which continue to be with the Govt. of Odisha, the Commission also allows 3% of such assets as R&M subject to detailed scrutiny in next tariff proceedings. The approved R&M for FY 2023-24 is accordingly shown in the following table:

Table – 47
R&M Approved for FY 2023-24

(Rs. in Cr.)

R&M for FY 2023-24	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
DISCOM's Gross fixed assets (GFA) as on 01.04.2023(pre vesting)	1963.30	1963.30		2199.41		1000.58		3365.46
DISCOM's Gross fixed assets (GFA) as on 01.04.2023(post vesting)	1046.14	704.34		668.61		488.00		1607.87
Total GFA as on 01.04.2023	3009.44	2667.64	2778.83	2868.02	1499.08	1488.58	5256.99	4973.33
Rate of R & M on GFA	5.40%	4.50%	4.50%	4.50%	5.40%	5.40%	4.20%	4.20%
R&M on GFA	162.51	120.04	125.05	129.06	80.95	80.38	220.79	208.88
Govt. (Funded/Grant) Assets as on 01.04.2023	3398.17	3398.17	2033.26	1675.95	2406.38	2406.38	2350.04	2350.04
Rate of R & M on Govt. (Funded/Grant) Assets	5.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R&M on Govt. funded Assets	183.50	101.95	61.00	50.28	72.19	72.19	70.50	70.50
Additional R & M		60.00	71.14	35.00				
Total R & M including Special R & M	**346.01**	**281.99**	**257.19**	**214.34**	**153.14**	**152.57**	**291.29**	**279.38**

130. The DISCOMs shall make the expenses under R&M in a prudent manner and achieve the objectives for which these expenses are being made. The additional expenses have also been allowed under R&M in view of the fact that that the approval based on the GFA is insufficient to meet the cost of R&M. The Commission has also taken into cognisance of the current year FY 2022-23 expenditure and found that additional expenses are required to meet the committed obligations. The Commission has therefore allowed additional expenses which must be utilised for the purpose envisaged in the Tariff Regulations, 2022. The Commission will prudently check such expenses made by the DISCOMs while allowing them in the Truing up. The expenses in R&M shall also reflect in the achieving a robust and reliable system network, lower network down time, desirable voltage profile and automation of Substations. The Commission will also take into account such parameters while scrutinizing R&M expenses through data verification, field visits and third party audit. The Commission hereby directs that the DISCOMs must limit its expenditure within the amount approved in the ARR for the FY 2023-24. The Commission also directs that the TPWODL & TPNODL shall keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. This inventory will be used by other DISCOMs on transfer basis.

Interest on Loan

131. The loans from various sources for different purposes and interest burden as proposed by the four DISCOMs for FY 2023-24 is given in the following table:

Table – 48
Interest on Loan (Proposed) for FY 2023-24

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on capex loan/long term debt	75.91	49.30	28.34	58.55
Interest on security deposit	46.75	36.03	18.13	65.56
Interest on Working Capital	58.95	35.22	20.27	46.87
Total interest before capitalisation	181.61	120.55	66.74	170.98
Less: Interest Capitalised	17.58	9.86	-	10.94
Total interest proposed	**164.03**	**110.69**	**66.74**	**160.04**

132. The Commission analyzed separately the interest on loans, interest on working capital and Security deposit proposed by the DISCOMS in the ARR petition.

Interest on CAPEX loan/long term debt

133. The proposed interest on CAPEX loan the four DISCOMs is shown in the following table.

Table – 49

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on capex loan/long term debt	75.91	49.30	28.34	58.55

134. The Commission had asked for additional information on latest position of the year-wise actual CAPEX loan availed by the each DISCOM. From the replies of the DISCOMs it is observed that all the DISCOMs have availed CAPEX loan till the date of submission. The OERC Wheeling & Retail Supply Tariff Regulation, 2022 provides that the loan taken for the assets put to use shall be considered as gross normative loan for calculation of interest. The interest and finance charges on CWIP shall be excluded. The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission upto 31st March of the previous year. The rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year as applicable to the respective distribution licensee. The interest on loan shall be calculated based on the weighted average rate of interest at the time of truing up on the normative average loan of the year and the actual asset capitalisation approved by the Commission for the year.

135. The Commission after a prudent verification allows following amounts to the respective DISCOMs towards interest on loan. Any variances with the actual amount shall be addressed at the appropriate stage of truing up.

Table – 50
Interest on Loan approved for FY 2023-24

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on Capex loan / long term debt	45.57	31.47	28.34	38.55

Interest on Security Deposit

136. The Interest on security deposit is allowed by the Commission as per the OERC Distribution (Conditions of Supply Code), 2004. The prevailing bank rate is 6.75% per annum during February 2023 as notified by RBI in their website. The Commission, accordingly, allows the interest at the rate of 6.75% on the closing balance on consumer's security deposit as on 31.3.2022 as shown in the table below:

Table - 51
Interest on Security Deposit approved (2023-24)

(Rs. in Cr.)

Interest on Consumer's Security Deposit	Proposed interest on Consumer's SD for FY 2023-24	Consumer's Security deposit as on 31.03.2023 (Proposed)	Approved interest on Consumer's SD @ 6.75% for FY 2023-24
TPWODL	46.75	1067.52	72.06
TPNODL	36.03	767.82	51.83
TPSODL	18.13	322.62	21.78
TPCODL	65.56	901.00	60.82

Interest on working capital loan

137. DISCOMs have proposed the interest on working capital loan as per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022 mentioned as below.

Table - 52

Proposed Interest on Working Capital FY 2023-24				
Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
O&M for 1 month	73.09	79.82	75.16	109.03
Spares 20% of R&M (one month)	5.77	4.29	2.59	4.85
One month Power Purchase Cost	425.01	216.93	101.7	300.86
Total	503.87	301.04	179.45	414.74
Interest on Working Capital	11.70%	11.70%	0.11	11.30%
Total Interest on Working Capital	**58.95**	**35.22**	**20.28**	**46.87**

138. The OERC Wheeling & Retail Supply Tariff Regulations, 2022, provides that the DISCOMs shall be allowed interest on the estimated level of working capital for the wheeling and Retail supply business which shall be computed as follows:

(a) O&M expenses for one month plus

(b) Maintenance spares @twenty (20) percent of average R&M expense for one month plus

(c) Power purchase cost for one month

Working capital requirement may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the vesting orders and as approved by the Commission. The interest on working capital shall be at a rate equal to the SBI base rate or any replacement thereof by

SBI from time to time as applicable as on 1st April of the financial year plus 300 basis point or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the DISCOMs which ever is lower.

139. The Commission after taking into account such provisions in the Regulation has arrived at the interest on working capital in the following manner and accordingly approves the same.

Table - 53

Approved Interest on Working Capital FY 2023-24				
Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
O&M for 1 month	81.45	69.78	63.08	98.95
Spares 20% of R&M (1month)	4.70	3.57	2.54	4.66
Power Purchase Cost (1 month)	433.96	209.60	86.1	286.09
Total	520.11	282.95	151.73	389.70
Less: Depreciation allowed on old assets				
FY 2022-23	32.15	30.94	16.11	15.66
FY 2023-24	27.52	21.08	14.71	52.96
Net Working Capital	460.44	230.93	120.91	321.07
Interest on Working Capital	11.70%	11.70%	11%	11.30%
Total Interest on Working Capital	**53.87**	**27.02**	**13.66**	**36.28**

140. Accordingly the total interest on loan proposed by DISCOMs under various loan components such as capex loan, interest on security deposits and interest on working capital loan and approved by the Commission for FY 2023-24 is summarized below:

Table - 54
Total Annual Interest approved for the FY 2023-24

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on capex loan/long term debt	45.57	31.47	28.34	38.55
Interest on security deposit	72.06	51.83	21.78	60.82
Interest on WC loan	53.87	27.02	13.66	26.28
Total interest before capitalization	171.50	110.32	63.78	125.65

Depreciation

141. DISCOMs have calculated depreciation for FY 2023-24 on the existing assets (before vesting) as well as the new assets created after taken over date. The depreciation amounts claimed by the four DISCOMs are given as under.

Table – 55
Depreciation Proposed

(Rs. in Cr.)

DISCOM	TPWODL	TPNODL	TPSODL	TPCODL
Proposed Depreciation	97.06	66.89	62.09	81.38

142. The Commission analyzed the same relating to the depreciation on existing (transferred) assets and on the newly created assets as per the vesting orders. The OERC Wheeling & Retail Supply Tariff Regulation 2022 provides that the depreciation shall be computed separately for assets capitalized prior to the effective date and the assets put to use after the effective date. The assets achieving the date of commercial operation prior to the effective date would continue to earn depreciation as per depreciation rates approved by Commission prevailing at the time of effective date. Since no loan has been availed by the new distribution licensee for these assets the depreciation allowed to be recovered from tariff must be utilized in the manner as per the following terms of the vesting order.

143. For the purpose of determination of ARR, the depreciation on the GFA as on effective date, as determined by the Commission, subject to prudence check shall be utilized as per the following priority order.

i) Funding of ASL as per the vesting order
ii) Capital Investment
iii) Working capital requirement computed as per tariff regulations

The manner of utilisation of such depreciation shall be as per the directions of the Commission. The distribution licensee shall maintain the separate account for such depreciation. No depreciation shall be allowed to be recovered on the assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not.

