TPWODL

REJOINDER TO OBJECTION RECEIVED AGAINST ARR & TARIFF APPLICATION AND OPEN ACCESS CHARGES APPLICATION FOR FY 2025-26

(OERC CASE NOS. 84 & 85 of 2024)

TP WESTERN ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Regd./Corp Office: Burla, Dist. Sambalpur, Odisha - 768 017
Website: www.tpwesternodisha.com Email: tpwodl@tpwesternodisha.com
Corporate Identification Number (CIN): U40109OR2020PLC035230 Telephone No: 0663-2431984 Fax No: 0663-2432113

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION BHUBANESWAR
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

IN THE MATTER OF: **Case Nos. 84 & 85 of 2024**

Rejoinder of the objection raised by objectors against ARR application for FY 25-26 vide case no. 84 of 2024 and Open Access Charges application for FY 25-26 vide case no. 85 of 2024.

AND

IN THE MATTER OF

TP Western Odisha Distribution Limited
Corporate Office-Burla, Sambalpur-768017. ---------Licensee

Affidavit verifying the rejoinders to the application for the ARR and Tariff Application & Open Access Charges application for FY 25-26.

I, Kshirod Chandra Nanda, Son of Late Radhanath Nanda, aged about 55 years, residing at, Burla, Sambalpur, Odisha do hereby solemnly affirm, and state as follows: -

Sl. No. 102
Dt. 24/01/2025
24/01
K.P. MISHRA
Notary
Reg. No. ON 23/94
Sambalpur Odisha

1. That, I am the Senior General Manager (RA & Strategy) of TPWODL, Corporate Office- Burla, Sambalpur, Odisha-768017.
2. That, I am the authorized representative of TPWODL, the applicant in the aforesaid cases and competent to swear this affidavit for and on behalf of the licensee.

The statements made above along with the rejoinders are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

The deponent solemnly affirms today at about 8:33 ~~A.M~~/P.M

Kshirod Ch. Nanda.

Place: Sambalpur
Date: 24/01/2025

24/01/2025
K.P. MISHRA, NOTARY
Regd.ON-23/94
SAMBALPUR, ODISHA

DEPONENT
Sr. GM (RA & Strategy)

BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

01

Case No. 84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: Sri. Ritesh Kumar Babu, Director Microcosm Reframin Private Limited, Arya Residency, Flat no. 104, Block 'C' Sarbahal Po/Dist- Jharsuguda , Odisha 76821.

Subject: **Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY2025-26 which has been registered as case No. 84 of 2024.**

1. **Respondent's view/objection:** The learned objector, a new manufacturing unit with a contract demand of 3.1 MVA near Jharsuguda, commissioned in September 2024, has raised concerns about high power costs affecting their competitiveness. The manufacturing unit produces White Fused Alumina, Brown Fused Alumina, and Fused Magnesite. Due to high power tariffs, the cost of production becomes higher than comparable products from China, resulting in reduced production, low plant load factor (PLF), and, in some cases, plant shutdowns.

   The objector cited the Hon'ble Commission's RST Order dated 13.02.2024 for FY 2024-25 (Annexure v), which extended a 10% rebate on energy charges for Aluminium Industries (Arc Furnace) connected at 33 kV level without CGP, having CD more than 1 MVA and up to 6 MVA, for energy consumption beyond 85% load factor. The objector requested a similar benefit for all HT Industrial consumers without CGP, with a contract demand of 1 MW and above, to enhance competitiveness and sustainability.

   TPWODL Rejoinder:

   It is respectfully submitted that power plays a critical role in the development of Odisha, especially as the state is recognized as the Aluminium Capital of India. The Hon'ble Commission has consistently demonstrated a balanced approach in ensuring sustainable power availability while promoting industrial growth across various sectors. The

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introduction of several targeted rebates, schemes, and benefits for different consumer segments reflects the Commission's commitment to fostering industrial development and consumer satisfaction.

The Government of Odisha has also implemented various progressive policy measures, placing the state at the forefront of industrial and economic growth nationwide. As part of this collaborative effort, TPWODL has consistently proposed tariff rationalization measures in every tariff filing to promote consumer satisfaction and encourage growth.

Regarding the objector's suggestion to allow a 10% rebate on energy charges for all HT Industrial consumers (without CGP) with a contract demand of 1 MVA and above, it is submitted that:

i. The rebate extended to Aluminium Industries (Arc Furnace) was a sector-specific initiative recognizing the unique challenges and energy intensity of such industries. Extending similar benefits to all HT Industrial consumers may require a comprehensive analysis of cost implications, industry-specific needs, and overall system sustainability.

ii. The Hon'ble Commission has always considered measures to encourage higher load factors and promote energy efficiency while ensuring a balance between industrial competitiveness and financial sustainability of the power sector.

The Hon'ble Commission, with its prudent approach, may consider the objector's suggestion and, if deemed appropriate, introduce provisions for such rebates based on a detailed evaluation of the merit of the proposal and its impact on the power sector and other consumers.

For and on behalf of TPWODL

Kshirod Ch Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. : Sri. Ritesh Kumar Babu, Director Microcosm Reframin Private Limited, Arya Residency, Flat no. 104, Block 'C' Sarbahal Po/Dist- Jharsuguda , Odisha 76821

Note- This is also available at the licensee's website- https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: M/s. Vedanta Limited, 1st Floor, C-2, Fortune Tower,
Chandrasekharpur, Bhubaneswar, Odisha - 751023

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Kshirod Ch Nanda,

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** Hon'ble OERC is requested not to levy any CSS on procurement of RE Power by industries from outside the states and issue necessary orders in this regard.

   TPWODL Rejoinder: The Licensee do respect the respondent view towards harnessing RE Power in the consumption mix. At the same time, the Licensee has also its obligation to enhance RE composition into power purchase. Presently, upon pronouncement of RE policy, 2022 here in Odisha, emphasis has been given to enhance RE generation inside the state. The Hon'ble Commission has taken commendable measures by introducing the following exemptions under the Odisha Renewable Energy Policy 2022 to promote renewable energy generation and consumption through OA across the state:

   1. Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.
   2. No Cross-subsidy surcharges are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).
   3. 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period

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Therefore, the decision of Hon'ble Commission for levy of CSS on procurement of RE power outside Odisha will promote RE generation in Odisha itself. In such a scenario, the respondent is requested to procure RE power from the projects available in Odisha only.

2. **Respondent's view/objection:** Hon'ble OERC is requested to further reduce the green power tariff premium for FY 2025-26.

TPWODL Rejoinder: During FY 2022-23, the Green Tariff Premium was set at 50 paise per unit. However, the Hon'ble Commission, acknowledging the need to promote green energy, reduced the premium to 25 paise per unit in FY 2023-24 and further to 20 paise per unit, making it the lowest rate across the country. This reduction demonstrates the Hon'ble Commission's commitment to supporting renewable energy consumption.

The Hon'ble Commission has also taken significant steps such as introducing the Green Certification mechanism and various exemptions and facilities to promote renewable energy generation and consumption in the state. In the Tariff Order for FY 2023-24, the Hon'ble Commission allowed industries with Captive Generating Plants (CGPs) to use the Green Certification mechanism to meet their Renewable Purchase Obligation (RPO). However, in the Tariff Order for FY 2024-25, this facility was disallowed for consumers with CGPs.

As regards to levy of GTP and its mechanism was well addressed by Hon'ble Commission in the RST order FY 23-24 vide para 86

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

However, in the RST Order for FY 24-25 vide para 241, while allowing the GTP has mentioned as follows:

*"..............The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plant (CGP). **For this matter, our observations made earlier may be referred to.** The Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2024-25. Accordingly, in the BSP Order of GRIDCO for FY 2024-25, out of the total projected renewable energy of 3580.62 MU available to GRIDCO for the ensuing year, 1193.51 MU, 778.60 MU, 1138.85 MU & 469.66 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above purpose. The DISCOMs can issue 'Green Consumer Certificate' to the Consumers desirous of availing such certificates in their respective area of operation within the above ceiling limit of renewable energy. However, the surplus renewable energy with one DISCOM can be shared with the DISCOM having deficit renewable power under intimation to GRIDCO.*

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From the above, in both the year Hon'ble Commission has approved GTP and directed GRIDCO for allocation of Green power, even have quantified also. In RST order FY 23-24 specifically mentioned that CGPs can not avail green certification however can be eligible for RPO.

Accordingly, for FY 23-24 GRIDCO allocated 1122 MU to TPWODL and the licensee could able to allocate around 1002 Mus to various industries with GTP of 25 paise/ unit which fetched an additional revenue of Rs. 25 Cr. and ultimately passed on to power sector.

So, to promote sale of RE power, Hon'ble Commission has continued their direction in FY 24-25 and also vide para 241 has observed that the direction of previous year may please be referred to. But unfortunately, few stake holders did not appreciate the intention of Hon'ble Commission and vehemently opposes citing inadequate clarity in the order. As a result, the entire green allocation barring few Mus in the current year remains unsold, even though GRIDCO has allocated around 726 MU till Dec-24 however only 13.58 MU has been sold with additional revenue of only Rs. 27 lakhs. This is a huge loss to the power sector. Not limiting to the above loss, the continuity of TPA ceases in the current year because of this reason also, even though Hon'ble Commission has approved 1250 MU to TPWODL in FY 24-25.

All the stakeholders are raising concern, but constructive/positive solution is un-available. Hence, the objection to the extent of RPO to CGP industries is not a healthy thought. Rather, GRIDCO may be directed to purchase more RE to supplement the industries. If we cannot facilitate then industries will obviously choose open market and our surplus power as available will be sold with distress rate. CGPs are consuming from DISCOM's for their shortfall requirement only, because they do have adequate thermal generation. If DISCOM/GRIDCO cannot facilitate RE power for their RPO, why they will draw from DISCOM? Brown power is no way helping them. So, it is the Humble submission of the licensee to all the stake holder to support for reintroduction of RPO as like of FY 23-24 with lesser GTP, so that states power sector will survive.

Signed on order

3. **Respondent's view/objection:** Continuation of TPA with modified terms and conditions.
   TPWODL Rejoinder: TPWODL has no objection to it, it is up to GRIDCO to facilitate. As solar & wind power in the market is available with equivalent rate as like of thermal even sometimes much less, Hon'ble Commission may think upon for greater cause of the power sector and may consider suitably.

4. **Respondent's view/objection:** Charges for temporary supply to EHT category shall be 10% higher on energy charges component and no additional demand charges to be paid.
   TPWODL Rejoinder: The nature of drawal is temporary in need. 10% higher on energy charges may not be sufficient enough to protect the cost of procurement of such temporary

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power at the time of need. Therefore, 10% higher charges on both demand and energy charges for all types of users is well to protect risk of tariff enhancement.

5. **Respondent's view/objection:** Hon'ble OERC is requested not to consider the proposal of Minimum Contract Demand for the industries having CGP.
   TPWODL Rejoinder: It is submitted that over 80 Captive Generating Plants (CGPs) across Odisha are connected to the Transmission and Distribution network, relying primarily on their generation for captive needs while reserving Contract Demand (CD) with DISCOMs for occasional use. This intermittent drawal without prior notice poses challenges for DISCOMs in projecting annual input requirements and managing sudden increases in System Maximum Demand (SMD). Such behavior strains GRIDCO's power sourcing efforts, especially during peak times or when market costs rise, affecting the overall power procurement plan.
   Furthermore, the demand charges in Odisha are relatively lower at Rs. 250 per kVA per month compared to neighboring states where it exceeds Rs. 350 per kVA per month. Given the cross-subsidization necessary for subsidized consumer segments, maintaining tariff sustainability shall become difficult without implementing measures for CGPs Industries. Hence, it is proposed that The Contract demand (CD) should not be at their choice rather it has to be minimum to the tune of highest installed capacity of the generating plant. In the case of multiple generation units, the highest capacity should be considered.

For and on behalf of TPWODL

Kshirod Ch Nandes.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/07/2025

C.C. Sri Ninad Nigam, Associate General Manager, M/S Vedanta Ltd., 1st Floor, C2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar, Odisha-751023

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: Shri Akshaya Kumar Sahani, S/o Late Shri Dharma Nanda Sahani, Retd. Electrical Inspector, GoO, R/o B/L-108, VSS Nagar, Bhubaneswar - 751002. Email-aks.kr.sahani@gmail.com, Mob: 9437071622

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY2025-26 which has been registered as case No. 84 of 2024.

That, the licensee appreciates the learned objector for the supports and constructive suggestions made through this reply.

1. **Respondents View/ Objection:** No remunerative benefit was extended to any of the consumers with clear violation of Regulation-13(1) and Appendix-l of OERC Distribution (Conditions of Supply) Code 2004 and Regulation 29 of OERC Distribution (Conditions of Supply) Code 2019 by TPWODL.

   TPWODL Rejoinder: TPWODL is adhering to the guidelines as mentioned in Regulation. Specific observation, if any, remains unattended may please be intimated.

2. **Respondents View/ Objection:** The consumers less than 110 KVA are not being extended with demand charges as per different tariff orders by TPWODL. Tariff order should be implemented strictly by the Petitioner.

   TPWODL Rejoinder: Billing to consumers having less than 110 KVA is strictly observed as per direction of Hon'ble Commission. Specific observation, if any, remains unattended may please be intimated.

3. **Respondents View/ Objection:** Govt. ED should be paid by TPWODL as per regulation-94(1) of OERC Code 2004 and Regulation 152(i) of OERC Code 2019 respectively. Arrear ED should be Collected first against payment made by the consumer. The Govt. of Odisha Energy Dept. should enforce such Regulations.

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TPWODL Rejoinder: - It is to state that Hon'ble Commission's Supply Code Regulations, 2019, para 152 specifically addresses the manner of Recovery of arrears. The Licensee is adhering the same scrupulously. As per the same, the amount paid by the consumer shall first be adjusted towards electricity duty provided that in case of part payment by the consumer, the proportionate share of the duty from the total collection shall be adjusted first. Out of the balance, adjustments shall be made in the following order of priority:

(a) Current electricity charges,

(b) Current miscellaneous charges,

(c) Arrear electricity charges,

(d) Arrear miscellaneous charges,

(e) Delayed payment surcharge.

However, specific observation, if any, remains unattended may please be intimated.

4. **Respondents View/ Objection:** That the AT & C loss is directly proportionate of collection efficiency. The Petitioner has not mentioned their collection out of imposition of penalty under Section-126 of the Act 2003 (hereafter Act 2003) and collection against arrear dues.

   TPWODL Rejoinder: In this regard it is to state that, penalty u/s 126 is not the normal practice to earn revenue. Assessment u/s 126 is being made only when there is theft or unauthorized use of electricity. The licensee has regards to all its consumer and expects the consumer would use the electricity supplied, in judicious manner. Hence, projection towards collection u/s 126 cannot be made.

   On the other hand, the licensee has also made a disclosure regarding collection out of current and out of arrear in F-9 (b) format.

Signed on [illegible]

5. **Respondents View/ Objection:** Withdrawal of kVAh billing

   TPWODL Rejoinder: It is submitted that the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

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

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

> *"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:*
> *(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.*
> *(b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.*
> *(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.*
> *(d) Increases the available transmission and distribution system capacity.*
> *(e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.*
> *8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.*
> *8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH*
> *If Power Factor is unity, then KWH =KVAH*
> *In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."*

[illegible] Ch. Nanda.

Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC) in various States viz. Himachal Pradesh, Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories.

Advantages of kVAh billing system: -

To Consumers	To DISCOM(s)
1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently. 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, rkVAh (lead/lag), kWh units) will be reduced.	1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure. 2. Complete recovery of cost of active and reactive powers. 3. Zero/ minimal drawl of reactive power by consumers. 4. Reduction in power purchase cost.

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Further, as regards maintenance of power factor not less than 92% as per Regulation *135 "The consumer shall so arrange his installation that the average lagging power factor of his load during any billing period is not less than 92%. Power factor penalty shall be levied if there is a breach of the aforesaid requirement as decided from time to time."*

So, any consumer who is not abiding by the above will have to pay as per kVAH reading which would be normally more than the kWH. That means the consumer is penalized as such. There is no such separate PF penalty as KVAH billing is in force.

6. **Respondents View/ Objection:** That on MMFC/ Demand Charges for Consumers with Contract Demand < 110 kVA and demand charges for GP> 70 kVA< 110 kVA and HT Industrial (M) supply, it is to state that the DISCOMs are not extending such benefit as per different RST orders. Even though there is provision of recording of kVA demand, it has not been recorded in the bills. So MMFC/ Demand Charges are prepared at the mercy of the DISCOMs.

   TPWODL Rejoinder: The licensee is adhering the direction of Hon'ble Commission strictly. There is no such manual intervention in DISCOM billing, it is digitalized through FG system & the billing system is designed to capture all the parameters as per RST order of Hon'ble Commission. Specific issues, if any may be highlighted.

Explained on Agenda.

7. **Respondents View/ Objection:** Consideration of power on hour on actual basis for load factor in billing

   TPWODL Rejoinder: TPWODL is following the direction of Hon'ble Commission while calculating power ON hours as per para no. 234 & 235 of RST order FY 24-25. Further, as per para 235 of RST order it has been specifically mentioned that, when the power interruption is 60 hours or less in a month, then no deduction shall be made. Any changes or modification in tariff structure is Hon'ble Commission's prerogative, the licensee must adhere the same.

8. **Respondents View/ Objection:** Amendment required in Regulation 138(e) of Supply Code, 2019

   TPWODL Rejoinder: The list of NACs having more than 20000 population is also provided in the Supply code,2019 Appendix-II. DISCOMS are following Regulation 138(e) of the Supply Code. If this benefit will be extended to urban areas, in the sake of irrigation proper/judicious purpose would be at stake and may be misused by affluent people

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residing in urban areas in the pretext of farmhouse. Amendment in regulation is the prerogative of Hon'ble Commission.

Further, as per RST order vide Annexure B (xxviii) the mega lift points who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture and connected at HT & EHT shall be treated as GP. However, no demand charges is leviable and also get tariff rebate of Rs.2 per unit. Therefore, concern of the objector has already been taken care of.

9. **Respondents View/ Objection:** The contents of Paragraphs 09, and 13 except in so far as they pertain to Reduction in Cross Subsidy Surcharges.

TPWODL Rejoinder: DISCOMs serve close to 100 Lakh (appx)of consumers across the state among which around 10 Lakh (appx) are under BPL category, 2.5 lakh (appx) consumer under agriculture category and almost 80 lakhs under Domestic. The tariff of BPL is Rs.70 per month for 30 units, Agriculture tariff is Rs.1.50 per unit and Domestic tariff up to 50 units is Rs.2.90 per unit which is even less than the present highest BST in the state. They are subsidized through high end consumers.

Simultaneously, to provide cheaper power to the industrial consumers, who are drawing power through open access or from CGP, Hon'ble Commission has introduced different rebates vide RST order FY 24-25, TPWODL has prayed to continue the same and also submitted few more proposals in its ARR application of FY 25-26. If approved intended industries may get more benefit out of it.

Apart from the above, the Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission has stated the provision to define CSS in para no. 94 of the RST order:

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

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

In table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to

Known to me

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current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

In case of Open Access charges (CSS & Wheeling charges), the formula as prescribed in tariff policy is followed by the Hon'ble Commission.

The Hon'ble Commission may suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period of time.

10. **Respondents View/ Objection:** The contents of Paragraphs 10, 11 and 12 except in so far as they pertain to the very high Cross Subsidy surcharge of TPWODL & difficulties/ not affordability of consumers to purchase of RTC power through Open Access.

TPWODL Rejoinder: It is submitted here that from the open access charges schedule applicable for FY 24-25 is very cheaper as compared to other DISCOM of Odisha.

Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	163.00	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	

Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 24-25 till Dec-24 is 2556.54 Mus (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS. The licensee has proposed the estimated loss of margin i.e Rs. 2.48 per unit as CSS for ensuing year. However, Hon'ble Commission is allowing only certain % out of the above margin and hence, the approved CSS may be lower as proposed for the ensuing year as compared to proposed. Therefore, the CSS in Odisha is higher as claimed by the applicant objector appears to be not true.

11. **Respondents View/ Objection:** Supply up to 15 MVA through non-dedicated 33kV feeder

TPWODL Rejoinder: The concern regarding supply up to 15MVA through non-dedicated 33kV feeder requires an amendment in existing OERC Supply Code, 2019 which is under purview of the Hon'ble Commission.

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12. **Respondents View/ Objection:** Modification suggested in Steel Industry Rebate by DISCOM should not be approved by Hon'ble Commission

TPWODL Rejoinder: The learned objector by mistake mentioned that, the licensee in its present ARR filling proposed to extend the rebate only to steel industries who has CGP. Which in fact is opposite, the licensee has proposed to confine this benefit to industries those **who are not having their own CGP**. In the neighbouring state (Chhattisgarh), CGP industries have been kept out of the purview of the said benefit. The intention of not extending this benefit to CGP industries is due to availability of own generation hence they prefer to keep lower CD with the DISCOMs and achievement of required LF is very easy to avail this benefit.

In its ARR application FY 24-25, the licensee has requested Hon'ble Commission for continuation of special tariff to steel industries at 33 kV level without having CGP. Accordingly, the intention of Hon'ble Commission is cleared under the provision of RST Order FY 24-25 vide Annexure – B(v). Because, for the industries having CGP and CD upto 20 MVA with DISCOM are eligible to draw power double their CD without levy of over drawl penalty for which a special rate of Rs. 5.00 per unit was approved as per Annexure-B(vii). At no instances both the benefits to the steel Industries having CGP can be extended.

Kishore Ch. Nanda.

Why is the difference required?

After getting dual benefit, Industry having CGP will be in more advantageous position to compete & the Industries without CGP will continue to struggle.

More importantly, the industry having CGP used to keep less CD with the DISCOMS and prefer to use it's own power due to cost effectiveness. So with lesser CD, achieving desired L.F (Load Factor) to avail the rebate is easier. Even though load reduction is not permitted during that Financial Year, CGP's are already with reduced CD.

That means, the industry is insulated with hidden benefits in shape of Demand Charges which would have been the legitimate right of the DISCOMS.

Presently, TPWODL purchase price is Rs. 4.04 per unit (including transmission charges) apart from BSP surcharge which is 35 paise per unit without factoring technical loss & approved distribution cost of the licensee. Considering all, the average cost of supply would be more than the realizable average price.

This is the reason Chhattisgarh Regulatory Commission has carefully excluded the steel industries having CGP from the discount mechanism. As we have proposed before Hon'ble

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Commission in similar manner Hon'ble Commission has carefully recorded in the order & brought separate discount mechanism for the industries having CGP.

13. **Respondents View/ Objection:** Reintroduction of power factor incentive/penalty and kWh billing

TPWODL Rejoinder: - As per direction of Hon'ble Commission in RST order of FY 22-23 in Annexure "B" Point No. ii *"Power factor penalty/incentive & Reliability Surcharges are abolished"*. TPWODL is strictly adhering the direction given by Hon'ble. Further, upon introduction of kVAH billing there is absolutely no necessity of introduction of power factor incentive and penalty as such. Because kVAH billing takes care of both the aspect.,

14. **Respondents View/ Objection:** There should not be any time bar for load reduction.

TPWODL Rejoinder: TPWODL is strictly adhering to the OERC Supply Code, 2019 regarding load reduction. Regulation 120 of OERC Supply Code, 2019 states that:

"Contract demand above 20 KW shall not be allowed to be reduced more than once within a period of thirty-six months from the date of initial supply or from the date of last reduction. Contract demand of 20 KW and below shall not be allowed to be reduced more than once within a period of twelve months from the date of last reduction. However, the designated authority of the licensee/supplier may for sufficient reasons to be recorded, allow such reduction more than once within the aforesaid period of thirty-six months or twelve months as applicable."

Suggestion beyond the above guidelines requires amendment of regulation which is out of the purview of the licensee.

15. **Respondents View/ Objection:** Regarding amendment of certain regulations of OERC Supply Code, 2019.

TPWODL Rejoinder: It is submitted that in exercise of the powers conferred by Section 50 r/w Section 181 (2) (t), (v), (w) and (x) r/w Part-VI of the Electricity Act, 2003, the Hon'ble Commission had notified the Supply Code, 2019 to govern supply of electricity by the licensee/supplier to the consumers / end users and measures for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity and such other

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matters. The Code shall be applicable to all Distribution and Retail Supply licensee/suppliers including Deemed licensee/suppliers, all consumers, end users of electricity in the State of Odisha. Any amendment suggested to the said Regulations shall be dealt with by the Hon'ble Commission appropriately.

