

Before the Odisha Electricity Regulatory Commission
Pot No-4, Chunokoli, Shailashree Vihar, Bhubaneswar-751021

IN THE MATTER OF: Case No: 88 /2024 – Application filed by TPCODL for Aggregate Revenue Requirement and determination of Wheeling and Retail Supply Tariff for FY 2025-26

And

IN THE MATTER OF: TP Central Odisha Distribution Ltd. Corporate Office, Power House, Unit 8, Bhubaneswar- 751 012 represented by its Chief –Regulatory & Enforcement.

.... Petitioner

Affidavit

27 JAN 2025

I, Bharat Kumar Bhadawat, aged about 53 years, son of late Shri Shankar Lal Bhadawat residing at Bhubaneswar do hereby solemnly affirm and say as follows:

1. I am the Chief-Regulatory & Enforcement of TP Central Odisha Distribution Ltd., the Petitioner in the above matter and I am duly authorized to swear this affidavit on its behalf.
2. The statements made in this submission herein shown to me are based on information provided to me and I believe them to be true.

The Deponent above named being duly identified by Sri.....

Advocate at appears before me

on 27/01/25 at about 9:25

P.M. and states on oath that the contents

of this affidavit are true to the best

of his/her knowledge

(Bharat Kumar Bhadawat)

Chief-Regulatory & Enforcement

Bhubaneswar.

Dated: 27.01.2025

Identified by
Advocate

ANIL KUMAR MOHANTY
NOTARY, BBSR
REGD. No.-ON-116/2009

27th January, 2025

File No TPCODL/Regulatory /2025/8/ 485

To,
The Secretary
Odisha Electricity Regulatory Commission
Bidyut Niyamak Bhawan
Plot No 4, Chunokoli, Shailashree Vihar
Bhubaneswar 751021

Dear Sir,

Subject: Case No 88 of 2024: Aggregate Revenue Requirement and determination of Wheeling and Retail Supply Tariff for FY 2025-26 for TPCODL.

TPCODL has published the public notice on 15th December 2024 in the subject matter in compliance with the Hon'ble Commission's directive given in Letter No-Case No.88/2024 /1472 dated 13.12.2024. Some queries/objections/suggestions were received on our filings.

We are through this letter providing the rejoinder to the same raised by various persons and organizations in the **Appendix**.

The list of objectors to whom we are providing the reply are as follows.

Sl. No	Name of the Objector-FY26
1	Shri. Judhister Behera
2	M/s. East Coast Railway
3	Shri. Manoranjan Routray
4	Shri. Ananda Kumar Mohapatra
5	Shri.Ramesh Ch. Satpathy
6	M/s. Odisha Power Transmission Corporation Limited (OPTCL)
7	Shri. K. Prabhakar Dora
8	M/s. Utkal Chamber of Commerce & Industry Ltd (UCCI)
9	Shri. Prasanna Kumar Bisoi
10	M/s. Tata Steel Limited
11	Shri. Runvijay Singh
12	M/s. The Sampatrai Rotary Club of Cuttack Senior Citizen Home (SRCCSCH)
13	Shri. Priyabrata Sahu
14	Shri. Akshaya Kumar Sahani
15	M/s. Jindal Steel & Power Limited
16	M/s. Power Tech Consultant

TP **CENTRAL** ODISHA DISTRIBUTION LIMITED

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

Registered Office/Corporate Office: Power House Square, Unit-8, Bhubaneswar, 751012, Tel: 0674-2541575
Web: www.tpcentralodisha.com, E-mail: tpcodl@tpcentralodisha.com, CIN: U40109OR2020 PLC032901

17	Shri. Satya Bhusan Rath, representing M/s. Odisha Roller Flour Mills Association (ORFMA)
18	Shri. Satya Bhusan Rath, representing M/s. All Odisha Rice Millers Association (AORMA)
19	Shri. Rudra Prasan Hota, General Secretary, M/s. Seafood Exporter Association of India, Odisha

We trust the same is in order.

In line with the directions given by the Hon'ble Commission in the above letter, we are serving the copy of the respective rejoinders to the individual respondents.

The Hon'ble Commission may kindly allow us to make additional submission in this matter.

Thanking You,



Bharat Kumar Bhadawat

Chief – Regulatory & Enforcement

CC: Respective Rejoinders

1. Shri. Judhister Behera,
Siddhartha Nagar, Lane-01, Berhampur, PIN: 760004
Email: judhistir65@gmail.com
2. Principal Chief Electrical Engineer, East Coast Railway,
Rail Sadan, Chandrasekharapur, Bhubaneswar – 751017
3. Shri. Manoranjan Routray
Trinath Temple Street, Dist: Koraput, Odisha: 764020
Email: callmanoranjan@gmail.com
4. Shri. Ananda Kumar Mohapatra
Plot No: 799/4, Kotiteertha Lane, Old Town, BBSR-02
Email: anandmohapatra22@gmail.com
5. Shri. Ramesh Ch. Satpathy
Plot No: 302(B), Beherasahi, Nayapally, Bhubaneswar-751012
Email: ramesh.satapathy112@gmail.com
6. M/s. Odisha Power Transmission Corporation Limited (OPTCL),
Janapath, Bhubaneswar-751022.
Email: rtc@optcl.in
7. Shri. K Prabhakar Dora

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Web: www.tpcentralodisha.com, E-mail: tpcodl@tpcentralodisha.com, CIN: U40109OR2020 PLC032901

S/o Late K Bhaskar Rao Dora, 3rd Lane, Vidya Nagar, At- PO/Rayagada

Email: doraprabhakar1965@gmail.com

8. M/s Utkal Chamber of Commerce & Industry Ltd (UCCI),

N-6,IRC Village, Nayapalli, Bhubaneswar-751015

Email: contactus@utkalchamber.in ;gpwrtch@gmail.com

9. Shri. Prasanna Kumar Bisoi

S/o- Adhikari Bisoi, At Po/Ps-Begunia, Dist: Khurda, Pin-752062

10. M/s Tata Steel Ltd.

Athagarh, Anantpur, PO- Dhurusia, Cuttack: 754027, Odisha

11. Shri. Runvijay Singh

S/o-Sri Shiv Lakhan Singh, Director, M/s. Karma Re-rollers Pvt. Ltd.

Plot No- N-3/445,IRC Village, Bhubaneswar

Email: aks.kr.sahani@gmail.com

12. Shri. Akshaya Kumar Deo

President- The Sampatai Rotary Club of Cuttack, Senior Citizens Home(SRCCSCH)

Naraj, Cuttack- 754006

13. Shri Priyabrata Sahu,

S/o-Late Adikanda Sahu, At-Bijaya Bihar, 3rd Lane, Po-Berhampur, Dist-Ganjam-760004.

Email: sahu.priyabrata999@gmail.com

14. Shri Akshya Kumar Sahani, Retd. Electrical Inspector,GoO,

B/L-108, VSS Nagar, Bhubaneswar-75007.

Email: aks.kr.sahani@gmail.com

15. M/s. Jindal Steel & Power Ltd.

Chendipada road,SH 63, PO: Jindalnagar, Angul, Odisha-759111

16. M/s Power Tech Consultant.

K-8-82, Kalinga Nagar, Ghatkia, Bhubaneswar 751029

Email: pwrtch@gmail.com

17. Shri. Satya Bhusan Rath, representing Odisha Roller Flour Mills Association

(ORFMA), Admin office at, Shri Lalbaba Roller four mills (p) Ltd.

Gosala, Nayabazar, Cuttack

Email: sbhusanrath@gmail.com

18. Shri. Satya Bhusan Rath, representing Odisha Rice Millers Association (AORMA)

S-3/36,Sec-A,Zone-B,Mancheswar Industrial Area, Bhubaneswar-751010

Email: sbhusanrath@gmail.com

19. Shri. Rudra Prasan Hota, General Secretary, M/s. Seafood Exporter Association of India, Odisha.

Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.

Email: ramesh.satapathy112@gmail.com

1. Reply to Objections/ Suggestions by Shri Judhister Behera against Case No. 88/2024

1. *Employee Expenditure, R&M Expenditure and A&G Expenditure*

- 1) The ARR of all discoms proposes an exuberant in expenditure in employees' cost, Repair & maintenance cost and A&G expenditure which is double then the last year approved expenditure. Further power outages have gone up after TATA power taken over the company. If the gap proposed by the all Discoms is allowed it will increase the cost of unit by Rs 1.00 per unit. The meter reading and billing cost per consumer per month comes to around Rs 43 which is very high and needs a prudent check.

Response:

In this regard, we wish to submit that the operations of TPCODL is only 4.5 years old. The O&M Expenditure for the Discoms would depend on the level of activities in the area of Repairs , Maintenance , Billing, Collection, statutory fees, recruitment of personnel as per the approval of the Hon'ble Commission to cover the deficit on account of no recruitment in the past. It is submitted that since the takeover of the erstwhile utilities, various new activities/initiatives have been undertaken. TPCODL has explained the same in the Performance Review and other submissions made to the Hon'ble Commission from time to time.

Further, increase in the expenditure would also need to be considered after factoring the increase in assets, number of consumers from 26.82 Lakhs to 32.06 Lakhs, operation of customer care centers in all Divisions, Fuse Call Centres in different parts of the licensed Area and also the various activities for providing better consumer services and also provide improved reliability.

TPCODL in the Petition has provided detailed justification for incurrence of higher O&M Expenditure as compared to that approved. We therefore request the Hon'ble Commission to kindly approve the expenditure sought by TPCODL in their petition.

2. *Bills of Consumers are not served*

- high and needs a prudent approach.
- 2) . The present rate of interest on fixed deposits around 6% but the consumer is charged 18% in the corona year for non payment of bills Further the bills of consumers are not served and generated on provisional but same time rebate are not passed on to the consumer when the actual bill is generated.

Response:

DPS, reading and billing, bill delivery and rebate is being allowed as per the prevailing regulations.

3. Disconnection of Power Supply

- 3) In addition to above DISCOMS are disconnecting the power supply without proper notice the same should be stopped immediately.

Response:

Disconnection is being done as per the regulations.

4. Discom to provide the financial benefit derived from Capex Plan on accounts of Loss Reduction and its impact on tariff.

Response:

It is submitted that, at the time of take over AT&C Loss was 30.4% which has been reduced to 21.20%, which has yielded around Rs. 550 Cr plus saving to consumers. In fact last year there was a reduction in tariff for domestic category. Despite the fact that there is cost of supply Average Cost of Supply.

5. The Interest on security deposit may be increased.

The Interest on security deposit may be increased as 4.25% is too low and company is enjoying 6% interest on the security deposit lying with company.

Response:

The objector contention is factually incorrect. Present rate of interest on SD is 6.75% for FY 24-25 as per the direction of the Hon'ble Commission in the Tariff Order for FY 24-25.

The allegation made by the objector is false, in case of interest on security deposit FD received from the bank the petitioner is passing on the same to the consumer in the ARR under Non-Tariff Income.

- 6. *The Consumers may be given instalment facility at least 3 to deposit security deposit to restart the industry.***

Response:

It is submitted that, the petitioner have made a detailed submission under Para No 9.8 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

- 7. *Unlike domestic and commercial consumers other consumers may be provided with suitable digital rebate.***

Response:

The Hon'ble Commission, who has the sole prerogative on Tariff determination and Tariff design, would take an appropriate view on the matter. Our only submission is that tariff should be cost reflective.

- 8. *The Company has planned to install meter why the poor consumers of ODISHA will bear the capital cost or meter rent. The cost must be bear by the GOVT or the company from own profits.***

Response:

Installation of smart meters is a mandate under various regulation prescribed by OERC and Govt. of India. All the expenses/cost is borne by the consumer as per the provision of Electricity Act 2003 and Tariff Regulation 2022 prescribed by the Hon'ble Commission.

- 9. *The true-up exercises of past years must be actual and as per parameter approved by tariff and regulation, but it is observed that same is claimed in normative basis taking up efficiency gain in misleading manner. Tax on return on equity may not be considered as it has to be paid out of licensee's return on capital. Passing the same to the consumer is not acceptable. Further, DERC has fixed RoE as 10% which is much below the RoE fixed as per regulation.***

Response:

It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022 & actual figures as per Audited accounts. Regulation 2.14.2 of the Tariff Regulations, 2022 provides for sharing of efficiency gain and accordingly the Licensee has offered the same in compliance with the relevant regulation.

The Hon'ble Commission at Regulation 3.6.3 (c) of the OERC Tariff Regulation, 2022 has provided as under:

"3.6.3 Return on equity on the assets put to use under instant Regulations:

....

c. The tax only to the extent of the tax on return is provided as pass through."

It is submitted that the Licensee strictly follows the applicable regulations and is well within the ambit of the same. The same is also in line with regulations of other states and well recognized by Hon'ble APTEL.

10. NTI such as rebate to consumer, supervision charges, over drawl penalty and DPS should be passed on to consumers in full instead of 1/3rd proposed by DISCOMs.

Response:

Petitioner is following the provisions of Tariff Regulations 2022, prescribe by the Hon'ble Commission.

11. DPS to domestic and GP Consumers

We do not agree with levy of DPS to domestic and GP consumers as proposed by all the licensee as all know the reason of withdrawal of the same. We feel that poor consumers should not be burden with levy of DPS.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

12. Prorate Billing

We object prorata billing as it is against the regulation and very difficult for a common man to understand.

Response:

It is submitted that, TPCODL have made the submission under Para No 9.19 of our ARR Petition FY-26.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

13. Billing with Defective Meter

In this case our submission is that the revision of the bill of defective meter may be taken of as per regulation instead of summer consumption as proposed by licence.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.16 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

14. Revision of Reconnection Charges

Revision of Reconnection charges

We do not agree with the proposal of proposed revision of reconnection charges.

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.



The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

2. Reply to Objections/ Suggestions by Principal Chief Electrical Engineer, East Coast Railways against Case No. 88/2024

- 1. *Railways be treated as separate category and tariff (HT & EHT) be fixed at lower level than that of tariff for other EHT and HT consumers in the state.***

Response:

There is a separate Tariff Category for Railway Traction. The Hon'ble Commission has in the Tariff Order dated 13.02.2024, provided a special Rebate of Rs 0.25 per Kwh to "Railway Traction" load. The extracts from the Tariff Order is as follows:

(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.

Hence in our humble opinion, the Railways have been already provided a concessional tariff.

- 2. *'Railways to be charged at unit rate which is actual cost of supply of power to EHT category of consumers. The Respected Respondent has observed the category wise Tariff estimated by TPCODL in Form F-5.***

Response:

The Tariff determination for the state is the sole prerogative of the Hon'ble Commission. The Retail Supply Tariff for the entire state is same, hence the Hon'ble Commission consider data of all four Discoms for determination of tariff and not just one Discom. While determining the tariff for each category (i.e. LT,HT and EHT) , the Hon'ble Commission determines the Average Cost of Supply for the entire state and then determine the LT,HT and EHT wise tariff by keeping the cross subsidy limited to within $\pm 20\%$ as per mandate of the National Electricity and Tariff Policy.

The Demand Charge reflects the recovery of fixed cost payable by the consumers as capacity is 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.

- 3. Exemption of Railway Traction category from Solar Normal & Peak Hour Tariff (TOD Rebate/ Surcharge)**

Response:

TPCODL respectfully submits that while the OERC regulation mentions smart meters, the fundamental requirement is the capability to record time-differentiated consumption data for implementing ToD tariffs. The HTTPV meters (Apex-100) currently installed at Railway Traction substations are advanced metering devices that fully comply with IS 13779:2017 standards and possess all the technical capabilities necessary for recording and storing time-block wise consumption data, which is essential for ToD billing. These meters can effectively measure, record, and store consumption data across different time blocks (solar, normal, and peak hours) with the same accuracy and reliability as smart meters.

The specification of smart meters in the regulation should be interpreted in terms of the functional requirement - the ability to record time-differentiated consumption - rather than the specific technology nomenclature. The HTTPV meters installed for Railway Traction fully satisfy this functional requirement, as they provide detailed time-stamped consumption data, load profile recording, and other advanced metering features necessary for accurate ToD billing. In fact, the HTTPV meters being used are more sophisticated than basic smart meters and have been specifically designed for high-tension applications like Railway Traction.

- 4. Ignorance of Maximum Demand (MD) rise / overshoot of both the adjacent RTSSs during their feed extension over the RTSS where incoming supply failed due to OPTCL reason.**

Response:

As per the present practice adjustment of any excess "Demand charge" is regularized in the next billing on proper verification of the report of Central MRT/OPTCL on feed extension, so the proposal of Railway to ignore the recorded MD within the same month is not correct. Moreover, the interruption in EHT line is very rare and therefore the issue of feed extension to all the traction points is not a common phenomenon to all the Traction points in each month.

- 5. Request for Reduction in existing Demand Charges and Energy Charges and Railway traction tariff be considered at par with that of organizations having > 60 % Load factor. Also Load factor incentive may be from 40% instead of 60%.**

Response:

In this regard, we wish to submit that it is desirable that consumers operate with high load factor as higher load factor improves the utilization of assets. Accordingly, if the Load Factor beyond which the lower tariff (i.e Rs 4.70 per KVAH) is applicable is set higher, it incentivizes



the consumer consume higher energy from Discom to enable him to get the lower tariff. Hence the reduction of Load Factor threshold would not be in the interest of the above objective. We therefore would prefer that the Load Factor threshold of 60% is retained for all the consumers.

3. Reply to Objections/ Suggestions by Shri Manoranjan Routray against Case No. 88/2024

1. Employee Expenditure, R&M Expenditure and A&G Expenditure

- 1) The ARR of all discoms proposes an exuberant in expenditure in employees' cost, Repair & maintenance cost and A&G expenditure which is double then the last year approved expenditure. Further power outages have gone up after TATA power taken over the company. If the gap proposed by the all Discoms is allowed it will increase the cost of unit by Rs 1.00 per unit. The meter reading and billing cost per consumer per month comes to around Rs 43 which is very high and needs a prudent check.

Response:

In this regard, we wish to submit that the operations of TPCODL is only 4.5 years old. The O&M Expenditure for the Discoms would depend on the level of activities in the area of Repairs , Maintenance , Billing, Collection, statutory fees, recruitment of personnel as per the approval of the Hon'ble Commission to cover the deficit on account of no recruitment in the past. It is submitted that since the takeover of the erstwhile utilities, various new activities/initiatives have been undertaken. TPCODL has explained the same in the Performance Review and other submissions made to the Hon'ble Commission from time to time.

Further, increase in the expenditure would also need to be considered after factoring the increase in assets, number of consumers from 26.82 Lakhs to 32.06 Lakhs, operation of customer care centers in all Divisions, Fuse Call Centers in different parts of the licensed Area and also the various activities for providing better consumer services and also provide improved reliability.

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- high and needs a prudent approach.
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Response:

DPS, reading and billing, bill delivery and rebate is being allowed as per the prevailing regulations.

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In addition to above DISCOMS are disconnecting the power supply without proper notice the same should be stopped immediately.

Response:

Disconnection is being done as per the regulations.

4. *Discom to provide the financial benefit derived from Capex Plan on accounts of Loss Reduction and its impact on tariff.*

Response:

It is submitted that, at the time of take over AT&C Loss was 30.4% which has been reduced to 21.20%, which has yielded around Rs. 550 Cr plus saving to consumers. In fact last year there was a reduction in tariff for domestic category. Despite the fact that there is cost of supply Average Cost of Supply.

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The allegation made by the objector is false, in case of interest on security deposit FD received from the bank the petitioner is passing on the same to the consumer in the ARR under Non-Tariff Income.

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Response:

It is submitted that, the petitioner have made a detailed submission under Para No 9.8 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

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Response:

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Installation of smart meters is a mandate under various regulation prescribed by OERC and Govt. of India. All the expenses/cost is borne by the consumer as per the provision of Electricity Act 2003 and Tariff Regulation 2022 prescribed by the Hon'ble Commission.

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Response:

It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022 & actual figures as per Audited accounts. Regulation 2.14.2 of the Tariff Regulations, 2022 provides for sharing of efficiency gain and accordingly the Licensee has offered the same in compliance with the relevant regulation.

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10. NTI such as rebate to consumer, supervision charges, over drawl penalty and DPS should be passed on to consumers in full instead of 1/3rd proposed by DISCOMs.

Response:

Petitioner is following the provisions of Tariff Regulations 2022, prescribe by the Hon'ble Commission.

11. DPS to domestic and GP Consumers

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Response:

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The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

12. Prorate Billing

We object prorate billing as it is against the regulation and very difficult for a common man to understand.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.19 of our ARR Petition FY-26.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar

methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

13. Billing with Defective Meter

In this case our submission is that the revision of the bill of defective meter may be taken of as per regulation instead of summer consumption as proposed by licence.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.16 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

14. Revision of Reconnection Charges

Revision of Reconnection charges

We do not agree with the proposal of proposed revision of reconnection charges.

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.



With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

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4. Reply to Objections/ Suggestions raised by Shri Ananda Kumar Mohapatra against Case No. 88/2024

1. Odisha RST Vs. National Average (Para No-2)

The respected respondent at para 2 of his submission has observed that Odisha Consumers are paying more tariff as compared to national average.

Response:

It is submitted that retail supply tariff in the state of Odisha is very much competitive as compared to other sates of the country, which can be clearly observed from table provided below.

Table 1: Tariff Comparison across States

Tariff Category	Tariff UoM	Odisha	Bihar	Westbengal	Jharkhand	Chattisgarh	Andhra Pradesh	Maharashtra
Domestic (3kw, 100 units per month)	Rs/kwh	4.78	9.05	6.12	7.68	4.6	4.51	8.1
Domestic (3kw, 500 units per month)	Rs/kwh	5.63	9.8	7.5	6.74	5.41	7.11	14.23
Non Domestic (5kw, 500 units per month)	Rs/kwh	7.6	12.21	8.81	7.95	8.26	9.58	12.76
Agriculture (7.5kw, 15% LF,817 units per month)	Rs/kwh	1.64	8	4.75	5.51	6.27	3.93	5.2
Small Industrial (10 KW,20% LF,1460 Units per Month)	Rs/kwh	6.78	10.62	7.75	6.98	6.13	7.27	8.41
Medium Industrial (50 KW,30% LF,10950 Units per Month)	Rs/kwh	6.88	9.57	9.09	6.63	6.76	7.1	11.03
Large Industrial (1000 KW,40% LF,365000 Units per Month)	Rs/kwh	7.14	10.27	8.86	6.8	9.73	7.66	10.94

Source : Kev Regulatory Parameters of Power Utilities as on 31.03.2024 Published by REC

By taking the reference of the above table, we can infer that average tariff of electricity in Odisha is less than national average tariff. Because on most of the categories where consumption is high in Odisha the electricity tariff is low compared to other states.

Comparison of tariff in average terms is not a right parameter for comparison because tariff of a particular state depends upon the power infrastructure of the state, consumer categories, consumption pattern of different category of consumer , agriculture activities, industrial and commercial activities, etc.

2. Crucial Role of Power Tariff(Para No-3)

Response:

Electricity tariff in Odisha in comparison with other state is low, please refer above table. This fact is evident that the Hon'ble Commission while approving tariff is giving due importance to the economic development of the state through industrial and commercial activities.

Tariff Fixation is done as per the Odisha Electricity Regulatory Commission (Term and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 and other regulations pertaining to tariff proceedings.

With regards to fixation of Tariff in the State, it is submitted that the Tariff fixation is the sole prerogative of the Hon'ble Commission and Tariff should be 100% cost reflecting for benefit of all stakeholders.

3. Opportunity available in the state are not capitalized.(Para No -4)

The respected respondent at para 4 of his submission has observed that Opportunity available in the state are not capitalized.

Response:

This observation does not pertain to TPCODL.

4. Timeline (Para No -5)

Response:

License is duty bounded to follow the provision of OERC (Distribution Supply Code, 2019) and other applicable rules and regulations and directives mentioned in the Tariff Orders and ensure its timely compliance.

TPCODL, in line with vesting order, taking all reasonable steps to ensure that all Consumers connected to the Licensee's Distribution System receive a safe, economical and reliable supply of electricity as provided in the Distribution Code, and other Guidelines issued by the Commission in accordance with the provisions of the Act, the State Act, Rules and Regulations.

5. Timeline Failure Cases (Para No -5.1)

Response:

This observation are generic in nature thus require no response.

6. *Non submission of Business Plan by the applicant (Para No -5.2)*

Response:

With regards to the observation of the respected respondent that TPCODL has not submitted Business Plan, the following is submitted.

In compliance to the Tariff Regulations,2022 ,TPCODL had filed its Business Plan for FY 2023-24 vide submission dated 30.01.2023 (registered as Case 11/2023) and Business Plan for FY 25 to FY 28 vide submission dated 31.05.2023 (registered as Case 45 /2023). The Business Plan application for FY 2023-24 was disposed of by the Hon'ble Commission in the Tariff Order for FY 2023-24 dated 23.03.2023. The Order in the matter of Case 45/2023 was issued by the Hon'ble Commission on 14.09.2023.