The depreciation for the assets of erstwhile DISCOMs shall be calculated on pre-upvalued cost of assets at pre-1992 rate on the asset base approved by the Commission.

For the assets achieving date of commercial operation (COD) in this control period, depreciation shall be computed in the following manner.

(a) Approved original cost of the project/fixed assets shall be base value for calculation of depreciation

(b) Depreciation shall be computed annually based on straight line method at the rates specified in the Regulation.

144. The Commission analysed the audited accounts for FY 2021-22 to assess the inherited assets and new assets. The DISCOMs were further asked to provide separately the assets created out of Government grants and Consumer contributions, inherited assets and assets created by the new DISCOMs. Commission also analysed the assets to be added during the year FY 2022-23 to arrive at the opening GFA for FY 2023-24.

145. The OERC Wheeling & Retail Supply Tariff Regulations 2022, defines separately the rate of depreciation for the assets created out of inherited assets (assets created out of Government grants and Consumer contributions). These assets would be allowed depreciation at the pre 92 rates. For the assets owned by the DISCOMs the depreciation would be allowed as per the rates provided in the Regulation. These rates were applied separately to arrive at the approved depreciation for FY 2023-24 and accordingly, the Commission approves the following amount towards depreciation for the FY 2023-24.

Table – 56
Depreciation approved for the FY 2023-24

(Rs. Cr.)

Depreciation	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
On existing (Transferred) assets	27.52	21.08	14.71	52.96
On newly created assets	45.41	28.75	37.44	60.41
Total Depreciation	72.93	49.83	52.15	113.37
Total Depreciation approved	72.93	49.83	52.15	81.38 (Limited to proposed amount)

Manner of utilization of depreciation:

146. 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

147. The TPWODL, TPNODL, TPSODL and TPCODL have proposed Bad and doubtful debts @1% of proposed revenue in the ARR for FY 2023-24 which is shown in the table below:

Table – 57
Bad & Doubtful Debts

(Rs. cr)

DISCOM	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Proposed revenue (Rs. in Crores)	6171.82	3,503.14	1985.81	5144.05
Bad and Doubtful debt (Rs. in Crores)	61.72	35.03	19.86	50.87

148. The OERC Wheeling & Retail Supply Tariff Regulation, 2022 provides for the Bad & doubtful debts, which is reproduced below:

> *"The commission shall allow a provision for bad debts as a pass through in the ARR as a prudent commercial practice in the revenue requirement of the licensee. The provision of bad and doubtful debts during the control period shall be allowed on normative basis of 1% of the total annual revenue billed for sale of electricity."*

149. Therefore, according to the above provisions of the Regulation the Commission is required to establish a percentage of the total approved revenue to be billed in this order as Bad debt. Hence the amount of Bad and doubtful debt as proposed by the DISCOMs and approved by the Commission for FY 2023-24 is summarized below: Table –

Table – 58
Bad & Doubtful Debt FY 2023-24 (Approved)

(Rs. in Crore)

	TPWODL	TPNODL	TPSODL	TPCODL
Approved revenue	6251.99	3,559.02	1990.77	5170.68
Bad and Doubtful debt	62.52	35.59	19.91	51.71

Additional Serviceable Liabilities (ASL)

150. TPCODL in the ARR petition has submitted that the funding of ASL is to be considered which may be allowed in the ARR. TPCODL stated that it has filed a Petition for determination of ASL and subsequently an independent audit was carried out and a reworked ASL (amounting to Rs. 386.64 Cr) was submitted for the Commission 's approval. The same is under consideration of the Commission. Against a sum of Rs. 386.64 Cr. as mentioned above, TPCODL has already discharged liabilities amounting to Rs. 237.84 Cr by FY 2021-22 against which there is virtually insignificant recovery from the various Current Assets transferred to TPCODL in the Opening Balance Sheet and short recovery against receivables transferred to TPCODL.

151. The Commission in this regard observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider any amount in the present ARR for FY 2023-24 for TPCODL.

Return on Equity

152. The DISCOMs have projected the ROE based on their equity capital and the normative equity on the proposed CAPEX in the following manner

Table- 59
Return on Equity

(Rs in cr.)

DISCOM	TPWODL	TPNODL	TPSODL	TPCODL
ROE Proposed	109.44	79.42	54.14	131.96

153. The Commission has considered allowing the RoE as per the OERC (Determination of Wheeling and Retail Supply Tariff) Regulation, 2022. As per said Regulation, the RoE shall be allowed on the approved reserve price of the utility from the effective date of operation at the rate of @16% per annum (post tax) in Indian Rupees terms on pro-rata basis as per Vesting orders. ROE on equity on the assets put to use after Effective date upto date of applicability of these Regulations 2022 will also be allowed on the assets put to use under the current Regulations and shall be computed on the Paid-up capital determined in accordance with these regulations and shall be allowed at the rate of 16% per annum (post-tax) in Indian rupees. Assets funded by consumer contributions, capital subsidies/Government grants shall not form part of the capital base for the purpose of ROE. The ROE shall be calculated on the normative average equity of the year. The assets transferred to Distribution Licensee (s) in lieu of equity investment by GRIDCO shall be allowed in fixed asset base for determination of tariff after prudence check.

154. 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.

155. Therefore, in terms of the OERC Wheeling & Retail Supply Tariff Regulations 2022, in order to arrive at the ROE the Commission has considered the necessary parameters. Asset base has been considered excluding assets created out of Government grants and consumer contribution. From these assets, normative loan repayment depreciation allowed during last ARR 2022-23 on the old inherited assets have been deducted. Such net assets were considered on the proportion of 30% equity and 70% loan. However, Regulation 3.5.2(b) of the OERC Wheeling & Retail Supply Tariff regulations 2022 at 3.5.2 (b) provides that where the actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered and the balance amount in excess of 70% normative loan shall be considered as normative loan. ROE has been calculated based on above principle.

156. Accordingly, the amount of ROE proposed by DISCOMs and allowed by the Commission is given in the following table.

Table – 60
RoE proposed and approved for the FY 2023-24

(Rs. in cr.)

DISCOM	TPWODL	TPNODL	TPSODL	TPCODL
ROE Proposed	109.44	79.42	54.14	131.96
ROE Allowed	57.59	47.19	39.67	80.63

Non-Tariff Income

157. The Non-Tariff Income proposed by the licensees for the FY 2023-24 against the approved amount for FY 2022-23 are given in the table below:

Table - 61
Non-Tariff Income

(Rs. in cr.)

DISCOMs	TPWODL	TPNODL	TPSODL	TPCODL
Amount approved for FY 2022-23	269.69	154.15	35.16	107.21
Amount proposed for FY 2023-24	289.33	178.45	55.57	109.55

158. The Non-Tariff Income (NTI) of the DISCOMS is defined in the OERC Wheeling & Retail Supply Tariff Regulations 2022, which are to be deducted from the ARR. The NTI are mainly on account of rent of land or building, sale of scrap, income from statutory investments, advances to suppliers and contractors, service charges, advertisements, commission for collection of ED, miscellaneous charges, interest on loans and advances, DPS, over drawal penalty, supervision charges, and other miscellaneous receipts.

159. Commission observes that the non-tariff income are fluctuating in 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 Non-Tariff Income (NTI). Any variation with the actual amount shall be addressed at truing up stage.

160. The approved Non-tariff Income for FY 2023-24 is shown in the following table:

Table – 62
Non-tariff Income proposed and approved for the FY 2023-24

(Rs. in cr.)

	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Rebate on power purchase	51.00	51.00	26.03	26.03	12.20	12.20	36.10	36.10
Rebate allowed to Consumers					-19.86	-19.86	-57.43	-57.43

	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Meter rent			23.46					
Supervision charges/Inspection fee	6.67	6.67	8.23	8.23		9.32		
Interest on FD	56.00	56.00	47.10	47.10		20.46	28.97	28.97
Open access charges (CSS & wheeling)	150.00	250.00	45.31	45.31			34.74	34.74
Sale of scraps	0.00	10.00	10.02	10.02		9.70		
ODP/Delay payment surcharge	11.66	11.66	15.18	15.18	10.74	10.74	12.82	12.82
Miscellaneous receipt	14.00	15.00	3.12	3.12	52.49	13.26	54.35	54.35
Total	289.33	400.33	178.45	154.99	55.57	55.82	109.55	109.55

Revenue Requirement

161. In the light of above discussions, the Commission approves the revenue requirement of the FY 2023-24 of four DISCOMs, as shown in Annexure-A.

162. A summary of the proposed & approved revenue requirement, expected revenue (at the approved tariff) and revenue gap for FY 2023-24 is given below:

Table – 63

Proposed & Approved Revenue Requirement & Expected Revenue for the FY 2023-24

(Rs. in Cr.)

DISCOM	Revenue Requirement FY 2023-24		Expected Revenue FY 2023-24		Gap (-)/ Surplus (+)	
	Proposed	Approved	Proposed	Approved	Proposed	Approved
TPWODL	5771.94	6192.72	6171.82	6251.99	399.88	59.27
TPNODL	3707.35	3556.28	3503.14	3559.02	-204.21	2.74
TPSODL	2289.78	1988.22	1985.81	1990.77	-303.97	2.55
TPCODL	5227.48	5205.50	5144.05	5170.68	-83.43	-34.82
Total	**16996.55**	**16942.72**	**16804.82**	**16972.46**	**-191.73**	**29.74**

Note: The approved revenue requirement of TPWODL is more than the proposed revenue requirement. This is due to increase in BSP and consequent increase in power purchase cost, levy of additional BSP surcharge and true up surplus during the FY 2020-21 and 2021-22.