For and on behalf of TPWODL

Kishore Ch Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Shri Akshaya Kumar Sahani, S/o Late Shri Dharma Nanda Sahani, Retd. Electrical Inspector, GoO, R/o B/L-108, VSS Nagar, Bhubaneswar - 751002. Email-aks.kr.sahani@gmail.com, Mob: 9437071622

Note- This is also available at the licensee's website- https://www.tpwesternodisha.com

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04

BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Satya Bhusan Rath, Advocate, representing Orissa Roller Flour Mills' Association (ORFMA), S/o Kali Kumar Rath, N2/51, IRC Village, Bhubaneswar, Odisha – 751015
Email – sbhusanrath@gmail.com, Mob: 9437055955

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** The association of Roller flour mills raised strong objections to the categorization of agri-business activities into "Allied Agricultural Activities" & "Allied Agro-Industrial Activities". Objector requests the Hon'ble Commission to establish a 3rd tariff category named "Agri-Business & Food Processing Industry". Objector also requests invocation of Section 65 of EA'03 to provide tariff subsidy.

   TPWODL Rejoinder: It is submitted that the determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. The Hon'ble Commission vide Regulation 138 of the OERC (Conditions of Supply) Code, 2019 has classified the consumer categories into Allied Agricultural Activities & Allied Agro-industrial Activities in the following manner.

   "138 (f) Allied Agricultural Activities

   This category relates to supply of power for Aquaculture (which includes Pisciculture/ Prawn culture), Horticulture, Floriculture, Sericulture, Animal Husbandry and Poultry in areas other than areas coming under Municipality / NAC limit of the State. Activities such as ice factories, chilling plants, cold storages, cattle/poultry/fish feed units and food /agri products processing units are excluded. In case a feed unit is attached to a poultry firm/aqua culture farm/cattle rearing farm and has a connected load of less than 20% of the connected load of the whole farm then the tariff of the power consumed by such farm shall be treated under this category. If the connected load in the attached feed unit exceeds 20% of the total connected load then the entire consumption of the farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial purpose as the case may be."

   "(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

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chilling plant for milk and only the cold storages attached to processing units for meat, fish, prawns, flowers, fruits and vegetables."

As per the above, definition Rice mill is not covered in any of the categories, However, as the Hon'ble Commission is in the process of amending the Supply Code, 2019 and before amendment it will be offered to the public for their comment. So, this matter of consumer classification may be placed before the Hon'ble Commission while finalization of the same. W.r.t tariff subsidy, Government of Odisha vide their Letter No. ENG-TDER-OERC-0001-2021/1704 dated 09.02.2024 have submitted to Hon'ble Commission (as recorded in the RST order) that there are no plans to provide any direct subsidy to any class of Consumers.

2. **Respondent's view/objection:** Objector has objected to the current Time-of-day (ToD) benefit of 10 paise/ unit and requested the Hon'ble Commission to increase it to 20 paise/ unit & reduce the ToD surcharge from 20 paise/ unit. Further, the Objector has suggested Solar Hour from 8am to 5pm and Normal Hours from 5pm to 9pm along with a proposal to link ToD incentives with Renewable Energy usage and a special incentive of 25 paise/ green energy unit generated on & above ToD incentive.

   TPWODL Rejoinder: The Hon'ble Commission in line with MoP guidelines defined the Solar Hours (8am to 4pm), Peak Hours (6pm to 12midnight) & Normal Hours (4pm to 6pm & 12midnight to 8am) based on the duration of availability of Solar power in the state of Odisha. The licensee has also suggested some more benefits during the solar hour in its ARR. Regarding other suggestion to the extent of GTP, the Hon'ble Commission may take suitable decision in this regard.

Ignored on render.

3. **Respondent's view/objection:** The current kWh to kVAh conversion mechanism benefits DISCOM financially while causing losses to industries. The Objector opposes this and requests for creation of a 3rd tariff category in the Agri sector with a special tariff.

   TPWODL Rejoinder: It is submitted that the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

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

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

> *"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:*
> *(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.*
> *(b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.*
> *(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.*
> *(d) Increases the available transmission and distribution system capacity.*
> *(e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.*
> *8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.*
> *8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH*
> *If Power Factor is unity, then KWH =KVAH*
> *In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."*

Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC) in various States viz. Himachal Pradesh, Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories.

Advantages of kVAh billing system: -

To Consumers	To DISCOM(s)
1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently. 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, rkVAh (lead/lag), kWh units) will be reduced.	1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure. 2. Complete recovery of cost of active and reactive powers. 3. Zero/ minimal drawl of reactive power by consumers. 4. Reduction in power purchase cost.

Further, the difference in billing in kWH vs kVAh as cited by the objector in exhibit-2 is with power factor of 97.94 % which is almost an ideal condition for a rice mill. Previously, when kWH billing was continuing, they were paying more through Power factor penalty. Rather, through the introduction of kVAH billing, with suitable measures they are able to maintain the PF and avoid the penalty, which is not only giving financial gain but at the same time contributing towards system stability.

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4. **Respondents View/ Objection:** Objector challenges the overly favourable scenario of the performance report of the DISCOMs. Objector urges Hon'ble Commission to carry out a forensic audit of the performance metrics and publish the report in the public domain.

TPWODL Rejoinder: It is submitted that after privatization, the Licensee has taken many initiatives to provide reliable and quality power supply to the consumers of western Odisha which is contributing towards reduction in AT&C losses from 31.64% in FY 2018-19 to 15.51% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the consumers.

The State Commission conducts Performance Review of DISCOMs periodically as per terms of Vesting Order and also monitoring whether the DISCOMs are complying with the various directions of the State Commission.

For and on behalf of TPWODL

Kshirod Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/07/2025

C.C. Sh. Satya Bhusan Rath, Advocate, representing Orissa Roller Flour Mills' Association (ORFMA), aged about 59 years, S/o Kali Kumar Rath, N2/51, IRC Village, Bhubaneswar, Odisha – 751015

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Satya Bhusan Rath, Advocate, representing All Odisha Rice Millers Association (AORMA), S/o Kali Kumar Rath, N2/51, IRC Village, Bhubaneswar, Odisha – 751015 Email – sbhusanrath@gmail.com, Mob: 9437055955

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kehwad a nender.

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For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/[illegible]/2025

C.C. Sh. Satya Bhusan Rath, Advocate, representing All Odisha Rice Millers Association (AORMA), aged about 59 years, S/o Kali Kumar Rath, N2/51, IRC Village, Bhubaneswar, Odisha – 751015

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06

BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Sh. Priyabrta Sahu, S/o Late Adikanda Sahu, At.: Bijaya Bihar, 2nd Lane extn (tower line), PO: Berhampur, Dist.: Ganjam - 760004 Email – sahu.priyabrata999@gmail.com, Mob: 9439262684

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

Learned in under.

1. **Respondent's view/objection:** ARR of all DISCOMs proposes an exuberant in expenditure under employees' cost, R&M cost and A&G expenditure which is double than the approved expenditure last year. Further, power outages have gone up after TATA power taken over the company. If the gap proposed by all DISCOMs is allowed it will increase the cost of unit by Rs. 1.00 per unit.

   TPWODL Rejoinder: **As regards Employee Expenses**, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing regular employees as of the vesting date, an additional 1,791 employees were planned (1,291 in the executive cadre and 500 in the non-executive cadre). However, recruitment of 1291 will have huge impact on employee costs & hence approved 8% of total requirement i.e. 336 nos. The addition of new employees was deemed necessary to narrow this gap and ensure the efficient functioning of the DISCOMs. Hon'ble Commission through letter No. OERC/RA/TPWODL-38/2021/18 dated 17.01.2022, had permitted the fill up of 172 nos. retirement vacancies. The Hon'ble Commission granted this approval with the condition that the ratio of employees per one thousand consumers should not exceed 1.40.

   Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 586.60 Cr. for FY 25-26 is justified. It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with

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committed recruitment plan, the employee cost as proposed for FY 25-26 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS on cash outgo basis with prudence check and proper justification, so it is evident to do the same this year.

As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 25-26 is 4.0% on own assets and 3% on Govt. funded assets. The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

Apart from the above TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is Rs. 4340.39 Cr. and Rs. 4537.34 Cr. respectively.

So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets. Accordingly, the R&M entitlement for FY 2025-26 as per Tariff Regulations, 2022 is computed below:

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2025 for DISCOM owned assets	5141.85
2	Approved %	4.00%
3	R&M Expenses for DISCOM owned assets	205.67
4	Opening GFA as on 01.04.2025 for Govt. owned assets maintained by DISCOM	4537.34
5	Approved %	3%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	136.12
7	**Total R&M expenses for FY 2025-26**	**341.79**

However, the Licensee while claiming the R&M Expenses for FY 25-26 has considered Rs. 326.79 Cr. on a conservative approach.

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up,

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enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G up to Sep-24 is Rs. 120.12 Cr. The Licensee estimates another Rs. 76 Cr. for the remaining six months in FY 24-25. With 7% escalation the estimated A&G for FY 25-26 will be Rs. 181.03 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 51.96 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and has requested the Hon'ble Commission to consider the same for approval.

With respect to increase in outages, it is to state that, scheduled outages for periodical maintenance are duly intimated. Outages dues to breakdown or emergency reason are inevitable. But the same are only during summer and pre-monsoon because of Kalbaisakhi, thunderstorm, lightning etc.

2. **Respondent's view/objection:** Bills of consumers are not served and generated on provisional but same time rebate are not passed on to the consumer when actual bill is generated. DISCOMs are disconnecting power supply without proper notice.

TPWODL Rejoinder: W.r.t Provisional Billing it is submitted that the Licensee is continuing with actual billing in more than 90% of the consumers. However, in some exceptional cases, provisional billing is being done which is being revised within 2 billing cycles with actual meter reading.

Further w.r.t Rebate, TPWODL would like to submit that the Hon'ble Commission has pleased to enhance the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers apart from other rebates as otherwise available to them. Consumers are moving towards online mode and availing the rebate. On introduction of 4% from FY 23-24 onwards digital receipts have also increased. Also, in addition to the above the following rebates are applicable to the Odisha consumers:

a) LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) consumers will get 10 paise/unit rebate for prompt payment of the bill within due date.
b) The rural LT domestic consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.
c) 4% rebate shall be allowed to all pre-paid consumers on pre-paid amount.
d) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

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TPWODL issues dis-connection notice in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

3. **Respondents View/ Objection:** While calculating the interest on CAPEX loan is charged for the whole year. Details of such loans availed from Banks and rate of interest may be furnished.

   TPWODL Rejoinder: - It is submitted that for FY 25-26, TPWODL has submitted CAPEX plan of Rs. 493.77 Cr. and the Hon'ble Commission vide Order dated 12.12.2023 had approved Rs. 336.60 Cr. To carry out the CAPEX, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions for an amount of Rs. 389 Cr. with the debt-to-equity ratio of 70:30. The proposed rate of interest has been considered at 8.50% p.a.

4. **Respondents View/ Objection:** DISCOMs must give detail financial benefits derived from the CAPEX plan on account of loss reduction and its impact on tariff.

   TPWODL Rejoinder: It is submitted that TPWODL in its CAPEX plan for FY 25-26 submitted to the Hon'ble Commission had provided a detailed cost benefit analysis providing annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies.

5. **Respondents View/ Objection:** Additional Security deposit.

   TPWODL Rejoinder: It is submitted that Additional Security Deposit is being calculated as per Regulations 53 & 54 (i) of the OERC (Conditions of Supply) Code, 2019 which is appended as under:

   "53. Subject to the restrictions of the periods of two months as specified in Regulation 52(i), the adequacy of the amount of security deposit calculated in respect of consumers shall be reviewed by the Licensee/supplier generally once in every year (preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.

   54. (i) Based on review as per Regulation 53 above, demand for shortfall or refund of excess shall be made by the Licensee/supplier. Provided, however, that if the security deposit payable by the consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for shortfall will be made for payment of Additional Security Deposit and the consumer shall not be entitled to demand the refund of the Excess."

   As per provision of OERC Distribution (Conditions of Supply) Code, 2019 vide clause 57(i), the licensee/supplier shall pay interest on SD to the consumer at the bank rate. Accordingly, while approving ARR of the licensees, the Hon'ble Commission is revising the interest on SD periodically.

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6. **Respondents View/ Objection:** Appropriate directions to DISCOMs for consideration of energy consumption in kWh for HT consumers till the DTRs of power utilities are standardized as per BEE.

TPWODL Rejoinder: It is submitted that the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

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

Advantages of kVAh billing system: -

To Consumers	To DISCOM(s)
1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently. 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, rkVAh (lead/lag), kWh units) will be reduced.	1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure. 2. Complete recovery of cost of active and reactive powers. 3. Zero/ minimal drawl of reactive power by consumers. 4. Reduction in power purchase cost.

Issued for verification

As regards to billing to LT category of industrial consumers in kVAh, the Licensee has already submitted proposal to the Hon'ble Commission for consideration.

7. **Respondents View/ Objection:** There should be no tariff hike.

   TPWODL Rejoinder: The determination of tariff is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. Considering the proposed BSP by GRIDCO, Transmission charges by OPTCL, OHPC, OPGC SLDC and ARR of DISCOMs, it is up to the Hon'ble Commission for balancing RST also.

8. **Respondents View/ Objection:** Commission should not increase the cost of smart meter rather the meter should be provided free of cost. Oppose hike in meter rent of smart meter.

   TPWODL Rejoinder: 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. The licensee has proposed withdrawal of meter rent w.e.f. 1st April 2025 in the ARR through capitalization of meter cost. To that extent, a separate Meter-CAPEX plan has been filed with the Hon'ble Commission for approval. The Hon'ble Commission has also decided to take up the same through this ARR.

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9. **Respondents View/ Objection:** Industry having contract demand more than 110 KVA may be billed on actual MD in the off season instead minimum 80% of contract demand.

TPWODL Rejoinder: It is submitted that the industries are keeping their CD for their annual requirement. Accordingly, the RST is being determined for the energy charges as well as for demand components also on an annual basis. There is no such mechanism available in the regulation to extend seasonal benefits in demand charges. Further, the licensee is reserving its power requirement from GRIDCO in advance considering the existing CD and future proposed load.

10. **Respondents View/ Objection:** Issues w.r.t assessment under section 126 & 135 of Electricity Act 2003.

TPWODL Rejoinder: As regards to assessment u/s 126 & 135, due procedure is being followed as laid down in the Electricity Act 2003 and the Hon'ble Commission's Regulation Distribution (Conditions of Supply) Code, 2019 vide para 159 to 170.

11. **Respondents View/ Objection:** 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.

TPWODL Rejoinder: It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022. Considering the Audited accounts, provision of Tariff Regulation and other ground reality, the Hon'ble Commission may take a suitable decision. Regarding claim of Efficiency gain, it is as per the provision of Tariff Regulation and Vesting order. Similarly, loss due to in-efficiency is also to be borne by the licensee, which has been duly factored in Tariff Regulation as well as vesting order.

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.

With regards to fixation of RoE of 10% by DERC, it is submitted that the applicable regulation i.e. DERC (Business Plan) Regulations, 2019 at Regulation 20 provides as under:

> *"20. RATE OF RETURN ON EQUITY*

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(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.
(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."

Accordingly, the said statement is erroneous as RoE fixed by DERC is 16% which is still continuing.

12. **Respondents View/ Objection:** 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.

TPWODL Rejoinder: Sharing of NTI other efficiency gain with certain percentage (1/3d) is in accordance with the regulation. However, loss due to in-efficiency is fully loaded to the licensee.

13. **Respondents View/ Objection:** Not agreeing to tariff proposals filed by the Licensee w.r.t DPS to Domestic & GP consumers, pro-rate billing, billing with defective meter, revision of reconnection charges etc.

TPWODL Rejoinder: The various proposal is for the benefit of the entire consumer category and help Hon'ble Commission to decide a sustainable retail supply tariff across the state. However, it is up to the Hon'ble Commission to take a suitable call in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Sh. Priyabrta Sahu, aged about 50 years, S/o Late Adikanda Sahu, At.: Bijaya Bihar, 2nd Lane extn (tower line), PO: Berhampur, Dist.: Ganjam - 760004 Email – sahu.priyabrata999@gmail.com, Mob: 9439262684
Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

07

Case No. 84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: Suggestion/ Objections raised by "The Sampatrai Rotary Club" of Cuttack Senior Citizens Home Naraj, Cuttack.

Subject: **Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as case No. 84 of 2024.**

1. **Respondent's view/objection:** The learned objector operates old age homes with three power supply connections under the TPCODL licensee area. All these connections are currently billed at the tariff rates applicable to commercial entities. However, the learned objector requests that the entire old age home be considered a Domestic unit rather than a commercial one, and that the electricity consumption be calculated based on the tariff applicable to the Domestic category:

   TPWODL Rejoinder: It is submitted that the tariff classification for electricity connections is determined based on the nature of the usage as per the regulations.

   Presently there is no such category as per regulation to accommodate Old-age Home under SPP category run through trust operated through private party. The existing regulation covers only Govt institutions.

   138(i) Specified Public Purpose

   "This category relates to supply of power to (a) religious institutions managed by the Government/without any commercial activity, (b) educational institutions/training institutions (including their hostels) managed by the Government, (c) hospitals, dispensaries and primary health centres managed by Government, local bodies and charitable institutions (recognised as such by Income Tax Dept.), (d) electric crematorium

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and (e) non-commercial sports organisations managed by the Government/without any commercial activity."

However, it is acknowledged that the Hon'ble Commission holds the prerogative to amend or grant exemptions under the regulatory framework. The Hon'ble Commission may consider reviewing the specific operations of such facilities to determine if they can be reclassified under Specified Public Purpose (SPP) or domestic tariff category. Any such reclassification should be carefully evaluated to avoid setting instances that could lead to widespread reclassification requests from other mixed-use establishments.

For and on behalf of TPWODL

Laxmidhar Ch. Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C.: The Sampatrai Rotary Club of Cuttack Senior Citizens Home Naraj, Cuttack

Note- This is also available at the licensee's website- https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
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08

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Shri Ramesh Ch. Satpathy, aged about 80 years, Plot No. 302(B), Beherasahi, Nayapally, Bhubaneswar – 751012, Dist. – Khurda, being the president of Upobhokta Mahasangha, Bhubaneswar & the Secretary of National Institute of Indian Labour.

Subject: Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Retail Supply tariff application of TPWODL for FY 2025-26 vide Case No. 84 of 2024.

Point-wise reply for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** The Petitioner should produce division wise detail report on construction maintenance & renovation of lines & S/s are constructed /renovated under different approved CAPEX schemes for FY 2021-22 to FY 2023-24.

   TPWODL Rejoinder: In accordance with the commitment and mandate outlined in the Vesting Order, TPWODL is obligated to invest Rs.1663 Cr in Capital Expenditure (CAPEX) to ensure a reliable power supply to its end customers. Upon TPWODL's proposals for CAPEX requirements, the Hon'ble Commission approved the Capital Expenditure till FY 25-26 year wise in different orders. The cumulative approval for five years till FY 25-26 as per table below:

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total
Commitment as per Vesting Order	306	500	333	322	202	1663
Proposed	462	582.18	398.84	571.97	403.13	2418.12
Approved	333	477.72	381.91	493.77	336.60	2023
Cumulative Approval	333	810.72	1192.63	1686.40	2023	

As regards the division wise detail report on construction maintenance & renovation of lines & S/s are constructed /renovated for different approved CAPEX scheme for FY 2021-22, FY 2022-23 & FY 2023-24, the Licensee would like to submit that This has already been submitted with the Hon'ble Commission in response to their letter no. 84/2024/1554 dated 26.12.2024 wherein the details of Head wise Asset created out of CAPEX fund since inception of TPWODL has been already submitted to the Hon'ble Commission through

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affidavit dated 20.01.2025. The Licensee already produced the details of Fixed Asset Register item wise before the commission through affidavit dated 20.01.2025. Further, it is submitted that, in compliance with the directions of the Hon'ble Commission issued through various orders, the licensee submits detailed CAPEX progress reports on a quarterly basis. The licensee has already provided the CAPEX progress and capitalization status for FY 2021-22, FY 2022-23, FY 2023-24, and FY 2024-25 (up to Q2 of FY 2024-25) in Para 3.1 of the ARR Application (Case No. 84 of 2024) for FY 2025-26, for the kind perusal of the Hon'ble Commission.

2. **Respondent's view/objection:** Petitioner should submit the detail particulars of 33/11 kV sub-station under ODSSP scheme and average demand of the area. If the average demands are more, what steps the licensee has taken. If the average demands are less, what steps the licensee has taken.

   TPWODL Rejoinder: TPWODL would like to submit that under ODSSP scheme, WESCO Utility was allotted for 142 Nos. of 33/11 KV substations. In order to reduce the lengthy 11 KV lines and associated loss therein, new 33/11 KV substations have been created. The existing 11 KV lines are accordingly linked from the newly created 33/11 KV substations to the nearby 11 KV lines.

   TPWODL has conducted Load flow study of Distribution network. Based on the load flow study report/ on operation feedback, TPWODL has proposed the list of PSS including ODSSP PSS where Augmentation/Swapping of Transformation capacity is required. The Licensee has submitted Substation wise & existing overhead lines (11 kV & 33 kV) wise detail augmentation plan along with justification in the CAPEX DPR Voll-II for FY 25 & 26 itself. Considering the filing of Licensee, the Hon'ble Commission has already approved the CAPEX plan of both the years FY 25 & FY 26 vide order dated 12-12-2023 in Case No-101/2023 for an amount of Rs. 493.77 Cr. & Rs. 336.60 Cr. respectively. Further to submit that, while doing load flow study the Licensee has identified the requirement of new PSS for load management, new load addition, low voltage mitigation.

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3. **Respondent's view/objection:** Petitioner should produce the actual manpower in regular cadre of Executives, Non-executives now functioning in TPWODL under different divisions.

   TPWODL Rejoinder: The information desired by the objector has already been provided through ARR application FY 25-26. The details are provided in form F-12(C) of ARR filing. Before taken over, Erstwhile WESCO has on its rolls, 2,388 (Two thousand three hundred and eighty-eight) number of regular employees. The present employee strength with respect to consumer strength for the previous year, the current year & the ensuing year is given here under. the Licensee is ensuring that the ratio of employee per 1000 consumers is well within the limit specified by the Hon'ble Commission i.e. 1.40.

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S. No.	Additional Information (For Total Employee Strength)	Previous Year FY 23-24	Current Year FY 24-25	Ensuing Year FY 25-26
1	No. of employees as on:	3014	3295	3309
2	No. of employees added during the year:	455	124	215
3	Employees Retd./ Expired/ Resigned during the year:	174	110	40
4	**Total Manpower:**	**3295**	**3309**	**3484**
5	Avg. no. of employees for the year:	3155	3302	3397
6	No. of MUs sold:	10643.74	9553.81	9812.30
7	No. of employees per MU sold:	0.30	0.35	0.35
8	No. of consumers as on FY: (including TD & PD)	2673356	2764832	2807477
9	No. of employees per 1000 consumers:	1.18	1.19	1.21

4. **Respondent's view/objection:** Petitioner should produce division wise details of nos. of poles & conductor of different sizes in Kms. that are changed & treated as scrap materials. The scrap being the non-tariff income, the management should produce the details before hearing the case.

   TPWODL Rejoinder: TPWODL submits that, in compliance with the conditions outlined under Para 32.2 of the TPWODL Licensee Conditions, details of scrap disposal/identification for disposal are being regularly intimated to the Hon'ble Commission. The licensee has initiated the disposal of scrap through an e-auction process.

   Previously, the licensee, vide letter TPWODL/RA&S/2024/030 dated 02.04.2024, submitted details of a total of 56 items identified for disposal, of which 40 items were successfully sold during FY 2023-24 (between February and March 2024). The remaining 16 items were disposed of in FY 2024-25 (October 2024). Based on the auction results and the actual lifting status, the invoiced scrap sales as of 17th December 2024 amount to Rs. 7.25 Cr. (inclusive of tax). The detailed information regarding the same was furnished vide letter TPWODL/RA&S/2024/135 dated 19.12.2024.

   The Hon'ble Commission vide letter no. 84/2024/1554 dt. 26.12.2024 has directed to furnish the information related to month wise receipts (item wise with description of revenue and miscellaneous receipts). Accordingly, the Licensee submitted response vide affidavit dated 20.01.2025.

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5. **Respondent's view/objection:** Petitioner has to submit how much compensation the licensee has paid to the human beings faced in the fatal accident since 2023 to 2024.