7. *Audited Financial Statement (Para No -5.3)*

Response:

The Financial Statement are submitted to the Hon'ble Commission half yearly as per requirement of the license condition. Further, extract and reconciliation with audited accounts has been provided for each item in our True up FY 2023-24 petition. On requested of the respected respondent , the entire copy of the audited financial statement for FY 2023-24 has been shared with the respected respondent on 13th Jan 2025 vide email. Hence the accusation that the applicant is trying to conceal facts and figures is totally incorrect and uncalled for.

8. *Public capital dies in Tariff determination (Para No-6)*

Response:

The observations are very generic in nature without any specific instance, as a result we are not able to comment. However, it is submitted that TPCODL is a responsible organization with well-established corporate governance structure.

9. *Public capital does not make any return (Para No-6.1)*

Response:

To the observation raised regarding Return on Equity (RoE) on public capital. We would like to submit that.

The DISCOMs operates as a commercial entity with defined responsibilities and performance obligations, governed by the provisions of the Companies Act, 2013, and the terms of the Vesting Order dated 26.05.2020 passed by the Hon'ble Commission.

The regulated return mechanism, including RoE, is essential for ensuring sustainable operations and protecting consumer interests through continuous infrastructure improvement and service quality enhancement. This practice is in full compliance with the Electricity Act, 2003, National Electricity Policy, National Tariff Policy, OERC Regulations, and the terms of the Vesting Order. Further, the ROE claimed by the petitioner is on capex investment made by the petitioner's own fund.

10. Public Servant do not pay public capital but people pays (Para No- 6.2)

Response:

The response is already provide under Point 9 above.

11. Truing up for FY 2023-24 (Para No -7)

Response:

With regards to the observation of the respected respondent that TPCODL has not submitted its Audited Financial Statement, it is submitted that the Financial Statement are submitted to the Hon'ble Commission half yearly as per requirement of the license condition. Further, extract and reconciliation with audited accounts has been provided for each item in our True up FY 2023-24 petition. On requested of the respected respondent , the entire copy of the audited financial statement for FY 2023-24 has been shared with the respected respondent on 13th Jan 2025 vide email. Hence the accusation that the applicant is trying to conceal facts and figures is totally incorrect and uncalled for.

12. Actual Average Tariff is more than approved Average Tariff (Para No -7.2)

The respected respondent at para 7.2 of his submission has observed the Discoms have collected a excess sum of Rs. 5000 Cr above approved average tariff during last 5 years ending with FY-23.

Response:

It is submitted that the Discoms are allowed to recover from the consumers at Tariff that is approved by the Hon'ble Commission every year in the Tariff Order (Annexure-B of the Tariff Order). We are not levying any other tariff other than what is approved in Annexure-B of the Tariff order. Further, the issue of surplus /shortfall in revenue collection (as the case may be for a particular year) will be accounted for during the Truing up process by the Hon'ble Commission. In this regard, it is submitted that TPCODL has already submitted it's True up petitions for the previous years (FY-21 (10 Months), FY-22, FY-23 and FY-24) before the Hon'ble Commission.

13. Electricity become major Election Agenda for the first time (Para No -7.3)

Response:

The observation does not pertain to TPCODL.

14. Actual Average Tariff is more than approved Average Tariff (Para No -7.4)

The respected respondent at para 7.4 of his submission has observed the Discom have collected a excess sum of Rs. 246.47 Cr for FY 2023-24 (at average tariff higher by 27.84 P/U than approved average tariff for FY 2023-24) .

Response:

It is submitted that the Discoms are allowed to recover from the consumers at Tariff that is approved by the Hon'ble Commission every year in the Tariff Order (Annexure-B of the Tariff Order). We are not levying any other tariff other than what is approved in Annexure-B of the Tariff order. Further, the issue of surplus /shortfall in revenue collection (as the case may be for a particular year) will be accounted for during the Truing up process by the Hon'ble Commission. In this regard, it is submitted that TPCODL has already submitted it's True up.

15. Proposal for Bad Debts is required to be dismissed (Para No -7.5)

The respected respondent at para 7.5 of his submission has observed the Odisha Discom have reached the collection efficiency of 101.5% , In the back drop of high collection efficiency there is no need for any provision on accounts of Bad Debts.

Response:

TPCODL has claimed provision for bad and doubtful debt strictly as per the provisions of the Tariff Regulation, 2022.

16. Revenue Surplus of Rs. 200.01 Cr (Para No -7.6-1)

The audited Gross Revenue is Rs. 5379.78 Cr and Audited ARR is Rs. 5179.77 Cr thus profit of Rs. 200.01 Cr against which profit of Rs. 106.18 Cr has been submitted in true up.

Response:

It is submitted that the True up has been submitted strictly as per the provisions of Tariff Regulations, 2022. For each item that has been claimed in True up, reconciliation with audited accounts has been provided in our True up petition.

17. Profit as per Audited Financial Statement as on 31.03.2024 (Para No -7.6-2)

Response:

It is submitted that the True up has been submitted strictly as per the provisions of Tariff Regulations, 2022. For each item that has been claimed in True up, reconciliation with audited accounts has been provided in our True up petition

18. Profit as per Regulatory Account (Para No -7.6-4)

The provision for bad debts of Rs. 139.58 Cr provided in the accounts will be set aside because of more than 100% collection efficiency achieved by the Licensee.

Response:

It is submitted that TPCODL has claimed provision for bad and doubtful debt strictly as per the provisions of the Tariff Regulation, 2022.

19. Non-Tariff Income is undercasted (Para No -7.6-6)

The Commission to consider NTI of Rs. 288.80 Cr in the proceeding for True Up FY 24.

Response:

It is submitted that the detailed breakup of Non- Tariff Income for FY 2023-24 as well as the quantum to be considered for truing up of the same period is clearly mention under Table 4-26 of our True Up petition for FY 2023-24.

20. Return on Equity (RoE) (Para No -7.6-7)

To set aside GRIDCO's contribution and the public capital from the calculation of equity in the instant proceeding to true up the Tariff and ARR approved for FY 24.

Response:

TPCODL is governed by the provisions of the Companies Act, 2013, and the terms of the Vesting Order dated 26.05.2020 passed by the Hon'ble OERC and other regulations passed by the Hon'ble Commission.

21. Depreciation (Para No-7.6-8)

Response:

TPCODL respectfully submits that the depreciation calculation and claims are in full compliance with the regulatory framework of Tariff Regulation 2022 and the terms of the Vesting Order.

22. Provision for Bad Debts (Para No -7.6-9)

Response:

It is submitted that TPCODL has claimed provision for bad and doubtful debt strictly as per the provisions of the Tariff Regulation, 2022.

23. R&M and O&M Cost (Para No -7.6-10)

Response:

The observations are very generic in nature without any specific instance, as a result we are not able to comment.

ARR & Tariff for FY 2025-26

24. GFA Fixed Assets for FY 26 (Para No -8)

Response:

The Petitioner submits that the following table which has been correctly provided as under:

(Rs. Cr.)

S. No.	DISCOM	GFA on Discom Book as on 31.03.2024	Government Assets (Not in Discom Books)	Total	Contingency Reserve @.25%
1	TPCODL	6063	2162	8225	20.56
2	TPNODL	4067	3152	7219	18.05
3	TPSODL	2176	3463	5639	14.10
4	TPWODL	3974	4322	8296	20.74
5	TOTAL	16280	13099	29379	73.45

Particulars	TPCODL	TPWODL	TPSODL	TPNODL	Total
Security Deposits from Consumers (as appearing in the Approved Opening Balance sheet of DISCOMS as on effective date)	734.72	752.94	269.54	596.43	2353.63
Security Deposits from Consumer as per Consumer Ledger (as mentioned in Carved out Order of respective DISCOMs)	660.33	760.35	270.14	577.07	2267.89
Fixed Deposits against Consumer Security Deposits as on effective date (as provided in the Carved-out Order)	307.58	800.25	168.48	617.98	1894.29

25. Common Tariff Petition by TPCL(Para No -9)

Response:

We will like to submit that each DISCOM in Odisha operates as a separate legal entity under the Companies Act, 2013, with distinct operational areas, unique cost structures, different consumer mix, varying AT&C losses, and specific infrastructure requirements. Although TPCL holds 51% equity in each DISCOM, the operational autonomy and individual performance parameters of each DISCOM are governed by separate vesting orders issued by the Hon'ble OERC.

The filing of individual ARR petitions ensures transparency, accountability, and accurate reflection of each DISCOM's unique challenges and requirements, which is essential for efficient operation and proper tariff determination. Moreover, this practice allows for better monitoring of individual DISCOM performance against specific targets set by the Hon'ble Commission and enables more focused interventions for improvement where needed.

26. Summary of ARR (Para No -12)

Response:

It is submitted that TPCODL has filled the ARR for FY 2025-26 strictly as per the provisions of the Tariff Regulation, 2022. Most of the observation raised by the respected respondent has been already dealt in the above paragraphs, the same to be referred.

27. Collection of Additional Security Deposit (ASD) (Para No -14)

Response:

It is submitted that the collection of Additional Security Deposit is strictly as per the Regulations.

5. Reply to Objections/ Suggestions raised by Shri Ramesh Ch. Satpathy against Case No. 88/2024

1. **The petitioner should produce the detail particulars as per OERC Tariff Regulations, 2022.**

2. That, the petitioner should produce the detail particulars as per OERC (Terms & Conditions and determination of wheeling tariff & Retail Supply Tariff) Regulation, 2022.



- a) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2020-21 to 2023-24 approved on dated 8th Sep'2020 under Capital Investment Scheme.
- b) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2021-22 to 2023-24 approved on dated 18th Sep'2021 under Capital Investment Scheme.
- c) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2022-23 to 2023-24 approved on dated 19th July'20212 under Capital Investment Scheme.
- d) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2021-22 to 2023-24 approved on dated 16th Dec'2022 under Capital Investment Scheme.
- e) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2023-24 approved on dated 21th June'2023 under Capital Investment Scheme.

Response:

Division wise details report of construction completed under capital investment of different FY' CAPEX

FY' 2020-21

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-II	NYED	1 no's of 33kV existing feeder refurbishment/ Augmentation	27Ckm
2	BBSR-II	BAED	1 no's of 33kV existing feeder refurbishment/ Augmentation	2Ckm
3	Dhenkanal	TED	1 no's of 33kV existing feeder refurbishment/ Augmentation	7Ckm
4	Paradeep	KED-I	2 no's of new 33kV line under power evacuation from new GSS	5Ckm
5			DSS Refurbishment- in all 5 circles	800no's
6			Fencing- in all 5 circles	1200no's

FY' 2021-22

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-I	BCDD-I	1 no's of 33kV existing feeder refurbishment/ Augmentation	4Ckm
2	BBSR-I	BCDD-II	1 no's of 33kV new line and 3 no's of 33kV interlinking lines	11.7Ckm
3	BBSR-I	BED	1 no's of 33kV new line and 1 no of 33kV interlinking line	3Ckm
4	BBSR-II	NYED	1 no of 33kV interlinking line	10.5Ckm
5	BBSR-II	BAED	1 no of 33kV existing line conductor Augmentation	7.5Ckm
6	Cuttack	AED	1 no of 33kV interlinking line	1.7Ckm
7	Cuttack	CDD-I	2 no's of new 33kV line under power evacuation from new GSS, 1no of 33kV feeder conductor augmentation and 1 no feeder interlinking line	13.4Ckm
8	Cuttack	CDD-II	1 no of 33kV interlinking line	6.3Ckm
9	Cuttack	CED	2 no of 33kV existing line conductor Augmentation	15Ckm
10	BBSR-I	BCDD-I	2 no's PTR Augmentation	19 MVA capacity addition
11	BBSR-I	BCDD-II	6 no's PTR Augmentation	49 MVA capacity addition
12	BBSR-I	BCDD-II	11 no of 11kV existing line conductor Augmentation	8.3Ckm
13	BBSR-I	BED	3 no of 11kV new/ interlinking line	0.5Ckm
14	Cuttack	CDD-I	3 no of 11kV existing line conductor Augmentation	2.1Ckm
15	Cuttack	CDD-II	6 no of 11kV new/ interlinking line	8.8Ckm
16	Cuttack	CED	2 no of 11kV new/ interlinking line and 5no's existing line conductor Augmentation	75.8Ckm
17			DSS Refurbishment- in all 5 circles	230no's
18			Fencing- in all 5 circles	200no's

FY' 2022-23

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-II	BAED	3 no's of 33kV existing feeder refurbishment/ Augmentation	12.4Ckm
2	BBSR-II	KHD	2 no's of new/interlinking 33kV line and 2 no's of 33kV existing feeder refurbishment/ Augmentation	14.23Ckm
3	Cuttack	CED	1 no of 33kV interlinking line	4Ckm
4	Cuttack	SED	1 no of 33kV interlinking line	0.4Ckm
5	Dhenkanal	DED	1 no of 33kV existing line conductor Augmentation	4Ckm
6	Dhenkanal	TED	2 no of 33kV existing line conductor Augmentation	12.3Ckm
7	Paradeep	PDP	1 no of 33kV existing line conductor Augmentation	6.58Ckm
8	Cuttack	CDD-II	1 no's PTR Augmentation	8 MVA capacity addition
9	Dhenkanal	ANED	2 no's PTR Augmentation	4.85 MVA capacity addition
10	Paradeep	KED-I	1 no's PTR Augmentation	1.85 MVA capacity addition

FY' 2022-23 (Supplementary Capex)

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-I	BCDD-II	1 no's of new 33kV line under power evacuation from new GSS, 1 no's of 33kV existing feeder refurbishment/ Augmentation	20Ckm
2	BBSR-I	BED	5 no's of new 33kV line under power evacuation from new GSS and 2 no's of 33kV existing feeder refurbishment/ Augmentation	25.3Ckm
3	BBSR-I	BCDD-II	5 no of 11kV new/ interlinking line and 7no's existing line refurbishment/ augmentation	51Ckm
4	BBSR-I	BED	5 no of 11kV new/ interlinking line and 2no's existing line refurbishment/ augmentation	19.5Ckm

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<i>Sl. No.</i>	<i>Circle</i>	<i>Div.</i>	<i>Description</i>	<i>Scope of work</i>
5	Cuttack	CDD-II	1 no of 11kV new/ interlinking line	3.85Ckm
6	Cuttack	CED	1no existing line refurbishment/ augmentation	7.3Ckm

FY' 2023-24

<i>Sl. No.</i>	<i>Circle</i>	<i>Division</i>	<i>Description</i>	<i>Scope of Work</i>
1	BBSR-1	NED	1no. 33kV existing line refurbishment/ augmentation	26km
2	BBSR-II	BAED	1no. 33kV existing line refurbishment/ augmentation	5.5km
3	Cuttack	AED	3nos. 33kV existing line refurbishment/ augmentation	20.5km
4	Cuttack	CED	4nos. 33kV existing line refurbishment/ augmentation	23.8km
5	Dhenkanal	ANED	1 no of 33kV interlinking line and 2no's existing line refurbishment/ augmentation	12.075km
6	Paradeep	JED	1no. 33kV existing line refurbishment/ augmentation	3.35km
7	Paradeep	KED-1	1 no of 33kV interlinking line	0.1km
8	Paradeep	PDP	1 no of 33kV interlinking line and 1no existing line refurbishment/ augmentation	19km
9	BBSR-I	BCDD-2	3 no's PTR Augmentation	24.5MVA Capacity Addition
10	BBSR-I	BED	2 no's PTR Augmentation	16MVA Capacity Addition
11	BBSR-II	PED	2 no's PTR Augmentation	16MVA Capacity Addition
12	Cuttack	CDD-1	1 no's PTR Augmentation	8MVA Capacity Addition
13	Cuttack	CDD-2	1 no's PTR Augmentation	8MVA Capacity Addition
14	Dhenkanal	ANED	1 no's PTR Augmentation	8MVA Capacity Addition
15	BBSR-I	BCDD-1	2 no's of 11kV new/ interlinking line and 1no's existing line conductor Augmentation	5.85km
16	BBSR-I	BCDD-2	2no's of 11kV existing line conductor Augmentation	0.21km
17	BBSR-I	BED	3 no's of 11kV new/ interlinking line and 1no's existing line conductor Augmentation	3.5km
18	BBSR-I	NED	1 no's of 11kV new/ interlinking line and 2no's existing line conductor Augmentation	44.47km

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Sl. No.	Circle	Division	Description	Scope of Work
19	BBSR-II	BAED	1 no's of 11kV new/ interlinking line and 3no's existing line conductor Augmentation	16.5km
20	BBSR-II	KHD	4 no's of 11kV new/ interlinking line	11km
21	BBSR-2	PED	2no's existing line conductor Augmentation	6.1km
22	Cuttack	AED	2no's existing line conductor Augmentation	16km
23	Cuttack	CDD-1	2no's existing line conductor Augmentation	3.7km
24	Cuttack	CDD-2	1 no's of 11kV new line	1.5km
25	Cuttack	CED	1no's existing line conductor Augmentation	8km
26	Dhenkanal	ANED	1no's existing line conductor Augmentation	0.5km
27	Dhenkanal	DED	1no's existing line conductor Augmentation	2km
28	Paradeep	KED-2	2no's existing line conductor Augmentation	8km

2. The petitioner should submit the detail particulars of 33/11 kV sub-station under ODSSP scheme & demand of the area. If the demands are more or less, what action is TPCODL taking.

3. That, the petitioner should submit the detail report of 33/11 KV sub-station under ODSSP scheme having no demands of the area. If the demands are more, what steps the licensee has taken. If the demands are less, what steps the licensee has taken. It has come to our notice; most of the 33/11 KV S/s are not up to the standard for which ATC loss is increasing day by day. If it is a fact, what action TPCODL has taken.

Response:

Total 134 no's of new 33/11kV PSS with associated 33kV and 11kV linking lines were proposed in different ODSSP schemes under Ph-I, II& III. However, 131nos. PSS have been charged and work for rest 3 no's of PSS is completed but part of associated lines is pending due to ROW issues.

All these 134 no's PSS proposals were planned during erstwhile CESU period, however TPCODL is working towards optimizing these as per plan for reliable and quality power supply to consumers by mitigating low voltage issue, overloading issue and through length reduction of existing network and reducing AT&C losses.

Below are the details of 131 no's PSS:-

Sl. No.	District	No. of PSS	Total Installed Capacity (MVA)	Total Firm Capacity (MVA)	Total Peak Load FY' 24-25 (MVA)
1	ANUGUL	11	118.3	59.15	40.8
2	CUTTACK	21	288	140	112.8
3	DHENKANAL	16	168	85	46.0
4	JAGATSINGHPUR	14	163	84	38.2
5	JAJPUR	2	20	10	6.0
6	KENDRAPADA	10	118	59	31.0
7	KHURDA	25	321	152	145.2
8	NAYAGARH	13	133	65	28.2
9	PURI	19	198.3	99.15	47.8
Total		131	1527.6	753.3	496.1

Considering present and forecasted load with load growth, TPCODL has planned utilization of these PSS and identified actions as mentioned below:

- New 11kV linking lines with existing 11kV feeders.
- New 11kV feeders to bifurcate load and length of existing feeders.
- Provision of AB Switches and RMU's for shifting of existing feeders load with smooth switching.
- Proposal for load transfer or PTR augmentation in case of overloading of PTRs.

3. That, the petitioner should produce the actual manpower of Executive, Non-executive of erstwhile CESU and also TPCODL own regular cadre under different division.

Response:

TPCODL has already submitted the actual manpower details to the Hon'ble Commission.

4. TPCODL to produce list of consumers those have availed benefit under PM Surya Ghar Muft Bijli Yojana

Response:

TPCODL has enrolled 922 customers in PM Surya Ghar Muft Bijli Yojana program. The list is mentioned as below:

District Name	No. of Consumers
Anugul	35
Cuttack	143
Dhenkanal	21
Jagatsinghapur	6
Kendrapara	6
Khordha	688
Nayagarh	6
Puri	17
Grand Total	922

- 5. TPCODL to produce list of consumers those have availed benefit under PM Surya Ghar Muft Bijli Yojana through community solar scheme.**

Response:

It is submitted that the proposed Community Solar Scheme has not been started yet. Due to the absence of CFA support for ground-mounted solar projects for community the licensee has withdrawn the petition filed under Case No. 21 of 2024.

- 6. TPCODL has to produce how many smart meters licensee have provided to the consumers. Whether all Govt Offices has been already been metered through prepaid meter.**

Response:

TPCODL has provided 1.72 Lakhs smart meter to consumers.

- 7. TPCODL has to produce the total consumer as on Dec'24 have provided meter or not.**

Response:

It is submitted that all consumers under the distribution area of TPCODL are metered. Except for multiple streetlight points where technically not possible to install meter, they are billed on basis of LDHF Billing.

6. Reply to Objections/ Suggestions by M/s Odisha Power Transmission Corporation Limited (OPTCL) against Case No. 88/2024

- 1. It is observed that while projecting the ARR, TPCODL has calculated transmission charges @ 24 Paise / kwh without considering the proposal of OPTCL. Therefore, the Hon'ble Commission is requested to consider 36.08 Paise/kwh as transmission charges while approving ARR of Discoms.*

Response:

It is submitted that the Hon'ble Commission approves Transmission Charges only after detailed prudence check and review.

TPCODL has not considered the proposed transmission charges while preparing the ARR as it is not proper to compute the ARR at estimated Transmission Charges and has instead used the present tariff for working out the ARR. This has been the practice even in the past.

7. Reply to Objections/ Suggestions by Shri Prabhakar Dora against Case No. 88/2024

- 1. The allegation of respected respondent that no licensee has acknowledged/responded to the suggestion made by objector is not correct. In our reply to the respondent for the FY 2024-25, we have responded to all concern raised. However, we are replying once again to the valued concern/suggestion of as follows:**

- i. Deficiency in MO Bidyut Portal**

Response:

Licensee is committed for continuous improvement in MO Vidyut application as well as in other services as per consumer's feedback. However, the respondent is requested to bring the individual cases to the notice of the licensee for its speedy resolution.

- ii. Procedure for proving Dump Report**

Response:

Dump report is provided on application of consumers supported with a receipt of fees of Rs 500.

- iii. Convenient charges being taken by banks for online payments**

Response:

There is no convenient charge for UPI payment.

- iv. Display of Bills and ledger of the consumer and download provision**

Response:

This facility is already been there under TPCODL area. The consumer under TPCODL can avail this facilitate by registering in My TATA power App and customer portal of TPCODL website.

- v. Notification of Service charges**

Response:

TPCODL claims all service charges as per rate prescribed in the Regulation.

- vi. Notification for Designated Officer**

Response:

The respondent has pointed out that the licensee must notify designated officers for carrying out various activities, so that consumer can approach the concerned officer depending on the type of concern.

The licensee has started operation with effect from 01.06.2020 and since then this has been a continuous effort of the licensee to streamline each and every activity involved in its business. Accordingly, procedural set up have been restructured and responsibility assigned to the concerned officers.

However, it is pertinent to mention here that, if a number of officers will be notified as responsible officers for information of the general public for their various types of concerns that will complicate the process for the consumer. Therefore, to make the process consumer friendly, the application for new service connection are being received online, upto 5KW in Mo Bidyut portal and for 3 phase in the licensee website. After receiving the application, it is being dealt and disposed as per the internal guideline set for the process with involvement of various teams like CMG, MMG, KCG, NEG, etc. Further, the complaint registration has also been made online and also through various customer touch points which are also registered in Customer Redressal Module and redirected to the concerned officer /person and redressed as per the procedure set for the same.

vii. Display of Official Phone no/E-mail address instead of personal E-mail ID & Phone No.

Response:

Consumer can reach us through Customer care contact no and Mail ID

viii.Lack of uniform procedure as to the terms while issuing permission for supply. No standard format is existing. Standard format for estimate and permission needs to be designed and adhered all over.

Response:

Now new connection and other complaint under TPCODL area are being addressed through online mode where, excepted estimate, other activities are standardized. To standardize estimated amount, TPCODL has submitted its proposal before Hon'ble Commission in the present ARR.

ix.Duties and Responsibilities to Officer and staff not clearly defined or assigned

Response:

As explained under previous para responsibilities of Officer, and staff has been clearly defined and assigned.

x. Notification of Designated Officer responsible for giving LC (Line Clearance) in line with ELBO regulations

Response:

For giving Line clearance, the licensee has designed a Permit to Work guideline with an aim to make the system accident free. In case of any line clearance is required to work on live line, as per the set guideline, the person needs to take Line clearance from the central Power System Control Centre observing all the set procedures. Only central Power System Control Centre issues Line Clearance that is Permit to work on live line.

Similarly, while returning Line clearance also same type of stipulated protocols are to be observed before the line is charged. This is a step taken by the licensee to make the system accident free.

xi. Adherence to different dress codes for Officer/workers/Business Associates.

Response:

Dress code has been adopted for permanent staff of TPCODL and all the staff are being provided dresses annually. BA employees who are working for line maintenance are provided with full body harness.