Segregation of wheeling and retail supply business

163. For the Retail Supply business the ARR proposal shall comprise information such as power purchase expenses, O&M Expenses, Interest on Loan Capital and Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, other allocation of expenses, ARR for wheeling business. The deduction will be made on account of NTI, income from other business, receipt on account of cross subsidy surcharge from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge (CSS).

164. The DISCOMs in their ARR submissions have proposed allocation under wheeling and retail supply business in line with the OERC Wheeling & Retail Supply Tariff Regulations, 2022.

Table – 64
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	Power purchase expenses	0%	100%
2	Intra state transmission Charges	0%	100%
3	Employee Expenses	60%	40%
4	Administrative & General Expenses	50%	50%
5	Repair & Maintenance Expenses	90%	10%
6	Depreciation	90%	10%
7	Interest on long term capital	90%	10%
8	Interest on Working capital	10%	90%
9	Provision for bad debts	0%	100%
10	Income Tax	90%	10%
11	Contribution to Contingent Reserve, if any	100%	0%
12	Return on Equity	90%	10%
13	Non-Tariff Income	10%	90%

165. The distribution licensees are yet to segregate the accounts of their licensed business into wheeling and retail supply business as provided in the earlier OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 and also as per the present OERC Wheeling & Retail Supply Tariff Regulations, 2022. 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 the same.

Wheeling Business

166. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 provides that ARR shall contain the proposal for wheeling Tariff and Retail supply tariff including its computation. The licensee shall furnish the required information with regard to technical, commercial and financial parameters. The ARR proposal shall include information for the wheeling business such as detailed capital expenditure, capitalisation, financing plan, distribution system or network usage forecast, O&M expenses, interest on loan capital & working capital, depreciation, ROE, Income tax, other taxes and other relevant expenses, etc. The deduction as per the regulation will be made on account of NTI, income from other business and income from wheeling charges payable by the existing distribution system users other than the retail consumers including the losses.

167. As per the 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. The Commission in order to rationalise the apportionment of the Non-tariff income has considered 10% for the wheeling business and 90% for the Retail business. This is shown in the following table:

Table – 65

Miscellaneous Receipts for the Wheeling business & Retail Business for the FY 2023-24

(Rs. Cr.)

	TPWODL	TPNODL	TPSODL	TPCODL
Total Miscellaneous Receipts Approved for FY 2023-24	400.33	154.99	55.82	109.55
Approved Miscellaneous Receipt for Wheeling Business (10%)	40.03	15.50	5.58	10.96
Approved Miscellaneous Receipt for Retail Business (90%)	360.30	139.49	50.24	98.60

168. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of wheeling business of TPWODL, TPNODL, TPSODL and TPCODL is approved for Rs.758 cr, Rs. 642.60 cr, Rs. 580.16 cr and Rs. 936.74 cr respectively. Accordingly, the wheeling charges (per unit) have been calculated for TPWODL, TPNODL, TPSODL and for TPCODL at the rate 95.53 paise/unit, 141.08 paise/unit, 137.71 paise/unit and 99.67 paise/unit respectively. The Commission in this order has considered A&G Expenses for wheeling and retail business in the proportion of 40% and 60 % respectively as per the earlier Regulation, 2014. This is in view of the fact that capex investment is gradually increasing by the DISCOMs and wheeling charges are reasonable. In the ARR for subsequent years, the A&G expenses for wheeling and retail business will be in the ratio 50:50 as per the new OERC Tariff Regulations, 2022. The details of the cost allocation in respect of Wheeling Business and determination of wheeling charges is shown in the following table:

Table - 66

Allocation of cost towards Wheeling Business of DISCOMs for the FY 2023-24

(Rs. in Crs.)

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total cost	Approved Wheeling cost	Approved Total cost	Approved Wheeling cost	Approved Total cost	Approved Wheeling cost	Approved Total cost	Approved Wheeling cost	Approved Total cost	Approved Wheeling cost
Employee costs (After Capitaisation)	60	554.91	332.95	512.79	307.68	495.76	297.45	776.93	466.16	2,340.40	1404.24
Repair & Maintenance	90	281.99	253.79	214.34	192.91	152.57	137.32	279.38	251.44	928.28	835.46
A & G Expenses	40	158.12	63.25	120.13	48.05	112.66	45.06	142.01	56.80	532.91	213.16
Depreciation	90	72.93	65.63	49.83	44.85	52.15	46.93	81.38	73.24	256.28	230.65
Interest on long term Loan capital	90	27.99	25.19	21.61	19.45	24.34	21.91	27.61	24.85	101.55	91.40
Interest on Working Capital Loan	10	53.87	5.39	27.02	2.70	13.66	1.37	26.28	2.63	120.84	12.08
Return on equity	90	57.59	51.83	47.19	42.47	39.67	35.70	80.63	72.57	225.08	202.57
Gross Total		**1207.40**	**798.03**	**992.91**	**658.10**	**890.81**	**585.74**	**1414.23**	**947.69**	**4505.34**	**2989.56**
Less: Miscellaneous receipts	10	400.33	40.03	154.99	15.50	55.82	5.58	109.55	10.96	720.69	72.07
Total wheeling Cost			**758.00**		**642.60**		**580.16**		**936.74**		**2917.50**
Total MU approved for LT & HT consumers			7934.46		4554.70		4213.05		9398.00		26100.21
Wheeling charges (P/U)			**95.53**		**141.08**		**137.71**		**99.67**		**111.78**

Retail Supply Business

169. The Retail Supply business comprises of power purchase expenses, O&M Expenses, Interest on Loan Capital & Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, etc. The deduction will be made on account of NTI, income from other business, receipt on account of Cross Subsidy Surcharge (CSS) from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge.

170. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of retail supply business for TPWODL, TPNODL, TPSODL and for TPCODL is given in the following table:

Table – 67

Allocation of cost towards Retail Supply Business of DISCOMs for the FY 2023-24

(Rs. in Cr.)

	Ratio out of Total approval	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**		**TOTAL**	
Expenditure	(%)	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost
Cost of power purchase	100	5207.54	5207.54	2515.18	2515.18	1033.20	1033.20	3433.08	3433.08	12,189.00	12189.00
Transmission Charges	100	318.86	318.86	180.19	180.19	118.08	118.08	270.14	270.14	887.28	887.28
SLDC Charges	100	2.06	2.06	1.16	1.16	0.76	0.76	1.74	1.74	5.72	5.72

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost	Approved Total cost	Approved Retail Supply cost
Employee costs(After Capitaisation)	40	554.91	221.96	512.79	205.12	495.76	198.30	776.93	776.93	2,340.40	936.16
Repair & Maintenance	10	281.99	28.20	214.34	21.43	152.57	15.26	279.38	27.94	928.28	92.83
A & G Expenses	60	158.12	94.87	120.13	72.08	112.66	67.59	142.01	85.21	532.91	319.75
Bad and Doubtful debt	100	62.52	62.52	35.59	35.59	19.91	19.91	51.71	51.71	169.72	169.72
Depreciation	10	72.93	7.29	49.83	4.98	52.15	5.21	81.38	8.14	256.28	25.63
Interest on long term Loan capital	10	27.99	2.80	21.61	2.16	24.34	2.43	27.61	2.76	101.55	10.16
Interest on Working Capital Loan	90	53.87	48.48	27.02	24.32	13.66	12.30	26.28	23.65	120.84	108.75
Interest on security deposit	100	72.06	72.06	51.83	51.83	21.78	21.78	60.82	60.82	206.48	206.48
Return on equity	10	57.59	5.76	47.19	4.72	39.67	3.97	80.63	8.06	225.08	22.51
Gross Retail Supply Cost		**6870.44**	**6072.41**	**3776.86**	**3118.76**	**2084.53**	**1498.79**	**5231.72**	**4750.18**	**17963.55**	**14973.98**
Less: Miscellaneous Receipts	90	400.33	360.30	154.99	139.49	55.82	50.24	109.55	98.60	720.69	648.62
Net Retail Supply Cost		6470.11	**5,712.11**	3621.87	**2,979.27**	2028.71	**1,448.55**	5122.17	4651.59	17242.86	14325.36
(Special Appropriation)		-277.38		-65.59		-40.49		83.33		-300.13	
Net Retail Supply Cost (After special Appropriation)		6192.73		3556.28		1988.22		5205.50		16942.73	

171. In the last RST order the Commission had directed DISCOMs to segregate their accounts for wheeling business and retail supply business as per OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The new regulation OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 also stipulates that the distribution licensee shall segregate the accounts of the licensed business into wheeling and Retail Supply business within one year of notification of these Regulations as per the guidelines to be issued by the Commission. Pending such guidelines, 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 August, 2023.

Truing up of DISCOMs

172. Truing –up applications have been filed by the three (3) distribution companies (TPCODL, TPWODL and TPSODL) for the FY 2020-21. Similarly, the truing up application have been filed by four (4) DISCOMs (TPCODL, TPWODL, TPSODL and TPNODL) for the FY 2021-22 under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and other related Rules and Regulations.

TPCODL

173. Tata Power Central Odisha Distribution Limited (TPCODL) is a joint venture of Tata Power (51%) and Government of Odisha represented through GRIDCO (49%) on the Public-Private Partnership (PPP) model. TPCODL was vested on 01.06.2020 to take over the license to distribute electricity in the central part of Odisha, which was earlier served by erstwhile CESU, after being selected through a competitive bidding process. TPCODL.