   TPWODL Rejoinder: TPWODL submits that the details w.r.t the electrical accidents are being submitted to the Hon'ble Commission on monthly basis (*by 15th of every succeeding month*) towards compliance of the Regulation-12 of OERC (Compensation to Victims of Electrical Accidents) Regulation, 2020. The monthly compliance report consists of the details of electrical accidents occurring within their respective jurisdiction and action taken

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in accordance with the above regulation. The licensee is disbursing compensation amounts in accordance with the directives/orders issued by various forums like NHRC (National Human Rights Commission) & OHRC (Odisha Human Rights Commission) on a case-to-case basis.

6. **Respondent's view/objection:** TPWODL has to produce the amount collected from the workers for EPF & pension now deposited in any scheme till 31.03.2023.

   TPWODL Rejoinder: This is to submit that TPWODL has not collected any amount from the workers. Any contribution in terms of employee contribution like pension /gratuity etc. under the provision of law & which is as per terms of Service /Employment is being managed appropriately by the Licensee. The details of such investment position for different Trust as on 31.03.2024 & 30.11.2024 have already been submitted before Hon'ble Commission vide affidavit dated 20.01.2025.

7. **Respondent's view/objection:** TPWODL should produce total security deposit received from consumers from 2000 to 2024 & the detail of their deposit.

   TPWODL Rejoinder: This is to submit that TPWODL has already submitted the details before Hon'ble Commission vide affidavit dated 20.01.2025.

   The actual fund availability against Security Deposit as on 31.3.2024 and month wise additions of security deposit for FY 24-25 till Nov-24 along with mode of investment, pledged and free funds is appended below:

Sl. No.	Particulars	Amount (Rs. Cr.)
1	Position as on Mar-24 (As per Audited A/c)	1206.43
2	Addition from Apr-24 to Nov-24	
a	*Apr-24*	*11.02*
b	*May-24*	*6.72*
c	*Jun-24*	*17.73*
d	*Jul-24*	*30.61*
e	*Aug-24*	*21.22*
f	*Sep-24*	*16.17*
g	*Oct-24*	*23.18*
h	*Nov-24*	*12.61*
3	Less: Refund from Apr-24 to Nov-24	8.75
4	Balance as on 30th Nov 2024	1336.94

Physical Security Deposit in shape of investments Rs. 1407.67 Cr. including accrued interest.

8. **Respondent's view/objection:** TPWODL has to produce under which section of OERC (Terms Condition for determination of wheeling & retail supply tariff) regulation 2022 TPWODL has impose penalty on the consumers without any notice.

   TPWODL Rejoinder: This it is to submit that, the licensee has not imposed any penalty on consumers without any notice.

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9. **Respondent's view/objection:** TPWODL has to produce list of consumers who have availed benefited under PM Surya Ghar yojana.

TPWODL Rejoinder: The licensee acknowledges the concern raised regarding the PM Suryaghar & list of consumers who have benefited under the PM Surya Ghar Yojana. The responses of the licensee are as follows:

The PM Surya Ghar Yojana has been undertaken in mission mode by TPWODL and other Licensees. A robust framework was established by the Hon'ble Commission to ensure smooth implementation across the state. Significant steps have been taken by Govt of Odisha & other stakeholders under the PM Surya Ghar Yojana. An MoU was signed on 18.10.2024 between the Additional Secretary, Energy Department, Government of Odisha, and MNRE to facilitate the scheme's implementation. The state has set an ambitious target to cover 3,00,000 residential households during the scheme period, contributing to the national target of 1 crore households. A State-Level RE Cell has been established in the office of the Principal Chief Electrical Inspectorate (PCEI) to monitor progress regularly. To simplify vendor empanelment, a single Performance Bank Guarantee (PBG) mechanism has been adopted, and the Hon'ble OERC has waived technical feasibility studies for installations up to 10 kW.

Additionally, the Government of Odisha issued a resolution on 10.01.2025 outlining SFA provisions, including Rs. 25,000 for the first and second kW each and Rs. 10,000 for the third kW, with a maximum of 3 kW per household. This assistance applies from the scheme's launch on 13.02.2024. Furthermore, additional SFA equivalent to CFA (Rs. 18,000 per kW) will be extended to Group Housing Societies (GHS) and Residential Welfare Associations (RWAs) for common facilities and EV charging up to 500 kW.

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DISCOMs have undertaken extensive efforts to create awareness about the PM Surya Ghar Yojana. Outreach programs are being organized at division, circle, and village levels, supported by campaigns through print, electronic, and social media. Leaflets have been distributed to section offices for consumer circulation, while banners have been installed in strategic urban and semi-urban locations such as bus stands, railway stations, and market areas. Dedicated "PM Suryaghar Walls" have been set up at all section offices to recognize and appreciate scheme beneficiaries. Tele-calling initiatives are being made to inform domestic consumers and awareness messages sent via SMS. Additionally, DISCOM employees are encouraged to adopt rooftop solar systems to set an example for the community.

To enhance implementation efficiency, capacity-building programs for DISCOM officials and stakeholders are being actively pursued. The National Power Training Institute (NPTI) (ER) has been conducting regular training sessions, with 336 DISCOM officials trained as of

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19.12.2024. Furthermore, DISCOM RE Cells are organizing stakeholder training to ensure comprehensive understanding and support for renewable energy initiatives.

A detailed tabulated progress report has been included in the filing for the Hon'ble Commission's kind reference.

Progress as per National Portal updated as on 22.01.2025					
Particulars	**TPWODL**	**TPCODL**	**TPNODL**	**TPSODL**	**Total**
Costumers registered on National Portal	229754	455674	313157	278942	**1277527**
No of applications submitted	12856	21373	33916	17155	**85300**
No of applicants submitted bank details	9019	14866	28207	6083	**58175**
No of applicants those who have selected vendors	3663	9169	3401	2062	**18295**
Total RTS Installed	501	1038	158	176	**1873**
RTS Commissioned	397	914	119	171	**1601**
RTS Capacity Commissioned (MWp)	1.31	3.86	0.39	0.47	**6.03**
Inspection pending	23	66	24	2	**115**
Subsidy under Verification/Processing for release	26	127	10	21	**184**
Subsidy released	359	806	96	146	**1407**

10. **Respondent's view/objection:** TPWODL has to produce list of consumers who have availed benefit under Community Solar Scheme.

TPWODL Rejoinder: 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 solarization, the licensee has withdrawn the petition filed under Case No. 21 of 2024 due to no support for CFA assistance. However, the licensee is quite hopeful and pursuing with MNRE, upon approval it will be again placed before the Hon'ble Commission for their consideration.

Explained on Rejoinder.

11. **Respondent's view/objection:** TPWODL has to produce how many Smart Meter licensee have been provided to consumers. Whether all Govt. consumers has already metered through Prepaid Smar Meter.

TPWODL Rejoinder: It is submitted that the the Hon'ble Commission vide letter No. OERC/Engg/2/2017/609 dated 03.05.2023 has stipulated following priority order for installation of Smart meters.

"(i) Government Department and other sub-ordinate offices/PSUs/ Bodies (including the PRIs and ULBs, cooperative societies, etc.; Industrial Consumer (with meters more than 5-year-old); three phase consumer with static meter (more than 5 years old) having consumption of more than 200 units per month; and the consumer willing for such installation in areas with communication network;

(ii) Single phase consumer with static meter (more than 5 years old) in areas with communication network;

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(iii) Three phase consumer with static meter (more than 5 years old) having consumption of less than or equal to 200 units per month in areas with communication network."

Since commencement of operations wef. January 1, 2021, TPWODL has taken tremendous efforts for replacement of the defective and mechanical Meters. The present Status of Installed Smart Meters in TPWODL area as on 31.10.2024 as follows:

SL NO	Meter Type	Smart
1	Single Phase	256856
2	Three Phase (WC)	78993
3	LTCT	3536
TOTAL		**339385**

The different types of meters mentioned above have been installed in both government and private consumers of TPWODL. As per the plan, TPWODL initially installed smart meters in government consumers and other private consumers with strong communication infrastructure, before moving on to other consumers. As of 31.10.2024 total 28312 nos. (3ph LT 10618 nos. + Single ph 17694 nos.) of Smart meter has been successfully Replaced/installed in Govt. Premises.

12. **Respondent's view/objection:** TPWODL has to produce total consumer have provided meter or not. If not, what action TPWODL has taken.

TPWODL Rejoinder: The metering report for the period APR-24 TO SEP-24 has been provided in detail under Format P-13 of the ARR filing (FY 2025-26).

For and on behalf of TPWODL

Kshirod Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Shri Ramesh Ch. Satpathy, aged about 78 years, Plot No. 302(B), Beherasahi, Nayapally, Bhubaneswar – 751012, Dist. – Khurda, being the president of Upobhokta Mahasangha, Bhubaneswar & the Secretary of National Institute of Indian Labour.

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited, Corporate Office, Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Principal Chief Electrical Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar, Odisha - 751017

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

Rejoinder on objection.

1. **Respondent's view/objection:** Hon'ble OERC is requested to treat Railway as separate category and fix tariff (EHT & HT) at lower level than that of tariff for other EHT & HT consumers in the state.

   TPWODL Rejoinder: It may be perused from the below table that, the tariff for railway in other adjacent states vs railway tariff in state of Odisha. The tariff applicable to railway herein Odisha is much competitive.

	States	Demand Charges		Energy Charges	
1	Chhattisgarh	Rs.375 /-per kVA per month		Rs.5.25 per kVAh	
2	Andhra Pradesh	Rs.350/-per kVA per month		Rs.6.50 per kVAh	
3	Jharkhand	Rs.400/-per kVA per month		Rs.5.60 per kVAh	
4	Madhya Pradesh*	Rs.310/-per kVA per month		Rs. 5.90 per kWh	
*Guaranteed minimum annual consumption of 1500 unit(in kWh) per kVA of Contract demand.					
5	Maharashtra	Rs.472/-per kVA per month		Rs.5.31 per kVAh	
6	Bihar	Rs.540/per kVA per month		Rs.8.16 per kVAh	
7	**Odisha**	Rs.250/-per kVA per month		HT(kVAh)	EHT(kVAh)
			(Upto 60% L.F)	**5.85**	**5.80**
			(> 60% L.F)	**4.75**	**4.70**

So, contention of Railway regarding cheaper tariff in other adjacent state is not appropriate. Railway is also being separately categorized under HT & EHT as "Railway Traction", there is no such requirement of creation of another specialized category. Railway is also being extended rebate of 25 paise per unit with such rebate the effective Tariff under EHT up to 60% LF is Rs.5.55 per unit and beyond 60% LF consumption it is Rs.4.55 per unit.

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2. **Respondent's view/objection:** Hon'ble OERC is requested to reduce the existing demand and energy charges and to consider Railway traction tariff at par with that of organizations having >60% load factor.

TPWODL Rejoinder: Railway has made a forceful representation to reduce the demand cost as well as energy charges considering their nature of load. It is a fact that railway is availing power supply in two phase and other industries in three-phase. Industries drawing in three-phase obviously can use more efficiently. Railway, because of its nature of load and consumption cannot run in higher load factor. Therefore, Hon'ble Commission in RST Order FY 23-24 & FY 24-25 has allowed a rebate of 25 paise per unit for all the units consumed by Railway Traction Category which is sufficient reduction.

Railway Traction is treated at par with other EHT Consumers. Nowhere in the country, a special lower tariff is fixed for Railways. As a matter of fact, Railway Traction tariff in Odisha is much less than most of the other states as depicted in above table.

3. **Respondent's view/objection:** Hon'ble OERC is requested to allow load factor incentive for Railway Traction category from 40% instead of 60%.

TPWODL Rejoinder: Present rate of charges under HT & EHT Category is as follows:

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

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

Presently Railway is covered under EHT Category where they are operating due to their nature of drawal. The proposed reduction in L.F discount from 40% will affect the licensee business. The Licensee is mandated to serve different category of consumers where tariff is less than the cost of supply in the existing mechanism. If Railway tariff requires reduction, the tariff of cross-subsidized category needs to be increased. East Coast Railway is a 2-phase consumer & because of its load pattern may not able to achieve the desired load factor. Therefore, Hon'ble Commission in RST Order FY 23-24 & FY 24-25 has allowed a rebate of 25 paise per unit for all the units consumed by Railway Traction Category which is adequate enough.

kept on record.

4. **Respondent's view/objection:** Hon'ble OERC is requested to charge Railway at the unit rate which is actual cost of supply of power to EHT category of consumers.

TPWODL Rejoinder: Presently Railway is being charged well within the limits of +/- 20% of the average cost of supply. This is evident from the fact that the Average cost of supply for the state is Rs. 6.01 per unit. As per RST Order FY 24-25, the average revenue realization for the category as a whole is Rs. 6.30 per unit including demand charges. Hence, the same is equal to 5% above the average cost of supply.

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5. **Respondent's view/objection:** Hon'ble OERC is requested to exempt Railway Traction Category consumers from Solar, Normal & Peak hour tariff (TOD rebate/ surcharge) as smart meters have not been provided for billing purpose for Railway Traction Category and as the traction load can't be regulated according to Solar Hour, Normal Hour or Peak Hour.

   TPWODL Rejoinder: TOD tariffs are integral to promoting demand-side management, grid stability and equitable tariff structures. While the Licensee acknowledge the non-discretionary nature of Railway Traction loads but the existing meter is well capable to capture all the required parameters through which TOD billing is possible. When ToD rebate during off peak hour was available for 3 phase consumers, Railway was strongly pleading for it. Now, Hon'ble Commission has allowed to all consumers of Industrial and GP more than 10 kw load without discrimination. But, surprisingly railway is denying. Exempting this category may undermine the principles of equity and shift the cost burden to other consumers, while also diluting the effectiveness of TOD mechanisms in managing peak demand and optimizing grid operations. Now, it is the national challenge to meet significant consumption during peak hours hence TOD surcharge has been mandated. Further, during Solar Hour TOD rebate is also being extended to emphasizes the need for TOD applicability. However, Hon'ble Commission may explore tailored solutions that will address Railways operational needs while aligning with TOD objectives. Therefore, the Licensee request the Hon'ble Commission to kindly consider these factors and uphold TOD tariff applicability for all consumers, including Railway Traction.

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6. **Respondent's view/objection:** Hon'ble OERC is requested to adopt uniform system of Traction energy billing for all DISCOMs in Odisha state basing on the kWh & kVArh (Lag) from 'Q1' quadrant only or else Hon'ble OERC to advise all DISCOMs to provide Lag Only energy meters for all RTSSs.

   TPWODL Rejoinder: The Licensee is adhering Hon'ble Commission's uniform billing mechanism wherein Lag only is being considered while taking kVArh reading. So, there is no abnormality. As regards the status of existing meters, it is up to railway to take a call. If railway desires to test the accuracy they may do so and if they desire to replace, can be done for which metering cost to be borne by Railway. Railway is also pleading that they have put capacitor bank for improvement of power factor. At the same time the benefit of installation of a capacitor bank, helps railways to save energy charges.

7. **Respondent's view/objection:** Hon'ble OERC is requested to advise the DISCOMs suitably to ignore the MD rise/overshoot of both side RTSSs of same or other DISCOMs during their feed extension over the RTSS where incoming supply fails due to OPTCL reason. DISCOMs

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may be advised to ignore the MD rise/overshoot in the same month as some DISCOMs are taking months together to resolve the case.

TPWODL Rejoinder: The Licensee has already proposed in its previous ARR application in favor of the applicant. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

Kishore Ch Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur
Date: 24/01/2025

C.C. Shri Somnath Sahu, Principal Chief Electrical Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar, Odisha - 751017Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

10

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar – 751015, Email: pwrtch@gmail.com, contactus@utkalchamber.in, Mobile: +91-9437155337

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees.

signed on Monday

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The proposed recruitments are in line with the approved benchmark of 1.4 employees per 1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution

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transformers and sub-stations leading to interruption in power supply to the consumers. Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

Kshirod Ch. Nanda.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

   Approved on Monday.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

   TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

Insisted on rejoinder.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

kgmmd ch stmdi.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

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railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

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FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

Expired & Under.

14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

Prepared by Mahaley.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

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18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection:** ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

    TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

    TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

    The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

Approved by Member.

RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

    TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

    "State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."

    As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

    As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

Referred to Vendor.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

    TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection:** All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Burla

Dated: 24/01/2025

C.C. Shri Bibhu Charan Swain, S/o. Shri Baishnab Charan swain, Chairman, Electricity Power Committee, The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar – 751015. Email: contactus@utkalchamber.in, pwrtch@gmail.com, Phone: 9437155337

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

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Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Scan Steels Ltd. Unit-II having its working Office at Main Road, Rajgangpur, Dist. Sundargarh-770017, Email:aks.kr.sahani@gmail.com, Mob: 9437071622

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Petitioner has failed to report collections from penalty impositions under Section 126 of the Act 2003 and collection against arrear dues, despite the Hon'ble Commission's directive in Para-82 of the RST Order 2014-15 to disclose arrears collected from past dues.

   TPWODL Rejoinder: In this regard it is to state that, penalty u/s 126 is not the normal practice to earn revenue. Assessment u/s 126 is being made only when there is theft or unauthorized use of electricity. The licensee has regards to all its consumer and expects the consumer would use the electricity supplied, in judicious manner. Hence, projection towards collection u/s 126 cannot be made.

   On the other hand, the licensee has also made a disclosure regarding collection out of current and out of arrear in F-9 (b).

2. **Respondents View/ Objection:** Withdrawal of kVAh billing should be considered by the Hon'ble Commission.

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TPWODL Rejoinder: It is submitted that the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

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

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

> *"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:*
> *(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.*
> *(b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.*
> *(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.*
> *(d) Increases the available transmission and distribution system capacity.*
> *(e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.*
> *8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.*
> *8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH*
> *If Power Factor is unity, then KWH =KVAH*
> *In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimized and thereby better system voltages for the tail end consumers also."*

Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC) in various States viz. Himachal Pradesh, Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories.

Advantages of kVAh billing system: -

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To Consumers	To DISCOM(s)
1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently. 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, kVArh (lead/lag), kWh units) will be reduced.	1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure. 2. Complete recovery of cost of active and reactive powers. 3. Zero/ minimal drawl of reactive power by consumers. 4. Reduction in power purchase cost.

Further, as regards maintenance of power factor not less than 92% as per Regulation 135 "The consumer shall so arrange his installation that the average lagging power factor of his load during any billing period is not less than 92%. Power factor penalty shall be levied if there is a breach of the aforesaid requirement as decided from time to time."

So, any consumer who is not abiding by the above will have to pay as per kVAh reading which would be normally more than the kWh. That means the consumer is penalized as such. There is no such separate PF penalty as KVAH billing is in force.

3. **Respondents View/ Objection:** That on MMFC/ Demand Charges for Consumers with Contract Demand < 110 kVA and demand charges for GP> 70 kVA<.110 kVA and HT Industrial (M) supply, it is to state that the DISCOMs are not extending such benefit as per different RST orders. Even though there is provision of recording of kVA demand, it has not been recorded in the bills. So MMFC/ Demand Charges are prepared at the mercy of the DISCOMs.

   TPWODL Rejoinder: The licensee is adhering the direction of Hon'ble Commission strictly. There is no such manual intervention in DISCOM billing, it is digitalized through FG system & the billing system is designed to capture all the parameters as per RST order of Hon'ble Commission. Specific issues, if any may be highlighted.

4. **Respondents View/ Objection:** Consideration of power on hour on actual basis for load factor in billing

   TPWODL Rejoinder: TPWODL is following the direction of Hon'ble Commission while calculating power ON hours as per para no. 234 & 235 of RST order FY 24-25. Further, as per para 235 of RST order it has been specifically mentioned that, when the power interruption is 60 hours or less in a month, then no deduction shall be made. Any changes or modification in tariff structure is Hon'ble Commission's prerogative, the licensee must adhere the same.

5. **Respondent's view/objection:** There should not be any bar for calculation of load factor with due honour to Regulation 2(42) of OERC Code, 2019.

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TPWODL Rejoinder: TPWODL is strictly adhering to the OERC Supply Code, 2019 regarding load reduction. Regulation 120 of OERC Supply Code, 2019 states that:

> *"Contract demand above 20 KW shall not be allowed to be reduced more than once within a period of thirty-six months from the date of initial supply or from the date of last reduction. Contract demand of 20 KW and below shall not be allowed to be reduced more than once within a period of twelve months from the date of last reduction. However, the designated authority of the licensee/supplier may for sufficient reasons to be recorded, allow such reduction more than once within the aforesaid period of thirty-six months or twelve months as applicable."*

Suggestion beyond the above guidelines requires amendment of regulation which is out of the purview of the licensee.

6. **Respondent's view/objection:** The contents of Paragraphs 4 to 6 pertains to Reduction in Cross Subsidy Surcharges.

TPWODL Rejoinder: DISCOMs serve close to 100 Lakh (appx)of consumers across the state among which around 10 Lakh (appx) are under BPL category, 2.5 lakh (appx) consumer under agriculture category and almost 80 lakhs under Domestic. The tariff of BPL is Rs.70 per month for 30 units, Agriculture tariff is Rs.1.50 per unit and Domestic tariff up to 50 units is Rs.2.90 per unit which is even less than the present highest BST in the state. They are subsidized through high end consumers.

Simultaneously, to provide cheaper power to the industrial consumers, who are drawing power through open access or from CGP, Hon'ble Commission has introduced different rebates vide RST order FY 24-25, TPWODL has prayed to continue the same and also submitted few more proposals in its ARR application of FY 25-26. If approved intended industries may get more benefit out of it.

Apart from the above, the Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission has stated the provision to define CSS in para no. 94 of the RST order:

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

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

In table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to

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current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

In case of Open Access charges (CSS & Wheeling charges), the formula as prescribed in tariff policy is followed by the Hon'ble Commission.

The Hon'ble Commission may suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period of time.

7. **Respondent's view/objection:** The contents of Paragraphs 7 to 9 pertains to very high Cross Subsidy surcharge of TPWODL & difficulties/ not affordability of consumers to purchase of RTC power through Open Access.

TPWODL Rejoinder: It is submitted here that from the open access charges schedule applicable for FY 24-25 is very cheaper as compared to other DISCOM of Odisha.

Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	163.00	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	

kephored on records.

Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 24-25 till Dec-24 is 2556.54 Mus (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS. The licensee has proposed the estimated loss of margin i.e Rs. 2.48 per unit as CSS for ensuing year. However, Hon'ble Commission is allowing only certain % out of the above margin and hence, the approved CSS may be lower as proposed for the ensuing year as compared to proposed. Therefore, the CSS in Odisha is higher as claimed by the applicant objector appears to be not true.

8. **Respondent's view/objection:** Should the Hon'ble Commission consider approving a maximum permissible load of 15 MVA for non-dedicated 33 kV lines, aligning it with the provisions for dedicated lines under Regulation 134(3) of the OERC Code 2019, to benefit industrial consumers.

TPWODL Rejoinder: The concern regarding supply up to 15MVA through non-dedicated 33kV feeder requires an amendment in existing OERC Supply Code, 2019 which is under purview of the Hon'ble Commission.

9. **Respondent's view/objection:** Modification suggested in Steel Industry Rebate by DISCOM should not be approved by Hon'ble Commission

TPWODL Rejoinder: The learned objector by mistake mentioned that, the licensee in its present ARR filling proposed to extend the rebate only to steel industries who has CGP. Which in fact is opposite, the licensee has proposed to confine this benefit to industries those **who are not having their own CGP**. In the neighbouring state (Chhattisgarh), CGP industries have been kept out of the purview of the said benefit. The intention of not extending this benefit to CGP industries is due to availability of own generation hence they prefer to keep lower CD with the DISCOMs and achievement of required LF is very easy to avail this benefit. In its ARR application FY 24-25, the licensee has requested Hon'ble Commission for continuation of special tariff to steel industries at 33 kV level without having CGP. Accordingly, the intention of Hon'ble Commission is cleared under the provision of RST Order FY 24-25 vide Annexure – B(v). Because, for the industries having CGP and CD upto 20 MVA with DISCOM are eligible to draw power double their CD without levy of over drawl penalty for which a special rate of Rs. 5.00 per unit was approved as per Annexure-B(vii). At no instances both the benefits to the steel Industries having CGP can be extended.

Why is the difference required?

After getting dual benefit, Industry having CGP will be in more advantageous position to compete & the Industries without CGP will continue to struggle.

More importantly, the industry having CGP used to keep less CD with the DISCOMS and prefer to use it's own power due to cost effectiveness. So with lesser CD, achieving desired L.F (Load Factor) to avail the rebate is easier. Even though load reduction is not permitted during that Financial Year, CGP's are already with reduced CD.

That means, the industry is insulated with hidden benefits in shape of Demand Charges which would have been the legitimate right of the DISCOMS.