2. Sales Projection. (Point 1)

Response:

The observation raised by the respected respondent doesn't pertain to TPCODL.

3. AT&C Loss Trajectory. (Point 2)

Response:

It is submitted that, the current year as well as ensuring year AT & C loss trajectory of TPCODL is strictly in line with vesting order.

4. T&D Loss Projection. (Point 3)

Response:

It is submitted that, the current year as well as ensuring year T&D Loss projection of TPCODL is strictly in line with vesting order.

5. Power Purchase Cost. (Point 4)

Response:

It is submitted that, the power purchase cost of TPCODL has been derived from the estimated input based on sales estimate and targeted distribution loss.

6. Manpower (Point 5)

Response:

It is submitted that, the justification of manpower expenses keeping in view real challenged faced for seamless operation, consumer satisfaction, project execution and other related activities has been elaborated in the ARR application, which may please be referred.

7. A&G Cost (Point 6)

Response:

Estimation of A&G expenses during the current year as well as in the ensuing year has been envisaged on account of meter reading, billing and collection, IT Automation, AMR related running expenses, Insurance expenses, Professional Charges, Enforcement activities, Customer Care and compensation towards electrical accidents etc, in the remaining period for the current Financial year 2024-25 and for the full ensuing year FY2025-26. All of these activities would contribute significantly towards reduction of AT&C losses and provide consumer convenience. The details of the A&G expenses incurred and the justification against the cost components along with the achievements so far have been elaborated in the application of the licensee, which may please be referred.

8. R&M Expenditure (Point 7)

Response:

It is submitted that, the projection of opening Gross Fixed Asset has been done considering the assets transferred from various schemes, the assets capitalised as per the norms fixed by

Hon'ble Commission in the Tariff Regulation. Detailed break-up of the assets along with the projected expenses have been furnished in the ARR application which may please be referred.

9. Return on Equity (Point 8)

Response:

It is submitted that, the petitioner has asked ROE only on actual investment made by the petitioner as per approval of Hon'ble Commission.

10. DPS on electricity bills for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. (Point 9)

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed

11. Pro-rata Billing (Point 10)

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.19 of our ARR Petition FY-26.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

12. Smart Meters (Point 11)

Response:

The proposal submitted by the petitioner is as per the statutory guidelines issues by the Hon'ble Commission and Govt. of India. The comments given by the respected respondent is factually incorrect. The benefits reaped out advanced metering system is passed on to the consumer, not retained by the distribution company. DISOCMS are allowed to retain ROE on own capital investments.

The present mechanism of the meter cost recovery is as per the regulations and directions of the Hon'ble Commission.

13. Additional Rebate of Rs.10/ - p.m. if opted E-Bill (Point 12)

Response:

The Hon'ble Commission may kindly consider the proposal of the Petitioner.

14. Load Factor Rebate (Point 13)

Response:

We are acknowledge the support from Respected Respondent .The Hon'ble Commission may kindly consider the proposal of the Petitioner

15. Digital Rebate (Point 14)

Response:

We are acknowledge the support from Respected Respondent .The Hon'ble Commission may kindly consider the proposal of the Petitioner

16. kVAh billing for LT Consumers (Point 15)

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

17. Special Tariff for closed industries (Point 16)

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent. We have made a detailed submission under Para No 9.8 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

18. Simplification of tariff structure for MMFC and demand charges (Point 17)

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent and appreciating the proposal by TPCODL. We have made the submission under Para No 9.14 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

19. Revision of reconnection charges (Point 18)

Response:

It is submitted that, the Licensee has justified its stand on revision of reconnection charges with penalty clause. The petitioner has proposed for revision of reconnection charge due to the increase in costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant

Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

20. Realistic Assessment of load in case of theft of electricity (Point 19)

Response:

The petitioner has made a detailed submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

21. Standardization of service connection charges. (Point 20)

Response:

It is submitted that, the Licensee has justified its stand on standardization of service connection charges by mentioning various operational difficulties and in light of Right of consumers Rule, 2020, which may kindly referred. The Hon'ble Commission may kindly consider the proposal of the Petitioner

22. Metering of GP consumer having contract demand less than 70 KVA billed at GP tariff.

Response:

It is submitted that, the petitioner meticulously follow the direction of Hon'ble Commission towards billing of GP Consumer having contract demand less than 70 KVA under LT tariff.

23. Automatic Compensation

Response:

Automatic compensation is against the principle of natural justice and un-constitutional. The person who is being penalized must be heard.

24. Separate Tariff for Seasonal Industries.

Response:

The concept of 80% demand charges is applicable for consumer HT Industrial and GP consumer having contract demand >100KW, where the licensee has to keep reserve the quantum of load availing by the seasonal consumer. Against the quantum of load kept reserve for consumer remains idle during non-use period, which cannot be allocated to any other consumer. Hence, the consumer has to pay minimum charges towards load kept for his use.

However, for load less than 70 KVA, there is no concept of 80% demand charges. The consumer has to pay fixed charges/demand charges on the basis of his actual use.

25. More consumption less price for Domestic Consumers.

Response:

The Hon'ble Commission is guided by the principles of Tariff Policy for setting tariffs for different category of consumers. Relevant extract from section 8.3 of the National Tariff Policy, reproduced hereunder:

" 1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply..."

To support the economically weaker category of consumers, cross subsidization is being followed. The consumers with lower consumption like less than 30 units are having concessional tariff. Similarly, to support the consumers falling under lower consumption slabs, like less than 50 units, 50 to 200 units, lesser rates have been fixed which is gradually increased.

The existing pattern of tariff applicable for domestic and LT GP is to support the lower consumption group /weaker section of the society and ensure power for all.

26. The Permission/feasibility for prospective consumer

Response:

The petitioner is duty bound to follow the provision of OERC (Distribution Supply Code, 2019) and other applicable rules and regulations and directives mentioned in the Tariff Orders. However, if any consumer is aggrieved with non-fulfillment of Hon'ble Commission directives, the respondent may bring such cases to the notice of the License for further necessary action.

27. Revival of Cold Storages with application allied agricultural tariff.

Response:

The DISCOMS duty is to categorise a consumer based upon its purpose of use and bill them at the rate approved by Hon'ble Commission. This is further to submit that considering the reasons mentioned by the Hon'ble Commission reduced the rate of Allied Agro-Industrial tariff is in Tariff Order of FY 2023-24.

8. Reply to Objections/ Suggestions raised by M/s Utkal Chamber of Commerce & Industry Ltd against Case No. 88/2024

1. Employee Cost

The respondent has observed that Employee Cost to be considered as controllable, audited figures of previous years to be considered for arriving of employee cost and annual truing up exercise to be carried out.

Further, the respondent has requested TPCODL to control employee cost and has commented that the estimate for FY 2025-26 is very high and should not be approved.

Response:

We have taken note of the Respected Respondent's observations on the above. We assure the Respected Respondent that TPCODL is fully cognizant of its responsibility to optimize on its cost structures, and is continuously working towards that objective.

As shall be appreciated, bulk of the Cost is towards Employee Costs of inherited employees who are governed by the OSCR Structure, which cannot be altered. All fresh recruitments are being done taking into account resource / skill gaps and with due approval of the Hon'ble Commission.

The Hon'ble Commission carries out a detailed prudence check while allowing all costs, including the Employee Costs.

The Cost of erstwhile CESU employees have been estimated for FY2025-26 on following basis.

- a. 3% escalation considered on Basic Salary over FY 2024-25 after taking into account the promotions and separations.
- b. The existing DA is 53%. Our estimated projection of DA for FY 2025-26 is provided in table below. As can be observed from table below, the weighted average DA for FY 2025-26 works out to 62 % , based on which the DA for ensuing year i.e. FY 2025-26 has been computed.

Projection of DA for FY 2025-26

Sr No	For Months	No of Months	DA (Est.)
1	Apr'25 - June'25	3	58%
2	July'25 - Dec'25	6	62%
3	Jan'26-Mar'26	3	66%
4	Weighted Average DA for FY 2025-26		62%

- c. Housing Rent allowance considered at 20% of basic salary.
- d. Medical Allowance are considered at 5% of the basic salary.
- e. Terminal Benefits are estimated on cash outgo basis.
- f. Ex-gratia on the basis of estimate, details provided in subsequent paragraphs.
- g. Staff Welfare and Other Staff Cost including various employee engagement related expenses which are essential for a productive work environment, on the basis of estimates. Details under this head are provided in subsequent paragraphs.
- h. Other Allowance on the basis of estimates, details provided in subsequent paragraphs.
- i. The impact of Wage Board implementation for Non-Executive employees which is due for the period 01.04.2020 to 31.03.2025, has presently not been taken into account. The Hon'ble Commission may kindly allow additional cost impact as and when this is approved / implemented.
- j. The financial impact on account of executive cadre restructuring approved by the Hon'ble Commission vide letter dated 19.11.2024

Further, TPCODL has been recruiting manpower as per the approval received from the Hon'ble Commission. Considering these recruitment and man power addition proposed in FY 2025-26, employee cost of CTC employees has been proposed for FY 2025-26

It is worthwhile to submit that considering the actual cost of CTC employees booked in FY 2024-25, the recruitment already made in FY 2024-25 as well as the recruitment planned in remaining of FY 2024-25, the estimated cost of CTC employees of Rs. 148.37 Cr will be incurred towards CTC employees in FY 2024-25.

Further, there have been substantial retirements (964 numbers) in TPCODL till FY 2024-25. This includes 300 Nos of Linemen. This continuous reduction of Linemen is impacting field operations in terms of Permit to Work (PTW), Maintenance across Section Offices, Bidyut Seva Kendra (BSK) etc. There is a need to recruit lineman for running these BSK (~ 950). It is further submitted such BSKs are catering to HT as well as LT network.

Based on the escalation of salary of existing CTC employees, 100% impact of manpower recruitment done in staggered manner in FY 2024-25, manpower addition estimated in FY

2025-26, it is estimated that **Rs. 161.97 Cr** is going to be incurred towards CTC employees in FY 2025-26.

In view of the above, the total Gross Employee Cost for FY 2025-26 has been projected at Rs. 931.43 Cr. (i.e. Rs. 962.67 after capitalization of Rs. 31.24 Cr)

2. Administrative & General Expenses

The Hon'ble Commission should conduct a prudence check regarding A&G cost for each year and 7% increase over earlier approved A&G cost for FY 2024-25 or actual A&G expenses whichever is lower may be approved for FY 2025-26.

Response:

Any expenditure allowed by the Hon'ble Commission on True-Up of expenditure is based on extensive prudence check and expenditure appearing in the Discom's Audited Accounts. The expenditure sought by TPCODL for FY 2025-26 is as per the extant Regulations, duly supported by a detailed zero based budget for its requirements; we firmly believe that amount sought towards A&G expenditure is the minimum requirement to carry out our operations efficiently.

As stipulated in Regulations 3.9.16 to 3.9.18, we have estimated the normative A&G cost for FY 2025-26 as following.

Sr No	Particular	Amount (Rs.Cr)
1	Normal A&G Cost Approved in FY-2024-25 Tariff Order	152
2	Additional A&G Cost Approved in FY-2024-25 Tariff Order	0
3=1+2	Total A&G Cost Approved in FY 2024-25 Tariff Order	152
4	A&G Cost to be considered as base (equal to actual estimated expenditure for FY 2024-25 excluding ASL Expenditure)	194
5 = 4 x 1.07	Normal A&G Cost for FY 2025-26 at @ 7% escalation over FY-2024-25 base	208
6	Statutory Levy / Impact of Revision in Minimum wage (Incremental impact over FY 2024-25)	6
7	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)	5
8	Special /Additional Expenditures for meeting Enhanced Activities in the areas of Billing and Collection for FY 2025-26	11
9=6+7+8	Sub Total	230
10	Release of ASL payments as per provision of the Vesting Order	20
11=9+10	Total A&G Cost for FY 2025-26	250

Based on the Zero based budgeting exercise, the estimated A&G cost for FY 2024-25 and FY 2025-26 is as provided below.

Sr No	Particulars	Total estimate for Current FY 2024-25	Total Estimate for (FY-2025-26)
1	Rental of land, buildings, plant and equipment, etc	8	9
2	Electricity consumption expenses	13	13
3	Telephone & Communication expenses	2	2
4	Foods and conveyance	2	2
5	Bank & other charges	6	6
6	Office expenses + Facility Management and House	6	7
7	Travelling expenses	7	8
8	Insurance premium	9	11
9	Legal and professional charges	6	6
10	Advertisement & marketing expenses	3	6
11.a	Metering and billing expenses Collection, Payment Transaction Charges, Customer Awareness for Digital/Prompt/Regular Payments, Customer Service (Cust. Care, Call Center, Meter Services etc.)	109	122
11.b	Minimum Wage Impact / Statutory Levy (8.5 Months for FY 2024-25 and 12 months for FY 2025-26)	14	20
11=11.a+11.b	Sub Total	123	142
12	Printing and stationary	2	2
13	Other Expenses (Statutory cost, Agency Commission, A&G Cost of Engineering ,Quality and Procurement Departments) incl.contingency	9	12
14	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)		5
15=sum(1:10,11:14)	Sub Total	194	230
16	ASL Payments	16	20
17	TOTAL	210	250

It is submitted that TPCODL's estimated A&G cost estimate for FY-25 is Rs. 210 Cr against approved amount of Rs. 151.95 Cr. While Additional A&G Cost was approved, it is submitted that TPCODL was not given the Special A&G Expenditure of Rs 54 Crores which was sought in the Petition. Hence, applying 7% escalation on the approved amount of Rs. 151.92 Cr would not be proper.

The detailed explanation for increase in A&G cost has already been provided in our petition, hence it is requested that the A&G Cost sought by us may kindly be approved as it is essential for running the day to day activities of the business .

3. Depreciation Cost

Response:

TPCODL has been computing depreciation at “pre- 92” rates on the opening assets as explained in para 2.11.1 of our petition for ARR FY 2025-26

Further , TPCODL have been claiming in our ARR/True up Net depreciation after deducting Depreciation on meters, Amortization on Opening Assets ,Amortization on Grants and Amortization on Consumer Contribution from the total depreciation booked in accounts . Table 2-44 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

Out of this Net Depreciation , Depreciation on Asset Created out of Own Capex of TPCODL are being used towards repayment of Capital loan and the balance towards funding of ASL payment. Table 2-45 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

4. Repair & Maintenance(R&M) Expenses

Response:

TPCODL has claimed estimated R&M Expenses for FY 2025-26 based on the norms stipulated by the Hon’ble Commission in the Tariff Regulations’22.

The breakup of the same as required per Regulations is as provided below.

Sr No	Particular	<i>All Amount in Rs. Cr</i> FY-2025-26
1	R&M on Assets in Books of TPCODL	239
2	R&M on Assets not in books of TPCODL but maintained by TPCODL	131
3	Statutory Levy / Impact of revision in Minimum Wages	38
4	Special R&M for FCC manning of all Rural Areas in two shifts and uniform for Business Associates employees as directed in SAC meeting of July 2023 and Annual Performance Review dated 12.07.2023.	14
5	Special R&M for minimizing human and elephant conflict, public awareness ,night patrolling in elephant movemnet area.	5
6	Total estimated R&M for FY 2025-26	428

The estimated GFA under Own Capex, and the R&M estimate thereon for FY 2025-26 is already provided at Table 2-27 (Page-48) in our ARR FY-26 Petition.

The Scheme wise Assets that are not appearing in TPCODL's books but maintained by TPCODL on which R&M at 3% has been requested by TPCODL based on Tariff Regulations 2022 has already been provided at Table 2-28 (Page 49) and Table 2-30 (Page 50) of our ARR FY-26 Petition.

With respect to the Respondents view that depreciation should not be allowed on GFA created due to Depreciation, it is clarified that All Asset, irrespective of source of funding, need to be maintained and consequently R&M Cost needs to be allowed for maintenance of all assets, including the Govt. owned Assets which are not funded by the Discoms but are maintained by them.

5. Revenue Requirement

Observation: *Hon'ble Commission to allow Revenue Requirement for FY 2025-26 after prudence check*

Response:

We are providing all information and data asked by the Hon'ble Commission over and above information furnished in our ARR petition so that prudence check exercise is completed. We firmly believe that allowances of revenue requirement must be thoroughly checked and examined by the Hon'ble Commission.

6. Re-introduction of 3 slab based graded incentive tariff for HT / EHT Consumers in FY 2025-26

Response:

While Tariff Design is the sole prerogative of the Hon'ble Commission, we are 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 slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, in our view, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

7. Tariff for FY 2025-26

Response:

The Respondent has observed increase in HT/EHT sales is expected due to various factors like Rs. 10.5 trillions of investment announced by GoO in recently concluded Make in Odisha Conclave etc and has requested for reduction of Industrial Tariff. It is submitted that the investment declared by GoO may take some to materialize and only when these investment result into actual increased in HT /EHT sales, the Hon'ble Commission may take into consideration among other factors for determination of Industrial Tariff.

As per TPCODL's estimations based on new connection/ additional demand requests received by it, as well as taking into account physical progress of industry's coming up/ likely to come up, the growth in EHT/ HT Sales in FY 25-26 over FY 24-25 has been estimated .

The Hon'ble Commission, who has the sole prerogative on Tariff determination and Tariff design, would take an appropriate view taking into account the projected growth in both Demand, requirement of legitimate costs recovery including that of the Discom together with BSP and prudence check of entire ARR Petition.

8. Unprecedented increase in Tariff applicable for EHT and HT Load due to introduction of kVAh billing.

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

9. Need for Consumer Category Provision for Mega Steel Plant

Response:

Issues raised by the respected respondent is related to classification of consumer and fixation of tariff within the purview of Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

TPCODL acknowledges the importance of Mega Steel Plants in Odisha's industrial landscape and their contribution to the state's economic growth. However, we respectfully submit that the creation of a separate consumer category with differential tariff slabs based on load factor consumption needs to be examined holistically, considering its impact on other consumer categories and the overall revenue requirement of the DISCOMs. The current tariff structure has been designed through a balanced approach that ensures fair treatment across all consumer categories while maintaining the financial viability of the distribution company

10. Proposal for Load Factor Rebate

Response:

Issues raised by the respected respondent is related to fixation of tariff which is in the purview of the Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

11. Tariff Determination

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

12. Cross Subsidy Surcharge

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

13. TPCODL has proposed re-introduction of DPS for LT domestic, LT general purpose and HT bulk Supply Domestic Consumers. It is important to explore alternative measures that encourage timely payment without imposing additional financial penalties on consumers. The Hon'ble Commission should consider more consumer friendly approach to address late payments such as education campaigns, billing transparency and improved customer communication.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, incase of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed

14. Additional Rebate of Rs.10/ - p.m. if opted E-Bill

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent on appreciating the rebate provision proposed by TPCODL. We have made the submission under Para No 9.1 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

15. Pro-rata billing for any deviation from the billing cycle of 30 days.

Response:

It is submitted that Considering that Billing on the fixed date every month (+/- 3 days) may not be feasible for detailed reasons as explained at under para 9.19 of our ARR FY-26 petition, it is further submitted that permitting pro-rata adjustment of Slabs limits based on actual days of billing vis a vis the standard norm of 30 days (365 Days/ 12) will ensure that the Consumers get the full slab benefit under all actual billing period scenarios.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

16. Levy of CSS on RE Policy

Response:

The Hon'ble Commission as per Tariff Order dated 13.02.2024 has approved that 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. The licensee prays the Hon'ble Commission for continuation of the same.

17. Load Factor rebate to HT & EHT industries

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent on appreciating the rebate provision proposed by TPCODL. We have made the submission under Para No 9.3 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

18. Processing fee for each services as per Regulation

Response:

The respondent has submitted that the cost proposed by the petitioner is at higher side. It is submitted that presently, the petitioner are directed to serve the consumer for their different requirement apart from Billing and collection activities. Consumers also needs, Load Change (Reduction/Enhancement), attribute changes (like Change of name, Category Change, name correction, address correction /Change etc.)

As per existing Regulation, for new connection the processing fee has been defined as Rs.50/- per application, however, there is no such charges is payable for the other services like Change of name, Category Change, name correction, address correction /Change etc. But the licensee is spending considerable amount for such services. Therefore, the DISCOM proposes, the charges in ARR Petition which may kindly be approved for recovery of cost being incurred by DISCOMs.

19. Continuation of Green Tariff Premium (GTP) Mechanism

Response:

TPCODL respectfully submits that our proposal regarding Green Tariff Premium (GTP) and allocation of RE power to industries with CGPs is based on a balanced approach that considers both operational realities and regulatory compliance. The key differentiation in our proposal is that while CGPs would be allowed to consume RE power with a GTP of 10 paise/unit, this consumption would not be counted towards their RPO obligations. This approach is distinct from the regular green power consumers who pay 20 paise/unit and can claim RPO benefits, thus maintaining a clear distinction between the two categories of consumers.

Our submission is grounded in the practical consideration that GRIDCO is already allocating RE power to DISCOMs in proportion to their energy requirements, with TPCODL receiving 1193.51 MU against its total approved input of 12513 MU. This creates an opportunity to efficiently utilize the available RE power while generating additional revenue for the utility. The proposed mechanism would allow CGP industries to consume green power as per the actual monthly allocation from GRIDCO, creating a win-win situation where the RE power is optimally utilized and the DISCOM can generate additional revenue, ultimately benefiting all stakeholders in the power sector ecosystem.

Furthermore, our proposal includes a provision for re-allocation of unsold green power between DISCOMs, ensuring maximum utilization of available RE resources. The differential

pricing structure (10 paise/unit for CGPs without RPO benefits versus 20 paise/unit for regular green power consumers with RPO benefits) is designed to maintain fairness while creating a viable commercial framework. This approach aligns with the broader objective of promoting renewable energy consumption while ensuring that the interests of all stakeholders are protected. We submit that this structured approach provides a clear framework for RE power allocation while maintaining the distinction between different consumer categories and their respective obligations.

20. Special Tariff for industries those who have closed their units if reopen/starts.

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent and appreciating the proposal by TPCODL. We have made the submission under Para No 9.8 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

21. Revision of Reconnection Charges with penalty clause

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection

activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

22. Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent and appreciating the proposal by TPCODL. We have made the submission under Para No 9.9 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

23. Assessment in case of Theft of energy

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent. We have made the submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

24. Creation of Category for Mega lift points under EHT and applicability of Demand Charges

Response:

It is submitted that, TPCODL had made a detailed submission under Para No 9.13 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

25. Reduction in Contract Demand

Response:

Application for request in contract demand is being processed as per the prevailing regulations.

26. Revision in Service Connection Charges

Response:

The Hon'ble Commission has notified services connection charges vide Notification dated 09.12.2024.

27. Refund of Excess Security Deposit as per OERC Code

Response:

Till date we have refunded Rs. 104 Cr of excess security available with us to the consumer. During the refund process we have noticed discrepancies in the records we inherited for which reconciliation process is going on. This is one time exercise and once reconciliation is completed consumer will get refund on time. As per prevailing regulations the consumers are getting interest on security deposit including excess security deposit at the rate of 6.75% (current rate).

28. Payment of Security Deposits by means other than Cash

Response:

It is submitted that, security deposits are always taken in cash or through bank transfer irrespective of category of consumer as this amount is towards security for default in making

energy bill. So this cannot be other than cash. Because handling of security deposit other than cash will attract a lot of difficulties at DISCOMs end.

29. Surcharge on late payment of Security Deposit Demand

Response:

The existing regulatory framework for surcharge on late payment of security deposit are adequate and does not require any amendment. The respondent has misquoted the fact that 7% - 8% surcharge above SBI rate collected by licensee for its enrichment. Whatever surcharge on late payment from security deposit collected by the licensee is passed on to the consumer under the head of Non-Tariff Income.

The rationale behind provision of 15% surcharge on delayed payment of security deposit is that the defaulting consumer must bear the financing cost and not the regular paying consumers, who pays their dues on or before due date.

Interest on security deposit is part of ARR. Any increase in rate of interest would put stress on tariff therefore, present rate reasonable.

30. ToD Benefit

Response:

The purpose of ToD Tariff is to flatten the load curve of state electricity demand, further ToD mechanism is only successful when there is a good gap between incentive and surcharge.

With regards to the stakeholder's submission, on proposal for ToD Tariff for FY 2025-26, it is submitted that Hon'ble Commission has already divided the entire 24 hours into various ToD slots with introduction of Solar Hours in last tariff order dated 13.02.2024.

It our submission that only after data for entire year i.e. FY 2024-25 is available, any change/improvement to the existing ToD Tariff may be considered

31. Cost Plus Tariff for Industries connected at HT and EHT Level.

Response

It is submitted that, the matter refers to amendment of the Tariff Regulations which need to be taken up separately.

32. CSS should be within +20% of applicable tariff in line with Tariff Policy. The Open Access Regulation 2020 may be amended accordingly and cross subsidy surcharge should be decided.