174. 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 audited accounts for the year. In terms of such Regulation, TPCODL have filed the application for approval of truing up expenses for ten (10) months (June 2020 to March 2021) for the FY 2020-21, which has been registered as Case No.90 of 2022 and truing up for the FY 2021-22 registered (as Case No.91 of 2022).

175. TPCODL has submitted the details of expenses approved by the Commission vis-à-vis the actual expenses duly audited for the FY 2020-21 and FY 2021-22.

TPSODL

176. TPSODL has taken over the distribution business from erstwhile SOUTHCO utility w.e.f 1st January 2021 as per terms of Order dated 28th December 2020 ("Vesting Order"). TP Southern Odisha Distribution Limited (TPSODL) is a joint venture between Tata Power (51%) and the Government of Odisha represented through GRIDCO (49%).

177. TPSODL has stated that the Commission after following the due regulatory process has approved certain expenditure in the petitions, (a) ARR for FY 2022-23, (b) Capex approval of FY 2021-22, (c) Annual Business Plan (i.e Opex) for FY 2021-22 and (d) Capex approval of FY 2022-23.TPSODL has Submitted applications for truing up expenses along with details of expenses approved by the Commission vis-à-vis the actual expenses duly audited for the FY 2020-21 and FY 2021-22. The truing up applications of TPSODL were registered as Case No.06 of 2023.

TPWODL

178. TPWODL has taken over the distribution business from erstwhile WESCO utility w.e.f 1st January 2021 as per terms of Order dated 28th December 2020 ("Vesting Order"). TP Western Odisha Distribution Limited (TPWODL) is a joint venture between Tata Power (51%) and the Government of Odisha represented through GRIDCO (49%) and took over the responsibility of distribution of electricity in western part of Odisha.

179. TPWODL had filed the application for approval of truing up for FY 2020-21 (January 2021 to March 2021) and truing up application for FY 2021-22 registered as Case No.81 of 2022 . TPWODL has submitted the details of expenses approved by the Commission vis-à-vis the actual expenses duly audited for the FY 2020-21 and FY 2021-22.

TPNODL

180. TPNODL (TP Northern Odisha Distribution Limited) was incorporated as a joint venture of the Tata Power Company (51%) and Government of Odisha represented through GRIDCO (49%) on the Public-Private Partnership (PPP) model. TPNODL took over the license to distribute electricity in the five districts of northern part of Odisha with effect from 1.4.2021 in compliance to vesting order of the Commission dated 25.3.2021 in Case No.9/2021.

181. NESCO Utility had filed the application for determination of Annual Revenue Requirement and Tariff application for the FY 2021-22 on 30.11.2020. The Commission after hearing all stakeholders, passed the order on dated 26.3.2021. TPNODL has filed its true up application which is registered as Case No.84 of 2022 and has submitted the details of expenses approved by the Commission vis-à-vis the actual expenses duly audited for the FY 2021-22.

182. The Commission has taken cognisance of the true up petitions of the respective DISCOMs, respective approvals in the ARR, available audited accounts for FY 2020-21 and 2021-22, additional approvals in respective Annual Business plans, additional recruitment approvals and OERC (Terms and Conditions of Wheeling and Retail Supply tariff) Regulations, 2022. The commission has analysed the same to arrive at the true up approval.

Commission's Order:

183. The Commission in the last ARR order for 2022-23 had carried out the truing up exercise of TPCODL for the FY 2020-21, TPSODL for the FY 2020-21 and TPWODL for the FY 2020-21. The observation of the Commission in this regard is as follows:

The Commission has carried out this truing up exercise purely based on the Tariff Regulations 2014, wherein many such feature of the vesting orders and subsequent orders are required to be further scrutinised. 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 full year will give the right scenario of the performance of the new DISCOMs. Under these 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 next year truing up for FY 2021-22 when the full year audited accounts are available.

184. In the present ARR petition for the FY 2023-24, TPCODL, TPWODL, TPSODL have filed truing up application again for FY 2020-21 along with fresh application for FY 2021-22. TPNODL has filed its true up application for the FY 2021-22.

185. In the meantime, the Commission has notified OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. The said regulation clearly defines the methodology of the truing up. The broad frame works of true up in the regulation is given in the following paragraphs.

- *"The Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations. The Commission has carried out Truing up exercise on the basis of actual expenses booked in the audited account of the Distribution Licensee for the particular year, and the expenses allowed in the ARR for the corresponding Financial Year.*

- *The Commission shall pass an order basis of the approved aggregate gains or losses to the Distribution Licensee on account of controllable factors, and the amount of such gains or such losses, Components of approved cost pertaining to the uncontrollable factors, carrying cost to be allowed on the amount of Revenue Gap or Revenue Surplus.*

Controllable and Uncontrollable costs:

- *As per the Regulation, the Commission determine some specific Uncontrollable costs like Force Majeure events, change in law, judicial pronouncements, Variation in the price of fuel and/ or price of power purchase including Intra-State transmission and SLDC Charges, Variation in the number or mix of consumers or quantum of electricity supplied to consumers, Transmission Loss, Variation in market interest rates, Taxes and Statutory levies, Taxes on Income.*
- *As per the Regulation the Commission determine some specific controllable costs like Variations in capitalisation on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project; Variation in Operation &Maintenance expenses; Variation in Interest and Finance Charges, Return on Equity and Depreciation on account of variation in capitalisation, as specified in clause (a) above; Variations in interest on working capital; Variations in aggregate technical and commercial (AT&C) losses of Distribution Licensee; Variations in recovery of past arrears pertaining to erstwhile Distribution Licensees as per terms of Vesting Orders Variations in performance parameters; Failure to meet the standards specified by the Commission, as amended from time to time, except where exempted by the Commission; Bad debts written off.*

Mechanism for pass through of gains or losses on account of uncontrollable factors

- *The approved aggregate gains or losses to the Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Distribution Licensee over such period*
- *The Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned, and the figures approved by the Commission, in the prescribed format to the Commission, along with the detailed computations*

Mechanism for sharing of gains or losses on account of controllable factors after Truing Up

- *The gains or losses accruing to the new Distribution Licensees on account of AT&C loss and incentive on past arrear recovery shall be governed by the terms and conditions of Request for Proposal (RfP) documents and Vesting Orders of respective Distribution Licensees. The Commission shall treat the profit beyond the approved return in the following manner:*
- *One-third amount to be declared by the licensee as dividends to the shareholders and if it is not paid out as dividend, it shall be eligible to be treated as part of equity to that extent and earn returns on the same*

- *One-third amount to be returned back to consumers by way of reduction in the consumer bills as rebate*
- *One-third amount shall be kept as tariff balancing reserve, which shall be used to reduce sharp rise in ARR in future years. The Commission may allow a part of the total reserve to be returned to the consumers every three years by way of reduction in ARR*

Subsidy Mechanism

- *The licensee shall make an estimate of subsidy to be provided to the consumers or class of consumers as per the Government notification and file the same with the Commission for approval.*
- *The Commission, on according approval forward the same to the State Government with a direction to pay the amount in full with a copy of the approval to the licensee.*
- *The licensee shall pay the subsidy received from the Government to the entitled class of consumers in proportion to their energy consumption on actual basis by way of adjustment in the electricity bill.*
- *The licensee shall keep proper accounts of subsidy in such a manner as approved by the Commission and render the same to the Commission within 30 days of the closure of the Year of account.*
- *The difference between the subsidy received from the Government and actual disbursement to the entitled class of consumers shall be adjusted in the next year."*

186. In view of the notification of the new regulations which has taken into account the provisions of vesting orders and other related developments, the Commission has decided to take up the truing up exercise based on the OERC wheeling &Retail Supply Tariff Regulation, 2022. Taking into account the provisions of the said regulations the truing up for the both years latest FY 2020-21 and FY 2021-22 have been carried out on the following principles.

a) Employee cost- The employee cost has been termed as controllable factor in the regulation. However, the employee cost approved in the ARR for the first year of operation was based on the filing of the erstwhile utilities. The Commission, considering lower approval for erstwhile Utilities, allowed additional expenses to the new DISCOMs for the year. The Commission has therefore taken into account following facts while approving employee cost:

(i) Subsequent approvals accorded in the respective Annual Business Plan Orders

(ii) New recruitment allowed after taking over.

(iii) the expenditure booked in the audited accounts.

(iv) the projection towards actuarial valuation for contribution to the trusts have been deducted and considered only actual cash out go for the terminal benefits as per the vesting orders.

(v) The cost of outsourced expenses has been included in the employees cost in the ARR.

b) The Cost towards R&M and A&G expenses have been allowed as per the approved and audited figure whichever is lower.

c) Bad and Doubtful Debt have been allowed @1% of the actual revenue.

d) Interest on Security deposit, CAPEX loan and working capital loan has been allowed as per the audited account on actual basis.

e) Income Tax has been allowed which has been actually paid and reflected in the audited accounts.

f) Return on Equity has been allowed @16% per annum on the actual equity reflected in the audited accounts.

g) Non-Tariff Income (NTI) has been allowed excluding meter rent, incentive and arrear collection and amortisation of consumer contribution and grant.

h) Revenue has been allowed as per the actuals reflected in the audited accounts.

i) Power purchase cost derived as per the cost reflected in the audited accounts and further adjusted as per regulation 3.14 wherein the calculation of gains and loss arising from over achievement or under achievement of AT&C loss reduction vis-à-vis the regulated AT&C loss has been considered.