Presently, TPWODL purchase price is Rs. 4.04 per unit (including transmission charges) apart from BSP surcharge which is 35 paise per unit without factoring technical loss & approved distribution cost of the licensee. Considering all, the average cost of supply would be more than the realizable average price.

This is the reason Chhattisgarh Regulatory Commission has carefully excluded the steel industries having CGP from the discount mechanism. As we have proposed before Hon'ble Commission in similar manner Hon'ble Commission has carefully recorded in the order & brought separate discount mechanism for the industries having CGP.

10. **Respondent's view/objection:** Reintroduction of power factor incentive/penalty and kWh billing.

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TPWODL Rejoinder: As per direction of Hon'ble Commission in RST order of FY 22-23 in Annexure "B" Point No. ii *"Power factor penalty/incentive & Reliability Surcharges are abolished"*. TPWODL is strictly adhering the direction given by Hon'ble. Further, upon introduction of kVAh billing there is absolutely no necessity of introduction of power factor incentive and penalty as such. Because kVAh billing takes care of both the aspect.

11. **Respondent's view/objection:** The respondent welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts with a view that industries having outstanding bills sometimes have disputed bills and they are pending in the courts. In this regard the petitioner company should settle the issue amicably, so that such consumers can avail such tariff benefit.

    TPWODL Rejoinder: The Licensee appreciates the Objectors support/ comments in the said matter and hopes that the same would be dealt with appropriately by the Hon'ble Commission in the Tariff Order for FY 25-26. Further, the licensee had presented the facts in detail before the Hon'ble Commission and also requested to issue a practice direction for settlement of disputed bills & billing related to defective meter / provisional or erroneous billing beyond 2 years period prior to installation of New Meter or removal of defect or closure of dispute, which would enable the licensee / GRF/ Ombudsman to entertain and resolve the billing dispute matter.

12. **Respondent's view/objection:** Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA

    TPWODL Rejoinder: The Licensee appreciates the Objectors support/ comments in the said matter and hopes that the same would be dealt with appropriately by the Hon'ble Commission in the Tariff Order for FY 25-26.

13. **Respondent's view/objection:** Minimum Contract Demand for the Industries having CGP, this proposal should not be accepted.

    TPWODL Rejoinder: It is submitted that over 80 Captive Generating Plants (CGPs) across Odisha are connected to the Transmission and Distribution network, relying primarily on their generation for captive needs while reserving Contract Demand (CD) with DISCOMs for occasional use. This intermittent drawl without prior notice poses challenges for DISCOMs in projecting annual input requirements and managing sudden increases in System Maximum Demand (SMD). Such behavior strains GRIDCO's power sourcing efforts, especially during peak times or when market costs rise, affecting the overall power procurement plan.

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Furthermore, the demand charges in Odisha are relatively lower at Rs. 250 per kVA per month compared to neighboring states where it exceeds Rs. 350 per kVA per month. Given the cross-subsidization necessary for subsidized consumer segments, maintaining tariff sustainability shall become difficult without implementing measures for CGPs Industries. Hence, it is proposed that The Contract demand (CD) should not be at their choice rather it has to be minimum to the tune of highest installed capacity of the generating plant. In the case of multiple generation units, the highest capacity should be considered.

14. **Respondent's view/objection:** Revision of reconnection charges with penalty clause, this proposal should not be accepted.

    TPWODL Rejoinder: The Licensee appreciates the Objectors' support and comments on the matter and trusts that the Hon'ble Commission will address them appropriately in the Tariff Order for FY 2025-26. Additionally, as directed by the Hon'ble Commission in the previous RST Order, this proposal pertains to the Supply Code, 2019, and any suggestions require an amendment to the code. The Licensee respectfully requests the Hon'ble Commission to consider these proposals for the necessary amendments in due course.

15. **Respondent's view/objection:** Billing with defective meter, this proposal should not be accepted.

    TPWODL Rejoinder: The Licensee appreciates the Objectors' support and comments on the matter and trusts that the Hon'ble Commission will address them appropriately in the Tariff Order for FY 2025-26. Additionally, as directed by the Hon'ble Commission in the previous RST Order, this proposal pertains to the Supply Code, 2019, and any suggestions require an amendment to the code. The Licensee respectfully requests the Hon'ble Commission to consider these proposals for the necessary amendments in due course.

For and on behalf of TPWODL

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Sr. GM (RA & Strategy)

Burla

Dated: 24/01/2025

C.C. Sri Runvijay Singh, authorized signatory of M/s. Scan Steels Ltd. Unit-II having its work Office at Main Road, Rajgangpur, Dist. Sundargarh-770017, (Odisha)
Email:aks.kr.sahani@gmail.com, Mob: 9437071622

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Power Tech Consultants, Corporate Office at K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, Odisha, Email: pwrtch@gmail.com Mobile: +91-9437155337

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

Received on Monday

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per

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1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

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Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

Kishore Ch Nanda

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

    TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

    TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

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FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

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14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

Received on Monday.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

Kshyrod Ch Nanda,

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

Signed by Nanda

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection**: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

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26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

    TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Kshirod Ch Nanda

Sr. GM (RA & Strategy)

Burla

Dated: 24/01/2025

C.C. Shri Bibhu Charan Swain, S/o. Shri Baishnab Charan swain, Chairman, Electricity Power Committee, The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar – 751015. Email: pwrtch@gmail.com, Phone: 9437155337

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Bajrang Steel and Alloys Pvt Ltd having its Regd Office at Plot No: 31, Goibhanga, Kalunga - 770031, Dist-Sundergarh, Email: bajrangrkl@gmail.com, Mobile: +91-7691060161

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

Received on Monday,

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As

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regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per 1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and

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maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers. Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

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Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel

industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA, railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

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11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

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Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers.

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As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

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14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may

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kindly be approved. Through this mechanism, the interest of genuine consumers can be protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

    TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

    TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

    The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low -----------."

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

Adopted as rejoinder.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection**: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Kishorood Ch Nanda.

Sr. GM (RA & Strategy)

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Dated: 24/01/2025

C.C. Mr. Ayush Kumar Agarwal, Director & Authorized Signatory of M/s. Bajrang Steel and Alloys Pvt Ltd Ltd having its Regd Office at Plot No: 31, Goibhanga, Kalunga - 770031, Dist-Sundergarh, Email: bajrangrkl@gmail.com, Mobile: +91-7691060161

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

PART OF AFFIDAVIT
NOTARY
Regd. No. ON 23/94
SAMBALPUR: ORISSA

BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited, Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Odisha Power Transmission Corporation Limited, Janpath, Bhubaneswar, Odisha - 751022

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** OPTCL has proposed to recover ARR amount of Rs. 1398.71 Cr. from LTOA customers including DISCOMs. It is proposed that Rs. 1374.55 Cr. to be recovered from DISCOMs for transmission of 38097.40 MU energy @36.08 paise/unit as transmission charges.

   TPWODL Rejoinder: The proposed Transmission tariff is abnormally very high. This will adversely affect the RST of the consumers of the state and will be an additional burden on them.

2. **Respondent's view/objection:** TPWODL has calculated the transmission charges as Rs. 267.84 Cr. @ 24 p/u on 11535 MU. TPWODL may justify the increase in MU in their calculation to the extent of 585 MU.

   TPWODL Rejoinder: In its letter dated TPWODL/RA&S/2024/119, the Licensee has submitted an estimation of 11274 MU to be transmitted through the OPTCL network for FY 2025-26 and 276 MU through its own network at 33 kV and 11 kV levels with an estimated energy input of 11550 MU to be purchased from GRIDCO. While calculating the Power purchase cost, the Licensee has considered 11535 MU to be directly sourced from GRIDCO and an additional 15 MU from other sources like small CGPs connected at 33 kV and 11 kV. Therefore, the total energy input remains constant with the earlier estimation of 11550 MU, and there is no increase in MU calculation as claimed by the Objector.

3. **Respondent's view/objection:** TPWODL has projected ARR for FY 25-26 as Rs. 6286.97 Cr. which is increase by 7.78% (Rs. 453.85 Cr.) over the approved for FY 2024-25 (Rs. 5833.12 Cr.) keeping the BSP, Transmission Charges and SLDC charges same as last year.

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TPWODL Rejoinder: The Licensee has projected an Aggregate Revenue Requirement of Rs. 6286.97 Cr. for FY 2025-26, which includes power purchase cost including transmission charges and SLDC charges is Rs.4664 crs. Revenue requirement of the DISCOM is composite of power purchase (which covers around 75% of total ARR), O&M cost, interest on long term loan, Working Capital, Security Deposit apart from provision against bad and doubtful debt, Depreciation and ROE. The nature of each component is different and cannot be compared with last year in totality. However, certain additional expenses has been sought for with proper justification in the ARR is primarily focused on addressing operational efficiencies, network strengthening, and meeting the growing consumer expectations for quality and reliable power supply. This projection is in line with the Licensee's commitment for providing sustainable and efficient power distribution services and achievement of targeted AT & C loss.

4. **Respondent's view/objection:** It is observed that while projecting the ARR, TPWODL has calculated transmission charges @ 24 paisa/kWh without considering the proposal of OPTCL. Therefore, Hon'ble Commission is requested to consider 36.08 paisa/kWh as transmission charges while approving ARR of DISCOMs.

   TPWODL Rejoinder: The Licensee is of the view that the respondent has proposed it's Annual Aggregate Revenue for FY 25-26 is about 53% more than the approved for FY 24-25. The comparative figures of components of ARR are given in the below table:

ITEMS	OERC Approval		Increase in approved FY 24-25 over approved FY 23-24	Proposal for OPTCL	Increase in proposed FY 25-26 over approved FY 24-25
	FY 2024-25	FY 2023-24		FY 2025-26	
A) FIXED COST	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
1. O&M Expenses	**661.03**	**624.71**	**5.49%**	**821.9**	**24%**
(i) Employees Cost including Terminal Benefits	488.63	449.08	8.09%	554.05	13%
(ii) A&G Cost	37.05	40.28	-8%	49.8	34%
(iii) R&M Cost	135	135	0%	217.7	61%
(iv) Expenses related to auxiliary energy consumption	0	0		0	
(v) Other misc. expenses, statutory levies and taxes (GCC)	0.35	0.35	0%	0.35	0%
2. Interest & Financial Charges	**154.11**	**129.75**	**19%**	**175.68**	**14%**
(i) Interest on Loan Capital	133.95	111.83	20%	145.61	9%
(ii) Interest on Working Capital	0	0		0	

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ITEMS	OERC Approval		Increase in approved FY 24-25 over approved FY 23-24	Proposal for OPTCL	Increase in proposed FY 25-26 over approved FY 24-25
	FY 2024-25	FY 2023-24		FY 2025-26	
(iii) Rebate	20.16	17.92	13%	27.97	39%
(iv) Incentive as per OREP-2022				2.1	
3. Depreciation & amortisation expense	**275.67**	**269.54**	**2%**	**356.57**	**29%**
4. Return on Equity	**162.14**	**140.42**	**15%**	**284.95**	**76%**
5. Income Tax	**7**	**27.21**	**-74%**	**10.77**	**54%**
Sub-Total (A)	**1,259.95**	**1,191.63**	**6%**	**1,649.87**	**31%**
B) Others					
Incentive for system availability	5	5	0%	13.46	169%
Total Trans. Cost (A+B)	**1,264.95**	**1,196.63**	**6%**	**1,663.33**	**31%**
C) Less Misc. Receipts	302.75	300.45	1%	264.62	-13%
D) Less: Regulatory Surplus	48.5				-100%
E) ARR to be recovered from LTOA Customers i.e. **OPTCL's Aggregate Revenue Requirement**	**913.70**	**896.18**	**2%**	**1,398.71**	**53%**

The suggestion of OPTCL for significant increase in all the above expenses would impose excessive burden on the general consumers of the State, as this would be passed on to the ultimate users through DISCOMs. Hence, the proposed transmission tariff considered by TPWODL while projecting it's ARR is 0.24 paisa/unit keeping in larger interest of the consumers. Therefore, Hon'ble Commission may critical examine the proposal of applicant and take necessary steps in approving transmission charges.

For and on behalf of TPWODL

Keshab Ch. Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur
Date: 24/07/2025

C.C. Sri. Soumendra Kumar Mohanty, Sr. General Manager (Regulation, Tariff & Commercial) Odisha Power Transmission Corporation Limited, Janpath, Bhubaneswar, Odisha - 751022

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

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Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Er (Dr). P.K. Pradhan, HIG-1, SDA Colony, Near VSSUT, Po-VSSUT, Burla, Odisha – 768018

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** The estimated expected LT Distribution Loss in FY 2024-25 is 40.60% whereas the projected LT Distribution Loss in FY 2025-26 is 30%. TPWODL may inform the measures to be taken to reduce the Dist. Loss by 10%.

   TPWODL Rejoinder: It is submitted that the actual LT distribution loss for FY 2023-24 of TPWODL was 35.15%. The loss reduction measures to be undertaken by the Licensee are as under:

   a) Installation of 1Ph Smart Meter, LI connections (3-Ph) with smart meter and Replacement of Defective/faulty meters (BLE) (Services - Meter Installation, Removal, Cable Installation, Removal, Attending Consumer Complaints, NSC, Shifting of Meters, Field Survey, etc.)
   b) Installation of CT PT MC MU and installation of Metering Unit, Meters and Modems at PSS Boundary Points.
   c) DTR Smart Metering (100KVA & above) as well as High Value Industrial Audit Point Metering & HT-LT check Metering.
   d) Replacement of LT Bare conductor with AB cable.
   e) Focused Enforcement activity (Night raids, lead generation through data analysis etc.)
   f) Setting up KHOJ camps in order to identify & regularise unauthorized, unbilled and unmetered connection.
   g) Division-wise Case by case review of High Arrear cases by Senior Management.
   h) Development of various IT/OT Mobile Applications.
   i) Dedicated contract for Billing & Collection Activity and setting of enforcement camps.
   j) Installation of smart meters & reduction of faulty meters.
   k) End to end online new connection system etc.

Before me on order.

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2. **Respondent's view/objection:** TPWODL may inform as to how many Outsourcing persons are at present working for the company. As understood TPWODL has already outsourced all works such as metering, billing and collection, LT lines, 11 kV lines & S/s, 33 kV lines & S/s maintenance. What are the incentives passed on to the staff for collection, disconnection etc.?

TPWODL Rejoinder: The Licensee submits that there are around 594 legacy outsourced manpower who were transferred from the erstwhile company. Further, with respect to the outsourced manpower under TPWODL, it is submitted that the Licensee has appointed various agencies who in turn employ outsourced manpower for the Licensee's works. Outsourcing employees are continuing since long. During WESCO tenure, line, grid and S/S maintenance was carried out through short term outsourcing of manpower only on breakdown occurrence. The details of no. of outsourced employee's department-wise along with the nature of work has been provided by the Licensee at page no. 36 of the ARR application for FY 25-26.

With regards to incentives, it is submitted that Bill Collectors have been deployed to perform Door to Door Bill Collection activity. About 2200 Bill collectors are engaged in the monthly collection activity. The consumers are spread over the jurisdiction of TPWODL and efforts are made to touch every consumer for payment of their dues. Monthly reward schemes are rolled out to motivate the Bill Collectors for optimising their collection efforts. Periodic meeting is also conducted to ensure the efficiency of the teams. Furthermore, there are monthly reward & recognition schemes for Sectional Team (Including Linemen, Outsourced Linemen, Helper), 11kV AMC BA, FCC BA employees, Bill Collectors along with their supervisors), Sub-Division & EE/SE Office & BA Divisional coordinator as well as BA door-to-door Bill Collectors for achieving more than 75% of the baseline target.

Received on Monday.

3. **Respondent's view/objection:** TPWODL may examine to engage the old field staff of WESCO utility in some sub-sections/sub-divisions such that the expenditure will come down which will be ultimately passed on to the consumers.

TPWODL Rejoinder: TPWODL awarded work to various business associates (BA) duly verifying the criteria like electrical license, qualification and expertise etc. As the engagement of BAs are being for division wise/circle wise, carving out specific Subdivision/ Section to create provision for old field staff may be a challenge for operational issues. However, TPWODL welcomes the suggestion of the stakeholder in this regard.

4. **Respondent's view/objection:** TPWODL speaks a lot on safety in the deliberation in different meetings before the commission. TPWODL may kindly inform whether the maintenance staff and the staff of the Control Room engaged for 33KV grid, 33KV & 11KV

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line and Sub-Station are having the necessary qualification eligibility as required by the electricity Rules.

TPWODL Rejoinder: TPWODL always conducts safety induction before joining of concerned staffs. Capacity building program, training on cutting edge technologies is often taken by TPWODL authorities. The details of safety measurements taken by TPWODL is already mentioned in the ARR application for FY 25-26. The licensee since inception (last 4 years) engaged BAs for the maintenance & other activities. The criteria of such selection emphasises that the staff to be engaged by the agency are having requisite qualification and eligibility. During pre-vesting period there was no such data capturing mechanism for reporting of Standard of performance and incident reporting mechanism. With all round performance achievement, TPWODL could be able to retain the A+ rating award consecutively since last two years given by Ministry of Power, Govt. of India at National level vide Annual Integrated Rating & Ranking: Power Distribution Utilities. This indicates the performance and safety culture adopted.

5. **Respondents View/ Objection:** TPWODL has submitted different proposals for fixation of tariff to industrial consumers such that the industrial consumers will be more attracted for enhancing their consumption, which may be deliberated during public hearing before the Commission.

   TPWODL Rejoinder: - It is submitted that industry consumption accounts to around 53% in the Licensee area and are the cross-subsidizing category. In order to protect the interest of such consumers, the Licensee has submitted various proposals for fixation of tariff to industrial consumers. We acknowledge the appreciation of the stakeholder and detail deliberation will be made at the time of public hearing.

6. **Respondent's view/objection:** The objector proposed introduction of 4 slab tariff for Industrial consumers.

   TPWODL Rejoinder: The proposed mechanism can be thought of if GRIDCO can facilitate such power on RTC basis. Creation of more slab with suitable tariff structure can always be made but there should be a minimum off take so that GRIDCO can plan for the required power. However, the licensee has proposed other various alternatives for sale of surplus power of the State, which may please be supported in the upcoming public hearing.

7. **Respondent's view/objection:** Information regarding arrear amount collected and remitted to GRIDCO.

   TPWODL Rejoinder: The licensee is collecting the arrear amount prior to takeover period as per the vesting order commitment and the same is being remitted to GRIDCO following the guideline as per vesting order which in turn had mandated a target collection of Rs. 300

Submitted to Nimble

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Cr. till FY 25-26. Till December 2024, the Licensee has collected Rs.412.13 Cr. and remitted to GRIDCO after retaining the incentive amount. A monthly MIS on same is also being sent to GRIDCO regularly. Further, as per terms of vesting order the licensee is conducting 3rd party audit of arrear collection on half yearly and yearly basis for onward submission with the Hon'ble Commission regularly in this regard.

As regards to assessment u/s 126 & 135, due procedure is being followed as laid down in the Electricity Act 2003 and the Hon'ble Commission's Regulation Distribution (Conditions of Supply) Code, 2019 vide para 159 to 170.

8. **Respondent's view/objection:** Average Billing procedure and Metering Status.
TPWODL Rejoinder: TPWODL is abiding the regulations of OERC Distribution (Conditions of Supply) Code, 2019. The category wise metering status as on Sep-24 has been provided in format P-13 of the ARR filing which may please be referred wherein the % of working meters is 99.56.

9. **Respondent's view/objection:** Hon'ble Commission is requested to check the components like A&G expense, R&M expense, Provision of bad & doubtful debt.
TPWODL Rejoinder: The Hon'ble Commission has always approved every component of the ARR application after prudence check. Hence, it is evident to do the same this year as well. Further, the additional expenses wherever asked for are with proper justification and for achievement of targeted AT&C. Hence, the Hon'ble Commission is requested to kindly consider the same and the learned stake holder is requested to extend guidance & support in the public hearing.

10. **Respondent's view/objection:** Domestic Consumer having Electronic Meter with Demand recording facility, meter reader not taking demand recorded. However, Demand Charges Levied as per Contract Demand.
TPWODL Rejoinder: As per OERC Distribution (Conditions of Supply) Code, 2019, Contract Demand for a connected load below 110 kVA shall be the same as connected load. In case of Meter having provision of recording demand, billing is done on the recorded demand. As regards to non-taking up demand recorded by the meter reader may be an exceptional case. Specific cases, if any, shall be taken up if details will be provided.

11. **Respondent's view/objection:** The Hon'ble Commission while approving the RST for FY 2024-25 has fixed the meter rent for different consumer category with a condition that DISCOM will recover by instalment. The DISCOM must declare the landed cost of the meter and recover its cost through meter rent only but not for 60 months.

Approved by Nanda.

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TPWODL Rejoinder: The Licensee charges meter rent as approved by the Hon'ble Commission in its RST Order based on types of meters. Consumer always has an option to install his/ her own meter, in such case meter rent is not recoverable.

The period of recovery has been notified in the RST order. In no case, the licensee is permitted to recover beyond the approved period. As regards to cost of meter, it is to state that the meter rent as fixed by Hon'ble Commission is after perusing the cost of meter and other related expenses. In case of Static meter, the rent and duration is Rs.40 p.m. with maximum period recovery in 60 months. However, in case of Smart 1Ph meter, where meter rent is still continuing as Rs.60 p.m. since pre-vesting period, where, considering the cost aspect Hon'ble Commission has permitted to recover it by 96 months.

12. **Respondent's view/objection:** The tariff of temple is in SPP which is even more that the commercial category tariff in 1st slab. Request to consider tariff of temples in 2 slabs.

TPWODL Rejoinder: The determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. However, Hon'ble Commission may take a judicious decision in this regard.

13. **Respondent's view/objection:** Premium for Group Health Insurance for pensioners should be borne by TPWODL and that should be realized through ARR.

TPWODL Rejoinder: Employees are the backbone of any organizations. Organizations those who are employee friendly are performing better in long run. Where employees are satisfied with the organisation their productivity always increases and they will be more loyal to the company. The learned stakeholder welcomed the payment of premium for group health insurance of existing employees and suggested to do the same for the pensioners and requested to realize that through ARR as well, so the expense towards wellness may please be approved also.

14. **Respondent's view/objection:** Whether Procedure for Determination of Remunerative Norms in line with Regulation 27 & 29 of the OERC Distribution (Condition of Supply) Code, 2019 has religiously followed or not by TPWODL.

TPWODL Rejoinder:

Para 27 of the OERC Supply Code, 2019 provides as under:

> *"27. The cost of extension of distribution main or its up-gradation up to the point of supply for meeting demand of a consumer, whether new or existing, and any strengthening/ augmentation/up-gradation in the system starting from the feeding substation for giving supply to that consumer, shall be payable by the consumer or any collective body of such consumers as per norms fixed at Appendix I."*

Ujjwal Ranjan Manda

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Adhering to the above as per procedure laid down in the Appendix I of the Regulation, the calculation is being made. Exception, if any, can be scrutinised if shared.

15. **Respondent's view/objection:** Regulation 157 of Disputed Bill older than 2 Years may please be allowed. Because of non-revision of the bills neither consumer is paying not Licensee able to disconnect and GRIDCO is able to recover the dues.

TPWODL Rejoinder: The learned objector suggested for disputed bill revision older than 2 years. Consumers those who have erroneous/wrong /provisional bill were reluctant to opt for OTS Scheme. As a result, after closure of OTS scheme most consumer with provisional/erroneous bills having more than 2 years have been deprived of due correction/ rectification for the entire period due to the ceiling of 2 years period as per the said regulation. The licensee had presented the facts in detail before the Hon'ble Commission and also requested to issue a practice direction for settlement of disputed bills & billing related to defective meter/ provisional or erroneous billing beyond 2 years period prior to installation of New Meter or removal of defect or closure of dispute, which would enable the licensee/ GRF/ Ombudsman to entertain and resolve the billing dispute matter.

16. **Respondents View/ Objection:** GRIDCO is responsible to meet the RPO obligations for 4 Odisha DISCOMs. GRIDCO has not been able to meet full RPO, then how can the DISCOMs sell RE Power in the name of Green Power to industries with a premium. Hon'ble Commission to kindly examine and not allow any green power to industries with premium until GRIDCO is surplus with RE power.