Response:

It is clarified that the Hon'ble Commission has been determining tariffs in consonance to the provisions of the Electricity Act'2003, as well as the National Tariff Policy which stipulates the following:

“8.3 (2)...For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply.”

The Tariffs are stipulated by the Hon'ble Commission within $\pm 20\%$ of the average cost of supply of the Discoms, as has been mentioned in Para 86 of the FY 24-25 Tariff Order, the relevant extract of which is reproduced below:

“86. 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-subsidized categories and cross-subsidising categories remains within $\pm 20\%$ of the average cost of supply as per Clause 8.3 of Tariff Policy. Ultimate objective is that tariff should be the reflection of cost of supply. EHT and HT Consumers are cross subsidizing LT Consumers of the State. Further, Regulation 5.15.2 of the OERC Wheeling & RST Regulations, 2022 provides that the Commission shall make endeavour to reduce the cross subsidy gradually between the Consumer categories with respect to the Average cost of Supply. Also, the Commission is guided by the provisions under the 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 the OERC's Wheeling & RST Regulations, 2022.

As mentioned earlier, Tariff Design and Determination is the sole prerogative of the Hon'ble Commission.

9. Reply to Objections/ Suggestions raised by Shri Prasanna Kumar Bisoi against Case No. 88/2024.

The Respected Respondent has raised several issues besides those covered under ARR filed by TPCODL. We have limited our replies to queries / observation relevant to the ARR.

1. **The petitioner should produce the detail particulars as per OERC Tariff Regulations, 2022.**

2. That, the petitioner should produce the detail particulars as per OERC (Terms & Conditions and determination of wheeling tariff & Retail Supply Tariff) Regulation,2022.
- a) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2020-21 to 2023-24 approved on dated 8th Sep'2020 under Capital Investment Scheme.
- b) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2021-22 to 2023-24 approved on dated 18th Sep'2021 under Capital Investment Scheme.
- c) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2022-23 to 2023-24 approved on dated 19th July'20212 under Capital Investment Scheme.
- d) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2021-22 to 2023-24 approved on dated 16th Dec'2022 under Capital Investment Scheme.
- e) Division wise detail report on construction, maintenance & renovation of lines & S/s are constructed / renovated for the FY 2023-24 approved on dated 21th June'2023 under Capital Investment Scheme.

Response :

Division wise details report of construction completed under capital investment of different FY' CAPEX

FY' 2020-21

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-II	NYED	1 no's of 33kV existing feeder refurbishment/ Augmentation	27Ckm
2	BBSR-II	BAED	1 no's of 33kV existing feeder refurbishment/ Augmentation	2Ckm
3	Dhenkanal	TED	1 no's of 33kV existing feeder refurbishment/ Augmentation	7Ckm

4	Paradeep	KED-I	2 no's of new 33kV line under power evacuation from new GSS	5Ckm
5			DSS Refurbishment- in all 5 circles	800no's
6			Fencing- in all 5 circles	1200no's

FY' 2021-22

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-I	BCDD-I	1 no's of 33kV existing feeder refurbishment/ Augmentation	4Ckm
2	BBSR-I	BCDD-II	1 no's of 33kV new line and 3 no's of 33kV interlinking lines	11.7Ckm
3	BBSR-I	BED	1 no's of 33kV new line and 1 no of 33kV interlinking line	3Ckm
4	BBSR-II	NYED	1 no of 33kV interlinking line	10.5Ckm
5	BBSR-II	BAED	1 no of 33kV existing line conductor Augmentation	7.5Ckm
6	Cuttack	AED	1 no of 33kV interlinking line	1.7Ckm
7	Cuttack	CDD-I	2 no's of new 33kV line under power evacuation from new GSS, 1no of 33kV feeder conductor augmentation and 1 no feeder interlinking line	13.4Ckm
8	Cuttack	CDD-II	1 no of 33kV interlinking line	6.3Ckm
9	Cuttack	CED	2 no of 33kV existing line conductor Augmentation	15Ckm
10	BBSR-I	BCDD-I	2 no's PTR Augmentation	19 MVA capacity addition
11	BBSR-I	BCDD-II	6 no's PTR Augmentation	49 MVA capacity addition
12	BBSR-I	BCDD-II	11 no of 11kV existing line conductor Augmentation	8.3Ckm
13	BBSR-I	BED	3 no of 11kV new/ interlinking line	0.5Ckm
14	Cuttack	CDD-I	3 no of 11kV existing line conductor Augmentation	2.1Ckm
15	Cuttack	CDD-II	6 no of 11kV new/ interlinking line	8.8Ckm
16	Cuttack	CED	2 no of 11kV new/ interlinking line and 5no's existing line conductor Augmentation	75.8Ckm
17			DSS Refurbishment- in all 5 circles	230no's
18			Fencing- in all 5 circles	200no's

FY' 2022-23

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-II	BAED	3 no's of 33kV existing feeder refurbishment/ Augmentation	12.4Ckm
2	BBSR-II	KHD	2 no's of new/interlinking 33kV line and 2 no's of 33kV existing feeder refurbishment/ Augmentation	14.23Ckm
3	Cuttack	CED	1 no of 33kV interlinking line	4Ckm
4	Cuttack	SED	1 no of 33kV interlinking line	0.4Ckm
5	Dhenkanal	DED	1 no of 33kV existing line conductor Augmentation	4Ckm
6	Dhenkanal	TED	2 no of 33kV existing line conductor Augmentation	12.3Ckm
7	Paradeep	PDP	1 no of 33kV existing line conductor Augmentation	6.58Ckm
8	Cuttack	CDD-II	1 no's PTR Augmentation	8 MVA capacity addition
9	Dhenkanal	ANED	2 no's PTR Augmentation	4.85 MVA capacity addition
10	Paradeep	KED-I	1 no's PTR Augmentation	1.85 MVA capacity addition

FY' 2022-23 (Supplementary Capex)

Sl. No.	Circle	Div.	Description	Scope of work
1	BBSR-I	BCDD-II	1 no's of new 33kV line under power evacuation from new GSS, 1 no's of 33kV existing feeder refurbishment/ Augmentation	20Ckm
2	BBSR-I	BED	5 no's of new 33kV line under power evacuation from new GSS and 2 no's of 33kV existing feeder refurbishment/ Augmentation	25.3Ckm
3	BBSR-I	BCDD-II	5 no of 11kV new/ interlinking line and 7no's existing line refurbishment/ augmentation	51Ckm
4	BBSR-I	BED	5 no of 11kV new/ interlinking line and 2no's existing line refurbishment/ augmentation	19.5Ckm
5	Cuttack	CDD-II	1 no of 11kV new/ interlinking line	3.85Ckm

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<i>Sl. No.</i>	<i>Circle</i>	<i>Div.</i>	<i>Description</i>	<i>Scope of work</i>
6	Cuttack	CED	1no existing line refurbishment/ augmentation	7.3Ckm

FY' 2023-24

<i>Sl. No.</i>	<i>Circle</i>	<i>Division</i>	<i>Description</i>	<i>Scope of Work</i>
1	BBSR-1	NED	1no. 33kV existing line refurbishment/ augmentation	26km
2	BBSR-II	BAED	1no. 33kV existing line refurbishment/ augmentation	5.5km
3	Cuttack	AED	3nos. 33kV existing line refurbishment/ augmentation	20.5km
4	Cuttack	CED	4nos. 33kV existing line refurbishment/ augmentation	23.8km
5	Dhenkanal	ANED	1 no of 33kV interlinking line and 2no's existing line refurbishment/ augmentation	12.075km
6	Paradeep	JED	1no. 33kV existing line refurbishment/ augmentation	3.35km
7	Paradeep	KED-1	1 no of 33kV interlinking line	0.1km
8	Paradeep	PDP	1 no of 33kV interlinking line and 1no existing line refurbishment/ augmentation	19km
9	BBSR-I	BCDD-2	3 no's PTR Augmentation	24.5MVA Capacity Addition
10	BBSR-I	BED	2 no's PTR Augmentation	16MVA Capacity Addition
11	BBSR-II	PED	2 no's PTR Augmentation	16MVA Capacity Addition
12	Cuttack	CDD-1	1 no's PTR Augmentation	8MVA Capacity Addition
13	Cuttack	CDD-2	1 no's PTR Augmentation	8MVA Capacity Addition
14	Dhenkanal	ANED	1 no's PTR Augmentation	8MVA Capacity Addition
15	BBSR-I	BCDD-1	2 no's of 11kV new/ interlinking line and 1no's existing line conductor Augmentation	5.85km
16	BBSR-I	BCDD-2	2no's of 11kV existing line conductor Augmentation	0.21km
17	BBSR-I	BED	3 no's of 11kV new/ interlinking line and 1no's existing line conductor Augmentation	3.5km
18	BBSR-I	NED	1 no's of 11kV new/ interlinking line and 2no's existing line conductor Augmentation	44.47km

Sl. No.	Circle	Division	Description	Scope of Work
19	BBSR-II	BAED	1 no's of 11kV new/ interlinking line and 3no's existing line conductor Augmentation	16.5km
20	BBSR-II	KHD	4 no's of 11kV new/ interlinking line	11km
21	BBSR-2	PED	2no's existing line conductor Augmentation	6.1km
22	Cuttack	AED	2no's existing line conductor Augmentation	16km
23	Cuttack	CDD-1	2no's existing line conductor Augmentation	3.7km
24	Cuttack	CDD-2	1 no's of 11kV new line	1.5km
25	Cuttack	CED	1no's existing line conductor Augmentation	8km
26	Dhenkanal	ANED	1no's existing line conductor Augmentation	0.5km
27	Dhenkanal	DED	1no's existing line conductor Augmentation	2km
28	Paradeep	KED-2	2no's existing line conductor Augmentation	8km

2. The petitioner should submit the detail particulars of 33/11 kV sub-station under ODSSP scheme & demand of the area. If the demands are more or less, what action is TPCODL taking.

3. That, the petitioner should submit the detail report of 33/11 KV sub-station under ODSSP scheme having no demands of the area. If the demands are more, what steps the licensee has taken. If the demands are less, what steps the licensee has taken. It has come to our notice; most of the 33/11 KV S/s are not up to the standard for which ATC loss is increasing day by day. If it is a fact, what action TPCODL has taken.

Response:

Total 134 no's of new 33/11kV PSS with associated 33kV and 11kV linking lines were proposed in different ODSSP schemes under Ph-I, II& III. However, 131nos. PSS have been charged and work for rest 3 no's of PSS is completed but part of associated lines is pending due to ROW issues.

All these 134 no's PSS proposals were planned during erstwhile CESU period, however TPCODL is working towards optimizing these as per plan for reliable and quality power supply to consumers by mitigating low voltage issue, overloading issue and through length reduction of existing network and reducing AT&C losses.

Below are the details of 131 no's PSS:-

Sl. No.	District	No. of PSS	Total Installed Capacity (MVA)	Total Firm Capacity (MVA)	Total Peak Load FY' 24-25 (MVA)
1	ANUGUL	11	118.3	59.15	40.8
2	CUTTACK	21	288	140	112.8
3	DHENKANAL	16	168	85	46.0
4	JAGATSINGHPUR	14	163	84	38.2
5	JAJPUR	2	20	10	6.0
6	KENDRAPADA	10	118	59	31.0
7	KHURDA	25	321	152	145.2
8	NAYAGARH	13	133	65	28.2
9	PURI	19	198.3	99.15	47.8
Total		131	1527.6	753.3	496.1

Considering present and forecasted load with load growth, TPCODL has planned utilization of these PSS and identified actions as mentioned below:

- a) New 11kV linking lines with existing 11kV feeders.
- b) New 11kV feeders to bifurcate load and length of existing feeders.
- c) Provision of AB Switches and RMU's for shifting of existing feeders load with smooth switching.
- d) Proposal for load transfer or PTR augmentation in case of overloading of PTRs.

3. That, the petitioner should produce the actual manpower of Executive, Non-executive of erstwhile CESU and also TPCODL own regular cadre under different division.

Response:

TPCODL has already submitted the actual manpower details to the Hon'ble Commission.

4. TPCODL should produce total security deposit received from consumers from 2000 to 2024 and details of their deposit.

Response:

TPCODL has already submitted Consumer Security Deposit details to the Hon'ble Commission.

5. TPCODL to produce list of consumers those have availed benefit under PM Surya Ghar Muft Bijli Yojana

Response:

TPCODL has enrolled 922 customers in PM Surya Ghar Muft Bijli Yojana program. The list is mentioned as below:

District Name	No. of Consumers
Anugul	35
Cuttack	143
Dhenkanal	21
Jagatsinghapur	6
Kendrapara	6
Khordha	688
Nayagarh	6
Puri	17
Grand Total	922

6. TPCODL to produce list of consumers those have availed benefit under PM Surya Ghar Muft Bijli Yojana through community solar scheme.

Response:

It is submitted that the proposed Community Solar Scheme has not been started yet. Due to the absence of CFA support for ground-mounted solar projects for community the licensee has withdrawn the petition filed under Case No. 21 of 2024.

7. TPCODL has to produce how many smart meters licensee have provided to the consumers.

Response:

TPCODL has provided 1.72 Lakhs smart meter to consumers.

8. TPCODL has to produce the total consumer as on Dec'24 have provided meter or not.

Response:

It is submitted that all consumers under the distribution area of TPCODL are metered. Except for multiple streetlight points where technically not possible to install meter, they are billed on basis of LDHF Billing.

10. Reply to Objections/ Suggestions raised by M/s Tata Steel Limited, Athagarh against Case No 88/2024

1. Employee Cost

The respondent has observed that Employee Cost to be considered as controllable, audited figures of previous years to be considered for arriving of employee cost and annual truing up exercise to be carried out.

Further, the respondent has requested TPCODL to control employee cost and has commented that the estimate for FY 2025-26 is very high and should not be approved.

Response:

We have taken note of the Respected Respondent's observations on the above. We assure the Respected Respondent that TPCODL is fully cognizant of its responsibility to optimize on its cost structures, and is continuously working towards that objective.

As shall be appreciated, bulk of the Cost is towards Employee Costs of inherited employees who are governed by the OSCR Structure, which cannot be altered. All fresh recruitments are being done taking into account resource / skill gaps and with due approval of the Hon'ble Commission.

The Hon'ble Commission carries out a detailed prudence check while allowing all costs, including the Employee Costs.

The Cost of erstwhile CESU employees have been estimated for FY2025-26 on following basis.

- k. 3% escalation considered on Basic Salary over FY 2024-25 after taking into account the promotions and separations.
- l. The existing DA is 53%. Our estimated projection of DA for FY 2025-26 is provided in table below. As can be observed from table below, the weighted average DA for FY 2025-26 works out to 62 % , based on which the DA for ensuing year i.e. FY 2025-26 has been computed.

Projection of DA for FY 2025-26

Sr No	For Months	No of Months	DA (Est.)
1	Apr'25 - June'25	3	58%
2	July'25 - Dec'25	6	62%
3	Jan'26-Mar'26	3	66%
4	Weighted Average DA for FY 2025-26		62%

- m. Housing Rent allowance considered at 20% of basic salary.
- n. Medical Allowance are considered at 5% of the basic salary.
- o. Terminal Benefits are estimated on cash outgo basis.
- p. Ex-gratia on the basis of estimate, details provided in subsequent paragraphs.
- q. Staff Welfare and Other Staff Cost including various employee engagement related expenses which are essential for a productive work environment, on the basis of estimates. Details under this head are provided in subsequent paragraphs.
- r. Other Allowance on the basis of estimates, details provided in subsequent paragraphs.
- s. The impact of Wage Board implementation for Non-Executive employees which is due for the period 01.04.2020 to 31.03.2025, has presently not been taken into account. The Hon'ble Commission may kindly allow additional cost impact as and when this is approved / implemented.
- t. The financial impact on account of executive cadre restructuring approved by the Hon'ble Commission vide letter dated 19.11.2024

Further, TPCODL has been recruiting manpower as per the approval received from the Hon'ble Commission. Considering these recruitment and man power addition proposed in FY 2025-26, employee cost of CTC employees has been proposed for FY 2025-26

It is worthwhile to submit that considering the actual cost of CTC employees booked in FY 2024-25, the recruitment already made in FY 2024-25 as well as the recruitment planned in remaining of FY 2024-25, the estimated cost of CTC employees of Rs. 148.37 Cr will be incurred towards CTC employees in FY 2024-25.

Further, there have been substantial retirements (964 numbers) in TPCODL till FY 2024-25. This includes 300 Nos of Linemen. This continuous reduction of Linemen is impacting field operations in terms of Permit to Work (PTW), Maintenance across Section Offices, Bidyut Seva Kendra (BSK) etc. There is a need to recruit lineman for running these BSK (~ 950). It is further submitted such BSKs are catering to HT as well as LT network.

Based on the escalation of salary of existing CTC employees, 100% impact of manpower recruitment done in staggered manner in FY 2024-25, manpower addition estimated in FY

2025-26 , it is estimated that **Rs. 161.97 Cr** is going to be incurred towards CTC employees in FY 2025-26.

In view of the above, the total Gross Employee Cost for FY 2025-26 has been projected at Rs. 931.43 Cr. (i.e. Rs. 962.67 after capitalization of Rs. 31.24 Cr)

2. Administrative & General Expenses

The Hon'ble Commission should conduct a prudence check regarding A&G cost for each year and 7% increase over earlier approved A&G cost for FY 2024-25 or actual A&G expenses whichever is lower may be approved for FY 2025-26.

Response:

Any expenditure allowed by the Hon'ble Commission on True-Up of expenditure is based on extensive prudence check and expenditure appearing in the Discom's Audited Accounts. The expenditure sought by TPCODL for FY 2025-26 is as per the extant Regulations, duly supported by a detailed zero based budget for its requirements; we firmly believe that amount sought towards A&G expenditure is the minimum requirement to carry out our operations efficiently.

As stipulated in Regulations 3.9.16 to 3.9.18, we have estimated the normative A&G cost for FY 2025-26 as following.

Sr No	Particular	Amount (Rs.Cr)
1	Normal A&G Cost Approved in FY-2024-25 Tariff Order	152
2	Additional A&G Cost Approved in FY-2024-25 Tariff Order	0
3=1+2	Total A&G Cost Approved in FY 2024-25 Tariff Order	152
4	A&G Cost to be considered as base (equal to actual estimated expenditure for FY 2024-25 excluding ASL Expenditure)	194
5 = 4 x 1.07	Normal A&G Cost for FY 2025-26 at @ 7% escalation over FY-2024-25 base	208
6	Statutory Levy / Impact of Revision in Minimum wage (Incremental impact over FY 2024-25)	6
7	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)	5
8	Special /Additional Expenditures for meeting Enhanced Activities in the areas of Billing and Collection for FY 2025-26	11
9=6+7+8	Sub Total	230
10	Release of ASL payments as per provision of the Vesting Order	20
11=9+10	Total A&G Cost for FY 2025-26	250

Based on the Zero based budgeting exercise, the estimated A&G cost for FY 2024-25 and FY 2025-26 is as provided below.

Sr No	Particulars	Total estimate for Current FY 2024-25	Total Estimate for (FY-2025-26)
1	Rental of land, buildings, plant and equipment, etc	8	9
2	Electricity consumption expenses	13	13
3	Telephone & Communication expenses	2	2
4	Foods and conveyance	2	2
5	Bank & other charges	6	6
6	Office expenses + Facility Management and House	6	7
7	Travelling expenses	7	8
8	Insurance premium	9	11
9	Legal and professional charges	6	6
10	Advertisement & marketing expenses	3	6
11.a	Metering and billing expenses Collection, Payment Transcation Charges, Customer Awareness for Digital/Prompt/Regular Payments, Customer Service (Cust. Care, Call Center, Meter Services etc.)	109	122
11.b	Minumum Wage Impact / Statutory Levy (8.5 Months for FY 2024-25 and 12 months for FY 2025-26)	14	20
11=11.a+11.b	Sub Total	123	142
12	Printing and stationary	2	2
13	Other Expenses (Statutory cost, Agency Commission, A&G Cost of Engineering ,Quality and Procurement Departments) incl.contingency	9	12
14	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)		5
15=sum(1:10,11:14)	Sub Total	194	230
16	ASL Payments	16	20
17	TOTAL	210	250

It is submitted that TPCODL's estimated A&G cost estimate for FY-25 is Rs. 210 Cr against approved amount of Rs. 151.95 Cr. While Additional A&G Cost was approved, it is submitted that TPCODL was not given the Special A&G Expenditure of Rs 54 Crores which was sought in the Petition. Hence, applying 7% escalation on the approved amount of Rs. 151.92 Cr would not be proper.

The detailed explanation for increase in A&G cost has already been provided in our petition, hence it is requested that the A&G Cost sought by us may kindly be approved as it is essential for running the day to day activities of the business .

3. Depreciation Cost

Response:

TPCODL has been computing depreciation at “pre- 92” rates on the opening assets as explained in para 2.11.1 of our petition for ARR FY 2025-26

Further , TPCODL have been claiming in our ARR/True up Net depreciation after deducting Depreciation on meters, Amortization on Opening Assets ,Amortization on Grants and Amortization on Consumer Contribution from the total depreciation booked in accounts . Table 2-44 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

Out of this Net Deprecation , Depreciation on Asset Created out of Own Capex of TPCODL are being used towards repayment of Capital loan and the balance towards funding of ASL payment. Table 2-45 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

4. Repair & Maintenance(R&M) Expenses

Response:

TPCODL has claimed estimated R&M Expenses for FY 2025-26 based on the norms stipulated by the Hon’ble Commission in the Tariff Regulations’22.

The breakup of the same as required per Regulations is as provided below.

		<i>All Amount in Rs. Cr</i>
Sr No	Particular	FY-2025-26
1	R&M on Assets in Books of TPCODL	239
2	R&M on Assets not in books of TPCODL but maintained by TPCODL	131
3	Statutory Levy / Impact of revision in Minimum Wages	38
4	Special R&M for FCC manning of all Rural Areas in two shifts and uniform for Business Associates employees as directed in SAC meeting of July 2023 and Annual Performance Review dated 12.07.2023.	14
5	Special R&M for minimizing human and elephant conflict, public awareness ,night patrolling in elephant movemnet area.	5
6	Total estimated R&M for FY 2025-26	428

The estimated GFA under Own Capex, and the R&M estimate thereon for FY 2025-26 is already provided at Table 2-27 (Page-48) in our ARR FY-26 Petition.

The Scheme wise Assets that are not appearing in TPCODL's books but maintained by TPCODL on which R&M at 3% has been requested by TPCODL based on Tariff Regulations 2022 has already been provided at Table 2-28 (Page 49) and Table 2-30 (Page 50) of our ARR FY-26 Petition.

With respect to the Respondents view that depreciation should not be allowed on GFA created due to Depreciation, it is clarified that All Asset, irrespective of source of funding, need to be maintained and consequently R&M Cost needs to be allowed for maintenance of all assets, including the Govt. owned Assets which are not funded by the Discoms but are maintained by them.

5. Revenue Requirement

Observation: *Hon'ble Commission to allow Revenue Requirement for FY 2025-26 after prudence check*

Response:

We are providing all information and data asked by the Hon'ble Commission over and above information furnished in our ARR petition so that prudence check exercise is completed. We firmly believe that allowances of revenue requirement must be thoroughly checked and examined by the Hon'ble Commission.

6. Re-introduction of 3 slab based graded incentive tariff for HT / EHT Consumers in FY 2025-26

Response:

While Tariff Design is the sole prerogative of the Hon'ble Commission, we are 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 slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, in our view, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

7. Tariff for FY 2025-26

Response:

The Respondent has observed increase in HT/EHT sales is expected due to various factors like Rs. 10.5 trillions of investment announced by GoO in recently concluded Make in Odisha Conclave etc and has requested for reduction of Industrial Tariff. It is submitted that the investment declared by GoO may take some to materialize and only when these investment result into actual increased in HT /EHT sales, the Hon'ble Commission may take into consideration among other factors for determination of Industrial Tariff.

As per TPCODL's estimations based on new connection/ additional demand requests received by it, as well as taking into account physical progress of industry's coming up/ likely to come up, the growth in EHT/ HT Sales in FY 25-26 over FY 24-25 has been estimated .

The Hon'ble Commission, who has the sole prerogative on Tariff determination and Tariff design, would take an appropriate view taking into account the projected growth in both Demand, requirement of legitimate costs recovery including that of the Discom together with BSP and prudence check of entire ARR Petition.

8. Unprecedented increase in Tariff applicable for EHT and HT Load due to introduction of kVAh billing.

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

9. Tariff Determination

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

10. Cross Subsidy Surcharge

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

11. Pro-rata billing for any deviation from the billing cycle of 30 days.

Response:

It is submitted that Considering that Billing on the fixed date every month (+/- 3 days) may not be feasible for detailed reasons as explained at under para 9.19 of our ARR FY-26 petition, it is further submitted that permitting pro-rata adjustment of Slabs limits based on actual days of billing vis a vis the standard norm of 30 days (365 Days/ 12) will ensure that the Consumers get the full slab benefit under all actual billing period scenarios.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

12. Levy of CSS on RE Policy

Response:

The Hon'ble Commission as per Tariff Order dated 13.02.2024 has approved that 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. The licensee prays the Hon'ble Commission for continuation of the same.