187. Accordingly, the Commission has considered the provisions of the OERC Wheeling & Retail Supply Tariff Regulations, 2022, the Annual Business Plan Orders for respective DISCOMs and relevant orders towards O&M cost while approving the true up expenses in respect of TPCODL, TPWODL and TPSODL for the FY 2020-21 and for all four DISCOMs (TPNODL, TPSODL, TPCODL, TPWODL) for the FY 2021-022.

188. The following table summaries such approvals against the proposals.

Table - 68

TRUE UP FOR FY 2020-21 (JUNE 2020 TO MARCH 2021)							
TRUE UP OF TPCODL	**Approved in the ARR 2020-21**	**Cost further allowed in ABP**	**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**
Expenditure							
Cost of Power Purchase	2709.86		2709.86	2258.22	1982.73	2033.87	1985.25
Employee costs	622.15	48.36	670.51	566.82	584.44	589.62	566.82
Repair & Maintenance	139.62	26.28	165.90	142.63	142.33	142.34	142.34
Administrative and General Expenses	70.82	37.85	108.67	96.87	84.72	135.53	84.72
Provision for Bad & Doubtful Debts	30.25		30.25	25.21	28.12	28.12	28.12
Interest on security deposit	38.77		38.77	32.31	22.19	22.19	22.19
Depreciation	94.56		94.56	78.80	15.33	75.64	15.33
Interest on Working capital					35.16	10.98	10.98
Interest on long term debt	31.04		31.04	25.87	1.40		
Finance cost					1.21		
Sub-Total	**3737.07**		**3849.56**	**3226.72**	2897.63	3038.29	2855.75
Less: Employee cost capitalised	15.40		15.40	12.83		2.73	2.73
(A)Total expenses	**3721.67**		**3834.16**	**3213.89**	2897.63	3035.56	2853.02
Income Tax					13.90	0	0
Return on equity	11.64		11.64	9.70	41.32	0	40.00
(B) Sub total	11.64		11.64	9.7	55.22	0	40.00
TOTAL(A+B)	**3733.31**		**3845.80**	**3223.59**	**2952.85**	**3035.56**	**2893.02**
Less Miscellaneous Receipt	178.98		178.98	149.15	47.60	168.32	57.78
Receipt on account of open access					20.79		
Total Revenue Requirement	3554.33		3666.82	3074.44	2884.46	2867.24	2835.24
Revenue from Sale of Power	3569.58		3569.58	2974.65	2791.58	2812.13	2812.13
GAP(+/-)	**15.25**		**-97.24**	**-99.79**	**-92.88**	**-55.11**	**-23.11**

Table - 69

Adjustment towards Power Purchase Cost FY 2020-21 (TPCODL)			
Approved AT &C loss	%	A	23.70%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	22.93%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	5226.13
Actual power purchase	MU	H	6960.62
Normative power purchase	MU	I=G/(1-C)	6780.96
Additional power purchase	MU	J=H-I	179.66
Approved BSP	Paise/Unit	K	270.6
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	48.62
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	48.62

Table - 70

True up expenses allowed to TPCODL for FY 2021-22

TRUE UP OF TPCODL	TRUE UP FOR FY 2021-22			
	Approved in the ARR 2021-22	Proposed FY 2021-22	Audited FY 2021-22	Allowed in true up
Expenditure				
Cost of Power Purchase	2890.79	2688.68	2715.66	2688.74
Employee costs	605.70	776.62	767.76	722.82
Repair & Maintenance	202.94	203.00	203.25	202.94
Administrative and General Expenses	82.94	123.00	174.77	123.00
Provision for Bad & Doubtful Debts	32.05	39.78	39.78	39.78
Depreciation	43.57	41.25	117.80	41.25
Interest on Working capital	0	43.92	52.76	43.92
Interest on consumer security deposit	33.45	31.64	31.64	31.64
Interest on long term loan	0.00	9.06		9.06
Financing cost		0.99	0.99	0.99
Sub-Total	**3891.44**	**3957.94**	**4104.41**	**3904.14**
Less: Employee cost capitalised		22.34	22.34	22.34
(A)Total expenses	**3891.44**	**3935.60**	**4082.07**	**3926.48**
Defered tax provision			10.16	
Return on equity	48.00	59.00	0.00	59.00
Tax on ROE		19.93		
(B) Sub total	48.00	78.93	10.16	59.00
TOTAL(A+B)	**3939.44**	**4014.53**	**4092.23**	**3985.48**

TRUE UP OF TPCODL	TRUE UP FOR FY 2021-22			
	Approved in the ARR 2021-22	**Proposed FY 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
Less: Miscellaneous Receipt	104.80	107.08	224.36	87.21
Receipt on account of CSS				0
Total Revenue Requirement	**3834.64**	**3907.45**	**3867.87**	**3898.27**
Revenue from Sale of Power	3835.58	3,932.00	3,978.05	3,978.05
GAP(+/-)	**0.94**	**24.55**	**110.18**	**79.78**
Repayment of ASL		237.84		
Total Gap considered for True up		**-213.29**		

Adjustment towards Power purchase cost

Approved AT &C loss	%	A	23.70%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	22.93%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	6722
Actual power purchase	MU	H	8817
Normative power purchase	MU	I=G/(1-C)	8721.86
Additional power purchase	MU	J=H-I	95.14
Approved BSP	Paise/Unit	K	283
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	26.92
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	26.92

Table-71
True up expenses allowed to TPSODL for FY 2020-21

TRUE UP FOR FY 2020-21 (JANUARY 2021 TO MARCH 2021)					
TRUE UP OF TPSODL	**Approved in the ARR 2020-21**	**TPSODL Jan 21 to March 21 (Pro rated)**	**TPSODL Jan 21 to March 21 (Proposed)**	**Audited (3 months)**	**Allowed in true up**
Expenditure					
Cost of Power Purchase	855.17	213.79	198.76	200.29	209.68
Employee costs	370.88	92.72	91.12	120.61	96.66
Repair & Maintenance	45.96	11.49	1.28	1.28	1.28
Administrative and General Expenses	35.49	8.87	13.53	13.53	8.87

TRUE UP FOR FY 2020-21 (JANUARY 2021 TO MARCH 2021)					
TRUE UP OF TPSODL	**Approved in the ARR 2020-21**	**TPSODL Jan 21 to March 21 (Pro rated)**	**TPSODL Jan 21 to March 21 (Proposed)**	**Audited (3 months)**	**Allowed in true up**
Provision for Bad & Doubtful Debts	10.79	2.70	3.53	3.53	2.70
Depreciation	29.03	7.26	6.89	6.91	6.91
Interest on Working capital			4.40	0.09	0.09
Interest on long term debt	11.74	2.94	0.09	1.49	1.49
Interest on consumer security deposit	13.74	3.44	3.15	3.15	3.15
Eficiency gains on account of AT & C losses			12.64		
Sub-Total	**1372.80**	**343.20**	**335.39**	**350.88**	**330.83**
Less: Expenses capitalised					
(A)Total expenses	**1372.80**	**343.20**	**335.39**	**350.88**	**330.83**
Income Tax			4.93	0	0
Return on equity	6.03	1.51	8.00	0	8.00
(B) Sub total	**6.03**	**1.5075**	**12.93**	**0**	**8.00**
TOTAL(A+B)	**1378.83**	**344.71**	**348.32**	**350.88**	**338.83**
Less Miscellaneous Receipt	39.77	9.94	11.59	29.25	16.08
Receipt on account of CSS					
Total Revenue Requirement	1339.06	334.77	336.73	321.63	322.75
Revenue from Sale of Power	1345.96	336.49	353.00	355.38	355.38
GAP(+/-)	**6.90**	**1.72**	**16.27**	**33.75**	**32.63**
Adjustment towards Power purchase cost					
Approved AT &C loss	%	A	25.75%		
Normative collection efficiency	%	B	99.00%		
Calculated distribution loss	%	C=1-(1-A)/B	25.00%		
Actual AT & C loss achieved	%	D			
Actual collection efficiency	%	E			
Actual distribution loss	%	F			
Actual sales	MU	G	718		
Actual power	MU	H	902		

TRUE UP FOR FY 2020-21 (JANUARY 2021 TO MARCH 2021)					
TRUE UP OF TPSODL	**Approved in the ARR 2020-21**	**TPSODL Jan 21 to March 21 (Pro rated)**	**TPSODL Jan 21 to March 21 (Proposed)**	**Audited (3 months)**	**Allowed in true up**
purchase					
Normative power purchase	MU	I=G/(1-C)	957.33		
Additional power purchase	MU	J=H-I	-55.33		
Approved BSP	Paise/Unit	K	197.40		
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-10.92		
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-10.92		