TPWODL Rejoinder:

As regards to levy of GTP and its mechanism, the same was well notified by the Hon'ble Commission in the RST order FY 23-24 vide para 86

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

However, in the RST Order for FY 24-25 vide para 241, while allowing the GTP has mentioned as follows:

"..............The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plant (CGP). ***For this matter, our observations made earlier may be referred to****. The Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement*

hybrinoor chandra

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for the FY 2024-25. Accordingly, in the BSP Order of GRIDCO for FY 2024-25, out of the total projected renewable energy of 3580.62 MU available to GRIDCO for the ensuing year, 1193.51 MU, 778.60 MU, 1138.85 MU & 469.66 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above purpose. The DISCOMs can issue 'Green Consumer Certificate' to the Consumers desirous of availing such certificates in their respective area of operation within the above ceiling limit of renewable energy. However, the surplus renewable energy with one DISCOM can be shared with the DISCOM having deficit renewable power under intimation to GRIDCO."

From the above, in both the years, the Hon'ble Commission has approved GTP and directed GRIDCO for allocation of Green power, even have quantified also. In RST order FY 23-24 specifically mentioned that CGPs can not avail green certification, however, can be eligible for RPO.

Accordingly, for FY 23-24 GRIDCO allocated 1122 MU to TPWODL and the licensee could be able to allocate around 1002 MU to various industries with GTP of 25 paise p.u., which fetched an additional revenue of Rs. 25 Cr. and was ultimately passed on to power sector.

So, to promote sale of RE power, the Hon'ble Commission has continued their direction in FY 24-25 and also vide para 241 has observed that the direction of previous year may please be referred to. But unfortunately, few stakeholders did not appreciate the intention of the Hon'ble Commission and vehemently opposed citing inadequate clarity in the order.

As a result, the entire green allocation barring few MU in the current year remains unsold, even though GRIDCO has allocated around 726 MU till Dec-24, however only 13.58 MU has been sold with additional revenue of only Rs. 27 lakhs. This is a huge loss to the power sector. Not limiting to the above loss, the continuity of TPA ceases in the current year because of this reason also, even though Hon'ble Commission has approved 1250 MU to TPWODL in FY 24-25.

All the stakeholders are raising concern but constructive/positive solution is un-available. Hence, the objection to the extent of RPO to CGP industries is not a healthy thought. Rather, GRIDCO may be directed to purchase more RE to supplement the industries. If we cannot facilitate, then industries will obviously choose open market and our surplus power, as available, will be sold with distress rate.

CGPs are consuming from DISCOM's for their shortfall requirement only, because they do have adequate thermal generation. If DISCOM/GRIDCO cannot facilitate RE power for their RPO, why they will draw from DISCOM?

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Brown power is no way helping them. So, it is the humble submission of the licensee to all the stakeholders to support for reintroduction of RPO as like of FY 23-24 with lesser GTP, so that states power sector will survive.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur
Date: 24/01/2025

C.C. Er (Dr). P.K. Pradhan, aged about 68 years, HIG-1, SDA Colony, Near VSSUT, Po-VSSUT, Burla, Odisha – 768018
Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Scan Steels Ltd. Unit-III having its Regd. Office No. 104, 105, E-Square, Subhash Road, Opp Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at- Rambahal, Kesharmal, Rajgangpur, Dist- Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Informed on Wender.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has

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approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per 1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

Answered as under.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

   The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power

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distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers. Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

Approved on rejoinder.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

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7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel

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industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA, railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

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Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers.

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As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may

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kindly be approved. Through this mechanism, the interest of genuine consumers can be protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

    TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

    As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

    TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

    The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

    TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection:** ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

Signed on order.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

Informed as made.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection**: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

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26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Lysmood Ch Nanda

Sr. GM (RA & Strategy)

Place : Sambalpur

Dated: 24/01/2025

C.C. Mr. Ankur Madaan, director and authorized signatory of M/s. Scan Steels Ltd. Unit-III having its Regd Office at No. 104, 105, E-Square, Subhash Road, Opp. Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at- Rambahal, Kesharmal, Rajgangpur, Dist- Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Shree Salasar Castings Pvt Ltd having its Regd. Office at at/Vill. Balanda, PO- Kalunga-770031, Dist-Sundargarh, Odisha. Email: salasarcastings@gmail.com, Mobile: +91-6370809527

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per

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1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

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Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

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5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

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FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

Examined & Noted.

18. **Respondent's view/objection:** Assessment in case of Theft of energy

    TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

    TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

    TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

    TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

    The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

    TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

    "State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."

    As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

    As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

    TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection:** All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur

Dated: 24/01/2025

C.C. Mr. Ashok Agarwal, Director and Authorized Signatory of M/s. Shree Salasar Castings Pvt Ltd having its Regd Office at at/Vill. Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha . Email: salasarcastings@gmail.com, Mobile: +91-6370809527

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

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Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Scan Steels Ltd. Unit-I having its Regd. Office No. 104, 105, E-Square, Subhash Road, Opp Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at- Rambahal, Kesharmal, Rajgangpur, Dist- Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has

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approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per 1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power

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distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers. Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

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Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

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5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

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7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

   TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

   TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel

industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA, railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

    TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

    The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

Approved by notary.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

    TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

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Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers.

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As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

13. Respondent's view/objection: Cross subsidy and its surcharge

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

Approved by Nandan

14. Respondent's view/objection: Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may

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kindly be approved. Through this mechanism, the interest of genuine consumers can be protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

    TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

    As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

    TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

    The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

    TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

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18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

    TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

    TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

    The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

> *"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."*

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection**: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur

Dated: 24/01/2025

C.C. Mr. Ankur Madaan, director and authorized signatory of M/s. Scan Steels Ltd. Unit-I having its Regd Office at No. 104, 105, E-Square, Subhash Road, Opp. Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at- Rambahal, Kesharmal, Rajgangpur, Dist- Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: M/s Bhushan Power & Steel Ltd., having manufacturing unit at P.O. Lapanga, P.S. Thelkoloi, The-Rengali, Sambalpur, Odisha -768212 Email: rakesh.pujari@jsw.in

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** Approval of CAPEX considering likely interest burden on consumers. Third party audit of CAPEX should be independently carried out.

   TPWODL Rejoinder: In accordance with the commitment and mandate outlined in the Vesting Order, TPWODL is obligated to invest Rs.1663 Cr in Capital Expenditure (CAPEX) to ensure a reliable power supply to its end customers. Upon TPWODL's proposals for CAPEX requirements, the Hon'ble Commission approved the Capital Expenditure till FY 25-26 year wise in different orders. The cumulative approval for five years till FY 25-26 as per table below:

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total
Commitment as per Vesting Order	306	500	333	322	202	1663
Proposed	462	582.18	398.84	571.97	403.13	2418.12
Approved	333	477.72	381.91	493.77	336.60	2023
Cumulative Approval	333	810.72	1192.63	1686.40	2023	

   Further, it is submitted that, in compliance with the directions of the Hon'ble Commission issued through various orders, the licensee submits detailed CAPEX progress reports on a quarterly basis. The licensee has already provided the CAPEX progress and capitalization status for FY 2021-22, FY 2022-23, FY 2023-24, and FY 2024-25 (up to Q2 of FY 2024-25) in Para 3.1 of the ARR Application (Case No. 84 of 2024) for FY 2025-26, for the kind perusal of the Hon'ble Commission.

   As regards to the third-party audit of CAPEX, the Hon'ble Commission is at liberty to conduct audit for prudence check.

Approved as above.

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2. **Respondent's view/objection:** The Distribution Loss and AT&C Loss for FY 2025-26 may be approved at a very lower level compared to earlier approved by Commission.

TPWODL Rejoinder: It is submitted that after privatization, the Licensee has taken many initiatives to provide reliable and quality power supply to the consumers of western Odisha which is contributing towards reduction in AT&C losses from 31.64% in FY 2018-19 to 15.51% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the consumers. The State Commission conducts Performance Review of DISCOMs periodically as per terms of Vesting Order and also monitoring whether the DISCOMs are complying with the various directions of the State Commission.

As per Vesting Order and new Tariff Regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applied a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Approved on a/inda.

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

3. **Respondents View/ Objection:** Increase in LT Sales projection.

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the

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Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

4. **Respondents View/ Objection:** Reduction in Industrial Tariff.

TPWODL Rejoinder: The Licensee has brought many schemes through Regulatory approval which favours the industrial consumers. Such benefit schemes are as follows:

a. Steel Industry Rebate.
b. Aluminium industry Rebate.
c. Rebate to Railway Traction.
d. Implementation of ToD tariff.
e. Use of power to the extent of double the CD (CGP industries) without paying additional demand charges.
f. Use of power through TPA arrangement under concessional tariff mechanism.
g. Discount to EHT industries if consumes more than 80% L.F.
h. Rebate to MSME sector on achieving 40% load factor.

Therefore, the interest of the Ld. Objector has been well addressed in the above mechanism and the Licensee requests to avail the benefit opting DISCOM's power through TPA arrangement where they can avail additional power without payment of demand charges & overdrawal penalty at a flat rate over & above 80% of consumption.

5. **Respondent's view/objection:** Need for consumer category provision for Mega Steel Plants.

TPWODL Rejoinder: It is to submit that there is no necessity for the creation of a separate tariff category for Mega Steel Plants. However, for protection of their interests, Hon'ble Commission has already approved many schemes, as cited above, through which they can avail power through cheaper costs.

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As regards to temporary power for business requirement, the Licensee is submitting a suitable proposal in each tariff application including this year's wherein they can draw additional power with payment of 10% extra on energy & demand charges instead of increasing their CD.

6. **Respondent's view/objection:** Cross subsidy & its surcharge.

TPWODL Rejoinder: DISCOMs serve close to 100 Lakh (appx)of consumers across the state among which around 10 Lakh (appx) are under BPL category, 2.5 lakh (appx) consumer under agriculture category and almost 80 lakhs under Domestic. The tariff of BPL is Rs.70 per month for 30 units, Agriculture tariff is Rs.1.50 per unit and Domestic tariff up to 50 units is Rs.2.90 per unit which is even less than the present highest BST in the state. They are subsidized through high end consumers.

Simultaneously, to provide cheaper power to the industrial consumers, who are drawing power through open access or from CGP, Hon'ble Commission has introduced different rebates vide RST order FY 24-25, TPWODL has prayed to continue the same and also submitted few more proposals in its ARR application of FY 25-26. If approved intended industries may get more benefit out of it.

Apart from the above, the Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission has stated the provision to define CSS in para no. 94 of the RST order:

"Cross Subsidy has been defined in Clause 7.77 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:
7.77 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered."

In table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

In case of Open Access charges (CSS & Wheeling charges), the formula as prescribed in tariff policy is followed by the Hon'ble Commission.

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The Hon'ble Commission may suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period of time.

It is also submitted here that from the open access charges schedule applicable for FY 24-25 is very cheaper as compared to other DISCOM of Odisha.

Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	163.00	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	

Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 24-25 till Dec-24 is 2556.54 Mus (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS. The licensee has proposed the estimated loss of margin i.e Rs. 2.48 per unit as CSS for ensuing year. However, Hon'ble Commission is allowing only certain % out of the above margin and hence, the approved CSS may be lower as proposed for the ensuing year as compared to proposed.

7. **Respondent's view/objection:** ToD benefit.

   TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

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The load curve behaviour/ consumption pattern has been changed, even in the night-time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

For and on behalf of TPWODL

Kgurmad Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. M/s Bhushan Power & Steel Ltd., having manufacturing unit at P.O. Lapanga, P.S. Thelkoloi, The-Rengali, Sambalpur, Odisha -768212 Email: rakesh.pujari@jsw.in

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Shree Salasar Castings Pvt Ltd having its Regd. Office at at/Vill. Balanda, PO- Kalunga-770031, Dist-Sundargarh, Odisha. Email: salasarcastings@gmail.com, Mobile: +91-6370809527

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per

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1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

   The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

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Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

Ashutosh Dr. Nanda.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

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7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

Approved or rejected.

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railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

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FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

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14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

Approved by Nandan

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low -----------."

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection**: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

Ashwini Ku. Nanda

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

    TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Kpramod Ch Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Dated: 24/01/2025

C.C. Mr. Ashok Agarwal, Director and Authorized Signatory of M/s. Shree Salasar Castings Pvt Ltd having its Regd Office at at/Vill. Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha . Email: salasarcastings@gmail.com, Mobile: +91-6370809527

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Puspanjana Alloys Pvt. Ltd., having its Regd Office at plot No. 1562/2565, Vill- Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha. Email: puspanjanaalloys@gmail.com, Mobile: +91-9437049884

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per

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1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

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Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

Lingaraj Nanda.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

Swapnil Nanda

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

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railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

Approved on records.

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

Sworn to before me.

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection:** ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

"State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low -----------."

As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

Explained in Hindi.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection:** All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

    TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

    TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Kshwood Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Dated: 24/01/2025

C.C. Mr. Abhishek Mittal, Director & Authorized Signatory of M/s. Puspanjana Alloys Pvt. Ltd., having its Regd Office at plot No. 1562/2565, Vill- Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha. Email: puspanjanaalloys@gmail.com, Mobile: +91-9437049884

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

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Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Panchanan Jena, Working president Bijuli Karmachari Sangh, S/o Late Bairagi Jena, Sakti Nagar 3rd lane, Engineering School Road, Berhampur, Odisha – 760010 Email – jena.manoranjan1@gmail.com, Mob: 9437210353

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** All DICOMs are recruiting officers with outside people from Odisha who are inadequate capability in understanding Odia consumers. All the DISCOMS are requested to provide following data for public Knowledge:
   - No. of people recruited from date of vesting
   - Executive, non-executive workers
   - Odia speaking in both the level

   TPWODL Rejoinder: - Most of the grievances pertains to TPSODL, so the licensee has not answered those issues. As regards to post vesting requirements, the licensee has recruited in line with Hon'ble Commission's approval The information desired by the objector has already been provided through ARR application FY 25-26.
   The company has given preference to Odia speaking people while hiring and has recruited most of the employees who are native of Odisha and as on date we are having 88% of employees who are from Odisha including 50% of employees from western Odisha & 37% employees from rest of Odisha.

2. **Respondent's view/objection:** Details of cost break up of CTC employee's component wise may be furnished for analysis.
   TPWODL Rejoinder: Such details along with erstwhile employees are available in Form F-(12) as submitted through the ARR application may kindly be referred to.

3. **Respondent's view/objection:** This wasteful expenditure in R&M and A&G needs to be curtailed so that the burden to the poor consumers of Odisha may be avoided.

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TPWODL Rejoinder: **As regards R&M Expenses**, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 25-26 is 4.0% on own assets and 3% on Govt. funded assets. The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

Apart from the above TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is Rs. 4340.39 Cr. and Rs. 4537.34 Cr. respectively.

So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets. Accordingly, the R&M entitlement for FY 2025-26 as per Tariff Regulations, 2022 is computed below:

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2025 for DISCOM owned assets	5141.85
2	Approved %	4.00%
3	R&M Expenses for DISCOM owned assets	205.67
4	Opening GFA as on 01.04.2025 for Govt. owned assets maintained by DISCOM	4537.34
5	Approved %	3%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	136.12
7	**Total R&M expenses for FY 2025-26**	**341.79**

However, the Licensee while claiming the R&M Expenses for FY 25-26 has considered Rs. 326.79 Cr. on a conservative approach.

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G up to Sep-24 is Rs. 120.12 Cr. The Licensee estimates another Rs. 76 Cr. for the remaining six months in FY

Affirmed as Notary.

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24-25. With 7% escalation the estimated A&G for FY 25-26 will be Rs. 181.03 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 51.96 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and has requested the Hon'ble Commission to consider the same for approval.

4. **Respondent's view/objection:** The four discoms are practicing unfair labour practice by employing outsource employees in permanent nature of work which amount to unfair labour practice it must be stopped. The people who are working long years may be absorbed in the organization. Hon'ble commission to give direction for employing AMC contract for three year for stabilization of work force thereby contributing better in efficiency.

TPWODL Rejoinder: The Licensee submits that there are around 500 legacy outsourced manpower who were transferred from the erstwhile company. Further, with respect to the outsourced manpower under TPWODL, it is submitted that the Licensee has appointed various agencies who in turn employ outsourced manpower for the Licensee's works. As regards to erstwhile period outsourcing employees who are continuing since long are engaged for during WESCO tenure were for line, grid and S/S maintenance. TPWODL has outsourced the overall maintenance job (preventive maintenance, breakdown maintenance, attending no current complaints) of both 33kV & 11 kV network assets to ensure 24 X 7 uninterrupted quality power to all its consumers.

Further, to regularize the outsourced employees working since long through agencies/ business associates, the Management had provided suitable opportunity to the eligible candidates. It is submitted that around 1745 candidates had applied for the post of "Operation Trainee", out of which 823 applicants appeared for written test conducted on 28.08.2022 and further entered into selection process.

Also, TPWODL Management initiated the project UDAAN for the upgradation of technical, safety, and behavioral knowledge of the outsource & contractual employees working under different contractors in collaboration with Skill Development of India. This course is specified by the Power Sector Skill Council and recognized by the National Council of Vocational Education and Training (NCVERT). A total of 1126 applications were received and upon scrutiny, 573 applications were shortlisted in-house for the eligible candidates who are taking training in 09 centers in 18 batches w.e.f. 24th July 2022 in all 9 districts of TPWODL. After completion of 390 hours of classroom and site training, assessment has been started for the candidates from 5th November 2024. Furthermore, the Licensee has implemented the revised minimum wages as per the circular issued by Labour Commissioner as per Gazette notification by GoO dated 18.07.2024 & 30.09.2024. Also, as per direction received from Labour Commissioner, GoO skill grade of meter readers revised from Semi-skilled to Skilled grade.

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5. **Respondent's view/objection:** Further around 1200 people was retired from non-executive posts are not filled. They are filled from outsource employee. It is unethical and violates contract workers regulation act.

TPWODL Rejoinder: The no. of retired employees as indicated may be for TPSODL. However, as regards to TPWODL is concerned, it is to state that around 128 nos. non-executive employees have been recruited through outsourced mechanism during FY 23-24. Non-executive employees are recruited by the Licensee particularly in supervisory roles as they fall under the Skilled category.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Sh. Panchanan Jena, Working president Bijuli Karmachari Sangh, aged about 79 years, S/o Late Bairagi Jena, Sakti Nagar 3rd lane, Engineering School Road, Berhampur, Odisha – 760010.
Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Judhister Behera, Secretary, Upavokta Mahasangha, S/o Late Kandia Behera, Siddhartha Nagar Lane 1, Berhampur, Odisha – 760004 Email – judhistir65@gmail.com, Mob: 9437260575

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** ARR of all DISCOMs proposes an exuberant in expenditure under employees' cost, R&M cost and A&G expenditure which is double than the approved expenditure last year. Further, power outages have gone up after TATA power taken over the company. If the gap proposed by 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.

   TPWODL Rejoinder: **As regards Employee Expenses**, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing regular employees as of the vesting date, an additional 1,791 employees were planned (1,291 in the executive cadre and 500 in the non-executive cadre). However, recruitment of 1291 will have huge impact on employee costs & hence approved 8% of total requirement i.e. 336 nos. The addition of new employees was deemed necessary to narrow this gap and ensure the efficient functioning of the DISCOMs. Hon'ble Commission through letter No. OERC/RA/TPWODL-38/2021/18 dated 17.01.2022, had permitted the fill up of 172 nos. retirement vacancies. The Hon'ble Commission granted this approval with the condition that the ratio of employees per one thousand consumers should not exceed 1.40.

   Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 586.60 Cr. for FY 25-26 is justified. It is worthwhile to mention that during

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FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 25-26 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS on cash outgo basis with prudence check and proper justification, so it is evident to do the same this year.

As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 25-26 is 4.0% on own assets and 3% on Govt. funded assets. The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

Apart from the above TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is Rs. 4340.39 Cr. and Rs. 4537.34 Cr. respectively.

So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets. Accordingly, the R&M entitlement for FY 2025-26 as per Tariff Regulations, 2022 is computed below:

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2025 for DISCOM owned assets	5141.85
2	Approved %	4.00%
3	R&M Expenses for DISCOM owned assets	205.67
4	Opening GFA as on 01.04.2025 for Govt. owned assets maintained by DISCOM	4537.34
5	Approved %	3%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	136.12
7	**Total R&M expenses for FY 2025-26**	**341.79**

However, the Licensee while claiming the R&M Expenses for FY 25-26 has considered Rs. 326.79 Cr. on a conservative approach.

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter

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reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G up to Sep-24 is Rs. 120.12 Cr. The Licensee estimates another Rs. 76 Cr. for the remaining six months in FY 24-25. With 7% escalation the estimated A&G for FY 25-26 will be Rs. 181.03 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 51.96 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and has requested the Hon'ble Commission to consider the same for approval.

As regards meter reading & billing cost per consumer, the Licensee would like to submit that the said costs reflect the expenses incurred in ensuring accurate meter reading, bill generation, and timely delivery, along with maintaining the necessary infrastructure and systems for these operations. It includes manpower costs, data management, printing and distribution, as well as investments in technology to enhance accuracy and efficiency. The Licensee continuously strives to optimize costs and improve operational efficiency while maintaining the quality and reliability of services.

With respect to increase in outages, it is to state that, scheduled outages for periodical maintenance are duly intimated. Outages dues to breakdown or emergency reason are inevitable. But the same are only during summer and pre-monsoon because of Kalbaisakhi, thunderstorm, lightning etc.

Sudhansu Sekhar Nanda (signature)

2. **Respondent's view/objection:** Bills of consumers are not served and generated on provisional but same time rebate are not passed on to the consumer when actual bill is generated. DISCOMs are disconnecting power supply without proper notice.

   TPWODL Rejoinder: W.r.t Provisional Billing it is submitted that the Licensee is continuing with actual billing in more than 90% of the consumers. However, in some exceptional cases, provisional billing is being done which is being revised within 2 billing cycles with actual meter reading.

   Further w.r.t Rebate, TPWODL would like to submit that the Hon'ble Commission has pleased to enhance the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers apart from other rebates as otherwise available to them. Consumers are moving towards online mode and availing the rebate. On introduction of 4% from FY 23-24 onwards digital receipts have also increased. Also, in addition to the above the following rebates are applicable to the Odisha consumers:

   a) LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) consumers will get 10 paise/unit rebate for prompt payment of the bill within due date.

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b) The rural LT domestic consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.

c) 4% rebate shall be allowed to all pre-paid consumers on pre-paid amount.

d) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

TPWODL issues dis-connection notice in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

3. **Respondents View/ Objection:** While calculating the interest on CAPEX loan is charged for the whole year. Details of such loans availed from Banks and rate of interest may be furnished.

   TPWODL Rejoinder: - It is submitted that for FY 25-26, TPWODL has submitted CAPEX plan of Rs. 493.77 Cr. and the Hon'ble Commission vide Order dated 12.12.2023 had approved Rs. 336.60 Cr. To carry out the CAPEX, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions for an amount of Rs. 389 Cr. with the debt-to-equity ratio of 70:30. The proposed rate of interest has been considered at 8.50% p.a.

Identified by me.

4. **Respondents View/ Objection:** DISCOMs must give detail financial benefits derived from the CAPEX plan on account of loss reduction and its impact on tariff.

   TPWODL Rejoinder: It is submitted that TPWODL in its CAPEX plan for FY 25-26 submitted to the Hon'ble Commission had provided a detailed cost benefit analysis providing annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies.

5. **Respondents View/ Objection:** Interest on security deposit may be increased to 7% as it is too low.

   TPWODL Rejoinder: As per provision of OERC Distribution (Conditions of Supply) Code, 2019 vide clause 57(i), the licensee/supplier shall pay interest on SD to the consumer at the bank rate. Accordingly, while approving ARR of the licensees, the Hon'ble Commission is revising the interest on SD periodically. The licensee is not a banking company and to protect from the risk of non-payment, SD is being kept. Extending a higher rate of interest will definitely be favorable to industries those who have higher SD considering their drawal pattern. As interest on SD is passed on in ARR, the higher rate of interest will definitely be loaded to all the consumers, which is not only beneficial to high value consumers but also be a burden to low end consumers.

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6. **Respondents View/ Objection:** The Consumers may be given instalment facility at least 3 to deposit security deposit to restart the industry.

TPWODL Rejoinder: The licensee is extending 6 instalments for SD, if any consumer intends. So, if any consumers intend to restart their business, similar benefit can be extended. The licensee has also proposed a new scheme for closed industries if wants to restart vide para 8.8 page 118 of the tariff proposal which may please be referred to.

7. **Respondents View/ Objection:** Unlike domestic and commercial consumers other consumers may be provided with suitable digital rebate.

TPWODL Rejoinder: It is submitted that the domestic & commercial consumers typically have smaller loads, lower consumption levels and more frequent billing cycles, making digital payments a significant tool to promote efficiency and reduce operational costs like meter reading and bill collection. High value consumers are supposed to pay online due to statutory requirement, because payment through cash beyond Rs. 20000/- is not permissible. They are getting prompt payment of 1% if paid within 3 working days.