13. Processing fee for each services as per Regulation

Response:

The respondent has submitted that the cost proposed by the petitioner is at higher side. It is submitted that presently, the petitioner are directed to serve the consumer for their different requirement apart from Billing and collection activities. Consumers also needs, Load Change (Reduction/Enhancement), attribute changes (like Change of name, Category Change, name correction, address correction /Change etc.)

As per existing Regulation, for new connection the processing fee has been defined as Rs.50/- per application, however, there is no such charges is payable for the other services like Change of name, Category Change, name correction, address correction /Change etc. But the licensee is spending considerable amount for such services. Therefore, the DISCOM proposes, the charges in ARR Petition which may kindly be approved for recovery of cost being incurred by DISCOMs.

14. Continuation of Green Tariff Premium (GTP) Mechanism

Response:

TPCODL respectfully submits that our proposal regarding Green Tariff Premium (GTP) and allocation of RE power to industries with CGPs is based on a balanced approach that considers both operational realities and regulatory compliance. The key differentiation in our proposal is that while CGPs would be allowed to consume RE power with a GTP of 10 paise/unit, this consumption would not be counted towards their RPO obligations. This approach is distinct from the regular green power consumers who pay 20 paise/unit and can claim RPO benefits, thus maintaining a clear distinction between the two categories of consumers.

Our submission is grounded in the practical consideration that GRIDCO is already allocating RE power to DISCOMs in proportion to their energy requirements, with TPCODL receiving 1193.51 MU against its total approved input of 12513 MU. This creates an opportunity to efficiently utilize the available RE power while generating additional revenue for the utility. The proposed mechanism would allow CGP industries to consume green power as per the actual monthly allocation from GRIDCO, creating a win-win situation where the RE power is optimally utilized and the DISCOM can generate additional revenue, ultimately benefiting all stakeholders in the power sector ecosystem.

Furthermore, our proposal includes a provision for re-allocation of unsold green power between DISCOMs, ensuring maximum utilization of available RE resources. The differential pricing structure (10 paise/unit for CGPs without RPO benefits versus 20 paise/unit for regular green power consumers with RPO benefits) is designed to maintain fairness while creating a viable commercial framework. This approach aligns with the broader objective of promoting renewable energy consumption while ensuring that the interests of all stakeholders are protected. We submit that this structured approach provides a clear framework for RE power

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allocation while maintaining the distinction between different consumer categories and their respective obligations.

15. Revision of Reconnection Charges with penalty clause

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

16. Assessment in case of Theft of energy

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent. We have made the submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

17. Reduction in Contract Demand

Response:

Application for request in contract demand is being processed as per the prevailing regulations.

18. Revision in Service Connection Charges

Response:

The Hon'ble Commission has notified services connection charges vide Notification dated 09.12.2024.

19. CSS should be within +20% of applicable tariff in line with Tariff Policy. The Open Access Regulation 2020 may be amended accordingly and cross subsidy surcharge should be decided.

Response:

It is clarified that the Hon'ble Commission has been determining tariffs in consonance to the provisions of the Electricity Act'2003, as well as the National Tariff Policy which stipulates the following:

“8.3 (2)....For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply.”



The Tariffs are stipulated by the Hon'ble Commission within $\pm 20\%$ of the average cost of supply of the Discoms, as has been mentioned in Para 86 of the FY 24-25 Tariff Order, the relevant extract of which is reproduced below:

“86. 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-subsidized categories and cross-subsidising categories remains within $\pm 20\%$ of the average cost of supply as per Clause 8.3 of Tariff Policy. Ultimate objective is that tariff should be the reflection of cost of supply. EHT and HT Consumers are cross subsidizing LT Consumers of the State. Further, Regulation 5.15.2 of the OERC Wheeling & RST Regulations, 2022 provides that the Commission shall make endeavour to reduce the cross subsidy gradually between the Consumer categories with respect to the Average cost of Supply. Also, the Commission is guided by the provisions under the 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 the OERC's Wheeling & RST Regulations, 2022.

As mentioned earlier, Tariff Design and Determination is the sole prerogative of the Hon'ble Commission.

11. Reply to Objections/ Suggestions by Shri Ranvijay Singh against Case No. 88/2024

1. T&D Losses

That now the Petitioner is not taking adequate action for AT&C reduction, which plays a vital role for determination of tariff. Present projected AT&C loss and T&D loss should be on audited basis and this figure may not be correct as all feeders and Sub-stations and all consumers are not yet metered. However, TATA Power as a whole is not careful about maintenance of lines and sub-station. That line and sub-station is covered with weeds in such a manner that line and sub-station is not visible. From such, one can assess how interruptions are there with huge loss of energy. So the figure on AT&C loss and T&D loss projected by the Petitioner cannot be taken as granted. Due care should be taken by the Petitioner. Such cases are everywhere in all sections of TPCODL.

Response:

In this regard, it is submitted that TPCODL is taking utmost care to maintain the network spread over the vast area. Further, the loss figures presented by TPCODL for the previous years of operation are based on Audited figures.

However notwithstanding the above, it is submitted that the AT&C Loss value plays a role in estimating the Power Purchase Quantum. In this regard it is important to add that while working out the ARR and the tariff, the AT&C loss used in the Tariff Trajectory given in the Vesting order is applied and the loss achieved by TPCODL is not relevant for Tariff. Hence in other words, the actual AT&C loss does not play any role while determining the ARR. The Power Purchase Quantum for ARR is worked out through Grossing up of Sales by the Tariff Trajectory AT&C Loss.

2. Distribution Loss presented by the Petitioner for FY 2024-25 is very high.

Response:

It is submitted that, the current year as well as ensuring year distribution loss trajectory of TPCODL is strictly in line with vesting order.

3. DPS on Electricity Bills

That under the Para-9.18 of the petition is on DPS of electricity bills. The order passed by the Hon'ble Commission at Para-87 of RST order 2024-25 should not be changed. It should be continued. In this regard, the petition filed by the Petitioner are against the interest of the consumers.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

4. Smart Meter under Capex

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That under the Para-9.20 is bills on meter rent. The consumer will be affected if expenditure on most of the consumers to be the part of CAPEX plan. It may not be accepted by the Hon'ble Commission.

Response:

In this context it is to submit that Government of India, through the Ministry of Power Gazette notification (F.No. 23/35/2019-R&R) dated 17th August 2021, had mandated all states transition from conventional meters to more advanced prepaid smart meters. Further, the Hon'ble OERC has also advised the Odisha DISCOMs to implement the same in a phased manner following a priority as directed. With respect to cost of meter/ meter rent, the Licensee has submitted a separate proposal for recovery of meter cost through CAPEX instead of monthly meter rent. The same is under review of the Hon'ble Commission.

Hon'ble Commission may like to decide and issue necessary directions in the ensuing Tariff Order.

In most of the states like Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka Madhya Pradesh, Uttar Pradesh, Delhi meter cost is part of Capex and meter rent is not charged separately from the consumers. In fact consumers are less burdened if meter cost is part of Capex specially consumers who consumes less electricity. And in Odisha large number of consumers consume less electricity say 50 units and below.

5. Corpus for Meeting Calamity

That for Creation of Corpus for Meeting Natural Calamities, it is prayed that to create certain fund charging separate charge of Rs.2.00 per month from consumers. For natural calamities, crores of rupees has been allotted by the Govt. of Odisha and how it is utilized is best known to everybody. Immediately after such natural calamity, DISCOMs are intimating Govt. that what is the line length of LT, HT line and nos of Sub-stations are affected, as if they have foresee of such devastation and the entire money utilized for such devastation. In this regard, the enquiry should have been made/ should be made, to ascertain the truth. So imposition of separate charge against the consumers is illegal and unjust. Such prayer should not be accepted.

Response:

On the observation made by the respected respondent on create certain fund by charging separate of Rs 2.00 per month from the consumer, it is stated that no such submission has been made by the petitioner in the ARR petition FY-26.

6. Reconnection Charges

That under Para-9.12 is on revision of reconnection charges, the Petitioner should intimate what is the actual expenditure towards reconnection. Such prayer is unjust, as virtually there is no expenditure as paid staffs of the Licensee are reconnecting the power supply which is within their service. Hence, reconnection charges for 1st April 2012 should be reintroduced.

Response:

It is submitted that, the Licensee has justified its stand on revision of reconnection charges with penalty clause. The petitioner has proposed for revision of reconnection charge due to the increase in costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble

submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

7. Realistic Assessment of Load

Response:

The petitioner has made a detailed submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

8. Power on Hours Calculation Methodology

Response:

The time required for system maintenance are unavoidable in nature and considering the same, Hon'ble Commission has stipulated allowable power interruption hours in a month as 60 Hrs. Power ON hour is determined in line with the provisions made by Hon'ble Commission.

9. The Hon'ble Commission may pass necessary regulation so as to reduce the surcharge and cross subsidies as per section 181 of the Electricity Act 2003.

Response:

The respected respondent may refer to para 99 of Tariff Order FY 2024- 25. The computed cross subsidy surcharge for DISCOMs have been given in table -27. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced

progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-27 of RST order is reproduced hereunder:

Table – 27
Computed Surcharge for Open Access Consumer 1MW and above
for FY 2024-25 (In paise / unit)

Description	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer	232.86	197.86	167.86	347.86
Surcharge for HT Consumer	108.90	20.08	42.41	178.54

However, the approved charges for FY 25 as given under table 28 are done at 70% of the computed values. The table no. 28 is reproduced hereunder:

Table – 28
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open Access
Consumer(s) of 1MW and above for FY 2024-25

Name of the licensee	Cross Subsidy Surcharge (paise/unit)		Wheeling Charge applicable to HT Consumers only (paise/unit)	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	163.00	76.23	101.46	The Open Access Customer availing Open Access shall pay Rs.5760/MW/Day (Rs.240/MWh) as Transmission charges
TPNODL	138.50	14.06	152.23	
TPWODL	117.50	29.69	97.30	
TPSODL	243.50	124.98	156.82	

10. 15 MVA load through non-dedicated 33 KV line

That for non dedicated feeder 33 KV maximum permissible load is 10 MVA. As per present Regulation-134(3) of OERC Code 2019, contract demand of 1110 KVA and above but up to 15000 KVA for dedicated line and up to 10000 KVA is on non-dedicated line. As per Regulation 134(4) of such Code, contract demand above 15 MVA will be from EHT system. For benefit of industrial consumers it should be 15 MVA also for non-dedicated 33KV line. It may be approved by the Hon'ble Commission.

Response:

Allowing loads of 15MVA through non-dedicated 33KV line may over load the network, as it will require for accommodating 262Amp drawl for a single consumer. That will limit the scope of accommodating other loads in that feeder. That's why it is recommended to take such loads through dedicated feeder.

11. Re-introduction of KWH billing

That the power factor incentive/ penalty and KWH billing should be reintroduced as before or KVAH charges should be less than KWH charges for HT consumers >110 KVA

Response:

After due deliberation Hon'ble Commission has introduced the KVAH billing. The respected respondents objection on this issue has been duly addressed by hon'ble Commission in para 86 of RST Order for 2023-24. KVAH billing was introduced to maintain power factor near to 100%, which is necessary for system stabilisation.

Further, the benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

12. Rebate to Steel Plants

That as per RST Order 2022-23, Note-vi "All HT industrial consumers (Steel Plant) having Contract Demand (CD) of 1 MVA and above shall get a rebate on energy charge on achieving the specified load factor. But, as per RST Order 2023-24, Note-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 such load factor. For the interest of the Licensee, a word "without CGP" is added in the RST Order 2023-24, in place of such concerned Para Note-vi for RST Order 2022-23. In this regard, it is prayed that Note-vi of RST Order 2022-23 should be re-introduced, as all the HT industrial

consumers with CD 1 MVA and above have to have their CGP for continuous power supply, which has not been supplied by the DISCOMs.

Response:

Steel Industry having CGP are intentionally keeping less Contract demand as part of their demand are being met through CGP power. These consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to steel industries will be deprived in case of Steel Industry having CGP.

12. Reply to Objections/ Suggestions raised by The Sampatrai Rotary Club of Cuttack Senior Citizens (SRCCSCH) against Case No. 88/2024

- 1. Designating the entire old age home as a “domestic” unit rather than a commercial unit and accordingly tariff shall be charged.***

Response:

Tariff Order dated 13.02.2024 for FY 24-25, stipulates under Para 239 about the applicable tariff for old-age home.

13. Reply to Objections/ Suggestions by Shri Priyabrata Sahu against Case No. 88/2024

1. Employee Expenditure, R&M Expenditure and A&G Expenditure

2) The ARR of all Discoms proposes a unnatural hike in expenditure in employees cost, Repair & maintenance cost and A&G expenditure which is double then the last year approved expenditure. Further power outages have gone up after TATA power taken over the company. If the gap proposed by the all Discoms is allowed it will increase the cost of unit by Rs 1.00 per unit.

Response:

In this regard, we wish to submit that the operations of TPCODL is only 4.5 years old. The O&M Expenditure for the Discoms would depend on the level of activities in the area of Repairs , Maintenance , Billing, Collection, statutory fees, recruitment of personnel as per the approval of the Hon'ble Commission to cover the deficit on account of no recruitment in the past. It is submitted that since the takeover of the erstwhile utilities, various new activities/initiatives have been undertaken. TPCODL has explained the same in the Performance Review and other submissions made to the Hon'ble Commission from time to time.

Further, increase in the expenditure would also need to be considered after factoring the increase in assets, number of consumers from 26.82 Lakhs to 32.06 Lakhs, operation of customer care centers in all Divisions, Fuse Call Centres in different parts of the licensed Area and also the various activities for providing better consumer services and also provide improved reliability.

TPCODL in the Petition has provided detailed justification for incurrence of higher O&M Expenditure as compared to that approved. We therefore request the Hon'ble Commission to kindly approve the expenditure sought by TPCODL in their petition.

2. Rebate not passed on to the consumer

Further the bills of consumers are not served and generated on provisional but same time rebate are not passed on to the consumer when the actual bill is generated.

Response:

DPS, reading and billing, bill delivery and rebate is being allowed as per the prevailing regulations.

3. Disconnecting Power Supply without proper notice.

In addition to above DISCOMS are disconnecting the power supply without proper notice the same should be stopped immediately.

Response:

Disconnection is being done as per the regulations.

4. Capital Expenditure in the ARR

- 5) Further while calculating the interest on Capex loan is charged for the whole year. The detail on loan availed from banks and the rate of interest may be furnished.
- 6) The Discoms must give detail financial benefits derived from the Capex plan on account of loss reduction and its impact on tariff

Response:

We have provided the extracts of sanction letters under Page No 67 to 69 of the petition which specify the details of the loans and also provide the applicable interest rate.

As far as loss reduction due to Capex is concern at the time of take over AT&C Loss was 30.4% which has been reduced to 21.20%, which has yielded around Rs. 550 Cr plus saving to consumers. In fact last year there was a reduction in tariff for domestic category. Despite the fact that there is cost of supply Average Cost of Supply.

5. KVAH Billing

Hence we pray before the Hon'ble commission for appropriate directions to the DISCOM authorities for consideration of energy consumption in KWH for HT IND consumers till the DTRs of power utilities standardized as per the BEE and request for refund of excess of revenue already collected by adjusting in their respective ECh bills .

Response:

The Hon'ble Commission had after a long time moved from KWH billing to KVAH for HT and EHT Consumers. The same has been effected after removing the penalty and incentive on PF. We are of the view that such billing i.e based on KVAH should continue as it incentivizes the consumer to improve the power factor thereby improving the system parameters in general and reduction of loss

We are also of the view that the standardization of DTRs by the Discom may be parallel activity and the same should not be linked to the KVAH billing in vogue.

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

6. Change in Contract Demand of short term Agro based seasonal industries or irrigation

20)As per regulation 119

(iii) Notwithstanding anything contained above and in Regulation 117, the Commission may allow the change of contract demand of short term Agro based seasonal industries or irrigation in its order from time to time for a particular season of the year

So, we request the commission to classify the industries like Rice mill, Ginning mill, sugar mill and jaggery making and other seasonal industries may be classified as seasonal industry. The above industry having contract demand more than 110 KVA may be billed on actual MD in the off season instead minimum 80% of contract demand. Which will immensely benefit the MSME sector.

Response:

The concept of 80% demand charges is applicable for consumer HT Industrial and GP consumer having contract demand >100KW, where the licensee has to keep reserve the quantum of load availing by the seasonal consumer. Against the quantum of load kept reserve for consumer remains idle during non-use period, which cannot be allocated to any other consumer. Hence, the consumer has to pay minimum charges towards load kept for his use.

The Hon'ble Commission, who has the sole prerogative on Tariff determination and Tariff design, would take an appropriate view on the matter.

7. Periodical Inspection and penalty

TP CENTRAL ODISHA DISTRIBUTION LIMITED

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

Registered Office/Corporate Office: Power House Square, Unit-8, Bhubaneswar, 751012, Tel: 0674-2541575

Web: www.tpcentralodisha.com, E-mail: tpcodl@tpcentralodisha.com, CIN: U40109OR2020 PLC032901

21)As per OERC distribution conditions of supply regulation (111) (iii) periodical inspection is not done by the licensee in specified interval and after years if they are detecting any abnormality after prolonged period they are issuing notice under sec(126) and Sec(135) without the fault of consumer. Without serving the letter of provisional and final assessment and due acknowledgement from the consumer they are disconnecting power supply. Further in case of reclassification of consumer they are not issuing proper notice under regulation 140 and without giving opportunity they are levying penalty under Sec(126) of which is violation of fundamental right.

Response:

TPCODL operates under the comprehensive regulatory framework established by the Hon'ble Commission. All the above observed activities are being conducted as per the regulations.

8. Assets transferred by Government

22) Gridco equity in kind

ODSSP 33/11 substation is being provided to Discoms as equity contribution by GRIDCO in kind. ODSSP is a state sponsored scheme of GOO and expenditure is met from state budget duly approved by cabinet which means the money is already recovered from the tax payers, So the said equity infusion can not earn ROE as well as depreciation which will increase the tariff. It is a double recovery cost from the consumer of Odisha,

Response:

TPCODL in its Tariff Petition under Para 133 and 134 and Table 2-34 has explained the need to include the Gridco contribution in the computations as the same is in kind. Hence in our humble submission, there is a need to consider the transfer of Government Assets which represents the Gridco Equity in kind for computation of Return on Equity.

9. Employee Cost

Response:

It is submitted that, the justification of employee cost is given keeping in view real challenged faced for seamless operation, consumer satisfaction, project execution and other related activities has been elaborated in our ARR application, which may please be referred.

10. The true-up exercises of past years must be actual and as per parameter approved by tariff and regulation, but it is observed that same is claimed in normative basis taking up efficiency gain in misleading manner. Tax on return on equity may not be considered as it has to be paid out of licensee's return on capital. Passing the same to the consumer is not acceptable. Further, DERC has fixed RoE as 10% which is much below the RoE fixed as per regulation.

Response:

It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022 & actual figures as per Audited accounts. Regulation 2.14.2 of the Tariff Regulations, 2022 provides for sharing of efficiency gain and accordingly the Licensee has offered the same in compliance with the relevant regulation.

The Hon'ble Commission at Regulation 3.6.3 (c) of the OERC Tariff Regulation, 2022 has provided as under:

"3.6.3 Return on equity on the assets put to use under instant Regulations:

....

c. The tax only to the extent of the tax on return is provided as pass through."

It is submitted that the Licensee strictly follows the applicable regulations and is well within the ambit of the same. The same is also in line with regulations of other states and well recognized by Hon'ble APTEL.

11. NTI such as rebate to consumer, supervision charges, over drawl penalty and DPS should be passed on to consumers in full instead of 1/3rd proposed by DISCOMs.

Response:

Petitioner is following the provisions of Tariff Regulations 2022, prescribe by the Hon'ble Commission.

12. DPS to domestic and GP Consumers

34) We do not agree with levy of DPS to domestic and GP consumers as proposed by all the licensee as all know the reason of withdrawal of the same. We feel that poor consumers should not be burden with levy of DPS.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, incase of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

13. Prorate Billing

35) We object prorata billing as it is against the regulation and very difficult for a common man to understand.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.19 of our ARR Petition FY-26.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

14. Billing with Defective Meter

38) In this case our submission is that the revision of the bill of defective meter may be taken of as per regulation instead of summer consumption as proposed by licence.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.16 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

15. Revision of Reconnection Charges

Revision of Reconnection charges

39) We do not agree with the proposal of proposed revision of reconnection charges.

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation



of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

14. Reply to Objections/ Suggestions by Shri Akshaya Kumar Sahani against Case No. 88/2024

1. T&D Losses

2. That now the Petitioner is ^{not} taking adequate action for AT&C reduction, which plays a vital role for determination of tariff. Present projected AT&C loss and T&D loss should be on audited basis and this figure may not be correct as all feeders and Sub-stations and all consumers are not yet metered. However, TATA Power as a whole is not careful about maintenance of lines and sub-station. One necked figure is placed by this Respondent as Annexure-A. That line and sub-station is covered with weeds in such a manner that line and sub-station is not visible. From such, one can assess how interruptions are there with huge loss of energy. So the figure on AT&C loss and T&D loss projected by the Petitioner cannot be taken as granted. Due care should be taken by the Petitioner. Such cases are everywhere in all sections of TPCODL.

Response:

In this regard, it is submitted that TPCODL is taking utmost care to maintain the network spread over the vast area. Further, the loss figures presented by TPCODL for the previous years of operation are based on Audited figures.

However notwithstanding the above, it is submitted that the AT&C Loss value plays a role in estimating the Power Purchase Quantum. In this regard it is important to add that while working out the ARR and the tariff, the AT&C loss used in the Tariff Trajectory given in the Vesting order is applied and the loss achieved by TPCODL is not relevant for Tariff. Hence in other words, the actual AT&C loss does not play any role while determining the ARR. The Power Purchase Quantum for ARR is worked out through Grossing up of Sales by the Tariff Trajectory AT&C Loss.

2. Distribution Loss presented by the Petitioner for FY 2024-25 is very high.

Response:

It is submitted that, the current year as well as ensuring year distribution loss trajectory of TPCODL is strictly in line with vesting order.

3. Assets funded Consumer Contribution

5. That under Para-2.9.6 i.e. in the head assets created against consumer's contribution is not understood i.e. what is the consumer's contribution. For the Respondent, consumer's contribution means the entire investment they have made for construction of line and sub-station, as no remunerative benefit being extended to such consumers. Consumers below 70 KVA which should be from the LT system of the licensee are being forced for construction of line and sub-station. No remunerative benefit so far has been extended to any such consumer. The Hon'ble Commission may pass order that consumers below 70 KVA should not be asked for construction of line and sub-station. Most surprisingly, such consumers are being provided with LT meter and bills are on KVAH unit with transformer loss. Necessary strict order Hon'ble Commission may be passed that DISCOMs should follow the mandated provisions of law.

Response:

We wish to submit that some of the assets have been created on the Balance Sheet of TPCODL with the same being financed by Consumer. Such assets have been considered under the head of Assets created against consumer contribution. TPCODL has not claimed any Interest on Debt or Return on Equity on such Assets and also no depreciation has been considered in the ARR as they have been funded by the Consumer

4. DPS on Electricity Bills

6. That under the Para-9.18 of the petition is on DPS of electricity bills. The order passed by the Hon'ble Commission at Para-87 of RST order 2024-25 should not be changed. It should be continued. In this regard, the petition filed by the Petitioner are against the interest of the consumers.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

5. Pro-rata Billing

7. That under the Para-9.19 of the petition is on pro-rata billing. Now in the consumer's bills, there is no mention of billing month, as it was in the previously. Now bills are being done some time for 45 days sometime 20 days like that in a month, which is wrong. The LT domestic and commercial consumers are suffering a lot for such irregular monthly billing which should be strictly for 30 days or (+/-) 3 days. Hence, proposals furnished by the Petitioner may not be accepted.

Response:

It is submitted that, TPCODL have made a detailed submission under Para No 9.19 of our ARR Petition FY-26.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the

consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

6. Smart Meter under Capex

That under the Para-9.20 is bills on meter rent. The consumer will be affected if expenditure on most of the consumers to be the part of CAPEX plan. It may not be accepted by the Hon'ble Commission.

Response:

In this context it is to submit that Government of India, through the Ministry of Power Gazette notification (F.No. 23/35/2019-R&R) dated 17th August 2021, had mandated all states transition from conventional meters to more advanced prepaid smart meters. Further, the Hon'ble OERC has also advised the Odisha DISCOMs to implement the same in a phased manner following a priority as directed. With respect to cost of meter/ meter rent, the Licensee has submitted a separate proposal for recovery of meter cost through CAPEX instead of monthly meter rent. The same is under review of the Hon'ble Commission.