Table - 72
True up expenses allowed to TPSODL for FY 2021-22

TRUE UP FOR FY 2021-22						
TRUE UP OF TPSODL	**Approved in the ARR 2021-22**	**Approved in ABP**	**Total Approval FY 2021-22**	**Total Proposed FY 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
Expenditure						
Cost of Power Purchase	964.22		964.22	916.58	926.33	944.23
Employee costs	404.76		404.76	413.83	463.10	421.53
Repair & Maintenance	55.36	33.21	88.57	90.68	90.68	88.57
Administrative and General Expenses	45.13	27.07	72.20	96.77	111.47	72.20
Provision for Bad & Doubtful Debts	12.21		12.21	16.55	16.55	16.55
Depreciation	21.47		21.47	28.29	28.29	21.47
Interest on Working capital				19.67	15.11	15.11
Interest on consumer security deposit	11.60		11.60	11.92	11.92	11.92
Interest on long term loan				4.6		0
Efficiency gains on account of AT & C losses				22.78		
Sub-Total	**1514.75**		**1575.03**	**1621.67**	1663.45	1591.57
Less: Employee cost capitalised					2.17	
(A)Total expenses	**1514.75**		**1575.03**	**1621.67**	**1665.62**	**1591.57**
Income Tax				20.80	20.60	20.60

TRUE UP FOR FY 2021-22						
TRUE UP OF TPSODL	**Approved in the ARR 2021-22**	**Approved in ABP**	**Total Approval FY 2021-22**	**Total Proposed FY 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
Return on equity	32.00		32.00	35.48		35.48
(B) Sub total	32.00		32.00	56.28	20.60	56.08
TOTAL(A+B)	**1546.75**		**1607.03**	**1677.95**	**1686.22**	**1647.65**
Less Miscellaneous Receipt	25.56		25.56	42.49	92.93	60.88
Receipt on account of CSS						0
Total Revenue Requirement	1521.19		1581.47	1635.46	1593.29	1586.77
Revenue from Sale of Power	1522.73		1522.73	**1640**	1654.63	1654.63
GAP(+/-)	**1.54**		**-58.74**	**4.54**	**61.34**	**67.86**
Total Gap considered for True up						

Adjustment towards Power purchase cost			
Approved AT &C loss	%	A	25.75%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	25.00%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	3021
Actual power purchase	MU	H	3941.54
Normative power purchase	MU	I=G/(1-C)	4028.00
Additional power purchase	MU	J=H-I	-86.46
Approved BSP	Paise/Unit	K	207.00
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-17.90
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-17.90

Table - 73
True up expenses allowed to TPWODL for FY 2020-21

TRUE UP FOR FY 2020-21 (JANUARY 2021 TO MARCH 2021)					
TRUE UP OF TPWODL	**Approved in the ARR 2020-21**	**TPWODL Jan 21 to March 21 (Pro rated)**	**TPWODL Jan 21 to March 21 (Proposed)**	**Audited (3months)**	**Allowed in true up**
Expenditure					
Cost of Power Purchase	2633.22	658.31	692.05	689.80	660.68
Employee costs	361.02	90.26	116.38	101.70	101.70
Repair & Maintenance	92.24	23.06	5.75	5.75	5.75
Administrative and General Expenses	52.80	13.20	22.07	36.76	13.20
Provision for Bad & Doubtful Debts	22.95	5.74	8.53	8.53	5.74
Depreciation	61.40	15.35	16.40	16.40	15.35
Interest on Working capital	0	0.00	8.88	2.95	2.95
Interest on consumer security deposit	38.62	9.66	10.94	8.00	8.00
Interest on long term loan	14.58	3.65			0
Sub-Total	**3276.83**	**819.21**	881.00	869.89	813.36
Less: Employee cost capitalised					
(A)Total expenses	**3276.83**	**819.21**	**881.00**	**869.89**	**813.36**
Income Tax					
(B)Return on equity	7.78	1.95	12.00	0.00	12.00
TOTAL(A+B)	**3284.61**	**821.15**	**893.00**	**869.89**	**825.36**
Less Miscellaneous Receipt	191.39	47.85	28.34	44.93	44.93
Receipt on account of CSS				46.57	46.57
Total Revenue Requirement	3093.22	773.31	864.66	778.39	733.86
Revenue from Sale of Power	3128.91	782.23	894.19	847.62	847.62
GAP(+/-)	**35.69**	**8.92**	**29.53**	**69.23**	**113.76**

Adjustment towards Power purchase Cost

Approved AT &C loss	%	A	19.60%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	18.79%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	1561.53
Actual power purchase	MU	H	2013.06
Normative power purchase	MU	I=G/(1-C)	1922.78
Additional power purchase	MU	J=H-I	90.28
Approved BSP	Paise/Unit	K	322.6

Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	29.12
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	29.12

Table - 74
True up expenses allowed to TPWODL for FY 2021-22

TRUE UP FOR FY 2021-22						
TRUE UP OF TPWODL	**Approved in the ARR 2021-22**	**Approved in ABP**	**Total Approval**	**Proposed 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
Expenditure						
Cost of Power Purchase	3140.48		3140.48	3333.66	3338.17	3310.91
Employee costs	409.49		409.49	483.68	456.35	412.35
Repair & Maintenance	109.22	50.78	160.00	137.05	137.06	137.05
Administrative and General Expenses	63.66	39.51	103.17	113.27	146.23	103.17
Provision for Bad & Doubtful Debts	27.42		27.42	45.03	45.03	45.03
Depreciation	36.34		36.34	24.45	81.12	24.45
Interest on Working capital	34.37		34.37	51.65	9.98	9.98
Interest on consumer security deposit				32.95	32.95	32.95
Interest on long term loan						0
Sub-Total	**3820.98**		**3911.27**	**4221.74**	4246.89	4075.90
Less: Employee cost capitalised					5.64	5.64
(A)Total expenses	**3820.98**		**3911.27**	**4221.74**	**4252.53**	**4081.54**
Arrear collection Incentive				11.92		
Return on equity	48.00		48.00	68.85		52.79
(B) Sub total	48.00		48.00	80.77	0.00	52.79
TOTAL(A+B)	**3868.98**		**3959.27**	**4302.51**	**4252.53**	**4134.33**
Less Miscellaneous Receipt	237.45		237.45	117.44	234.36	142.67
Receipt on account of CSS						0
Total Revenue Requirement	**3631.53**		**3721.82**	**4185.07**	**4018.17**	**3991.66**
Revenue from Sale of Power	3705.75		3705.75	4691.85	4691.86	4691.86
GAP(+/-)	**74.22**		**-16.07**	**506.78**	**673.69**	**700.20**
Carrying Cost				**18.75**		
Total Gap considered for				**525.53**		

TRUE UP FOR FY 2021-22						
TRUE UP OF TPWODL	**Approved in the ARR 2021-22**	**Approved in ABP**	**Total Approval**	**Proposed 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
True up						

Adjustment towards power purchase Cost

Total Gap considered for True up			
Approved AT &C loss	%	A	20.40%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	19.60%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	7423
Actual power purchase	MU	H	9313
Normative power purchase	MU	I=G/(1-C)	9232.12
Additional power purchase	MU	J=H-I	80.88
Approved BSP	Paise/Unit	K	337
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	27.26
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	27.26

Table - 75
True up expenses allowed to TPNODL for FY 2021-22

TRUE UP FOR FY 2021-22						
TRUE UP OF TPNODL	**Approved in the ARR 2021-22**	**Approved in ABP**	**Total Approval FY 2021-22**	**Total Proposed FY 2021-22**	**Audited FY 2021-22**	**Allowed in true up**
Expenditure						
Cost of Power Purchase	2047.25		2047.25	1853.85	1836.76	1853.49
Employee costs	357.24		357.24	486.55	436.79	417.86
Repair & Maintenance	114.23	33.26	147.49	117.66	130.36	117.66
Administrative and General Expenses	49.20	29.52	78.72	105.24	105.24	78.72
Provision for Bad & Doubtful Debts	14.84		14.84	25.56	25.56	25.56
Depreciation	32.86		32.86	23.58	89.34	23.58

Interest on Working capital					18.98	18.98
Interest on long term loan				3.56		
Interest on consumer security deposit	26.78		26.78	58.92	26.25	26.25
Sub-Total	**2642.40**		**2705.18**	**2674.92**	**2669.28**	**2562.10**
Less: Expenses capitalised						
(A)Total expenses	**2642.40**		**2705.18**		**2669.28**	**2562.10**
Income Tax				24.86		24.86
Return on equity	40		40.00	43.60		43.60
(B) Sub total	40		40.00	68.46	0	68.46
TOTAL(A+B)	**2682.40**		**2745.18**	**2743.38**	**2669.28**	**2630.56**
Less Miscellaneous Receipt	137.42		137.42	140.43	239.53	140.43
Receipt on account of CSS						
Total Revenue Requirement	2544.98		2607.76	2602.95	2429.75	2490.13
Revenue from Sale of Power	2545.61		2545.61	2555.72	2555.72	2555.72
GAP(+/-)	**0.63**		**-62.15**	**-47.23**	**125.97**	**65.59**
Total Gap considered for True up						
Approved AT &C loss	%	A	19.17%			
Normative collection efficiency	%	B	99.00%			
Calculated distribution loss	%	C=1-(1-A)/B	18.35%			
Actual AT & C loss achieved	%	D				
Actual collection efficiency	%	E				
Actual distribution loss	%	F				
Actual sales	MU	G	4392			
Actual power purchase	MU	H	5327			
Normative power purchase	MU	I=G/(1-C)	5379.29			
Additional power purchase	MU	J=H-I	-52.29			
Approved BSP	Paise/Unit	K	320			
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-16.73			

Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-16.73			

189. The Commission hereby finalises the truing up of expenses of the new DISCOMs (TPCODL, TPSODL, TPWODL & TPNODL) for the FY 2020-21 and FY 2021-22. The Commission finds that the actual expenses booked in the audited accounts are higher than the approved costs for most of components, particularly for O&M. However, DISCOMs have booked higher Revenues also against the approved Revenues in the ARR. The DISCOMs have proposed to allow the higher costs owing to the operational requirement during these initial two years of the operations i.e FY 2020-21 and 2021-22. The Commission observes these proposed higher costs can only be verified through relevant information/data, field visits and third party audit.