Signed before me.

8. **Respondents View/ Objection:** 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.

TPWODL Rejoinder: 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. The licensee has proposed withdrawal of meter rent w.e.f. 1st April 2025 in the ARR through capitalization of meter cost. To that extent, a separate Meter-CAPEX plan has been filed with the Hon'ble Commission for approval. The Hon'ble Commission has also decided to take up the same through this ARR.

9. **Respondents View/ Objection:** There should be no tariff hike.

TPWODL Rejoinder: The determination of tariff is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. Considering the proposed BSP by GRIDCO, Transmission charges by OPTCL, OHPC, OPGC SLDC and ARR of DISCOMs, it is up to the Hon'ble Commission for balancing RST also.

10. **Respondents View/ Objection:** 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

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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.

TPWODL Rejoinder: It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022. Considering the Audited accounts, provision of Tariff Regulation and other ground reality, the Hon'ble Commission may take a suitable decision. Regarding claim of Efficiency gain, it is as per the provision of Tariff Regulation and Vesting order. Similarly, loss due to in-efficiency is also to be borne by the licensee, which has been duly factored in Tariff Regulation as well as vesting order.

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.

With regards to fixation of RoE of 10% by DERC, it is submitted that the applicable regulation i.e. DERC (Business Plan) Regulations, 2019 at Regulation 20 provides as under:

> *"20. RATE OF RETURN ON EQUITY*
> *(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.*
> *(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."*

Accordingly, the said statement is erroneous as RoE fixed by DERC is 16% which is still continuing.

11. **Respondents View/ Objection:** 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.

TPWODL Rejoinder: Sharing of NTI other efficiency gain with certain percentage (1/3d) is in accordance with the regulation. However, loss due to in-efficiency is fully loaded to the licensee.

12. **Respondents View/ Objection:** Not agreeing to tariff proposals filed by the Licensee w.r.t DPS to Domestic & GP consumers, pro-rate billing, increase in demand cheque of HT consumer up to 110 KVA, billing with defective meter, revision of reconnection charges etc.

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TPWODL Rejoinder: The various proposal is for the benefit of the entire consumer category and help Hon'ble Commission to decide a sustainable retail supply tariff across the state. However, it is up to the Hon'ble Commission to take a suitable call in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur
Date: 24/01/2025

C.C. Sh. Judhister Behera, Secretary, Upavokta Mahasangha, S/o Late Kandia Behera, Siddhartha Nagar Lane 1, Berhampur, Odisha – 760004.
Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Prabhakar Dora, S/o Late K. Bhaskar Rao Dora, 3rd Lane, Vidya Nagar, At/PO: Rayagada, Odisha – 755001 Email: doraprabhakar1965@gmail.com, Mobile: 9437103756.

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** The sales projection for domestic consumers is high.

   TPWODL Rejoinder: It is submitted that the utility has made an all-out effort to bring the entire consumers into the billing fold, for which its billing performance has increased in the LT sector. The reason for higher consumption in the Domestic sector is mainly on account of replacement of defective meters and electro-mechanical meters in the consumer premises as well as the installation of new meters where consumers were availing power supply without meter. Converting the bi-monthly billing to monthly billing fold is another reason for increasing billing efficiency. Increase in consumer coverage and billing with actual meter reading, prompt redressal of consumer's billing related disputes.

2. **Respondent's view/objection:** The AT&C loss trajectory projected for FY 25-26 is very less. In a way the trend shows there is no real improvement for reduction of loss since takeover.

   TPWODL Rejoinder: As per Vesting Order and new Tariff Regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applied a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%

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Financial Year	AT&C Loss
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

3. **Respondent's view/objection:** The T&D and AT&C loss levels shall be fixed as per the vision to achieve the targets but shall not depend on the poor performance targets given by the licensee.

   TPWODL Rejoinder: It is submitted that after privatization, the Licensee has taken many initiatives to provide reliable and quality power supply to the consumers of western Odisha which is contributing towards reduction in AT&C losses from 31.64% in FY 2018-19 to 15.51% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the consumers.

   The State Commission conducts Performance Review of DISCOMs periodically as per terms of Vesting Order and also monitoring whether the DISCOMs are complying with the various directions of the State Commission.

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4. **Respondent's view/objection:** The no. of employees to thousand consumers is to be reckoned taking the entire workforce. Most of the labor-intensive works have been given to franchisees/ outsourced.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different categories. Considering the existing regular employees as of the vesting

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date, an additional 1,791 employees were planned (1,291 in the executive cadre and 500 in the non-executive cadre).

However, recruitment of 1291 will have huge impact on employee costs & hence approved 8% of total requirement i.e. 336 nos. The addition of new employees was deemed necessary to narrow this gap and ensure the efficient functioning of the DISCOMs. Hon'ble Commission through letter No. OERC/RA/TPWODL-38/2021/18 dated 17.01.2022, had permitted the fill up of 172 nos. retirement vacancies. The Hon'ble Commission granted this approval with the condition that the ratio of employees per one thousand consumers should not exceed 1.40. It is submitted that the Licensee in Form F12 (c) has provided the details of employee to consumer ratio and is well within the limit of 1.40.

5. **Respondent's view/objection:** A&G and R&M expenses is astronomically high.

TPWODL Rejoinder: **As regards R&M Expenses**, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 25-26 is 4.0% on own assets and 3% on Govt. funded assets. The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

Apart from the above TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is Rs. 4340.39 Cr. and Rs. 4537.34 Cr. respectively.

So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets. Accordingly, the R&M entitlement for FY 2025-26 as per Tariff Regulations, 2022 is computed below:

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2025 for DISCOM owned assets	5141.85
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4	Opening GFA as on 01.04.2025 for Govt. owned assets maintained by DISCOM	4537.34
5	Approved %	3%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	136.12
7	**Total R&M expenses for FY 2025-26**	**341.79**

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However, the Licensee while claiming the R&M Expenses for FY 25-26 has considered Rs. 326.79 Cr. on a conservative approach.

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G up to Sep-24 is Rs. 120.12 Cr. The Licensee estimates another Rs. 76 Cr. for the remaining six months in FY 24-25. With 7% escalation the estimated A&G for FY 25-26 will be Rs. 181.03 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 51.96 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and has requested the Hon'ble Commission to consider the same for approval.

Approved on Nonda.

6. **Respondents View/ Objection:** The Licensee to get a RoE of 16%. The Licensee is responsible for network upgradation. If prospective consumers are allowed to carry out the network necessary for giving supply, the Licensee is bound to give remunerative calculations along with feasibility to every consumer and adjust the same in the energy bills.

   TPWODL Rejoinder: - Para 27 of the OERC Supply Code, 2019 provides as under:

   "27. The cost of extension of distribution main or its up-gradation up to the point of supply for meeting demand of a consumer, whether new or existing, and any strengthening/ augmentation/up-gradation in the system starting from the feeding substation for giving supply to that consumer, shall be payable by the consumer or any collective body of such consumers as per norms fixed at Appendix I."

   Adhering to the above & as per laid down procedure as per the Appendix I of the Regulation the calculation is being made. Exception if any can be scrutinised if shared.

7. **Respondent's view/objection:** DPS on LT Dom, LT Gen & HT Bulk supply/ Pro rata Billing.

   TPWODL Rejoinder: To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with

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neighbouring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

The various proposal is for the benefit of the entire consumer category and help Hon'ble Commission to decide a sustainable retail supply tariff across the state. However, it is up to the Hon'ble Commission to take a suitable call in this regard.

8. **Respondent's view/objection:** Smart Meters.

TPWODL Rejoinder: 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. The licensee has proposed withdrawal of meter rent w.e.f. 1st April 2025 in the ARR through capitalization of meter cost. To that extent, a separate Meter-CAPEX plan has been filed with the Hon'ble Commission for approval. The Hon'ble Commission has also decided to take up the same through this ARR.

Informed on Mandate.

9. **Respondent's view/objection:** Additional rebate of Rs. 10/- on E-bill & Digital Rebate.

TPWODL Rejoinder: The Licensee appreciates the Objectors support in the said matter and hopes that the same would be dealt with appropriately by the Hon'ble Commission in the Tariff Order for FY 25-26. It is the view of the Licensee that going forward, all the consumers will be covered under Smart Meter fold. So, to promote installation of smart meters and reduction in Meter Reading and Bill Distribution Expenses, the licensee had proposed Rs.10/ p.m. additional Rebate over and above all other rebate as the consumer is otherwise eligible, where a consumer desires/opt for E-bill instead of physical bill. Further w.r.t digital rebate, TPWODL would like to submit that the Hon'ble Commission has pleased to enhance the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers apart from other rebates as otherwise available to them. Consumers are moving towards online mode and availing the rebate. On introduction of 4% from FY 23-24 onwards digital receipts have also increased.

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10. Respondent's view/objection: Automatic Compensation and compensation.

TPWODL Rejoinder: The views of the learned objector regarding compensation and automatic compensation are related to provision of Regulation. The suggestion may be taken up separately.

11. Respondent's view/objection: kVAh billing to LT consumers.

TPWODL Rejoinder: It is submitted that the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

Examined on merits.

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

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

"8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:
(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.
(b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.
(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.
(d) Increases the available transmission and distribution system capacity.
(e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.
8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.
8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH
If Power Factor is unity, then KWH =KVAH
In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."

Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC) in various States viz. Himachal Pradesh,

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Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories.

Advantages of kVAh billing system: -

To Consumers	To DISCOM(s)
1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently. 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, rkVAh (lead/lag), kWh units) will be reduced.	1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure. 2. Complete recovery of cost of active and reactive powers. 3. Zero/ minimal drawl of reactive power by consumers. 4. Reduction in power purchase cost.

Previously, when kWH billing was continuing, they were paying more through Power factor penalty. Rather, through the introduction of kVAH billing, with suitable measures they are able to maintain the PF and avoid the penalty, which is not only giving financial gain but at the same time contributing towards system stability.

12. **Respondent's view/objection:** Special tariff for closed industries/ simplification of tariff structure for MMFC & demand charges/ Revision of reconnection charges/ standardization of service connection charges/ Processing Fees for each service as per Regulation.

TPWODL Rejoinder: The Licensee appreciates the Objectors support/ comments in the said matter and hopes that the same would be dealt with appropriately by the Hon'ble Commission in the Tariff Order for FY 25-26.

13. **Respondent's view/objection:** Metering of GP consumers having less than 70 kVA billed at GP tariff.

TPWODL Rejoinder: It is submitted that the Hon'ble Commission in the RST Order for FY 24-25 has held as under:

> *"General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019 the supply for load above 5 KW upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases."*

Even though, the licensee is adhering to the direction of Hon'ble Commission with utmost care, however, to bring more clarity & address the concerned issues of the learned objector, the licensee has already taken up this issue in its ARR proposal vide para 8.15. However, the same is placed again for reference. Not limiting to above, we have suggested few more line items which is having some practical challenges for perusal and approval of Hon'ble Commission.

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Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply:

Presently few of the consumers are covered under LT & HT for Tariff purposes considering their Voltage of Supply, which creates many confusions and disparity. They are as follows:

Category of Consumer	Voltage of Supply (LT)	Voltage of Supply (HT)
General Purpose >= 110 kVA	Energy Charges Rs.6.20 p/u, Demand Charges Rs.200/kW & Customer Service Charges Rs.30/month	EC of Rs.5.85 p/u (up to 60% LF and Rs.4.85 p/u for >60% LF consumption), DC Rs.250/kVA & CS Charges Rs.250/month
General Purpose>70 kVA <= 110 kVA	No such Tariff Category	-do-
Irrigation Pumping and Agriculture	Rs.1.50 p/u for EC and Rs.20 p/m (1 kW) & Rs. 10 p/m (2nd kW above) MMFC	Rs.1.40 p/u for EC, Demand Charges Rs. 30/ kVA & CS Rs.250/-pm
Allied Agricultural Activities	Rs.1.60 p/u for EC and Rs.20 p/m (1 kW) & Rs. 10 p/m (2nd kW above) MMFC	Rs.1.50 p/u for EC, Demand Charges Rs.30/ kVA & CS Rs.250/-pm
Allied Agro-Industrial Activities	Rs.3.10 p/u for EC and Rs.80 p/m (1 kW) & Rs. 50 p/m (2nd kW above) MMFC	Rs.3.00 p/u for EC, Demand Charges Rs.50/kVA & CS Rs.250/-pm
PWWS<110 kVA	Rs.6.20 p/u EC and MMFC Rs.50/kW	-
PWWS>110 kVA	Rs.6.20 p/u EC, Demand charges of Rs.200/kW and CS Rs.30/pm	EC of Rs.5.85 p/u (upto 60% LF and Rs.4.85 p/u for >60% LF consumption), DC Rs.250/kVA & CS Charges Rs.250/month
Medium Industry >=22 kVA <110 kVA	Rs.6.20 p/u EC and MMFC Rs.100/kW (1 kW) & Rs. 80 p/m (2nd kW above)	-
Medium Industry*	-	EC of Rs.5.85 p/u (up to 60% LF and Rs.4.85 p/u for >60% LF consumption), DC Rs.150/kVA & CS Charges Rs.250/month

**No such limitation of load has been defined under HT.*

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Even though as per existing RST, irrespective of voltage of Supply, considering type of metering (LT or HT) tariff is applicable, but in practical implementation and acceptability to consumers it is becoming more cumbersome and confusing. Therefore, to avoid confusion the DISCOM proposes that upon the consumer's contract demand/connected load and metering type (LT or HT) tariff may be fixed instead of voltage of supply. The benefits to both licensee and consumer would be as follows:

- Transformer loss can be recovered for all consumers if the meter side is HT and HT tariff for load >=70 kVA.
- **LT consumers (Load <70 kVA) to be billed as per slab rate and transformer Loss will not be levied.**
- There may be uniformity in tariff category and Metering side.

From the above it may be seen that; we have already suggested such consumers without levy of transformer loss.

14. Respondent's view/objection: More consumption less price for Domestic consumers.

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TPWODL Rejoinder: While the Licensee appreciates and welcomes the objector's suggestion, it would like to bring to the kind notice of the objector that determination of tariff (slab-wise) to be charged from a certain category of consumers is the prerogative of the Hon'ble Commission under section 62 & 86 of the Electricity Act, 2003.

In this regard, the more you consume less is payable in case of HT &EHT industries i.e in case of industries the consumption of 60% L.F. is Rs.5.85/unit (for HT) & Rs. 5.80/unit (for EHT). For consumption beyond 60% it is Rs.4.75/unit & Rs.4.70/unit for HT and EHT industries respectively. If similar approach will be adopted as suggested by the esteemed stakeholder, the present domestic tariff will be as like of follows

Slab	Existing	As per Suggested Theory
0-50 units	Rs. 2.90/ unit	Rs. 6.10/ unit
51-200 units	Rs. 4.70/ unit	Rs. 5.70/ unit
201-400 units	Rs. 5.70/ unit	Rs. 4.70/ unit
>400 units	Rs. 6.10/ unit	Rs. 2.90/ unit

Even though the proposed slab wise structure has not been suggested, from the intent of the submission it appears that it may be as like of above.

As we know in Odisha there are more than 95 lakhs of electrical consumers, out of which GP and other category consumers will be around 20 Lakhs and rest 75 Lakh are domestic consumers. Again, with urban & rural population of 20:80, the rural consumer will be more than 60 lakhs which are consuming approx. 100 units in a month. So, 60 lakh people, who do not have paying ability and struggling to pay even at Rs.2.90 per unit will be invited to pay with a higher rate in order to compensate the urban segment who are using ACs and other loads, which is a necessity as suggested by the learned Stakeholder, this may kindly be decided by the Hon'ble Commission.

15. **Respondent's view/objection:** Reduced slabs for electricity above 300 units per month is the need of the hour. Such a step will not only incentivize the consumers for more drawl but dissuade pilferage by have-nots who cannot afford to pay. The Hon'ble Commission may kindly examine the proposal.

TPWODL Rejoinder: It is the understanding of the Licensee that a consumer consuming more than 300 units per month may have the paying ability to install a solar roof top. The Government of India has approved the PM Surya Ghar: Muft Bijli Yojana which aims to achieve 1 Crore RTS installations by FY 2026-27. Government of Odisha has taken a target of 3 Lakh Households during the scheme period against the national target of 1 Crore. Under the said scheme, there are Central Financial Assistance (CFA) & State Financial Assistance (SFA) to the tune of Rs, 1,38,000/- for RTS installation of 3 kW & above as under:

S. No.	RTS Capacity	CFA (Rs.)	SFA (Rs.)	Total (Rs.)
1	1 kW	30,000/-	25,000/-	55,000/-
2	2 kW	60,000/-	50,000/-	1,10,000/-
3	3 kW & above	78,000/-	60,000/-	1,38,000/-

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It is submitted that if a consumer opts for setting up of a 3 kW RTS in his/ her premises, he/ she has to bear Rs. 2,10,000/- (approx.) for setting up the RTS plant but will receive a CFA & SFA totalling to Rs. 1,38,000/- implying the consumer only pays Rs. 72,000/- for setting up the RTS plant. The said scheme aims to provide free electricity up to 300 units per month per household for RTS installation of 3 kW & above. As per the standard, the generation of monthly electricity from 1 kW RTS will be around 100 units and hence, for 3 kW RTS, the monthly generation will be around 300 units. The scheme is already onboard, and consumers are applying through National Portal to grab the benefits under the scheme. The Licensee further requests the Ld. Objector to facilitate the installation of RTS under the said scheme which will be beneficial for both the consumers of the state and the power sector as a whole.

16. **Respondent's view/objection:** Revival of cold storages with application allied agricultural tariff.

TPWODL Rejoinder: It is submitted that the determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. The Hon'ble Commission vide Regulation 138 of the OERC (Conditions of Supply) Code, 2019 had classified the consumer categories into Allied Agricultural Activities & Allied Agro-industrial Activities. Further, the Hon'ble Commission in its RST Orders has held as under:

"The food processing unit attached with cold storage shall be charged at Agro-Industrial tariff if cold storage load is not less than 80% of the entire connected load. If the load of the food processing unit (other than cold storage unit) exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be."

It is also submitted that the Hon'ble Commission is in the process of amending the Supply Code 2019. So, any matter pertaining to classification of consumer category may be submitted with the Hon'ble Commission while finalization of the same.

For and on behalf of TPWODL

Kenwood a Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Sh. Prabhakar Dora, aged about 59 years, S/o Late K. Bhaskar Rao Dora, 3rd Lane, Vidya Nagar, At/PO: Rayagada, Odisha – 755001 Email: doraprabhakar1965@gmail.com, Mobile: 9437103756.

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Sh. Manoranjan Routray, Advocate, S/o Sri Khetra Mohan Routray, Trinath Temple Street, PO/PS/Dist.: Koraput, Odisha – 764020 Email – callmanoranjan@gmail.com, Mob: 9437233361

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** ARR of all DISCOMs proposes an exuberant in expenditure under employees' cost, R&M cost and A&G expenditure which is double than the approved expenditure last year. Further, power outages have gone up after TATA power taken over the company. If the gap proposed by 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.

   TPWODL Rejoinder: **As regards Employee Expenses**, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing regular employees as of the vesting date, an additional 1,791 employees were planned (1,291 in the executive cadre and 500 in the non-executive cadre). However, recruitment of 1291 will have huge impact on employee costs & hence approved 8% of total requirement i.e. 336 nos. The addition of new employees was deemed necessary to narrow this gap and ensure the efficient functioning of the DISCOMs. Hon'ble Commission through letter No. OERC/RA/TPWODL-38/2021/18 dated 17.01.2022, had permitted the fill up of 172 nos. retirement vacancies. The Hon'ble Commission granted this approval with the condition that the ratio of employees per one thousand consumers should not exceed 1.40.

   Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 586.60 Cr. for FY 25-26 is justified. It is worthwhile to mention that during

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FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 25-26 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS on cash outgo basis with prudence check and proper justification, so it is evident to do the same this year.

As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 25-26 is 4.0% on own assets and 3% on Govt. funded assets. The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

Apart from the above TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is Rs. 4340.39 Cr. and Rs. 4537.34 Cr. respectively.

So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets. Accordingly, the R&M entitlement for FY 2025-26 as per Tariff Regulations, 2022 is computed below:

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2025 for DISCOM owned assets	5141.85
2	Approved %	4.00%
3	R&M Expenses for DISCOM owned assets	205.67
4	Opening GFA as on 01.04.2025 for Govt. owned assets maintained by DISCOM	4537.34
5	Approved %	3%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	136.12
7	**Total R&M expenses for FY 2025-26**	**341.79**

Kept on record

However, the Licensee while claiming the R&M Expenses for FY 25-26 has considered Rs. 326.79 Cr. on a conservative approach.

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities

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like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G up to Sep-24 is Rs. 120.12 Cr. The Licensee estimates another Rs. 76 Cr. for the remaining six months in FY 24-25. With 7% escalation the estimated A&G for FY 25-26 will be Rs. 181.03 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 51.96 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and has requested the Hon'ble Commission to consider the same for approval.

As regards meter reading & billing cost per consumer, the Licensee would like to submit that the said costs reflect the expenses incurred in ensuring accurate meter reading, bill generation, and timely delivery, along with maintaining the necessary infrastructure and systems for these operations. It includes manpower costs, data management, printing and distribution, as well as investments in technology to enhance accuracy and efficiency. The Licensee continuously strives to optimize costs and improve operational efficiency while maintaining the quality and reliability of services.

With respect to increase in outages, it is to state that, scheduled outages for periodical maintenance are duly intimated. Outages dues to breakdown or emergency reason are inevitable. But the same are only during summer and pre-monsoon because of Kalbaisakhi, thunderstorm, lightning etc.

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2. **Respondent's view/objection:** Bills of consumers are not served and generated on provisional but same time rebate are not passed on to the consumer when actual bill is generated. DISCOMs are disconnecting power supply without proper notice.

TPWODL Rejoinder: W.r.t Provisional Billing it is submitted that the Licensee is continuing with actual billing in more than 90% of the consumers. However, in some exceptional cases, provisional billing is being done which is being revised within 2 billing cycles with actual meter reading.

Further w.r.t Rebate, TPWODL would like to submit that the Hon'ble Commission has pleased to enhance the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers apart from other rebates as otherwise available to them. Consumers are moving towards online mode and availing the rebate. On introduction of 4% from FY 23-24 onwards digital receipts have also increased. Also, in addition to the above the following rebates are applicable to the Odisha consumers:

a) LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) consumers will get 10 paise/unit rebate for prompt payment of the bill within due date.

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b) The rural LT domestic consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.
c) 4% rebate shall be allowed to all pre-paid consumers on pre-paid amount.
d) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

TPWODL issues dis-connection notice in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

3. **Respondents View/ Objection:** While calculating the interest on CAPEX loan is charged for the whole year. Details of such loans availed from Banks and rate of interest may be furnished.

   TPWODL Rejoinder: - It is submitted that for FY 25-26, TPWODL has submitted CAPEX plan of Rs. 493.77 Cr. and the Hon'ble Commission vide Order dated 12.12.2023 had approved Rs. 336.60 Cr. To carry out the CAPEX, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions for an amount of Rs. 389 Cr. with the debt-to-equity ratio of 70:30. The proposed rate of interest has been considered at 8.50% p.a.

4. **Respondents View/ Objection:** DISCOMs must give detail financial benefits derived from the CAPEX plan on account of loss reduction and its impact on tariff.

   TPWODL Rejoinder: It is submitted that TPWODL in its CAPEX plan for FY 25-26 submitted to the Hon'ble Commission had provided a detailed cost benefit analysis providing annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies.

5. **Respondents View/ Objection:** Interest on security deposit may be increased to 7% as it is too low.

   TPWODL Rejoinder: As per provision of OERC Distribution (Conditions of Supply) Code, 2019 vide clause 57(i), the licensee/supplier shall pay interest on SD to the consumer at the bank rate. Accordingly, while approving ARR of the licensees, the Hon'ble Commission is revising the interest on SD periodically. The licensee is not a banking company and to protect from the risk of non-payment, SD is being kept. Extending a higher rate of interest will definitely be favorable to industries those who have higher SD considering their drawal pattern. As interest on SD is passed on in ARR, the higher rate of interest will definitely be loaded to all the consumers, which is not only beneficial to high value consumers but also be a burden to low end consumers.

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6. **Respondents View/ Objection:** The Consumers may be given instalment facility at least 3 to deposit security deposit to restart the industry.

   TPWODL Rejoinder: The licensee is extending 6 instalments for SD, if any consumer intends. So, if any consumers intend to restart their business, similar benefit can be extended. The licensee has also proposed a new scheme for closed industries if wants to restart vide para 8.8 page 118 of the tariff proposal which may please be referred to.