Hon'ble Commission may like to decide and issue necessary directions in the ensuing Tariff Order.

In most of the states like Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka Madhya Pradesh, Uttar Pradesh, Delhi meter cost is part of Capex and meter rent is not charged separately from the consumers. In fact consumers are less burdened if meter cost is part of Capex specially consumers who consumes less electricity. And in Odisha large number of consumers consume less electricity say 50 units and below.

7. KVAH Billing to LT Consumers with CD>110 KVA

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

8. Corpus for Meeting Calamity

11. That for Creation of Corpus for Meeting Natural Calamities, it is prayed that to create certain fund charging separate charge of Rs.2.00 per month from consumers. For natural calamities, crores of rupees has been allotted by the Govt. of Odisha and how it is utilized is best known to everybody. Immediately after such natural calamity, DISCOMs are intimating Govt. that what is the line length of LT, HT line and nos of Sub-stations are affected, as if they have foresee of such devastation and the entire money utilized for such devastation. In this regard, the enquiry should have been made/ should be made, to ascertain the truth. So imposition of separate charge against the consumers is illegal and unjust. Such prayer should not be accepted.

Response:

On the observation made by the respected respondent on create certain fund by charging separate of Rs 2.00 per month from the consumer, it is stated that no such submission has been made by the petitioner in the ARR petition FY-26.

9. Reconnection Charges

That under Para-9.12 is on revision of reconnection charges, the Petitioner should intimate what is the actual expenditure towards reconnection. Such prayer is unjust, as virtually there is no expenditure as paid staffs of the Licensee are reconnecting the power supply which is within their service. Hence, reconnection charges for 1st April 2012 should be reintroduced.

Response:

It is submitted that, the Licensee has justified its stand on revision of reconnection charges with penalty clause. The petitioner has proposed for revision of reconnection charge due to the increase in costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

10. Realistic Assessment of Load

Response:

The petitioner has made a detailed submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

11. Power on Hours Calculation Methodology

Response:

The time required for system maintenance are unavoidable in nature and considering the same, Hon'ble Commission has stipulated allowable power interruption hours in a month as 60 Hrs. Power ON hour is determined in line with the provisions made by Hon'ble Commission.

12. Non-extension of Tariff Benefit to Allied Agriculture Activities and Allied Agro Industrial Activities Category

Response:

Contention of the objector is not correct. TPCODL is extending due category benefit of Allied Agriculture Activities and Allied Agro Industrial Activities Category to all eligible consumer.

The objector is requested to bring the individual cases, if any, to the notice of the licensee for implementation of GRF/Ombudsman order

13. Regulation 138 (e) i.e. Power Supply to LI points in the urban area.

Response:

Classification of consumers has been made by Hon'ble Commission basing on their purpose of supply. The licensee categorizes the consumers strictly as per the provisions of Supply Code and raises bill to consumers as per the applicable tariff from time to time. However, the licensee has made a representation to OERC for consideration of case of LI consumer under urban area under "Irrigation Pumping and Agriculture" category.

14. The Hon'ble Commission may pass necessary regulation so as to reduce the surcharge and cross subsidies as per section 181 of the Electricity Act 2003.

Response:

The respected respondent may refer to para 99 of Tariff Order FY 2024- 25. The computed cross subsidy surcharge for DISCOMs have been given in table -27. In view of the mandate of Electricity Act'2003 under section 42, the cross subsidy surcharge is to be reduced progressively for which Hon'ble Commission fixed the CSS at 70% of the computed values. The computed values as given under table no-27 of RST order is reproduced hereunder:

Table – 27
Computed Surcharge for Open Access Consumer 1MW and above
for FY 2024-25 (In paise / unit)

Description	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer	232.86	197.86	167.86	347.86
Surcharge for HT Consumer	108.90	20.08	42.41	178.54

However, the approved charges for FY 25 as given under table 28 are done at 70% of the computed values. The table no. 28 is reproduced hereunder:

Table – 28
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open Access
Consumer(s) of 1MW and above for FY 2024-25

Name of the licensee	Cross Subsidy Surcharge (paise/unit)		Wheeling Charge applicable to HT Consumers only (paise/unit)	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	163.00	76.23	101.46	The Open Access Customer availing Open Access shall pay Rs.5760/MW/Day (Rs.240/MWh) as Transmission charges
TPNODL	138.50	14.06	152.23	
TPWODL	117.50	29.69	97.30	
TPSODL	243.50	124.98	156.82	

15. 15 MVA load through non-dedicated 33 KV line

That for non dedicated feeder 33 KV maximum permissible load is 10 MVA. As per present Regulation-134(3) of OERC Code 2019, contract demand of 1110 KVA and above but up to 15000 KVA for dedicated line and up to 10000 KVA is on non-dedicated line. As per Regulation 134(4) of such Code, contract demand above 15 MVA will be from EHT system. For benefit of industrial consumers it should be 15 MVA also for non-dedicated 33KV line. It may be approved by the Hon'ble Commission.

Response:

Allowing loads of 15MVA through non-dedicated 33KV line may over load the network, as it will require for accommodating 262Amp drawl for a single consumer. That will limit the scope of accommodating other loads in that feeder. That's why it is recommended to take such loads through dedicated feeder.

16. Re-introduction of KWH billing

That the power factor incentive/ penalty and KWH billing should be reintroduced as before or KVAH charges should be less than KWH charges for HT consumers >110 KVA

Response:

After due deliberation Hon'ble Commission has introduced the KVAH billing. The respected respondents objection on this issue has been duly addressed by hon'ble Commission in para 86 of RST Order for 2023-24. KVAH billing was introduced to maintain power factor near to 100%, which is necessary for system stabilisation.

Further, the benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

17. Reduction of load reduction period to 12 month in place of 36 month

Response:

As a substantial amount is spent in providing power supply to a consumer, any reduction of load within a short span makes the scheme unviable. Further, the licensee makes its demand projection, considering the contracted load of its consumers basing on which its power purchase cost and tariff is decided. Therefore, revision of load within a short span will deprive the licensee of the anticipated cross subsidy in case of subsidizing consumer along with shortfall in recovering the distribution cost.

18. Rebate to Steel Plants

21. That as per RST Order 2022-23, Note-vi "All HT industrial consumers (Steel Plant) having Contract Demand (CD) of 1 MVA and above shall get a rebate on energy charge on achieving the specified load factor. But, as per RST Order 2023-24, Note-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 such load factor. For the interest of the Licensee, a word "without CGP" is added in the RST Order 2023-24, in place of such concerned Para Note-vi for RST Order 2022-23. In this regard, it is prayed that Note-vi of RST Order 2022-23 should be re-introduced, as all the HT industrial consumers with CD 1 MVA and above have to have their CGP for continuous power supply, which has not been supplied by the DISCOMs.

Response:

Steel Industry having CGP are intentionally keeping less Contract demand as part of their demand are being met through CGP power. These consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to steel industries will be deprived in case of Steel Industry having CGP.

19. Monopolistic Attitude

Response:

TPCODL conducts its business strictly as per prevailing ACT, Rules, Regulation and guidance of the Hon'ble Commission. The licensee is taking all steps to develop a customer centric environment. The steps taken by the licensee in its journey of transformation starting from 01.06.2020 have been elaborated in its application. In its endeavor to develop a reliable network with adoption of latest technologies, the licensee needs support and cooperation from all its stakeholders.

The respected respondent is requested to bring the individual cases to the notice of the petitioner, if any deviation has been noticed, so that necessary steps can be taken by the petitioner. If the respondent has noticed any such deviation, the same may please be brought to the notice of the petitioner.

15. Reply to Objections/ Suggestions raised by M/s Jindal Steel & Power Limited against Case No. 88/2024

1. Unprecedented increase in Tariff applicable for EHT and HT Load due to introduction of kVAh billing.

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

2. Need for Consumer Category Provision for Mega Steel Plant

Response:

Issues raised by the respected respondent is related to classification of consumer and fixation of tariff within the purview of Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

TPCODL acknowledges the importance of Mega Steel Plants in Odisha's industrial landscape and their contribution to the state's economic growth. However, we respectfully submit that the creation of a separate consumer category with differential tariff slabs based on load factor consumption needs to be examined holistically, considering its impact on other consumer categories and the overall revenue requirement of the DISCOMs. The current tariff structure has been designed through a balanced approach that ensures fair treatment across all consumer categories while maintaining the financial viability of the distribution company.

3. Proposal for Load Factor Rebate

Response:

Issues raised by the respected respondent is related to fixation of tariff which is in the purview of the Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

4. *Tariff Determination*

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

5. *Cross Subsidy Surcharge*

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

6. *Levy of CSS on RE Policy*

Response:

The Hon'ble Commission as per Tariff Order dated 13.02.2024 has approved that 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. The licensee prays the Hon'ble Commission for continuation of the same.

7. *Continuation of Green Tariff Premium (GTP) Mechanism*

Response:

TPCODL respectfully submits that our proposal regarding Green Tariff Premium (GTP) and allocation of RE power to industries with CGPs is based on a balanced approach that considers both operational realities and regulatory compliance. The key differentiation in our proposal is that while CGPs would be allowed to consume RE power with a GTP of 10 paise/unit, this

consumption would not be counted towards their RPO obligations. This approach is distinct from the regular green power consumers who pay 20 paise/unit and can claim RPO benefits, thus maintaining a clear distinction between the two categories of consumers.

Our submission is grounded in the practical consideration that GRIDCO is already allocating RE power to DISCOMs in proportion to their energy requirements, with TPCODL receiving 1193.51 MU against its total approved input of 12513 MU. This creates an opportunity to efficiently utilize the available RE power while generating additional revenue for the utility. The proposed mechanism would allow CGP industries to consume green power as per the actual monthly allocation from GRIDCO, creating a win-win situation where the RE power is optimally utilized and the DISCOM can generate additional revenue, ultimately benefiting all stakeholders in the power sector ecosystem.

Furthermore, our proposal includes a provision for re-allocation of unsold green power between DISCOMs, ensuring maximum utilization of available RE resources. The differential pricing structure (10 paise/unit for CGPs without RPO benefits versus 20 paise/unit for regular green power consumers with RPO benefits) is designed to maintain fairness while creating a viable commercial framework. This approach aligns with the broader objective of promoting renewable energy consumption while ensuring that the interests of all stakeholders are protected. We submit that this structured approach provides a clear framework for RE power allocation while maintaining the distinction between different consumer categories and their respective obligations.

8. Refund of Excess Security Deposit as per OERC Code

Response:

Till date we have refunded Rs. 104 Cr of excess security available with us to the consumer. During the refund process we have noticed discrepancies in the records we inherited for which reconciliation process is going on. This is one time exercise and once reconciliation is completed consumer will get refund on time. As per prevailing regulations the consumers are getting interest on security deposit including excess security deposit at the rate of 6.75% (current rate).

9. Payment of Security Deposits by means other than Cash

Response:

It is submitted that, security deposits are always taken in cash or through bank transfer irrespective of category of consumer as this amount is towards security for default in making

energy bill. So this cannot be other than cash. Because handling of security deposit other than cash will attract a lot of difficulties at DISCOMs end.

10. Surcharge on late payment of Security Deposit Demand

Response:

The existing regulatory framework for surcharge on late payment of security deposit are adequate and does not require any amendment. The respondent has misquoted the fact that 7% - 8% surcharge above SBI rate collected by licensee for its enrichment. Whatever surcharge on late payment from security deposit collected by the licensee is passed on to the consumer under the head of Non-Tariff Income.

The rationale behind provision of 15% surcharge on delayed payment of security deposit is that the defaulting consumer must bear the financing cost and not the regular paying consumers, who pays their dues on or before due date.

Interest on security deposit is part of ARR. Any increase in rate of interest would put stress on tariff therefore, present rate reasonable.

11. ToD Benefit

Response:

The purpose of ToD Tariff is to flatten the load curve of state electricity demand, further ToD mechanism is only successful when there is a good gap between incentive and surcharge.

With regards to the stakeholder's submission, on proposal for ToD Tariff for FY 2025-26, it is submitted that Hon'ble Commission has already divided the entire 24 hours into various ToD slots with introduction of Solar Hours in last tariff order dated 13.02.2024.

It our submission that only after data for entire year i.e. FY 2024-25 is available, any change/improvement to the existing ToD Tariff may be considered

16. Reply to Objections/ Suggestions raised by M/s Power Tech Consultant against Case No. 88/2024

1. Employee Cost

The respondent has observed that Employee Cost to be considered as controllable, audited figures of previous years to be considered for arriving of employee cost and annual truing up exercise to be carried out.

Further, the respondent has requested TPCODL to control employee cost and has commented that the estimate for FY 2025-26 is very high and should not be approved.

Response:

We have taken note of the Respected Respondent's observations on the above. We assure the Respected Respondent that TPCODL is fully cognizant of its responsibility to optimize on its cost structures, and is continuously working towards that objective.

As shall be appreciated, bulk of the Cost is towards Employee Costs of inherited employees who are governed by the OSCR Structure, which cannot be altered. All fresh recruitments are being done taking into account resource / skill gaps and with due approval of the Hon'ble Commission.

The Hon'ble Commission carries out a detailed prudence check while allowing all costs, including the Employee Costs.

The Cost of erstwhile CESU employees have been estimated for FY2025-26 on following basis.

- u. 3% escalation considered on Basic Salary over FY 2024-25 after taking into account the promotions and separations.
- v. The existing DA is 53%. Our estimated projection of DA for FY 2025-26 is provided in table below. As can be observed from table below, the weighted average DA for FY 2025-26 works out to 62 % , based on which the DA for ensuing year i.e. FY 2025-26 has been computed.

Projection of DA for FY 2025-26

Sr No	For Months	No of Months	DA (Est.)
1	Apr'25 - June'25	3	58%
2	July'25 - Dec'25	6	62%
3	Jan'26-Mar'26	3	66%
4	Weighted Average DA for FY 2025-26		62%

- w. Housing Rent allowance considered at 20% of basic salary.
- x. Medical Allowance are considered at 5% of the basic salary.
- y. Terminal Benefits are estimated on cash outgo basis.
- z. Ex-gratia on the basis of estimate, details provided in subsequent paragraphs.
- aa. Staff Welfare and Other Staff Cost including various employee engagement related expenses which are essential for a productive work environment, on the basis of estimates. Details under this head are provided in subsequent paragraphs.
- bb. Other Allowance on the basis of estimates, details provided in subsequent paragraphs.
- cc. The impact of Wage Board implementation for Non-Executive employees which is due for the period 01.04.2020 to 31.03.2025, has presently not been taken into account. The Hon'ble Commission may kindly allow additional cost impact as and when this is approved / implemented.
- dd. The financial impact on account of executive cadre restructuring approved by the Hon'ble Commission vide letter dated 19.11.2024

Further, TPCODL has been recruiting manpower as per the approval received from the Hon'ble Commission. Considering these recruitment and man power addition proposed in FY 2025-26, employee cost of CTC employees has been proposed for FY 2025-26

It is worthwhile to submit that considering the actual cost of CTC employees booked in FY 2024-25, the recruitment already made in FY 2024-25 as well as the recruitment planned in remaining of FY 2024-25, the estimated cost of CTC employees of Rs. 148.37 Cr will be incurred towards CTC employees in FY 2024-25.

Further, there have been substantial retirements (964 numbers) in TPCODL till FY 2024-25. This includes 300 Nos of Linemen. This continuous reduction of Linemen is impacting field operations in terms of Permit to Work (PTW), Maintenance across Section Offices, Bidyut Seva Kendra (BSK) etc. There is a need to recruit lineman for running these BSK (~ 950). It is further submitted such BSKs are catering to HT as well as LT network.

Based on the escalation of salary of existing CTC employees, 100% impact of manpower recruitment done in staggered manner in FY 2024-25, manpower addition estimated in FY

2025-26 , it is estimated that **Rs. 161.97 Cr** is going to be incurred towards CTC employees in FY 2025-26.

In view of the above, the total Gross Employee Cost for FY 2025-26 has been projected at Rs. 931.43 Cr. (i.e. Rs. 962.67 after capitalization of Rs. 31.24 Cr)

2. Administrative & General Expenses

The Hon'ble Commission should conduct a prudence check regarding A&G cost for each year and 7% increase over earlier approved A&G cost for FY 2024-25 or actual A&G expenses whichever is lower may be approved for FY 2025-26.

Response:

Any expenditure allowed by the Hon'ble Commission on True-Up of expenditure is based on extensive prudence check and expenditure appearing in the Discom's Audited Accounts. The expenditure sought by TPCODL for FY 2025-26 is as per the extant Regulations, duly supported by a detailed zero based budget for its requirements; we firmly believe that amount sought towards A&G expenditure is the minimum requirement to carry out our operations efficiently.

As stipulated in Regulations 3.9.16 to 3.9.18, we have estimated the normative A&G cost for FY 2025-26 as following.

Sr No	Particular	Amount (Rs.Cr)
1	Normal A&G Cost Approved in FY-2024-25 Tariff Order	152
2	Additional A&G Cost Approved in FY-2024-25 Tariff Order	0
3=1+2	Total A&G Cost Approved in FY 2024-25 Tariff Order	152
4	A&G Cost to be considered as base (equal to actual estimated expenditure for FY 2024-25 excluding ASL Expenditure)	194
5 = 4 x 1.07	Normal A&G Cost for FY 2025-26 at @ 7% escalation over FY-2024-25 base	208
6	Statutory Levy / Impact of Revision in Minimum wage (Incremental impact over FY 2024-25)	6
7	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)	5
8	Special /Additional Expenditures for meeting Enhanced Activities in the areas of Billing and Collection for FY 2025-26	11
9=6+7+8	Sub Total	230
10	Release of ASL payments as per provision of the Vesting Order	20
11=9+10	Total A&G Cost for FY 2025-26	250

Based on the Zero based budgeting exercise, the estimated A&G cost for FY 2024-25 and FY 2025-26 is as provided below.

Sr No	Particulars	Total estimate for Current FY 2024-25	Total Estimate for (FY-2025-26)
1	Rental of land, buildings, plant and equipment, etc	8	9
2	Electricity consumption expenses	13	13
3	Telephone & Communication expenses	2	2
4	Foods and conveyance	2	2
5	Bank & other charges	6	6
6	Office expenses + Facility Management and House	6	7
7	Travelling expenses	7	8
8	Insurance premium	9	11
9	Legal and professional charges	6	6
10	Advertisement & marketing expenses	3	6
11.a	Metering and billing expenses Collection, Payment Transcation Charges, Customer Awareness for Digital/Prompt/Regular Payments, Customer Service (Cust. Care, Call Center, Meter Services etc.)	109	122
11.b	Minumum Wage Impact / Statutory Levy (8.5 Months for FY 2024-25 and 12 months for FY 2025-26)	14	20
11=11.a+11.b	Sub Total	123	142
12	Printing and stationary	2	2
13	Other Expenses (Statutory cost, Agency Commission, A&G Cost of Engineering ,Quality and Procurement Departments) incl.contingency	9	12
14	Insurance premium for assets created against Govt. Funded schemes and not in TPCODL's Books (excluding all lines, poles and cables)		5
15=sum(1:10,11:14)	Sub Total	194	230
16	ASL Payments	16	20
17	TOTAL	210	250

It is submitted that TPCODL's estimated A&G cost estimate for FY-25 is Rs. 210 Cr against approved amount of Rs. 151.95 Cr. While Additional A&G Cost was approved, it is submitted that TPCODL was not given the Special A&G Expenditure of Rs 54 Crores which was sought in the Petition. Hence, applying 7% escalation on the approved amount of Rs. 151.92 Cr would not be proper.

The detailed explanation for increase in A&G cost has already been provided in our petition, hence it is requested that the A&G Cost sought by us may kindly be approved as it is essential for running the day to day activities of the business .

3. Depreciation Cost

Response:

TPCODL has been computing depreciation at “pre- 92” rates on the opening assets as explained in para 2.11.1 of our petition for ARR FY 2025-26

Further , TPCODL have been claiming in our ARR/True up Net depreciation after deducting Depreciation on meters, Amortization on Opening Assets ,Amortization on Grants and Amortization on Consumer Contribution from the total deprecation booked in accounts . Table 2-44 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

Out of this Net Deprecation , Depreciation on Asset Created out of Own Capex of TPCODL are being used towards repayment of Capital loan and the balance towards funding of ASL payment. Table 2-45 (Page 65) of our ARR FY 2025-26 petition may be referred to in this regard.

4. Repair & Maintenance(R&M) Expenses

Response:

TPCODL has claimed estimated R&M Expenses for FY 2025-26 based on the norms stipulated by the Hon’ble Commission in the Tariff Regulations’22.

The breakup of the same as required per Regulations is as provided below.

		<i>All Amount in Rs. Cr</i>
Sr No	Particular	FY-2025-26
1	R&M on Assets in Books of TPCODL	239
2	R&M on Assets not in books of TPCODL but maintained by TPCODL	131
3	Statutory Levy / Impact of revision in Minimum Wages	38
4	Special R&M for FCC manning of all Rural Areas in two shifts and uniform for Business Associates employees as directed in SAC meeting of July 2023 and Annual Performance Review dated 12.07.2023.	14
5	Special R&M for minimizing human and elephant conflict, public awareness ,night patrolling in elephant movemnet area.	5
6	Total estimated R&M for FY 2025-26	428

The estimated GFA under Own Capex, and the R&M estimate thereon for FY 2025-26 is already provided at Table 2-27 (Page-48) in our ARR FY-26 Petition.

The Scheme wise Assets that are not appearing in TPCODL's books but maintained by TPCODL on which R&M at 3% has been requested by TPCODL based on Tariff Regulations 2022 has already been provided at Table 2-28 (Page 49) and Table 2-30 (Page 50) of our ARR FY-26 Petition.

With respect to the Respondents view that depreciation should not be allowed on GFA created due to Depreciation, it is clarified that All Asset, irrespective of source of funding, need to be maintained and consequently R&M Cost needs to be allowed for maintenance of all assets, including the Govt. owned Assets which are not funded by the Discoms but are maintained by them.

5. Revenue Requirement

Observation: *Hon'ble Commission to allow Revenue Requirement for FY 2025-26 after prudence check*

Response:

We are providing all information and data asked by the Hon'ble Commission over and above information furnished in our ARR petition so that prudence check exercise is completed. We firmly believe that allowances of revenue requirement must be thoroughly checked and examined by the Hon'ble Commission.

6. Re-introduction of 3 slab based graded incentive tariff for HT / EHT Consumers in FY 2025-26

Response:

While Tariff Design is the sole prerogative of the Hon'ble Commission, we are 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 slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, in our view, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

7. Tariff for FY 2025-26

Response:

The Respondent has observed increase in HT/EHT sales is expected due to various factors like Rs. 10.5 trillions of investment announced by GoO in recently concluded Make in Odisha Conclave etc and has requested for reduction of Industrial Tariff. It is submitted that the investment declared by GoO may take some to materialize and only when these investment result into actual increased in HT /EHT sales, the Hon'ble Commission may take into consideration among other factors for determination of Industrial Tariff.

As per TPCODL's estimations based on new connection/ additional demand requests received by it, as well as taking into account physical progress of industry's coming up/ likely to come up, the growth in EHT/ HT Sales in FY 25-26 over FY 24-25 has been estimated .

The Hon'ble Commission, who has the sole prerogative on Tariff determination and Tariff design, would take an appropriate view taking into account the projected growth in both Demand, requirement of legitimate costs recovery including that of the Discom together with BSP, etc.

8. Unprecedented increase in Tariff applicable for EHT and HT Load due to introduction of kVAh billing.

Response:

The Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

The benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile.

The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges.

9. Need for Consumer Category Provision for Mega Steel Plant

Response:

Issues raised by the respected respondent is related to classification of consumer and fixation of tariff within the purview of Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

TPCODL acknowledges the importance of Mega Steel Plants in Odisha's industrial landscape and their contribution to the state's economic growth. However, we respectfully submit that the creation of a separate consumer category with differential tariff slabs based on load factor consumption needs to be examined holistically, considering its impact on other consumer categories and the overall revenue requirement of the DISCOMs. The current tariff structure has been designed through a balanced approach that ensures fair treatment across all consumer categories while maintaining the financial viability of the distribution company.

10. Proposal for Load Factor Rebate

Response:

Issues raised by the respected respondent is related to fixation of tariff which is in the purview of the Hon'ble Commission.

Our submission is that tariff must be cost reflective and the petitioner is allowed to recover ARR through tariff.

11. Tariff Determination

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

12. Cross Subsidy Surcharge

Response:

Tariff determination and classification of consumers is the sole prerogative of the Hon'ble Commission. Our only humble submission is that tariff must be cost reflective.

13. TPCODL has proposed re-introduction of DPS for LT domestic, LT general purpose and HT bulk Supply Domestic Consumers. It is important to explore alternative measures that encourage timely payment without imposing additional financial penalties on consumers. The Hon'ble Commission should consider more consumer friendly approach to address late payments such as education campaigns, billing transparency and improved customer communication.