TARIFF DESIGN

The present tariff structure

190. 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.

191. Two part tariff covers LT consumers with connected load/contract demand less than 110 kVA and such consumers will have to pay MMFC (Rs./kW or KVA) and energy charges.

192. Three part tariff is applicable to HT and EHT consumers with contract demand of 110 kVA and above and such consumers will have to pay 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)

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

194. The Commission has decided, RST structure for the FY 2023-24 in general will remain uncharged and most of the applicable charges for various category of consumers will remain same as that of FY 2022-23. The details of charges applicable to various categories of consumers classified under the OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

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

195. 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 the rate of MMFC determined for FY 2022-23 shall continue for FY 2023-24.

Table – 76
MMFC for LT consumers

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge (MMFC) for first KW or part (Rs.)*	Monthly Minimum Fixed Charge (MMFC) for any additional KW or part (Rs.)
		Approved For FY 2023-24	
	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.

196. Some consumers with connected load 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

197. 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 onwards.

198. 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 2023-24 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
More than 400 units consumption	620 paise per unit

199. In accordance with the provisions 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 the licensees are directed not to bill any consumer on load factor basis.

General Purpose LT (<110 kVA)

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

Table - 77

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

Irrigation Pumping and Agriculture

201. 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

202. 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

203. The Commission decides to revise the tariff downward to 310 paise per unit (kWh) at LT level and 300 paise per unit (kVAh) at HT level. This downward revision has been made considering the requirement of cold storage in our State which would help in preserving the agro-produce.

Energy Charges for Other LT Consumers

204. 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 2023-24 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 of LT consumers:

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

205. 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 2023-24 as given in Table below.

Table - 78

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

Demand charges at LT level

206. 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

Tariff For HT & EHT Consumers

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

207. 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 shall continue as it is as per details given in the table below:

Table – 79

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	

Category	Voltage of Supply	Customer service charge (Rs./month)
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	
Large Industry	EHT	
Railway Traction	EHT	
Heavy Industry	EHT	Rs.700/- for all categories
Power Intensive Industry	EHT	
Mini Steel Plant	EHT	
Emergency Supply to CGPs	EHT	

(ii) Demand charge for HT & EHT consumers

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

HT Category (Rs.250 per KVA per month)

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

HT Category (Rs.150 per KVA per month)

HT Industrial (M) Supply

EHT Category (Rs.250 per KVA per month)

General Purpose

Large Industry

Railway Traction

Heavy Industry

Power Intensive Industry

Mini Steel Plant

209. 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. Keeping in view the above 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 the OERC Distribution (Conditions of Supply) Code, 2019. Again in case of statutory load restriction, the contract demand shall be assumed as the restricted demand.

210. 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 - 80

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

211. However, the demand in respect of consumers with Contract Demand 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

212. The Commission always aims 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. The principle of higher rate of energy charge 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 2023-24.

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

Graded Slab Tariff for HT/EHT Consumers

214. 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 – 81
Slab rate of energy charges for HT & EHT (Paise per unit (kVAh))

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

215. All HT industrial consumers (Steel Plant) without CGP 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 2023-24:

Table - 82

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on energy charge	-
above 75% upto 85%	15% on energy charge	8% on energy charge
above 85%	20% on energy charge	10% on energy charge

The above rebate shall be on total consumption of energy.

Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2023-24.

216. Load factor has to be calculated as per Regulation 2 (42) of the OERC supply 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.

217. 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 the 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

218. 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 & Agriculture	-	140 paise per kVAh
Allied Agricultural Activities	-	150 paise per kVAh
Allied Agro-Industrial Activities	-	300 paise per kVAh

Industrial Colony Consumption

219. To encourage increase in the HT & EHT consumption, the Commission has decided to continue with the existing arrangement /tariff 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

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

Emergency power supply to CGPs/Generating stations

221. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs for energy supply 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 such consumers, (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 consecutive three months shall be billed on two part tariff in kVAh per unit with discontinuation of emergency power supply status.

Green Certification

222. 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 25 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 Plant (CGP). For this matter, our observations made earlier may be referred to.

Electric Vehicle

223. 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

224. The Mega Lift consumers (who are using electricity for irrigation purpose and not covered under the 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

225. 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."

226. The Commission revises the duration of off peak hours for the FY 2023-24. Off peak hours for tariff purpose shall be from 2 PM to 6 PM in the day and 12 Midnight to 6 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 consumption during above period. This discount, however, will not be applicable 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

227. 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 hours. The overdrawal penalty at the rate of Rs.250/KVA shall be charged on the excess drawal over the 120% CD during the off-peak hours.

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.

228. When the 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 Maximum Demand exceeds 120% of Contract Demand 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

229. 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 basing on the 80% of the contract demand or maximum demand drawn during other than off peak hours whichever is higher, where the drawal of maximum demand is within CD.

230. 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 2 PM to 6 PM in the day and 12 Midnight 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

231. HT and EHT consumers are allowed 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

232. As per Regulation 151 (ix) of the 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

233. The Commission examined the existing method of incentive and its financial implications. The Commission has decided to allow incentive for early and prompt payment as follows:

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 <u>working days</u> of presentation of the bill.

234. **Special Rebates**

a. Hostels attached to the Schools recognised and run by SC/ST Department of Government of Odisha shall get a rebate of Rs.2.40 paise per unit on energy charge under Specified Public Purpose category (LT/HT), which shall be over and above the normal rebate for which they are eligible.

b. All Swajala Dhara consumers under Public Water Works and Sewerage Pumping category shall get special rebate @ 10% on the total bill (except electricity duty and meter rent) over and above normal rebate, if the electricity bills are paid within due date.

c. All rural LT domestic consumers availing power through correct meter and who pay the bill in time shall avail rebate of 10 paise per unit over and above other existing rebate for prompt payment.

d. 4% 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, if such consumer pays the entire amount of the bill through digital mode on or before due date.

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 such 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 admissible. The maintenance of the 'OYT' transformer shall be made by Distribution Licensee. It is further clarified that the "OYT Scheme" is not applicable to any existing or new HT/EHT consumer.

Reconnection Charge

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

Table - 83

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

236. The Commission has examined the present method of raising DPS & its rate and has decided that if payment is not made within the due date, Delayed Payment Surcharge shall be paid 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

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

237. 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

238. 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

239. 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

240. The Commission revises the meter rent for FY 2023-24 which will be effective from 01.04.2023 as follows:

Table – 84

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of sixty (60) months only.

However, in case of Single-Phase Smart meter supplied by DISCOMs the meter rent shall be collected for a period of ninety six (96) months only.

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

241. The Commission has decided that in general, Retail Supply Tariff (RST) for the FY 2023-24 will remain unchanged like previous FY 2022-23. However, without increasing the RST for two consecutive years, some tariff rationalisation measures, as detailed in the present order, have been introduced (based on feedback/suggestions of stakeholders) to reduce tariff burden further on LT domestic consumers & Allied Agro-Industrial consumer, MSME and to increase industrial consumption, particularly electricity consumption of power intensive industries etc. The continuation of some of the rationalisation measures is likely to generate confidence and encourage industrial growth & employment generation. Complete removal of Delayed Payment Surcharge (DPS) to LT and HT domestic consumers is likely to encourage timely payment of electricity bills. In addition rebate has been provided for cold storage facility (under Allied Agro Industries) and Railways. In the process, the collection efficiency & revenue earnings of DISCOMs is expected to increase. All these efforts are in the overall interest of consumes of the State and shall 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

242. 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 from generation to Distribution of power. Distribution service providers have taken number of good initiatives for system improvement, reduction in distribution losses, improving safety of man & machine and resolving the meter & billing related issues etc. Lot more actions are still required to be taken by licensees.

243. All DISCOMs are directed –

(a) to provide the norms for engaging the outsourcing personnel through Business associates, details of number of outsourcing personnel at each division & circle level and works/responsibilities assigned to them.

(b) to provide present status and future planning for creation of dedicated industrial feeders with adequate protection system for providing reliable power supply.

(c) to carry out Energy audit for assessing LT & HT loss.

(d) to submit valuation of distribution assets under operation in their area of supply segregating them into three broad categories i.e. existing assets before taking over, assets created after taking over by present DISCOMs and assets created under Govt. funding before & after taking over of distribution business by the present DISCOMs.

(e) to create robust consumer data base by introducing KYC mechanism and other method to identify genuine consumer(s) & eliminate bogus consumer(s).

(f) to consider consumer-licensee interaction meetings to address consumer grievances and create a consumer friendly environment.

244. The details of material bank created for meeting regular O&M activities and for meeting the contingency situation like cyclone shall be submitted by all DISCOMs. Considering high cost involvement and susceptibility to damage/obsolence of equipment/material on storage, DISCOMs are directed to work out plan for cyclical stock build up at strategic locations along with consumption and replenishment plan for disaster mitigation. It has to be ensured that the material stock is built up ahead of expected period of cyclone and consumed on regular maintenance for optimum use of material bank so that no idle stock is maintained throughout the year under disaster mitigation.