7. **Respondents View/ Objection:** Unlike domestic and commercial consumers other consumers may be provided with suitable digital rebate.

   TPWODL Rejoinder: It is submitted that the domestic & commercial consumers typically have smaller loads, lower consumption levels and more frequent billing cycles, making digital payments a significant tool to promote efficiency and reduce operational costs like meter reading and bill collection. High value consumers are supposed to pay online due to statutory requirement, because payment through cash beyond Rs. 20000/- is not permissible. They are getting prompt payment of 1% if paid within 3 working days.

8. **Respondents View/ Objection:** 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.

   TPWODL Rejoinder: 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. The licensee has proposed withdrawal of meter rent w.e.f. 1st April 2025 in the ARR through capitalization of meter cost. To that extent, a separate Meter-CAPEX plan has been filed with the Hon'ble Commission for approval. The Hon'ble Commission has also decided to take up the same through this ARR.

9. **Respondents View/ Objection:** There should be no tariff hike.

   TPWODL Rejoinder: The determination of tariff is the prerogative of the Hon'ble Commission as per section 62 & 86 of the Electricity Act 2003. Considering the proposed BSP by GRIDCO, Transmission charges by OPTCL, OHPC, OPGC SLDC and ARR of DISCOMs, it is up to the Hon'ble Commission for balancing RST also.

10. **Respondents View/ Objection:** 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

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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.

TPWODL Rejoinder: It is submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022. Considering the Audited accounts, provision of Tariff Regulation and other ground reality, the Hon'ble Commission may take a suitable decision. Regarding claim of Efficiency gain, it is as per the provision of Tariff Regulation and Vesting order. Similarly, loss due to in-efficiency is also to be borne by the licensee, which has been duly factored in Tariff Regulation as well as vesting order.

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.

With regards to fixation of RoE of 10% by DERC, it is submitted that the applicable regulation i.e. DERC (Business Plan) Regulations, 2019 at Regulation 20 provides as under:

> *"20. RATE OF RETURN ON EQUITY*
> *(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.*
> *(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."*

Accordingly, the said statement is erroneous as RoE fixed by DERC is 16% which is still continuing.

11. **Respondents View/ Objection:** 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.

TPWODL Rejoinder: Sharing of NTI other efficiency gain with certain percentage (1/3d) is in accordance with the regulation. However, loss due to in-efficiency is fully loaded to the licensee.

12. **Respondents View/ Objection:** Not agreeing to tariff proposals filed by the Licensee w.r.t DPS to Domestic & GP consumers, pro-rate billing, billing with defective meter, revision of reconnection charges etc.

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TPWODL Rejoinder: The various proposal is for the benefit of the entire consumer category and help Hon'ble Commission to decide a sustainable retail supply tariff across the state. However, it is up to the Hon'ble Commission to take a suitable call in this regard.

For and on behalf of TPWODL

Sr. GM (RA & Strategy)

Place: Sambalpur
Date: 24/01/2025

C.C. Sh. Manoranjan Routray, Advocate, aged about 46 years, S/o Sri Khetra Mohan Routray, Trinath Temple Street, PO/PS/Dist.: Koraput, Odisha – 764020.
Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

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Case No.84 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. D.D Iron & Steel Private Ltd having its Regd. Office at H-4/5, Civil Township, Rourkela-769004. Email: ddironsteel@rediffmail.com, Mobile: +91-9776647958, 9437047958

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 25-26 through prudence check.

   TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Hon'ble commission has already approved recruitment of 508 (336 + 172) nos. during FY 21-22 in case no. 37/2021 & vide letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission allowed recruitment of 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 511 nos. employees to which the Commission has approved recruitment of 511 employees. For FY 24-25, the Licensee has proposed recruitment of 330 employees to which the Hon'ble Commission has approved 120 nos. The Licensee has recruited 121 employees in FY 24-25 (till Dec-24). As regards to FY 25-26, the Licensee has considered recruitment plan of 215 nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per

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1000 consumers as directed by the Hon'ble Commission. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 560.94 Cr. for FY 2025-26 may please be approved. Hon'ble Commission is approving the Employee cost on cash out go basis and prudence check is being made during truing up also.

It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 25-26 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 61 - 76 in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. During the current year, Hon'ble Commission has approved Rs. 244.24 Cr. towards R&M which includes Rs. 10 Cr. towards Disaster Resilient funds. Adhering to the Hon'ble Commission's directions, the DISCOM is spending towards R&M prudently, and till Nov-24 the actual R&M Expenses incurred by the Licensee is Rs. 190 Cr. excluding the provision of Rs. 10 Cr. towards disaster resilient fund.

The Petitioner submits that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

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Timely and regular maintenance helps to reduce outages, lower costs, and increased energy efficiency. However, maintenance includes costs and it is the commitment of the Licensee to provide uninterrupted power supply to all its consumers.

Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from Sep-24 to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by Hon'ble Commission while truing up shall be made in next year. So, the proposed R&M of the licensee for FY 25-26 is considering such impact.

In addition to the above, considering Hon'ble Commission's direction for creation of more Fuse Call Centres (FCC) wherein more than 500 has already been established in the licensee area and hence related R&M expenditures is inevitable. Similarly, due to continuous increase in number of Primary Sub-Stations (PSS) the staffing also increases which invites increase in contractual obligation & related R&M activities. Recently, due to increase in Megalift projects in the licensee area, which are being executed by Govt. (OLI dept.) and the network assets are being handed over to the licensee for which R&M burden shifted to the licensee.

Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MoM statement (dt. 12.10.2023) has also been taken into consideration, Accordingly, the value of govt. funded assets on March 24 & estimated as on March-25 is appended below:

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Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
ODSSP (I, II & III)	1083.92	1083.92
ODSSP (IV)	216.92	216.92
DDUGJY New	373.42	373.42
IPDS	244.65	244.65
DDUGJY (PGCIL)	685.37	685.37
DDUGJY (NTPC)	1442.63	1442.63
RGGVY	26.94	26.94
BGJY OPTCL DTR	41.08	41.08
IPDS IT PH-II	54.20	54.20
CMPDP (ODSSP PH-V)	76.55	220.00
BGJY	10.17	63.67
Megalift for past period	84.54	84.54
Total	**4340.39**	**4537.34**

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 after computation arises Rs. 297.10 Cr. and Rs. 341.79 Cr. respectively. However, the

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licensee has proposed a total of Rs. 326.79 Cr. for the ensuing year on a conservative approach and request Hon'ble Commission to kindly approve the same.

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 2025-26 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

   TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5 in its ARR application for FY 25-26. During pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 169.19 Cr. during FY 24-25. The Licensee's actual A&G expenditure till November 2024 is Rs. 174.69 Cr., with an estimated Rs. 196.13 Cr. for the current year, exceeding the approved Rs. 169.19 Cr. This increase is attributed to activities like meter reading, billing, collection, arrear recovery, customer care, vigilance and enforcement. Investments in advanced technologies such as SCADA, GIS, IT automation and enhanced safety measures have also contributed to the rise. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Hon'ble Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors.

   Furthermore, the wage revision (effective from July 2024 & Sep-24) has increased minimum wages by 28%, impacting costs for both direct and outsourced employees involved in key operations like enforcement, meter reading and billing. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labor notifications. With increased LT consumer coverage from FY 2018-19 to FY 2024-25, driven by national electrification policies, the Licensee has scaled its operations to meet rising demands, resulting in higher expenses. To accommodate these factors and ensure operational efficiency, the Licensee has sought approval for additional A&G expenses of Rs. 51.96 Cr. and request Hon'ble Commission to consider the same for approval. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 % as by Hon'ble Commission for FY 25-26.

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4. **Respondents View/ Objection:** The Respondent has furnished the **summary of depreciation cost** for last fifteen financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

   TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 25-26 and request Hon'ble Commission to consider the same. The licensee while proposing Depreciation has also deducted the depreciation on consumer contributed and Govt funded assets. The total proposed Depreciation for FY 25-25 is Rs.259 Cr. out of which has deducted depreciation of Rs.104 Cr. against consumer funded & grant assets and proposed balance of Rs.155 Cr. in the ARR of FY 25-26 which may kindly be approved.

5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.

   TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. Hon'ble Commission has also approves a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

6. **Respondents View/ Objection:** The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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Load Factor	CD up to 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	-
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. As per the licensee the existing rebate mechanism is adequate to protect the interest of the steel industries as it is being extended on sustainable basis since last 4 years. However, Hon'ble Commission may take a suitable decision in this regard.

7. **Respondents View/Objection:** TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Further, the control mechanism as suggested as like of Mobile operators, it cannot be compared with electricity as here in for use electricity consumers are being connected with service wire whereas user of mobile is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying consumers. Further, achieving targeted AT&C loss to meet genuine consumer's requirement may not be possible.

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8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2025-26 with few modifications in the proposal.

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Proposal submitted by TPWODL	**Modification suggested by the respondent**
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2025-26.
The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 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, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers. Apart from this when 3 slab graded tariff was available, the present other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA,

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railway tariff discount, MSME discount was not available. The licensee, with regulatory approval has adopted many incentives scheme through which is able to support the industries for a sustainable tariff even though there is substantial increase in BSP cost.

10. **Respondent's view/objection:** Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22 (Rs in Cr.)	FY 22-23 (Rs in Cr.)	FY 23-24 (Rs in Cr.)	FY 24-25 (Rs in Cr.)	FY 25-26 (Rs in Cr.)
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

Admitted on record.

The licensee's CAPEX application was approved by Hon'ble Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

11. **Respondent's view/objection:** The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a very lower level compared to earlier approved by Hon'ble Commission.

TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same has fixed till FY 2030-31 reproduced as below:

Financial Year	AT&C Loss

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FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-25.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

There are many more initiatives towards AT&C and distribution loss reduction taken up by the licensee since taken over as described in the ARR application.

12. **Respondent's view/objection:** Projection of EHT, HT & LT sales

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that, the Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. This time, while estimating EHT sale, no TPA sale has been considered.

Further in LT sales, the reason for taking higher projection due to improved billing efficiency & sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers. As like the instant ARR application for FY 2025-26, the licensee has well justified its sale projection every year in its ARR filling.

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13. **Respondent's view/objection: Cross subsidy and its surcharge**

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 25 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

The statement regarding improper calculation of CSS by the licensee is not correct, the licensee has calculated adhering to the guidelines as per tariff regulation 2022.The CSS is progressively in reducing trend. The thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation cost of supply increases hence the reduction of CSS in absolute term can not be compared. Rather, with cost inflation the existing CSS for the consumers of the TPWODL is lowest among all the DISCOMs.

14. **Respondent's view/objection:** Re-introduction of Delayed Payment Surcharge (DPS) for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers may be rejected as it places an additional financial burden on the consumers.

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduced Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved. Through this mechanism, the interest of genuine consumers can be

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protected. Rather levy of DPS will definitely help to bring changes in consumers behavior, so that burden on paying consumers will be reduced.

15. **Respondent's view/objection:** The proposal of Processing fees for each service as per Regulation may be rejected as the cost proposed by the Licensee is at higher side.

TPWODL Rejoinder: The Licensee respectfully submits that, in addition to billing and collection activities, it is required to provide various consumer service requests, such as load changes (reduction/enhancement) and attribute changes (e.g., change of name, category, name correction, address correction/change).

As per the existing regulations, a nominal processing fee of Rs. 50 per application is prescribed for new connections. However, no charges are currently applicable for other services, such as those mentioned above, despite the Licensee incurring significant expenses to process these requests. In light of this, the Licensee humbly proposes that appropriate charges for these services be approved to enable the recovery of the costs incurred in providing these utilities. The Hon'ble Commission's kind consideration of this proposal would greatly support the financial sustainability of these consumer service. Unless these charges are being permitted to recover from the concerned consumer's then the ultimate burden will be on entire category of consumer through increase in A&G cost to provide these services free of cost.

16. **Respondent's view/objection:** Levy of CSS on RE power may be straightaway rejected

TPWODL Rejoinder: The Hon'ble Commission introduced the levy of Cross Subsidy Surcharge (CSS) on renewable energy (RE) power starting FY 2022-23. Consumers availing RE power through open access are required to pay transmission charges, wheeling charges and CSS, similar to those for conventional power when they opt from sources other than Odisha. However, if RE power from source inside the state then 50% CSS is payable apart from 25% exemption in wheeling charges.

The licensee has also submitted few suggestions like consumers intending to avail open access power for any upcoming year should notify in advance, enabling the Commission to determine the CSS and its quantum appropriately. Additionally, any drawl from the DISCOM during such arrangements should be charged at the emergency rate along with applicable demand charges. This may kindly be approved.

17. **Respondent's view/objection:** Special Tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA which certain modifications in the proposal

TPWODL Rejoinder: The modification suggested by the respondent are as follows:

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Proposal submitted by TPWODL	Modification suggested by the respondent
Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.	Load reduction should be allowed during the financial year or those who have reduced their load also can avail the scheme.
Industry availing of this benefit shall not be permitted to avail benefit of another scheme.	Industry availing of this benefit should be permitted to avail benefit of another scheme.

TPWODL has submitted this proposal for benefits of the industries those who do not have Captive Generating Plants (CGP) and are willing to avail this scheme. This would enable them to fully utilize their existing installed capacity beyond their Contract Demand (CD) or expand capacity within their existing premises, subject to approval. The proposal was designed to benefit both consumers and DISCOM(s) as well as other stakeholders. However, the modifications suggested by the respondent seems to prioritize some specific consumer's interests exclusively at the cost of others. This approach could lead to dissatisfaction among industries already operating with CGPs.

Allowing load reduction within a Financial Year could result in fluctuating drawl patterns, causing losses for DISCOM(s) and undermining the objective of promoting industrial growth. The licensee is focused on providing more affordable power to industries to maximize the utilization of the state's power resources while supporting industrial development.

Answered in order.

18. **Respondent's view/objection:** Assessment in case of Theft of energy

TPWODL Rejoinder: The proposal was submitted by the Licensee to address the practical challenges encountered in the field, despite the Hon'ble Commission having issued separate guidelines for the assessment of unauthorized electricity use under the regulations. To simplify and streamline the assessment process, the Licensee respectfully proposes that in cases where a consumer is found to be using electricity unauthorizedly, the assessment should be conducted based on the Load Factor (LF) approach specially for domestic and General-Purpose consumers.

19. **Respondent's view/objection**: ToD benefit to be increased from 20 paise to 50 paise per unit.

TPWODL Rejoinder: The Hon'ble Commission in the RST Order for FY 24-25 had defined the hours in a day into Solar Hours (8:00 AM to 4:00 PM), Peak Hours (after 6:00 PM up to 12:00 midnight) and Normal Hours (after 4:00 PM up to 6:00 PM & after 12:00 midnight up to 8:00 AM next day) wherein Commercial & Industrial consumers and consumers with smart meters having MD >10KW are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. Similarly, Tod surcharge of 20 paise/unit during Peak Hours is

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applicable. The new TOD mechanism has been adopted by Hon'ble Commission in line with MoP guidelines which mandates all states for compulsory introduction w.e.f. 1st April-24. As per the mandates the peak hour tariff should be higher by 20% as compared to other hours. It may be appreciated that, due to behavioural changes of the consumers, entire country is facing challenges during peak hours hence MoP brought the TOD tariff to bring immediate control for grid discipline. So, instead of opposing all the stake holders are requested to support TOD mechanism for reliable and uninterrupted power supply.

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs.

20. **Respondent's view/objection**: DISCOM should be directed to reduce the Contract Demand within the Financial Years as per the regulations and should not unnecessarily delay citing irrelevant reasons.

TPWODL Rejoinder: It is to submit that the proposal of load enhancement and reduction in Contract Demand has been processed by the Licensee diligently as per norms of the prescribed Regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. **Respondent's view/objection**: The Green Tariff Premium should be reduced to 10 p/unit and the CGPs of the state should be allowed to procure the RE Power from the DISCOMs under GTP mechanism and the same can also be considered towards meeting its RPO.

TPWODL Rejoinder: The Hon'ble Commission was pleased to approve Green Premium Tariff (GTP) @ 20 paisa per unit for the current year, which was 25 paisa per unit in the last year. The levy of GTP was permissible to those who will assure 100% Green Power from DISCOM to avail Green Consumer Certification. However, this facility shall not be available to the Consumers having Captive Generating Plant (CGP). During FY 23-24, even though industries having CGP were not permitted for Green Certification but were eligible for RPO. However, during current year, the benefit of RPO has been withdrawn. As a result, allocated green power remains unsold during the current year, which was earlier yield substantial benefit to power sector.

The Licensee requests the Hon'ble Commission to allow DISCOMs to permit CGP industries for RPO as like of FY 23-24. Unless RPO is permitted, the industries is bound to avail RE power from other source which not only affects the sales of DISCOMs but also State's economy. The purpose of GTP will be futile unless we permit it. Rather GRIDCO may be directed to infuse more RE power in its purchase quantum to compensate states requirement. Else, DISCOM may be permitted to purchase RE power for the industries who are opting it. Additionally,

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RE power allocated to CGP industries may be provided at a reduced GTP of 10 paise per unit. Any unsold green power may be reallocated to other DISCOMs upon request.

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

    TPWODL Rejoinder: It is to submit that, the Govt. of Odisha vide para no 81 (a) in RST Order FY 24-25 has submitted as follows:

    "State Govt. has no plans to provide any direct subsidy to any class of Consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low ------------."

    As licensee can not extends subsidy it is up to the State Govt, to looked into it. Hon'ble Commission may please advise Govt of Odisha suitably for benefit of all the consumers.

    As regards to GRF/Ombudsman offices, in TPWODL area there are 5 GRF Offices across all 5 circles for redressal of customers voice of concerns and find solutions. With respect to creation of more OMBUDSMAN, Hon'ble Commissions direction will be appreciated. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.

23. **Respondent's view/objection:** Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

    TPWODL Rejoinder: It is to submit that, the agriculture segment of consumers is the primary food chain component in the society. The Hon'ble Commission since so many years has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20%, in line with the mandate of the National Electricity Policy and Tariff Policy and such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of Hon'ble Commission in this regard.

24. **Respondent's view/objection:** All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve.

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Further, awareness programme should be organized in this regard to sensitise the consumers.

TPWODL Rejoinder: It is to submit that, Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. The Hon'ble Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial consumers, as well as those provided with smart meters having MD>10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI – A digital bonding" to enhance customer engagement and address queries effectively.

25. **Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the Licensees, if allowed. Government should give subsidy to LT Consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days (+/- 3 days) is religiously followed by the licensee. The HT Loss varies from 5% to more than 15% on actual basis from feeder to feeder. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is to take judicious decision in this regard.

Annexed to order.

26. **Respondent's view/objection:** More the consumption, less the rate principle should be adopted since State of Odisha is considered as a power surplus state. Neighboring state like West Bengal is charging meter rent of Rs. 10/-. Simplification of billing format and use of A4 size paper for billing is requested. Institutional strengthening of GRF and Ombudsman should be made.

TPWODL Rejoinder: It is to submit that, in Odisha the population is approximately 5 crores, with more than95 lakh electricity consumers. Barring around 20 lakhs of other category of consumers balance 75 lakhs are domestic category of consumers. Out of these, 80% are rural consumers and 20% are urban. The urban consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural consumers. Hence, the

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suggestion invites clear discrimination to the consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha. Regarding Rs.10 per month towards meter rent charges in neighboring state, it is to state that the Licensee has proposed to eliminate meter rent entirely w.e.f. 1st April-25 and proposed to be covered through CAPEX mode. The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 25 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is being used for billing apart from digital mode for eco-friendly and sustainable moto. Further, a lot of digital rebate is provided to the consumers if they are opting e-bill and paying in digital mode. So, fostering an eco-friendly and sustainable approach will increase the state's environmental index. To address consumer grievances, the Licensee has established five GRF offices across its five circles, ensuring effective resolution of issues and enhancing customer satisfaction.

27. **Respondent's view/objection:** The Retail supply tariff should not be increased, rather it may be decreased. Government has already made huge investment in infrastructural development of the licensees to reduce the burden on the consumers of the State. Reduction of tariff for cold storage and drinking water schemes may be considered.

TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission; hence Hon'ble Commission may take judicious decision in this regard.

For and on behalf of TPWODL

Usmood Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Dated: 24/01/2025

C.C. Mr. Musafir Jaiswal, Director & Authorized Signatory of M/s. D.D Iron & Steel Private Ltd having its Regd Office at H-4/5, Civil Township, Rourkela-769004. Email: ddironsteel@rediffmail.com, Mobile: +91-9776647958, 9437047958

Note- This is also available at the licensee's website-https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

Case No. 84 of 2024

In the matter of: TP Western Odisha Distribution Limited
Corporate Office – Burla, Sambalpur, Odisha – 768017
AND

In the matter of: Sh. Ananda Kumar Mohapatra, Freelance Power Analyst, S/o Late Jachindra Nath Mohapatra, Plot No. 799/4, Kotiteertha lane, Old Town, Bhubaneswar-02 Email: anandamohapatra22@gmail.com

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2025-26 which has been registered as Case No. 84 of 2024.

Point wise rejoinder for the objection raised by objector are appended below: -

1. **Respondent's view/objection:** One crore Odisha Power consumers are paying power bills more than the National average. Power tariff is crucial to expedite economic development.
   TPWODL Rejoinder: The Hon'ble Commission had notified and introduced the OERC (Terms & Conditions for determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 on 20.12.2022 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022. It is further submitted that SERCs all over India are guided by the principles laid down u/s 61 of the Electricity Act, 2003. Further Section 62(3) of the Electricity Act, 2003 clearly states as under:

   "Section 62. (Determination of tariff): ---
   *(3) **The Appropriate Commission shall not**, while determining the tariff under this Act, **show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity** during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."*
   (Emphasis Supplied)

   However, determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003 taking into account the total population, economic & financial viability of the sector and paying capacity of consumers.

   In view of the above provision of law, tariff determination as done by the Hon'ble Commission which is in force is justified and correct.

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Furthermore, it is submitted that the category-wise tariff approved for Odisha consumers is less than the neighbouring states which can be seen from the tariff structures for domestic & commercial categories of consumers are attached below:

Tariff Structure of Chhattisgarh

Domestic category

Category of Consumers	Units Slab	Fixed Charge (Rupees per kW)	Energy Charge (Rs. per kWh)
LV-1: Domestic			
Domestic including BPL Consumers	0 - 100 units	Rs. 20/- per kW/month for Sanctioned Load up to 5 kW; Rs. 30/- per kW/month for Sanctioned Load above 5 kW and up to 10 kW; Rs. 40/- per kW per month for Sanctioned Load above 10 kW	3.90
	101-200 units		4.10
	201 - 400 units		5.50
	401 – 600 units		6.50
	601 and above units		8.10

Commercial Category

Category of Consumers	Units Slab	Fixed Charge (Rs per kW of Contracted load/Billing Demand)	Energy Charge (Rs. per kWh)
LV-2.1: Single Phase Non-Domestic- (up to 5 kW)	0 – 100 units	Rs. 50 per kW per month	6.05
	101 - 400 units		7.05
	401 and above units		8.45
LV-2.2: Three Phase Non-Domestic			
(A) Up to 15 kW	0-400 units	Demand Charges- Rs 120/kW/month on billing demand	7.05
	401 and above units		8.45
(B) Above 15 kW	All units	Demand Charges- Rs 200/kW/month on billing demand	7.75

Tariff Structure of Jharkhand

Consumer Category	Consumer/ Sub Category	Existing Tariff				Approved Tariff			
		Energy Charge		Fixed Charge		Energy Charge		Fixed Charge	
		Unit	Rate	Unit	Rate	Unit	Rate	Unit	Rate
Domestic	Rural	Rs/kWh	5.80	Rs/Conn./Mon	50.00	Rs/kWh	6.30	Rs/Conn./Mon	75.00
	Urban	Rs/kWh	6.30	Rs/Conn./Mon	100.00	Rs/kWh	6.65	Rs/Conn./Mon	100.00
	HT	Rs/kVAh	6.15	Rs/kVA/Mon.	150.00	Rs/kVAh	6.25	Rs/kVA/Mon.	150.00
Commercial	Rural (More than 5 kW)	Rs/kWh	5.80	Rs/kW/Mon	100.00	Rs/kWh	6.10	Rs/kW/Mon	120.00
	Urban (More than 5 kW)	Rs/kWh	6.15	Rs/kW/Mon	150.00	Rs/kWh	6.65	Rs/kW/Mon	200.00

Tariff Structure of West Bengal

Annexure -3A1

LOW AND MEDIUM VOLTAGE CONSUMERS

Sl No	Type of Consumer	Applicable Tariff Scheme						Optional Tariff Scheme – I					Optional Tariff Scheme – II				
		Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH		Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon	Consumer category	Name of the Tariff Scheme	Monthly consumption in KWH	Energy Charge P/kWh	Fixed Charge/ Demand Charge* in Rs/KVA/ mon
1.	Life Line Consumer (Domestic)	Rate C (LL)	Normal	0 to 25		250	5	NOT APPLICABLE					NOT APPLICABLE				
2.	Domestic (Rural) or Domestic (Urban)	Rate C(t)	Normal	First	25	345	15	Rate C(t)pp	Prepaid	All Units	418	15	NOT APPLICABLE				
				Next	25	420											
				Next	50	435											
				Next	100	467											
				Next	100	486											
				Above	300	499											
3.	Commercial (Rural) or Commercial (Urban)	Rate C(4)	Normal	First	60	431	30	Rate C(4)t	Normal TOD	06.00 hrs to 17.00 hrs	453	30	Rate C(4)ppt	Prepaid-TOD	06.00 hrs to 17.00 hrs	448	30
				Next	40	472				17.00 hrs to 23.00 hrs	498				17.00 hrs to 23.00 hrs	493	
				Next	200	492				23.00 hrs to 06.00 hrs	421				23.00 hrs to 06.00 hrs	417	
				Above	300	505											

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The domestic tariff as fixed for Odisha for FY 24-25 is Rs. 2.90 / unit (0 – 50 units p.m.)