Response:

There was a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers negligent towards bill payment once the due date is over as no delayed payment surcharge was applicable. The Domestic and GPS category current billing is more than 90% of total LT billing and compared to total billing these consumers billing is around 46%. Therefore, in order to achieve 100% collection of LT current billing in every month, consumers should proactively pay in time and for which it is requested to introduce DPS for these category of consumers. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

The Hon'ble Commission is, therefore, requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the rebate entitlement 7 days payment may please be retain.

As of now there is no deterrent for defaulting consumers falling under such category who are not paying their electricity bills on or before due date, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Discoms are putting lot of resources and effort into recovery of electricity dues which ultimately burdening the rest of consumers who are making timely payment to Discom.

In case of disconnection due to non-payment of electricity dues by due date such consumers are tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardizing the interest of rest of consumers.

Disconnection of electricity due to non-payment requires prior notice for 15 days which again incentivize such consumers not to pay dues on due dates.

In view of above it is once again requested to Hon'ble Commission that mechanism to levy DPS for delay payment of electricity dues must be introduced so that interest of other consumers are protected. Further, incase of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed

14. Additional Rebate of Rs.10/ - p.m. if opted E-Bill

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent on appreciating the rebate provision proposed by TPCODL. We have made the

submission under Para No 9.1 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

15. Pro-rata billing for any deviation from the billing cycle of 30 days.

Response:

It is submitted that Considering that Billing on the fixed date every month (+/- 3 days) may not be feasible for detailed reasons as explained at under para 9.19 of our ARR FY-26 petition, it is further submitted that permitting pro-rata adjustment of Slabs limits based on actual days of billing vis a vis the standard norm of 30 days (365 Days/ 12) will ensure that the Consumers get the full slab benefit under all actual billing period scenarios.

The pro-rata billing for slab adjustment based on actual no's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days. Further the similar methodology of pro-rata Slab adjustment is adopted by various states. Therefore, the Hon'ble Commission may kindly consider our proposal to extend more benefit to consumers.

It is pertinent to mention here that climatic condition of Odisha is difficult. Heavy rains for longer duration, kalbaisakhi, cyclone, floods and severe heat waves for longer durations are the reality and needs to be considered by the Hon'ble Commission while taking decision on this issue. Such natural adverse events often hamper our field activities.

16. Levy of CSS on RE Policy

Response:

The Hon'ble Commission as per Tariff Order dated 13.02.2024 has approved that 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. The licensee prays the Hon'ble Commission for continuation of the same.

17. Load Factor rebate to HT & EHT industries

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent on appreciating the rebate provision proposed by TPCODL. We have made the

submission under Para No 9.3 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

18. Processing fee for each services as per Regulation

Response:

The respondent has submitted that the cost proposed by the petitioner is at higher side. It is submitted that presently, the petitioner are directed to serve the consumer for their different requirement apart from Billing and collection activities. Consumers also needs, Load Change (Reduction/Enhancement), attribute changes (like Change of name, Category Change, name correction, address correction /Change etc.)

As per existing Regulation, for new connection the processing fee has been defined as Rs.50/- per application, however, there is no such charges is payable for the other services like Change of name, Category Change, name correction, address correction /Change etc. But the licensee is spending considerable amount for such services. Therefore, the DISCOM proposes, the charges in ARR Petition which may kindly be approved for recovery of cost being incurred by DISCOMs.

19. Continuation of Green Tariff Premium (GTP) Mechanism

Response:

TPCODL respectfully submits that our proposal regarding Green Tariff Premium (GTP) and allocation of RE power to industries with CGPs is based on a balanced approach that considers both operational realities and regulatory compliance. The key differentiation in our proposal is that while CGPs would be allowed to consume RE power with a GTP of 10 paise/unit, this consumption would not be counted towards their RPO obligations. This approach is distinct from the regular green power consumers who pay 20 paise/unit and can claim RPO benefits, thus maintaining a clear distinction between the two categories of consumers.

Our submission is grounded in the practical consideration that GRIDCO is already allocating RE power to DISCOMs in proportion to their energy requirements, with TPCODL receiving 1193.51 MU against its total approved input of 12513 MU. This creates an opportunity to efficiently utilize the available RE power while generating additional revenue for the utility. The proposed mechanism would allow CGP industries to consume green power as per the actual monthly allocation from GRIDCO, creating a win-win situation where the RE power is

optimally utilized and the DISCOM can generate additional revenue, ultimately benefiting all stakeholders in the power sector ecosystem.

Furthermore, our proposal includes a provision for re-allocation of unsold green power between DISCOMs, ensuring maximum utilization of available RE resources. The differential pricing structure (10 paise/unit for CGPs without RPO benefits versus 20 paise/unit for regular green power consumers with RPO benefits) is designed to maintain fairness while creating a viable commercial framework. This approach aligns with the broader objective of promoting renewable energy consumption while ensuring that the interests of all stakeholders are protected. We submit that this structured approach provides a clear framework for RE power allocation while maintaining the distinction between different consumer categories and their respective obligations.

20. Special Tariff for industries those who have closed their units if reopen/starts.

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent and appreciating the proposal by TPCODL. We have made the submission under Para No 9.8 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

21. Revision of Reconnection Charges with penalty clause

Response:

TPCODL has proposed for revision of reconnection charge due to the increase in such costs whereas these charges have remained at the level fixed in 2012.

As per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. Hence, it is proposed to increase the reconnection charges so that non-paying consumers would be compelled to change their habit.

With regard to smart meters, the numbers is very small now and it would take time to a level of significance. Even in those cases, costs are incurred towards Call Centers, SMS, etc. Once the number of non-paying consumers reduces to a level of less than 5%, then disconnection activities will be reduced to greater extent. Hence, the Hon'ble Commission is requested to accept the revised rate of Reconnection Charges.

The proposal for introduction of a penalty is not from the perspective of earning any additional revenue but to give the right signals and provide a deterrence to repeated defaulting consumers as well as those who do not abide by the provisions of the extant Regulations/ Code, thereby also jeopardizing safety. Based on this rationale in our humble submission, the Reconnection Charges should be applicable for Pre-paid Meters too. However the Hon'ble Commission may decide on its applicability to Smart Meters.

It is pertinent to mention here that cost of disconnection is being loaded in the ARR and burden of it is borne by the regular paying consumers also, which is not a right approach. Defaulting consumers must bear the entire cost and to balance out the situation and safeguard the interest of regular paying consumers the petitioner has proposed for the increase in reconnection charges.

22. Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent and appreciating the proposal by TPCODL. We have made the submission under Para No 9.9 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

23. Assessment in case of Theft of energy

Response:

It is submitted that, TPCODL acknowledges the observation made by the respected respondent. We have made the submission under Para No 9.23 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

It is pertinent to mention here that the duration of uses of electrical gadgets like Air Conditioner, inductions stoves, etc. has increased drastically and the present load factor is not commensurate with that duration of uses resulting into incentivisation to consumers who

indulge into theft of electricity by means of tampering of meters, service cables bypass or direct hooking jeopardizing the interest of honest consumers.

24. Creation of Category for Mega lift points under EHT and applicability of Demand Charges

Response:

It is submitted that, TPCODL had made a detailed submission under Para No 9.13 of our ARR Petition FY-26. The Hon'ble Commission may kindly consider the proposal of the Petitioner.

25. Reduction in Contract Demand

Response:

Application for request in contract demand is being processed as per the prevailing regulations.

26. Revision in Service Connection Charges

Response:

The Hon'ble Commission has notified services connection charges vide Notification dated 09.12.2024.

27. Cost Plus Tariff for Industries connected at HT and EHT Level.

Response:

It is submitted that, the matter refers to amendment of the Tariff Regulations which need to be taken up separately.

28. CSS should be within +20% of applicable tariff in line with Tariff Policy. The Open Access Regulation 2020 may be amended accordingly and cross subsidy surcharge should be decided.

Response:

It is clarified that the Hon'ble Commission has been determining tariffs in consonance to the provisions of the Electricity Act'2003, as well as the National Tariff Policy which stipulates the following:

"8.3 (2)...For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply."

The Tariffs are stipulated by the Hon'ble Commission within $\pm 20\%$ of the average cost of supply of the Discoms, as has been mentioned in Para 86 of the FY 24-25 Tariff Order, the relevant extract of which is reproduced below:

"86. 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-subsidized categories and cross-subsidising categories remains within $\pm 20\%$ of the average cost of supply as per Clause 8.3 of Tariff Policy. Ultimate objective is that tariff should be the reflection of cost of supply. EHT and HT Consumers are cross subsidizing LT Consumers of the State. Further, Regulation 5.15.2 of the OERC Wheeling & RST Regulations, 2022 provides that the Commission shall make endeavour to reduce the cross subsidy gradually between the Consumer categories with respect to the Average cost of Supply. Also, the Commission is guided by the provisions under the 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 the OERC's Wheeling & RST Regulations, 2022.

As mentioned earlier, Tariff Design and Determination is the sole prerogative of the Hon'ble Commission.

29. Refund of Excess Security Deposit as per OERC Code

Response:

Till date we have refunded Rs. 104 Cr of excess security available with us to the consumer. During the refund process we have noticed discrepancies in the records we inherited for which reconciliation process is going on. This is one time exercise and once reconciliation is completed consumer will get refund on time. As per prevailing regulations the consumers are getting interest on security deposit including excess security deposit at the rate of 6.75% (current rate).

30. Payment of Security Deposits by means other than Cash

Response:

It is submitted that, security deposits are always taken in cash or through bank transfer irrespective of category of consumer as this amount is towards security for default in making energy bill. So this cannot be other than cash. Because handling of security deposit other than cash will attract a lot of difficulties at DISCOMs end.

31. Surcharge on late payment of Security Deposit Demand

Response:

The existing regulatory framework for surcharge on late payment of security deposit are adequate and does not require any amendment. The respondent has misquoted the fact that 7% - 8% surcharge above SBI rate collected by licensee for its enrichment. Whatever surcharge on late payment from security deposit collected by the licensee is passed on to the consumer under the head of Non-Tariff Income.

The rationale behind provision of 15% surcharge on delayed payment of security deposit is that the defaulting consumer must bear the financing cost and not the regular paying consumers, who pays their dues on or before due date.

Interest on security deposit is part of ARR. Any increase in rate of interest would put stress on tariff therefore, present rate reasonable.

17. Reply to Objections/ Suggestions raised by Shri. Satya Bhusan Rath representing M/s. Odisha Roller Flour Mills Association (ORFMA) against Case No. 88/2024

- 1. That, the DISCOM has proposed (page 11,1.3-7(r) to abolish meter rent system and will install smart meters through Capex mode, which evident that this Capex will load to ARR for recovery. Implication of this will increase in tariff. We request Hon'ble Commission to give an advisory note to Govt. for allocation of fund for this expenditure instead passing on to ARR by DISCOM.***

Response:

Hon'ble Commission may like to decide and issue necessary directions in the ensuing Tariff Order.

- 2. That, the DISCOM has proposed (page 48, 49 section 2.7.2.2 R & M cost on assets created under govt. scheme, table 2-28) that extra R & M cost has been incurred on the assets created under govt. funded schemes, and such extra expenditure adding to R & M head and further passed on to ARR for recovery of expenditure, which we oppose and request to hon'ble commission that, an advisory note may kindly be given to govt. to provide the R & M cost of such schemes, so that these should not be additional burden on consumer by DISCOM through ARR.
Further, the asset created under such funding which DISCOM is implementing and bearing R & M cost, Hon'ble Commission may kindly instruct to agencies provide for R & M cost for at least for a period of 10 years along with fund equivalent to depreciation benefit till asset cost neutralized.***

Response:

R&M cost claimed by TPCODL in the ARR application is based upon the prevailing regulations, actual base of assets at sites and rate of entitlement. R&M cost is incurred for operation and maintenance of network so that consumer get reliable supply by ensuring safety of general public.

- 3. That, the DISCOM proposed (section 2.7.2.3 Additional and Special R & M expenditure 116 (c) page 52) that, the expenditure of Rs.5.00cr to be incurred during 2025-26 FY towards maintaining the elephant corridor, requires joint patrolling with forest rangers for which extra manpower, tools and logistic hiring and awareness campaign. This is opposed by us and suggested that the Hon'ble Commission may issue advisory to the "Forest Environment & Climate Change" (FE&CC) Department***

Govt. of Odisha to bear the cost Rs.5.00cr proposed above. In no circumstances such expenditure should be loaded on to ARR.

Response:

The purpose of putting this as an additional item is to protect the elephant, which is a very precious animal. Hon'ble Commission may like to decide on this considering the directive of Principal Chief Conservator of Forest (PCCF). In elephant movement areas regular night patrolling is required. To do the patrolling additional manpower with vehicle and Tools and Tackles are required.

Further various promotional / awareness campaigns to be taken up for creating public awareness and minimizing animal man conflict in elephant movement areas.

4. That, the association of Rice Millers has raised strong objections to the categorization of agri- business activities into two distinct categories: "Allied Agricultural Activities" and "Allied Agro- Industrial Activities." Objector firmly believes that "rice milling" is purely an agricultural business and a food pre-processing activity. Moreover, as rice is staple food that, millers producers for the nation, they should be treated as a separate category.

Therefore, the objector requests the Hon'ble Commission to establish a third category, similar to the existing ones, named "Agri-Business & Food Processing Industry." Additionally, a corresponding tariff category should be created. The objector, representing rice milling industries, also requests the invocation of Section 65 of the Electricity Act 2003 to provide tariffs subsidy. Request Hon'ble Commission to issue an advisory in this regard to Govt. of Odisha.

Response:

The Comments submitted by stakeholder is related to tariff fixation and amendment of Supply Code 2019. Hon'ble Commission may like to decide on this is issue. The current applicable tariff on "Allied Agricultural Activities" and "Allied Agro- Industrial Activities" is highly subsidized.

It is submitted that, the observation made by the respected respondent are not pertaining to ARR submission made by the petitioner. The matter refers to amendment of supply code 2019 which needs to be taken up separately.

With regard to subsidy provision under section 65 of the Electricity Act 2003 is the prerogative of Govt. of Odisha.

5. ***That, the objector opposed to the current Time-of-Day (ToD) benefit of 10 paise per unit insufficient, We request to the Hon'ble commission to review and kindly increase it to 20 paise instead. The ToD Surcharge is 20 paise per unit must be reduce or should be level with the incentive.***

Response:

The purpose of ToD Tariff is to flatten the load curve of state electricity demand, further ToD mechanism is only successful when there is a good gap between incentive and surcharge.

With regards to the stakeholder's submission, on proposal for ToD Tariff for FY 2025-26, it is submitted that Hon'ble Commission has already divided the entire 24 hours into various ToD slots with introduction of Solar Hours in last tariff order dated 13.02.2024.

It our submission that only after data for entire year i.e. FY 2024-25 is available , any change/ improvement to the existing ToD Tariff may be considered

6. ***That, the current KWh to KVAh conversion mechanism benefits DISCOM financially while causing losses to industries. An analysis, based on the electricity bill of an industry member, has been submitted in Exhibit 02 for the Hon'ble Commission's review. Given the hidden financial benefit to DISCOM, it is reasonable for the objector to oppose this and advocate for the creation of a third (3rd) consumer category in the Agri sector with a special tariff.***

Response:

It is submitted that, the Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

7. ***That, the DISCOM's performance is being examined. The performance report available to the public depicts an overly favorable scenario, which the objector challenges. The objector urges the Hon'ble commission to form a neutral expert committee to carry out a forensic audit of the performance metrics. The forensic audit report may kindly published in public domain. The lapses identified may kindly be subjected to penalty in way of tariff discount.***

Response:

The observations are very generic in nature without any specific instance, and not pertaining to ARR Petition of FY-26 of the petitioner.

18. Reply to Objections/ Suggestions raised by Shri. Satya Bhusan Rath, representing M/s. All Odisha Rice Millers Association (AORMA) against Case No. 88/2024

- 1. That, the DISCOM has proposed (page 11,1.3-7(r) to abolish meter rent system and will install smart meters through Capex mode, which evident that this Capex will load to ARR for recovery. Implication of this will increase in tariff. We request Hon'ble Commission to give an advisory note to Govt. for allocation of fund for this expenditure instead passing on to ARR by DISCOM.***

Response:

Hon'ble Commission may like to decide and issue necessary directions in the ensuing Tariff Order.

In most of the states like Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka Madhya Pradesh, Uttar Pradesh, Delhi meter cost is part of Capex and meter rent is not charged separately from the consumers. In fact consumers are less burdened if meter cost is part of Capex specially consumers who consumes less electricity. And in Odisha large number of consumers consume less electricity say 50 units and below.

- 2. That, the DISCOM has proposed (page 48, 49 section 2.7.2.2 R & M cost on assets created under govt. scheme, table 2-28) that extra R & M cost has been incurred on the assets created under govt. funded schemes, and such extra expenditure adding to R & M head and further passed on to ARR for recovery of expenditure, which we oppose and request to hon'ble commission that, an advisory note may kindly be given to govt. to provide the R & M cost of such schemes, so that these should not be additional burden on consumer by DISCOM through ARR.***

Further, the asset created under such funding which DISCOM is implementing and bearing R & M cost, Hon'ble Commission may kindly instruct to agencies provide for R & M cost for at least for a period of 10 years along with fund equivalent to depreciation benefit till asset cost neutralized.

Response:

R&M cost claimed by TPCODL in the ARR application is based upon the prevailing regulations, actual base of assets at sites and rate of entitlement. R&M cost is incurred for operation and maintenance of network so that consumer get reliable supply by ensuring safety of general public.

3. ***That, the DISCOM proposed (section 2.7.2.3 Additional and Special R & M expenditure 116 (c) page 52) that, the expenditure of Rs.5.00cr to be incurred during 2025-26 FY towards maintaining the elephant corridor, requires joint patrolling with forest rangers for which extra manpower, tools and logistic hiring and awareness campaign. This is opposed by us and suggested that the Hon'ble Commission may issue advisory to the "Forest Environment & Climate Change" (FE&CC) Department Govt. of Odisha to bear the cost Rs.5.00cr proposed above. In no circumstances such expenditure should be loaded on to ARR.***

Response:

The purpose of putting this as an additional item is to protect the elephant, which is a very precious animal. Hon'ble Commission may like to decide on this considering the directive of Principal Chief Conservator of Forest (PCCF). In elephant movement areas regular night patrolling is required. To do the patrolling additional manpower with vehicle and Tools and Tackles are required.

Further various promotional / awareness campaigns to be taken up for creating public awareness and minimizing animal man conflict in elephant movement areas.

4. ***That, the association of Rice Millers has raised strong objections to the categorization of agri- business activities into two distinct categories: "Allied Agricultural Activities" and "Allied Agro- Industrial Activities." Objector firmly believes that "rice milling" is purely an agricultural business and a food pre-processing activity. Moreover, as rice is staple food that, millers producers for the nation, they should be treated as a separate category.***

Therefore, the objector requests the Hon'ble Commission to establish a third category, similar to the existing ones, named "Agri-Business & Food Processing Industry." Additionally, a corresponding tariff category should be created. The objector, representing rice milling industries, also requests the invocation of Section 65 of the Electricity Act 2003 to provide tariffs subsidy. Request Hon'ble Commission to issue an advisory in this regard to Govt. of Odisha.

Response:

The Comments submitted by stakeholder is related to tariff fixation and amendment of Supply Code 2019. Hon'ble Commission may like to decide on this is issue. The current applicable tariff on "Allied Agricultural Activities" and "Allied Agro- Industrial Activities" is highly subsidized.

It is submitted that, the observation made by the respected respondent are not pertaining to ARR submission made by the petitioner. The matter refers to amendment of supply code 2019 which needs to be taken up separately.

With regard to subsidy provision under section 65 of the Electricity Act 2003 is the prerogative of Govt. of Odisha.

- 5. That, the objector opposed to the current Time-of-Day (ToD) benefit of 10 paise per unit insufficient, We request to the Hon'ble commission to review and kindly increase it to 20 paise instead. The ToD Surcharge is 20 paise per unit must be reduce or should be level with the incentive.**

Response:

The purpose of ToD Tariff is to flatten the load curve of state electricity demand, further ToD mechanism is only successful when there is a good gap between incentive and surcharge.

With regards to the stakeholder's submission, on proposal for ToD Tariff for FY 2025-26, it is submitted that Hon'ble Commission has already divided the entire 24 hours into various ToD slots with introduction of Solar Hours in last tariff order dated 13.02.2024.

It our submission that only after data for entire year i.e. FY 2024-25 is available , any change/ improvement to the existing ToD Tariff may be considered

- 6. That, the current KWh to KVAh conversion mechanism benefits DISCOM financially while causing losses to industries. An analysis, based on the electricity bill of an industry member, has been submitted in Exhibit 02 for the Hon'ble Commission's review. Given the hidden financial benefit to DISCOM, it is reasonable for the objector to oppose this and advocate for the creation of a third (3rd) consumer category in the Agri sector with a special tariff.**

Response:

It is submitted that, the Hon'ble Commission, has the sole prerogative on matters of Tariff determination and Tariff design.

- 7. That, the DISCOM's performance is being examined. The performance report available to the public depicts an overly favorable scenario, which the objector**



challenges. The objector urges the Hon'ble commission to form a neutral expert committee to carry out a forensic audit of the performance metrics. The forensic audit report may kindly published in public domain. The lapses identified may kindly be subjected to penalty in way of tariff discount.

Response:

The observations are very generic in nature without any specific instance, and not pertaining to ARR Petition of FY-26 of the petitioner.

19. Reply to Objections/ Suggestions raised by Shri. Rudra Prasan Hote, representing M/s Sea Food Exporter Association against Case No. 88/2024

1. The present reply is being filed TP Central Odisha Distribution Limited (“**TPCODL**”/ “**Petitioner**”) to the Memorandum of Objection raised by Seafood Exporters Association of India, Odisha Region (“**Objector**”) to the application filed by the Petitioner for approval of Aggregate Revenue Requirement and Retail Supply Tariff for the Financial Year (“**FY**”) 2025-26 under Section 62 and other applicable provisions of the Electricity Act, 2003 (“**Electricity Act**”) and provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004. The Objector through the objections has challenged and averred that the Petitioner has misclassified the “temperature controlled activities” as “processing activities” and consequently misclassified “cold storages” as a “processing activity” thereby imposing regulatory and financial burden on cold storage facilities. At the outset, the Petitioner denies each and every allegation, averment and objection raised by the Objector unless the same is not specifically admitted herein. The objections raised by the Objector is completely devoid of merit and basis and ought to be rejected by this Hon’ble Commission.
2. On 21.05.2004, this Hon’ble Commission notified Orissa Electricity Regulatory Commission (Distribution of Supply) Code, 2004 (“**Supply Code, 2004**”). On 31.10.2007 OERC Distribution (Conditions of Supply) (4th Amendment) Code, 2007 was notified which introduced a new category of consumers, ‘Agro-Industrial Consumers’, which was defined as below:

“80(5)(1) – Agro Industrial Consumers: This category relates to supply of power for Pisciculture, Horticulture, Floriculture, Sericulture and other allied agricultural activities including animal husbandry, poultry and cold storage (i.e. temperature-controlled storage where flowers, fruits, vegetables, meat, fish and food etc. can be kept fresh or frozen until it is needed).”

3. Thereafter, through OERC Distribution (Conditions of Supply) (5th Amendment) Code, 2009 notified on 19.10.2009, Regulation 80 (5) of the Supply Code 2004 was amended and another the category, “Allied Agro-Industrial Activities” (“**AAIA**”), was introduced, which was defined as below:

“80(5)(iii): Allied Agro-Industrial Activities: This category relates to supply of power to Cold Storages (i.e. a temperature controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed) and includes chilling plant for milk and only the cold storages attached to processing units for meat, fish, prawns, flowers, fruits and vegetables.”

Pertinently, the Orissa Electricity Regulatory Commission (Distribution of Supply) Code, 2019 (“**Supply Code, 2019**”) also provides AAIA as one of the categories of the consumers and defines AAIA as follows:

*“138(g): Allied Agro-Industrial Activities: This category relates to supply of power to **Cold Storages** (i.e. a temperature controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed) and includes chilling plant for milk and **only the cold storages** attached to processing units for meat, fish, prawns, flowers, fruits and vegetables”*

4. Subsequently, this Hon’ble Commission issued Tariff Order for FY 2012-13 wherein it directed that the Food Processing Unit (“**FPU**”) 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 FPU other than cold storage unit exceeds 20% of the connected load, then the entire consumption by the cold storage and the processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be. This direction has been time and again passed by this Hon’ble Commission in all the tariff orders for subsequent FYs till date.
5. In compliance of the above constant directions passed by this Hon’ble Commission since FY 2012-13, i.e., more than a decade, the Petitioner has classified/ reclassified the units as general purpose or the industrial purpose as the case be, in which 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 processing unit taken together.
6. The Objector has objected to such classification/ reclassification of units to general category falsely averring that such units are merely “cold storage” or carrying temperature-controlled activities with no processing units being undertaken in these units and thus these units should be classified as AAIA.