Effective date of Tariff

245. The tariff schedule attached to this order shall be made effective from 01.04.2023 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.

246. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this order (in Case Nos. 85, 86, 87 & 89 of 2022) shall be made effective from 1st April, 2023 and shall be in force until further order. The cases are disposed of accordingly.

247. The Truing Up applications of TPNODL, TPWODL, TPSODL and TPCODL, in Case No. 06/2023 (TPSODL), Case No. 84 of 2022 (TPNODL), Case No. 90 & 91 of 2022 (TPCODL), Case No. 81/2022 (TPWODL) are disposed of accordingly.

248. The applications of TPNODL, TPWODL, TPSODL and TPCODL, in Case Nos. 82/2022 (TPSODL), 83/2022 (TPNODL), 88/2022 (TPCODL) and 80/2022 (TPWODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2023-24 are disposed of accordingly.

249. The Retail Supply Tariff as stipulated in the order shall be effective from 1st April, 2023 and shall remain in force until further orders.

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

Annexure-A

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2023-24

	TPWODL			TPNODL			TPSODL			TPCODL			Total		
Expenditure	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**	**Approved 2022-23**	**Proposed 2023-24**	**Approved 2023-24**
Cost of Power Purchase	3348.00	4740.00	5207.54	1932.42	2394.31	2515.18	996.53	1085.35	1033.20	2937.00	3300.5	3433.08	9213.95	11520.16	12189.00
Transmission Cost	260.40	358.40	318.86	168.56	208.85	180.19	122.92	133.88	118.08	274.12	308.05	270.14	826.00	1009.18	887.28
SLDC Cost	1.67	1.67	2.06	1.08	1.08	1.16	0.79	0.71	0.76	1.75	1.76	1.74	5.29	5.22	5.72
Total Power Purchase, Transmission & SLDC Cost(A)	**3,610.07**	**5,100.07**	**5,528.46**	**2102.06**	**2604.24**	**2696.53**	**1,120.24**	**1,219.94**	**1,152.04**	**3,212.87**	**3,610.31**	**3,704.96**	**10045.24**	**12534.56**	**13082.00**
Employee costs	474.83	640.64	580.57	417.80	560.63	529.37	430.79	639.14	526.00	775.49	853.52	803.22	2098.90	2693.93	2439.17
Repair & Maintenance exp.	156.03	346.01	281.99	141.43	257.19	214.34	90.24	155.40	152.57	239.85	291.29	279.38	627.55	1049.89	928.28
Administrative and General Expenses	110.39	262.16	158.12	84.23	140.08	120.13	77.25	137.47	112.66	132.72	163.51	142.01	404.59	703.22	532.91
Provision for Bad & Doubtful Debts	27.87	61.72	62.52	16.02	35.03	35.59	12.99	19.86	19.91	34.28	50.87	51.71	91.15	167.48	169.72
Depreciation	46.52	97.06	72.93	44.66	66.89	49.83	32.03	62.09	52.15	48.34	81.38	81.38	171.55	307.42	256.28
Interest on loan and S.D	44.50	181.61	171.50	31.98	120.55	110.32	17.26	66.75	63.78	50.78	170.98	125.65	144.52	539.89	471.25
Total Operation & Maintenance and Other Cost	**860.14**	**1,589.20**	**1,327.63**	**736.11**	**1,180.37**	**1,059.57**	**660.56**	**1,080.71**	**927.06**	**1,281.45**	**1,611.55**	**1,483.35**	3,538.27	**5,461.83**	**4,797.61**
Less: Employee cost capitalised	21.18	25.67	25.67	23.94	16.58	16.58	28.37	30.24	30.24	23.90	26.29	26.29	97.39	98.78	98.78
Less: interest Capitalised		17.58	17.58		9.86	9.86		-	4.00		10.94	10.94	0.00	38.38	42.38
Return on equity	48.00	109.44	57.59	40.00	79.42	47.19	32.00	54.14	39.67	48.00	131.96	80.63	168.00	374.96	225.08
Tax on ROE		36.81	-		26.72	-		20.80	-					84.33	
Carrying Cost on Regulatory Asset/Liability		(16.45)			21.49									5.04	
Repayment on ASL											20.45	-		20.45	-
Total Distribution Cost	**886.96**	**1,675.75**	**1,341.97**	**752.17**	**1281.56**	**1080.32**	**664.19**	**1,125.41**	**932.49**	**1,305.55**	**1,726.73**	**1,526.75**	**3608.88**	**5809.45**	**4881.54**
Less: Miscellaneous Receipt/Non tariff Income	267.69	289.33	400.33	154.15	178.45	154.99	35.16	55.57	55.82	107.21	109.56	109.55	564.21	632.91	720.69
Net Distribution Cost(B)	**619.27**	**1,386.42**	**941.64**	**598.02**	**1103.11**	**925.33**	**629.03**	**1,069.84**	**876.67**	**1,198.34**	**1,617.17**	**1,417.20**	**3044.66**	**5176.54**	**4160.85**
True up of Surplus/(Losses) for FY 2021-22		714.55	700.20			65.59			67.86			79.78		714.55	913.43
True up of Surplus/(Losses) for FY 2020-21	150.00		113.76				60.00		32.63	140.00		-23.11	355.30		123.28
Provisional Surplus allowed in 2022-23 ARR			150.00						60.00			140			350.00
BSP surcharge			386.58												386.58
Total Special Appropriation (C)		**-**	**(277.38)**		**-**	**(65.59)**		**-**	**(40.49)**			**83.33**			-300.13
Total Revenue Requirement (A+B+C)	**4,079.34**	**5,771.94**	**6,192.72**	**2700.08**	**3707.35**	**3,556.28**	**1,689.27**	**2289.78**	**1,988.22**	**4,271.21**	**5227.48**	**5,205.50**	**12739.90**	**16996.55**	**16,942.72**
Expected Revenue (Full year)	**4119.48**	**6171.82**	**6251.99**	**2,701.03**	**3503.14**	**3,559.02**	**1694.00**	**1985.81**	**1990.77**	**4273.00**	**5144.05**	**5170.68**	**12787.51**	**16,804.82**	**16,972.46**
GAP at existing(+/-)	**40.14**	**399.88**	**59.27**	**0.95**	**(204.21)**	**2.74**	**4.73**	**(303.97)**	**2.55**	**1.79**	**(83.43)**	**(34.82)**	**47.61**	**(191.73)**	**29.74**

Annexure-B

RETAIL SUPPLY TARIFF EFFECTIVE FROM 1st APRIL, 2023

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**		30	30	
	Consumption >100, <=300 units/month	LT		**700.00**				
	(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		310.00		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	300.00	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) 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/-

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

(iv) The meter rent w.e.f. 01.04.2023 shall be as follows:

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of sixty (60) months only.

However, in case of Single-Phase Smart meter supplied by DISCOMs the meter rent shall be collected for a period of ninety six (96) months only.

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

(v) All HT industrial consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on energy charge on achieving the load factor as given below:

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on energy charge	-
above 75% upto 85%	15% on energy charge	8% on energy charge
above 85%	20% on energy charge	10% on energy charge

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2023-24.

(vi) 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.5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under other schemes. 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. The concerned DISCOM must take prior permission of GRIDCO for providing this concession to consumer.

(vii) Any industry having CGP with CD above 20 MW 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.5.00 per kVAh for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO.

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

(ix) Railway Traction category shall get a rebate of 25 paise per unit for all the units consumed in addition to all other rebates they are eligible to avail.

(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/-

However, 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, this shall also form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA.

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

~~(xiv)~~ 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.

(xv) Three phase consumers with meters are allowed to avail TOD rebate (excluding LT Domestic and LT General Purpose categories, Public Lighting, emergency supply to CGP) @ 20 paise/unit for energy consumed during off peak hours. **Off peak hours for this purpose shall be from 2 PM to 6 PM in the day and 12 Midnight 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 rebate @10% on the energy consumption over and above normal 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 processing units having connected load less than 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General Purpose category for tariff purpose. If the connected load of the attached feed processing 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 shall be from **2 PM to 6 PM in the day and 12 Midnight to 6 AM of the next day**. The consumers who draw beyond their contract demand during the hours other than the off-peak hours shall not be eligible for this benefit. If the drawal during 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). If 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 through 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 case, the 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 admissible. The maintenance of the 'OYT' transformer shall be made by DISCOM Licensee (s). It is further 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 over and above other existing rebate for prompt payment.

(xxv) 4% 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, if such consumer pays the entire amount through digital mode before due date.

(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, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

(xxviii) The Educational Institution (Specified Public Purpose category consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawal under 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 25 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 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. 01.04.2023.**

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Annexure C

1. The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2023.

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	170.03	85.12	99.67	The Open Access customer availing Open Access shall pay Rs.5760/MW-day (Rs.240/MWh) as transmission charges.
TPNODL	149.03	33.31	141.09	
TPWODL	110.53	23.35	95.53	
TPSODL	236.53	130.78	137.71	

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (8%) are applicable for the year 2023-24.
3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be paid 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.

Exemption under Odisha renewable Energy Policy 2022:

(1) Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

(2) No Cross-subsidy surcharge are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(3) 25% wheeling charge is payable by the Captive/ Open Access consumer drawing power from Renewable projects commissioned in the State during the during the RE Policy period for Fifteen (15) years.

(4) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. This exemption shall be allowed for five (5) more years in case of projects commissioned before 31.03.2026.

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