The Objector is reagitating settled issues, which is impermissible under law.

7. During the public hearing of tariff order for FY 2009-10, certain objections were raised by consumers which were engaged in the activities of prawn processing (a Seafood Processing Unit), ice factory, chilling plant for milk and other agricultural activities in Agro-Industrial category. Addressing those objections, this Hon’ble Commission in the tariff order dated 20.03.2009 for FY 2009-2010 observed and clarified the purpose for and intention behind introducing the new category of the consumer. This Hon’ble Commission observed that the intention by incorporating the Agro-Industrial Category was not to encourage business, commerce and trade but storage as an adjunct to farming, for temporary period before the produce gets into the market and gets out of the farm. The intention was never to cover commercial activities or trade or manufacture or any kind of post-harvest processing of farm produce into food products or even such processing that

enables fresh marketing of produce or even as frozen produce. The relevant part of the tariff order dated 20.03.2009 is reproduced below:

“254. We are inclined to agree with the contention of the Utilities/ DISCOMs. The intention was not to encourage business, commerce and trade, but storage as an adjunct to farming for temporary periods, before the produce gets into the market and gets out of the farm. In other words, cold storages and chilling plants (which are also cold storages or temperature-controlled storages) as a part of on-farm activities of storage, immediately following harvest and just before its exit from the farm, is what was intended to be covered. And that was why cold storages were included as a part of those activities related to agriculture or allied agricultural activity. They were certainly not intended to cover commercial activities or trade or manufacture or any kind of post harvest processing of farm produce into food products or even such processing that enables fresh marketing of produce or even as frozen produce.

256. There is no doubt that prawn farming is one type of pisciculture activity but prawn processing cannot be called farming or rearing of prawn processing cannot be called farming or rearing of prawn under controlled conditions. Prawn is processed after it is harvested in prawn farms. Hence, the Commission is not able to accept the claim that prawn processing is Pisciculture in a farm.”

8. This Hon'ble Commission had further observed that prawn processing (which is carried out by many of the members of/ units represented by the Objector) cannot be called farming or rearing of prawn under controlled conditions. Pertinently, in the challenge against the said tariff order dated 20.03.2009 before the Hon'ble High Court of Orissa (in WP(C) No. 6516 of 2009), though the Hon'ble High Court in its order dated 26.08.2009 set aside certain paragraphs/ observations of the tariff order dated 20.03.2009, however, the observations of this Hon'ble Commission as stated and reproduced above were not set aside.
9. Thereafter, through OERC Distribution (Conditions of Supply) (5th Amendment) code, 2009 notified on 19.10.2009, Regulation 80(5) of the Supply Code 2004 was amended and the category of AAIA was introduced. Pursuant to notification of the above category, the Petitioner (then CESU) sought clarification *vide* letter dated 23.11.2009 from this Hon'ble Commission regarding difficulties in preparation of bills under single metering. In response, the Ld. OERC *vide* its letter dated 08.12.2009 clarified that AAIA only includes cold storage attached to processing unit for meat, seafood, flowers etc. Under AAIA, the processing activity itself stands excluded. Ld. OERC also directed to separate the supply connection/ separate metering arrangement for cold storage/ milk chilling activities, if the consumer desires to avail the benefit under AAIA. A copy of the letter dated 08.12.2009 is annexed herewith as **Annexure-1**.
10. Thereafter, during the hearing on the tariff petitions for the FY 2012-13, objections were made by objectors to the effect that in some Units it is not practically feasible to segregate

the cold storage facility load from processing facility load due to technical difficulties and due to which for smaller percentage of processing facility load the entire Unit's load is charged either at industrial or GPS tariff. Addressing such objections, this Hon'ble Commission, in the tariff order dated 23.03.2012 for FY 2012-13 directed that the FPU 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 FPU other than cold storage unit exceeds 20% of the connected load, then the entire consumption by the cold storage and the processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be. The relevant extract of tariff order dated 23.03.2012 is reproduced below:

"Issue of Allied Agro-Industrial Activities

258. Regulation 80(5)(iii) of OERC Distribution (Condition of Supply) Code, 2004 defines Allied Agro-Industrial Activities as follows:

"This category relates to supply of power to "Cold Storages (i.e. a temperature-controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed) and includes chilling plant for milk and only the cold storages attached to processing units for meat, fish, prawns, flowers and vegetables".

Some objectors brought to our notice that in some food processing units it is not practically feasible to segregate the cold storage load from food processing load due to technical difficulties. Therefore, they are deprived of Allied Agro-Industrial Tariff. DISCOMs authorities concurring the above views pointed out their practical difficulties to extend two distinct service lines with independent metering for the segregated load of cold storage and the processing unit. We agree with the submission of those objectors that for smaller percentage of processing load the entire cold storage is charged either at industrial or General-Purpose tariff. Therefore, we direct that 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 processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be. [Emphasis supplied]

11. The Supply Code, 2019, notified on 27.08.2019 also had the AAIA category of consumer which was defined as follows. Pertinently, in the tariff order dated 22.03.2018 passed by this Hon'ble Commission for the FY 2018-19, the same condition of 80:20 load ratio was given with respect to processing facility attached with Unit. The relevant extract of the Annexure B to the tariff order is reproduced below:

“(viii) 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 the 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.”

12. It is pertinent to note that with respect to processing facility attached with Unit the identical directions were issued in the tariff orders passed by this Hon’ble Commission for subsequent FYs. The relevant clause no. of the subsequent tariff order is mentioned in the table below:

S. No.	Financial Year	Tariff Order date	Relevant Clause
1.	2019-20	29.03.2019	Para (xiv) of Annexure B to the tariff order
2.	2020-21	22.04.2020	Para (xvi) of Annexure B to the tariff order
3.	2021-22	26.03.2021	Para (xix) of Annexure B to the tariff order
4.	2022-23	24.03.2022	Para (xx) of Annexure B to the tariff order
5.	2023-24	23.03.2023	Para (xx) of Annexure B to the tariff order
6.	2024-25	13.02.2024	Para (xvii) of Annexure B to the tariff order

Copy of the relevant extract of the Tariff Orders for FY 2018-19 to FY 2024-25 has been attached herewith as **Annexure-2**.

13. It is further pertinent to note that the issue of whether the activities which are being undertaken by a processing plant of prawns amount to processing activities and whether classification of such unit as GPS is proper are already sub-judice and pending consideration by the Hon’ble High Court of Orissa in the case of ***W.P. (C) No. 21406 of 2024, Falcon Marine Exports Limited vs OERC & Ors***, where Falcon Marine Exports Limited, which is one of the members of the Objector, has challenged reclassification of its one of the units from AAIA to “General Purpose Supply” (“GPS”).

14. Thus, the issues raised by the Objector have already been time and again settled by this Hon'ble Commission as well as higher forums. In fact, since past more than a decade, the consumers are being classified by the DISCOMs of Odisha (including TPNODL, TPSODL and TPWODL) as per the abovementioned settled regulatory framework. Additionally, without prejudice the issue of how other DISCOMs are classifying a consumer, cannot be raised in the present proceedings. It is further submitted that if the objections raised by the Objectors are again reconsidered and allowed, it will lead to regulatory uncertainty and will defeat the purpose for which the AAIA category of consumer was introduced.
15. It is further denied that the Petitioner has reclassified seafood processing and cold storage units from AAIA Category to the Large Industry Category (LI), effective from 1st April, 2023. It is also denied that the Petitioner is engaged in any unfair trade practice. It is submitted that the regulatory framework is clear, unambiguous and settled (as mentioned above) and the Petitioner has only been acting in accordance with the same. If upon inspection of a premises/ units, the processing load was found to be more than 20% of the connected load, such unit in compliance with the regulatory framework has been reclassified as GPS. On the contrary, it is the Objector and its members who are reagitating the settled issue before multiple forums and shying away from paying and attempting to avoid payment of electricity dues/ charges which it is legally liable to pay.
16. The Objector while wrongly placing reliance on *Sterling Seafoods v. State of Karnataka [1986] 63 STC 239 (SC)*, has further averred that the activities undertaken by these units (which as per the claim of the objectors is limited to cold storage activities i.e. only storing of the products in controlled temperature does not amount to processing activities. The Objector has further averred that fish and shrimps remain unchanged in their fundamental nature and character and thus it does not amount to processing. At the outset it denied that the only activities being undertaken at these units is storing of products in controlled temperature or that no processing activities are being undertaken by the members of the Objector at their units. It is further denied that the activities undertaken by these units are analogous to the operations of milk chilling plants where milk is preserved to maintain its quality. It is submitted that the units which have been classified/ reclassified by the Petitioner as "general category" has been undertaking processing activities, other than storing the products in controlled temperature. The Petitioner has ascertained the use of electricity load at these units by duly conducting verification at these units. If in the verification, the petitioner has found that the process load of these units is more than 20% of the connected load, in such event, the petitioner in compliance of the directions of this Hon'ble Commission has classified/ reclassified these units as "general category".

Meaning of the term "processing".

17. Neither the Supply Codes of 2004 or 2019 nor the tariff orders for any FY define the term “processing”. However, the meaning of the term “processing” can be drawn from other statutes which defines “processing” as conversion of a product in a marketable form by undertaking any process as small as sorting of product. Activities (independently or in combination) such as preservation, freezing, drying, salting, smoking, peeling, filleting, grading, sorting, packing etc. amounts to processing activities.

15.1 The Food Processing Policy, 2022 notified by Government of Odisha defines “Food Processing” as follows:

*“Food Processing includes transformation of raw ingredients or food into other forms including a process of value addition to the agriculture, edible animal / fish products, marine products including sea food such as shrimp / fish and horticulture products **by various methods such as grading, sorting and packaging in an effective manner, to enhance their shelf life,** quality and make them more useful. **It may also include processing of food at all levels, i.e. primary, secondary and tertiary.** Enterprises engaged in manufacture of packaging, materials for food processing industry. Enterprises engaged in manufacture of Cattle feed / Poultry feed / Prawn feed/ Fish feed/ Cold storage/ Nutritional / Nutraceutical products.”**[Emphasis Supplied]***

15.2 The Agriculture and Processed Food Products Export Development Authority Act, 1985 (“**APFEDA Act**”) which was enacted for the development and promotion of exports of certain agricultural and processed food products defines “processing” under Section 2 (g) as follows:

“(g) “processing” in relation to 2[Scheduled products or, as the case may be, Special products] includes the process of preservation of such products such as canning, freezing, drying, salting, smoking, peeling or filleting and any other method of processing which the Authority may, by notification in the Official Gazette, specify in this behalf.”

15.3 The Marine Products Export Development Authority Act, 1972 (“**MPEDA Act**”) which was enacted for the development of the marine products industry defines “marine products” and “processing” under Sections 3 (h) and 32 (l), respectively, as follows:

*“(h) **“marine products” includes all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or part thereof** and any other products which the Authority may, by notification in the Gazette of India, declare to be marine products for the purposes of this Act.”*

*“(l) **“processing”**, in relation to marine products, includes the **preservation** of such products such as canning, **freezing**, drying, salting, smoking, **peeling** or filleting and any other method of processing which the Authority may, by notification in the Gazette of India, specify in this behalf.” **[Emphasis Supplied]***

18. The Hon'ble Supreme Court in the case of **Chowgule & Co. Pvt. Ltd. v. Union of India, (1981) 1 SCC 653 (Paar 6)** has observed that any process or treatment of a subject (especially Raw Material) to convert it into a marketable form such as sorting or repacking amounts to processing. The said observation and precedent has been affirmed by the Hon'ble Supreme Court and other Courts in catena of judgments such as in the case of **Sonebhadar Fuels v. Commissioner, Trade Tax, U.P. (2006) 7 SCC 322**. The relevant extract of the said judgment is reproduced below:

*"6. It still remains to consider whether the ore blended in the course of loading through the Mechanical Ore Handling Plant can be said to undergo processing when it is blended. The answer to this question depends upon what is the true meaning and connotation of the word "processing" in sec.8(3)(b) and Rule 13. The word has not been defined in the Act and it must therefore be interpreted according to its plain natural meaning. **Websters' Dictionary gives the following meaning of the word "process":** "to subject to some special process or treatment, to subject (especially raw material) to a process of manufacture, development or preparation for the market etc., **to convert into marketable form as live stock by slaughtering, grain by milling, cotton by spinning, milk by pasteurizing fruits and vegetables by sorting and repacking.**" Where therefore any commodity is subjected to a process or treatment **with a view to its "development or preparation for the market", as, for example, by sorting and repacking fruits and vegetables, it would amount to processing of the commodity within the meaning of Sec. 8(3) (b) and Rule 13. The nature and extent of processing may vary from case to case; in one case the processing may be slight and in another it may be extensive; but with each process suffered, the commodity would experience a change.** Wherever a commodity undergoes a change as a result of some operation performed on it or in regard to it, such operation would amount to processing of the commodity. **The nature and extent of the change is not material. It may be that camphor powder may just be compressed into camphor cubes by application of mechanical force or pressure without addition or admixture of any other material and yet the operation may amount to processing of camphor powder as held by the Calcutta High Court in Om Parkash Gupta v. Commissioner of Commercial Taxes, What is necessary in order to characterise an operation as "processing" is that the commodity must, as a result of the operation, experience some change....."**[Emphasis Supplied]*

19. As per Cluster Profile Bhubaneswar Seafoods Processing Industries issued by SAMEEEKSHA (Small and Medium Enterprises: Energy Efficiency and Knowledge Sharing), the production process of seafood is as follows:

- a) Raw material reception;
- b) Beheading, skinning, gutting, trimming and dressing;
- c) Grading;

- d) Freezing;
- e) Labelling and packaging; and
- f) Cold storage

Even as per the information available on the website of Government of Andhra Pradesh (<https://westgodavari.ap.gov.in/>), similar steps are undertaken for processing of seafood such as shrimps. Copy of Cluster Profile Bhubaneswar seafood processing industries issued by SAMEEEKSHA has been attached herewith as **Annexure -3**. Copy of information available on the website of Government of Andhra Pradesh, West Godavari District on Processed Shrimp has been attached herewith as **Annexure -4**.

20. Pertinently, based on the above processing activities, multiple kind of a type of seafood is available in the market. For example, in case of shrimps/ prawns different variety/kinds of shrimps/ prawns are available in the market including whole shrimp i.e., head on shrimp, headless shrimp i.e., beheaded shrimp, peeled shrimp, easy peel shrimp etc.
21. The activities normally and on regular basis undertaken in the units represented by the Objector to make the seafood in marketable form include multiple steps which include beheading, cleaning, deveining, grading, sorting, quick-freezing, segregation, beheading, dressing, cleaning, deveining, grading, salting, smoking, peeling, filleting, sorting, packing, preparing of ice blocks/ slabs, freezing, etc., which activities amounts to processing as per settled position of law.
22. It is submitted that on previous occasions, the Objector itself has admitted before this Hon'ble Commission to the fact of these units undertaking all the abovementioned processing activities. The Objector had filed an application (Case No. 55 of 2024) before this Hon'ble Commission on the same cause of action i.e., reclassification of its members from AAIA to GPS. In the said Petition, the procedure of processing of seafood was explained by the objector. The relevant extract of the petition is reproduced below:

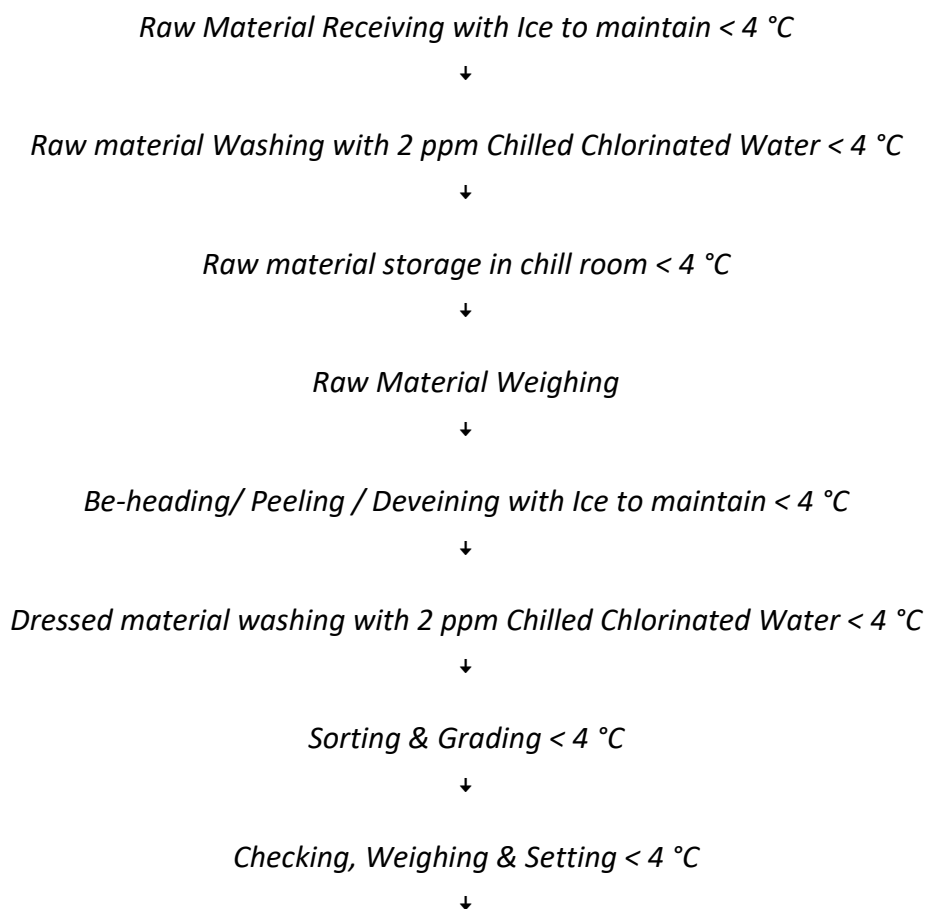
*"4. Accordingly, all seafood processing units and cold storages earlier classified as Agro Industries were converted to Allied Agro-Industrial Activities in 2009-10. It will be pertinent to mention that the **entire activity in shrimp processing units are temperature controlled activity to keep raw shrimps in chill room, use of ice (in house ice units for internal consumption) and freezers where raw shrimps are retained as per timing to get required temperature in the core body of shrimps i.e. frozen shrimps. After getting the required temperature as prescribed by EIC/FSSAI guidelines, the frozen shrimps are kept in cold storage till they are exported or sold.** The shipments are also made in ref containers maintaining -18 degree Celsius temperature throughout till it reaches consumers. **The temperature controlled and statutory guidelines are not only prescribed by Export Inspection Council of India but also FDA inspection agencies of importing countries to retain the freshness of shrimps without any decay or contamination.***

6.Processing activities in our sector implies cleaning, beheading, peeling, grading and sorting. Then the product goes for freezing at -40 degree Celsius inside the freezers followed by storage at -18 degree Celsius to retain the freshness of shrimps till it is loaded in refrigerated containers for shipment. The entire activity (electricity load) in plant is a temperature-controlled storage with different temperature from raw material storage to frozen fish storage. The flake ice/tube ice units made out of treated water are mandatory integral part in a plant for maintaining freshness of raw fishes as prescribed by Export Inspection Council/ FSSA/ FDA guidelines to avoid any type of contamination. Air Conditioners are also fitted in raw material working areas to maintain temperature so that raw fishes do not decay and freshness is retained while working on it....”**[Emphasis Supplied]**

23. Further, in para 9 of the aforesaid petition, a flow chart for frozen prawns was provided by the Objector which is reproduced herein below:

““This category relates to supply of power to Cold Storages (i.e., a temperature-controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed) and includes chilling plant for milk and only the cold storages attached to processing units for meat, fish, prawns, flowers, fruits and vegetables”

APPROVED PROCESS FLOW CHART FOR FROZEN SHRIMPS



Freezing in Plate/Individual Quick Freezers < -40 °C



Packing and Labeling



Metal detector



Frozen Storage < -18 °C



Shipment of Approved lots.

10. Shrimp processing activity is predominantly dressing, **cleaning, grading and packing** which is mostly done manually. The dressed and graded shrimps are placed in block/individual quick freezers as per orders to get the required core temperature to obtain a frozen shrimp product as mandated by Export Inspection Agency/Council. The frozen shrimps/fishes are stored in finished product store (Cold store -18 degree Celsius). The entire activity is covered under temperature-controlled storage with objective to keep them fresh from raw stage to frozen stage i.e. temperature ranging from -4 degree to -18 degree Celsius. The temperatures are mandated by stringent Food Safety Guidelines of Export Inspection Council and overseas buyer country's guidelines. All the equipment used i.e. Air conditioners fitted in working halls, chill rooms (raw shrimp storage), treated water freezing units (ice), freezers (where shrimps are placed in to get frozen temperature of -40 degree Celsius) and ultimately frozen shrimp cold storage (-18 degree Celsius), are temperature-controlled storage as defined in the Regulation referred above, accepted by CESU (now TPCODL) since 2008-09.”[**Emphasis Supplied**]

24. From the bare perusal of the processing procedure given by the Objector its petition before the Ld. OERC, it is clear that after raw material is weighted, it is be-headed/peeled/deveined. Then the seafood is dressed, sorted and graded. The aforementioned posits that the Objector admitted that the activities undertaken by its members at their units are in the nature of temperature-controlled processing and not temperature-controlled storage. It is submitted that merely because the entire processing takes place at a controlled temperature, the entire processing unit cannot fall under the definition of temperature-controlled storage/cold storage. Copy of the Petition filed by Seafood Exporters Association of India, Odisha Region has been annexed as **Annexure-5**.

25. It is submitted that from receiving raw Seafood to ultimately selling or exporting it in the market and meet the prescribed standards and quality, all these steps/ activities are accrued out in these activities, which amounts to processing activities, contrary to the submissions of the Objector. Further, it is reiterated that even the inspection and verification of these units have established that the processing load of these units are

higher than the limit prescribed (20% of the processing load) for any consumer to be classified as AAIA. Thus, the classification of these units under the general category is proper.

26. It is submitted that in view of the submissions made above, the proposed definition of processing by the Objector as "Processing means the process under which any raw product of agriculture, dairy, animal husbandry, meat, poultry, or fishing is transformed through a process involving employees, power, machines, or money, in such a way that its original physical properties undergo a change, resulting in a transformed product that has commercial value and is suitable for human and animal consumption" is completely improper, baseless and against the definition of processing, as provided in the other statutes and precedents.

For classification under AAIA category, Units should be used only for cold storage purposes.

27. It is submitted that in the Supply Code, 2004 and Supply Code, 2019, the term "cold storage" has been defined as "*a temperature-controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed.*". Further, the Oxford Dictionary defines the term "cold storage" as "*a place where food, etc. can be kept fresh or frozen until it is needed.*"
28. It is submitted that these definitions unambiguously establish that only such premise which is used for storing the food at a cold temperature falls within the meaning of cold storage. If any activity other than storing is being undertaken at a unit (under controlled temperature or otherwise), such unit will not fall within the definition of cold storage.
29. It is further submitted that the averment of the Objector that Units being represented by it squarely fall within the definition of AAIA is wrong and denied. It is submitted that as per the definition of AAIA given in the Supply Code 2004 and Supply Code, 2019, in case a Cold Storage Facility is attached to the Unit, then only such Cold Storage Facility falls under AAIA and not the Unit. This was also clarified by this Hon'ble Commission *vide* its letter dated 08.12.2009 that AAIA only includes Cold Storage Facilities attached to Unit for seafood, meat, flowers etc. Under AAIA, the processing facility itself stands excluded. As evident from the submissions made above, the members of the Objector undertake multiple activities at their units before Seafood is stored in Cold Storage Facilities.
30. In view of the above the load restriction given in the Tariff Order is valid and ought to be continued. Accordingly, if the processing facility load of a unit other than cold storage is more than 20% of the total connected load, then the unit cannot be classified under AAIA category and is bound to be classified under general purpose/ large industry category.
31. It is further submitted that a sectoral commercial implication is not and cannot be the basis of tariff determination. The profitability of a particular sector or an industry is not an element to be adjudicated by this Hon'ble Commission in tariff determination under



the extant statutory and regulatory framework. If due to the commercial implications, any subsidy or concession is to be provided to any sector, the same has to be provided by the Government in terms of the mandate of the Electricity Act, 2005. The same cannot be determined by this Hon'ble Commission.

32. It is also vehemently denied that TPCODL has adopted an interpretation of regulatory guidelines that deviate from the understanding and practices of other Distribution Companies or that TPCODL is engaged in the coercive tactics. From the submissions made above, it is clear that the classification/ reclassification of a consumer from AAIA category to GPS category by the Petitioner is in compliance with the regulatory framework and is proper.
33. In view of the submissions made above, it is most humbly prayed that this Hon'ble Commission be pleased to reject/ dismiss the objections raised and reliefs/ prayers sought by the Objector.