Rs. 4.70 / unit (51 - 200 units p.m.)

Rs. 5.70 / unit (201 - 400 units p.m.)

Rs. 6.10/ unit (> 400 units p.m.)

So, in Odisha if a consumer consumes 200 units p.m., the average domestic tariff is Rs. 4.25/ unit and the average price is Rs. 5.10/ unit is he/ she consumes 450 units p.m. which is less than other neighbouring states.

Apart from energy charges, a consumer has to pay Monthly Minimum Fixed Charge (MMFC), which is Rs. 20 per kW per month. So, in a scenario where a consumer consumes only 5 units due to any reason in a month, the total charges to be paid by such consumer is Rs. 34.5 (MMFC – Rs. 20 + Energy Charge Rs. 14.5). Hence, the monthly average charge for consumption of 5 units is Rs. 6.9/ unit including Fixed charges.

It is also submitted that the Hon'ble Commission, vide its RST Order for the DISCOMs, determines the tariff to be charged from different consumer categories. In order to bring transparency to the tariff proceedings, the Hon'ble Commission conducts Public Hearing process to hear the public on their views on the ARR petitions filed. Accordingly, consolidating the comments provided by the Public along with proper prudence checks on the data/ information submitted by the DISCOMs, the Hon'ble Commission determines the Retail Supply Tariff to be charged from different consumer categories.

The Licensee, hence, submits that **it levies and collects the approved tariff from different consumer categories and there is no such deviation from the Approved Tariff Schedule.** With respect to the Cost of Supply (CoS), the Hon'ble Commission in its RST Order has held as under:

*"The **Cost of Supply is the cost incurred by the utility to supply one unit of electricity at its consumer's metering point** and is a crucial part of the tariff setting process. **The purpose of computation of Cost of Supply (CoS) is to apportion all costs required to serve consumers of different categories in a fair and an equitable manner** giving proper price signals and identifying subsidy/cross-subsidy among consumer categories for developing an appropriate policy and a regulatory way forward. **Tariff setting is a revenue balancing method**. The revenue requirement of DISCOM is met through tariff recovered from the consumers. The revenue can be of two categories i.e. revenue recovered from the consumer for sale of power and miscellaneous receipt from other activities of DISCOMs. The revenue requirement to be earned through tariff will be less if miscellaneous receipt is given credit as a part of the revenue earned. This in turn will reduce tariff to be charged to the consumers. **The cost of supply is not necessarily equal to average tariff**. This is because of miscellaneous receipt shall be utilised to meet the revenue requirement which would have otherwise been recovered from the consumer through tariff."* **(Emphasis added)**

Considering the above and in line with Clause 8.3(2) of Tariff Policy 2016, the average tariff is well within (+/- 20%) of ACoS.

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2. **Respondent's view/objection:** Opportunities are available in Odisha but not capitalised.
TPWODL Rejoinder: The suggested thought of the Ld. Objector may not be hold good in the present context, rather, it speaks about availability of resources regarding creation of generation source.

3. **Respondent's view/objection:** Timeline failure cases. Business Plan or MYT of Utilities not approved as per timelines. Utility fails to complete projects on timeline. Restoration of power supply, quality of various services & automatic compensation not ensured within timelines.
TPWODL Rejoinder: As per new Tariff Regulation, 2022, the DISCOMs are directed to submit the different filings as per the Timelines as mentioned under Annexure-I of Gazette Notification. Accordingly, the DISCOM, being a regulated business, is guided by the Regulations/ Guidelines/ Orders of the Hon'ble Commission and is well within the ambit of the same following all the timelines.

4. **Respondents View/ Objection:** Non-disclosure of the Audited Financial statement in the true up petition, which is deliberate on part of DISCOMs and needs verification. Applicant is trying to conceal the facts and figures.
TPWODL Rejoinder: It is submitted that True up petition is prepared by the DISCOMs considering the actual audited financial statements in line with the Tariff Regulations, 2022. As per the mandate of License Conditions, the Licensee is submitting the audited financial statements to the Hon'ble Commission periodically. The half-yearly financial statements and the annual financial statements are being submitted withing 90 days from the closure of the respective period.

5. **Respondents View/ Objection:** Observation of OERC is ridiculous.
TPWODL Rejoinder: - Prior to Electricity Act, 2003, Odisha Electricity Regulatory Commission has been established as an independent autonomous Regulator of the Odisha State and became functional on 01.08.1996 for achievement of objectives enshrined in the Odisha Electricity Reform Act, 1995. Upon pronouncement of the Electricity Act, 2003, Section 82 empowers all the States to create Regulatory Commissions and Section 86 also states about the functions of the Regulatory Commissions. The Hon'ble Commission vide its Notification No. 1472-OERC/RA/RST.REGU.-36/2021 dated 20.12.2022 had brought out its New Regulation i.e. Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. As per the new Regulation, the DISCOMs had filed their Business Plan for FY 23-24 to FY 27-28 i.e. the 1st Control Period and the Hon'ble Commission vide it's order dated 14.09.23 had accorded in principle approval to the Business Plan of all 4 DISCOMs.

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6. **Respondent's view/objection:** Public Capital dies in tariff determination.

   TPWODL Rejoinder: It is submitted that the same does not pertain to TPWODL.

7. **Respondent's view/objection:** Hon'ble Commission may verify and approve the True Up for FY 23-24 prudently, as submitted by the Licensee.

   TPWODL Rejoinder: It is submitted that the Licensee has filed the revised truing up for FY 22-23 & true up for FY 23-24 in line with the directions of the Hon'ble Commission in the RST Order for FY 24-25 and as per the relevant provisions of the Tariff Regulations, 2022. The Hon'ble Commission has always approved each component of the true up application after prudence check. Hence, it is evident to do the same this year as well. Further, with respect to the deviation of the actual figure with the approved ARR, it is submitted that the Licensee has provided the item-wise reply to the deviations in such costs in the Truing up petition, which the learned objector might have unnoticed.

Known in Odia.

8. **Respondent's view/objection:** Gross Fixed Assets for FY 26 & Insurance.

   TPWODL Rejoinder: It is submitted that TPWODL in its ARR petition has submitted the table at page no. 146 where Sl. No. 4 pertains to TPWODL.

ARR Application – FY 2025-26 TPWODL

(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

However, the Licensee appreciates and acknowledges the support of the Learned Objector in the said proposal and hopes that the Hon'ble Commission also approves the same in the ARR for FY 25-26.

9. **Respondent's view/objection:** Common tariff petition by TPCL.

   TPWODL Rejoinder: It is submitted that the Hon'ble Commission has awarded different Licensees to the 4 different DISCOMs of Odisha based on their area and consumer mix. Accordingly, for protection of consumer's interest, area specific reliable power supply etc. each DISCOM are distinct. Further, each company are being separate entity has to file different tariff petitions before the Hon'ble Commission. However, the suggestion of the Ld.

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objector is appreciated for taking a common decision across the state for consumer benefits as like of uniform RST, digital rebates, prompt payment rebates etc.

10. **Respondent's view/objection:** Power Purchase & Sales for FY 26.

TPWODL Rejoinder: The licensee submits that though the sales for LT is increasing by 17%, the overall sales is only increased by 3% because during the previous year EHT sale was higher due to additional sale of intermittent power of GRIDCO which may not be possible for the ensuing year. Hence, EHT growth is negative and overall stands at 3% growth.

11. **Respondent's view/objection:** Summary of ARR filing.

TPWODL Rejoinder: ARR and Retail Supply Tariff for the FY 2025-26 has been filed by the Licensee before the Hon'ble Commission under Section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulation 2004.

It is the opinion of the Ld. Objector that TATA DISCOMs are making profit out of penalty, which is incorrect. Penalty u/s 126 is not the normal practice to earn revenue. Assessment u/s 126 is being made only when there is theft or unauthorized use of electricity. The licensee has regards to all its consumers and expects the consumers would use the electricity supplied, in a judicious manner.

Further, the view of the Ld. Objector to the extent of surplus revenue with existing tariff of the DISCOMs appears to be incorrect considering the cost escalation persistently. There is no RST increase rather there is a decrease since post vesting even though the BSP has increased. The Licensees are accommodating the revenue requirement through reduction in loss and improvement in collection efficiency.

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12. **Respondent's view/objection:** Abolition of meter rent & installation of smart meter under CAPEX.

TPWODL Rejoinder: The Licensee acknowledges the support of the Ld. Objector regarding abolition of meter rent w.e.f 01.04.2025 and to be dealt through CAPEX mechanism.

13. **Respondent's view/objection:** Collection of Additional Security Deposit.

TPWODL Rejoinder: Additional Security Deposit is being calculated as per Regulations 53 & 54 (i) of the OERC (Conditions of Supply) Code, 2019 which is appended as under:

"53. Subject to the restrictions of the periods of two months as specified in Regulation 52(i), the adequacy of the amount of security deposit calculated in respect of consumers shall be reviewed by the Licensee/supplier generally once in every year (preferably after revision of tariff for the respective

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year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.

54. (i) Based on review as per Regulation 53 above, demand for shortfall or refund of excess shall be made by the Licensee/supplier. Provided, however, that if the security deposit payable by the consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for shortfall will be made for payment of Additional Security Deposit and the consumer shall not be entitled to demand the refund of the Excess."

14. **Respondents View/ Objection:** Open Access charges for FY 26.

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. Hon'ble Commission while approving the cross-subsidy surcharge follows the formula as prescribed in Para 8.5.1 of the Tariff Policy.

Also, Clause 8.2 of the National Tariff Policy provides for the Commission to balance the revenue with expenditure is such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply. The Hon'ble Commission while approving the cross-subsidy surcharge payable every year allowing certain percentage of computed value. Therefore, recovery of cross subsidy has been reducing. Now, CSS of TPWODL as low as Rs.117.50 paise per unit and CSS for HT consumers it is only 29.69 paise per unit.

For and on behalf of TPWODL

Kamal K. Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. Sh. Ananda Kumar Mohapatra, Freelance Power Analyst, aged about 56 years, S/o Late Jachindra Nath Mohapatra, Plot No. 799/4, Kotiteertha lane, Old Town, Bhubaneswar-02 Email: anandamohapatra22@gmail.com

Note- This is also available at the Licensee's website – https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR,
BHUBANESWAR-751021

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Case No. 85 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/S Vedanta Ltd., 1st Floor, C2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar, Odisha-751023

Subject: **Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Determination of Open Access charges application vide case No. 85 of 2024 of TPWODL for the FY 2025-26.**

Point wise reply to the objection raised by the objector are appended below: -

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1. That, the Para- 1 & 2 are matter of record, hence needs no reply

2. **Respondent's view/objection:** The contents of Paragraphs 3 except in so far as they pertain to the Cross Subsidy Surcharge & reduction thereof:

   TPWODL Rejoinder: It is submitted here that the Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. Hon'ble Commission while approving the cross-subsidy surcharge follows the formula as prescribed in Para 8.5.1 of the Tariff Policy.

   Also, Clause 8.2 of the National Tariff Policy provides for the Commission to balance the revenue with expenditure is such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply. The Hon'ble Commission while approving the cross-subsidy surcharge payable every year allowing certain percentage of computed value. Therefore, recovery of cross subsidy has been reducing. Now, CSS of TPWODL as low as Rs.117.50 paise per unit and CSS for HT consumers it is only 29.69 paise per unit.

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3. **Respondent's view/objection:** The contents of Paragraphs 4, 5, and 6, except in so far as they pertain to the Higher CSS in the State Odisha, no consumer under TPWODL can afford Open Access. It is the onus of the Hon'ble Commission to pass the necessary regulations to reduce the surcharge and cross-subsidy

TPWODL Rejoinder: It is submitted here that from the open access charges schedule applicable for FY 24-25 is very cheaper as compared to other DISCOM of Odisha.

Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	163.00	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	

Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 24-25 till Dec-24 is 2556.54 Mus (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS. The licensee has proposed the estimated loss of margin i.e Rs. 2.48 per unit as CSS for ensuing year. However, Hon'ble Commission is allowing only certain % out of the above margin and hence, the approved CSS may be lower as proposed for the ensuing year as compared to proposed. Therefore, the CSS is higher in Odisha is higher as claimed by the objector appears to be not true. Furthermore, the Hon'ble Commission has graciously introduced the Green Certificate Mechanism for (Non CGP) consumers, with a competitive premium charge of Rs. 20 paisa per unit. Notably, this rate is deemed as the most competitive and represents the minimum price in the country for such services. Furthermore, the Hon'ble Commission has taken commendable measures by introducing the following exemptions under the Odisha Renewable Energy Policy 2022 to promote renewable energy generation and consumption through OA across the state:

1. Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.
2. No Cross-subsidy surcharges are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

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3. 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period

4. **Respondent's view/objection:** The contents of Para- 7, 8, 9 10, & 11 except in so far as pertain to Erroneous calculation of CSS in Open Access Application by TPWODL, No precise and clear formula approved by the Commission for determination of CSS & CSS should not be a source of revenue for the distribution company.

TPWODL Rejoinder: The methodology prescribed by Hon'ble Commission in line with NTP is as under:

Surcharge formula: S= T – [C/ (1-L/100) + D+ R]

Accordingly, the Licensee has computed the cross-subsidy surcharge following the formula provided by the Commission.

For EHT category, the cross-subsidy surcharge has been calculated considering the average EHT Tariff derived from proposed EHT sale in MU and value for FY 2024-25. For HT category of consumers Wheeling charge @ 166 paise per unit and System loss at HT supply has been considered at 8%. The Cross-subsidy surcharge has been calculated considering the average HT tariff derived from proposed HT sales in MU and value for FY 2024-25.

The Power Purchase cost is the combination of Bulk Supply price of 380 paise per unit, Transmission charge 24 paise per unit, SLDC charge 0.002 paise per unit as per prevailing tariff w.e.f. 01.04.2024 for transmission and SLDC charges & BST has been considered.

The Licensee has not erred in calculating the CSS beyond any regulatory provision. Hon'ble Commission has already cleared in all the previous RST order that cross subsidy and cross subsidy surcharge payable are two different aspects. While Cross subsidy is applicable in deciding the retail supply tariff applicable to different category of consumers keeping the NTP guidelines of (+/-)20%, however, CSS payable is the recovery of CSS due to loss of margin in certain %, which is in reducing trend. In the last RST order dt.13.02.2024 Hon'ble Commission vide para no. 96 has clearly mentioned that,

> *"The above cross subsidy is meant only for Retail Supply Tariff fixation in the state and is applicable to all consumers (except BPL and agriculture) and should not be confused with cross subsidy surcharge payable by open access consumers to the DISCOM(s)."*

Ignored as [illegible]

The learned objector states that the CSS is collected to compensate the loss of a distribution company for losing a consumer for open access and can not be a source of revenue. In this aspect it to submit that, the loss of margin due to open access drawal is more than Rs.2 per unit. However, Hon'ble Commission is approving certain % of the

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same as a result it is only Rs.1.175 p/unit. Hence, the CSS has never been treated as a source of revenue of the DISCOM and the entire amount is pass through in the ARR under non-tariff income.

5. That, the Para- 12 & 13 are matter of record, hence needs no reply

6. That, the contents of Paragraph 14, except in so far as they pertain to the following views/objections

i. **Respondent's view/objection:** CSS during Peak, Solar & Normal hours:
TPWODL Rejoinder: The intention of different CSS for Peak, Solar & Normal hours is to maintain harmony with regards to drawl from Discom during Peak, Solar & Normal hours. The RE power is substantially available in the market at cheaper rate for which consumers preferring Power through Open Access in such scenario, the committed power of the DISCOM remain stranded.
Presently there is a single Cross Subsidy Surcharge on Open Access drawal. Therefore, to maintain parity consumers those who will be availed power during solar Hr. through Open Access shall require to pay 150% of the approved cross subsidy.

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ii. **Respondent's view/objection:** Short-term OA consumers should not be asked to submit annual plan
TPWODL Rejoinder: The licensee is planning its Aggregate Revenue Requirement (ARR) where in power purchase & sales are based on the CD and drawl pattern of the consumers. Hence, deviation if any due to open access drawl is affecting the revenue of the licensee as well as power purchase price. If any consumer avails OA power occasionally, in such case giving advance plan may be difficult, however, in the instant case the objector is availing OA on RTC basis round the year. Therefore, a tentative annual plan would facilitate the licensee to plan its Bulk power requirement in the ARR.

iii. **Respondent's view/objection:** Drawl of Open Access beyond Contract Demand
TPWODL Rejoinder: The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets have its own capacity and limit, continuous stress would affect the network assets adversely for which needs to be compensated. Further, the licensee is forced to create adequate provision in the system at the cost of the other genuine customer.

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iv. **Respondent's view/objection:** Non-applicability of a Wheeling charges for Wheeling of Power by industries having CGP.

TPWODL Rejoinder: In this regard it is to mention that as per Section 9 & 10 of Electricity Act 2003 an industry can carry its own power to destination for its own use under open access mechanism. As regards to non-levy of wheeling charges is concerned it is permissible if the CGP is operating in isolated manner i.e, without having GRID connectivity. In the Occasion of failure in generation unit it cannot prevent the flow of GRID power to the destination where it is used.

Hence wheeling charges is a must when the CGP is grid connected and intends to carry the power to its destination for own use. However, CSS is not applicable for use of own CGP power.

v. **Respondent's view/objection:** Additional Surcharge/Recovery of stranded cost:

TPWODL Rejoinder: In line with National Tariff Policy, additional surcharge is leviable to recover the fixed cost of generation power capacity stranded due to open access. Here, the DISCOM is entirely sourcing it's power from GRIDCO and GRIDCO is procuring from different generator as per PPA. A consumer having contract demand with the DISCOM is reserving it's capacity to draw on it's need. Based on the CD of the industry and pattern of use, DISCOM is projecting it's sale in the ARR. Considering the projected sale, the Hon'ble Commission is fixing BSP for the DISCOM. So, when a consumer opting for open access is denying the DISCOM power & in turn drawl from GRIDCO reduces and fixed cost incurred by GRIDCO for generator cannot be prevented. Where as the "Demand Charge" means to a charge on the consumer based on the capacity reserved for him by the licensee/supplier. Hence, the Recovery of stranded cost cannot be meet up through the Demand Charges.

7. That, the Para- 15 are matter of record, hence needs no reply

8. That, the contents of Paragraph 16 (i) and (ii) under "Other Proposals," except in so far as they have been addressed above in Paragraph 6, are acknowledged.

9. **Respondent's view/objection:** The contents of Para- 17 expect in so far as pertain to Leavy of CSS and Wheeling Charges on RE power Drawn from Outside the State. Providing certain waiver / exemption in CSS to motivate industries to increase RE Power Consumption.

TPWODL Rejoinder: Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 was notified by the Ministry of Power, Govt. of India dated

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06.06.2022. Then MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023, wherein it has been mentioned that.

> *"(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -*
>
> *(a) transmission charges;*
>
> *(b) wheeling charges;*
>
> *(c) cross subsidy Surcharge;*
>
> *(d) standby charges wherever applicable;*
>
> *(e) banking Charge; and*
>
> *(f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission."*

However, as per RE policy of Govt of Odisha, availing RE power generated in Odisha is exempted from levy of CSS and 25% exemption on wheeling charges. So, in promotion of RE generation here in Odisha levy of CSS and transmission/wheeling charges for open access RE power from outside (other than Odisha) should be made mandatory. In such a scenario, the respondent is requested to procure RE power from the projects available in Odisha only.

For and on behalf of TPWODL

Kamod Ch Nanda

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025

C.C. : M/S Vedanta Ltd., 1st Floor, C2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar, Odisha-751023

Note- This is also available at the licensee's website- https://www.tpwesternodisha.com

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BEFORE THE HON'BLE
ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 85 of 2024

IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/S BR Steel & Power Pvt. Ltd., represented by Sri. Saurav Agarwal, Factory Manager, BR Steel & Power Pvt. Ltd., at Potapali/Sikiridi, PO Katapali Sambalpur

Subject: **Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Determination of Open Access charges application vide case No. 85 of 2024 of TPWODL for the FY 2025-26.**

Point wise reply to the objection raised by the objector are appended below: -

1. **Respondent's view/objection:** Cross Subsidy Surcharge, Wheeling Charges & reduction thereof:

   TPWODL Rejoinder:

   The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. Hon'ble Commission while approving the cross-subsidy surcharge follows the formula as prescribed in Para 8.5.1 of the Tariff Policy.

   Also, Clause 8.2 of the National Tariff Policy provides for the Commission to balance the revenue with expenditure is such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply. The Hon'ble Commission while approving the cross-subsidy surcharge payable every year allowing certain percentage of computed value. Therefore, recovery of cross subsidy has been reducing. Now, CSS of TPWODL as low as Rs.117.50 paise per unit and CSS for HT consumers it is only 29.69 paise per unit.

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2. **Respondent's view/objection:** Aggregate of transmission, distribution, and commercial losses to be considered below 3%.

TPWODL Rejoinder: The Hon'ble Commission in its Tariff Order has approved the HT loss to the tune of 8% which is justified in the current situation. Due to large geographical area and long lines the HT loss in some feeders is more than 12% and in some feeders, it is less than 8%. So, considering the above aspect Hon'ble Commission has fixed the HT loss of 8% in ARR for all the DISCOMs in Odisha. The normative loss target reflects the system-wide aggregate losses across all voltage levels, including LT and HT, and accounts for varied consumer categories, load diversity, and usage patterns. TPWODL is promised in system strengthening, network augmentation, setting up 33/11 kV substations in order to increase the power situation and reach to consumers. The Licensee hopes that in future years the T&D loss will be reduced.

3. **Respondent's view/objection:** No cross-subsidy charges should be payable by consumer availing RE power through Open Access

TPWODL Rejoinder: The Commission had introduced levy of CSS on RE power with effect from FY 2022-23. Accordingly, the consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to consumers availing conventional power.

Further, the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 was notified by the Ministry of Power, Govt. of India dated 06.06.2022. The MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023 & OERC (Promoting Renewable Energy Through Green Energy Open Access) regulation 2023, wherein it has been mentioned that

> *"(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -*
> *(a) transmission charges;*
> *(b) wheeling charges;*
> *(c) **cross subsidy Surcharge**;*
> *(d) standby charges wherever applicable;*
> *(e) banking Charge; and*
> *(f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission."*

Furthermore, the Hon'ble Commission has taken commendable measures by introducing the following exemptions under the Odisha Renewable Energy Policy 2022 to promote renewable energy generation and consumption through OA across the state:

1. Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

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2. No Cross-subsidy surcharges are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).
3. 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period

So, in promotion of RE generation here in Odisha levy of CSS and transmission/wheeling charges for open access RE power from outside (other than Odisha) should be made mandatory.

4. **Respondent's view/objection:** There should not be any reservation of Distribution Capacity under STOA

   TPWODL Rejoinder: Capacity reservation is subject to the limitations and conditions outlined by the system operator or the entity managing the transmission/distribution system. It essentially defines the extent to which a short-term customer can transfer power within the system, considering the available capacity at any given time.

   The reservation of Distribution Capacity under Short-Term Open Access (STOA) is vital for ensuring adequate corridor to the existing consumers those who are dependent on DISCOM power for better operational efficiency and reliability of electricity distribution systems. While open access is crucial for promoting competition, capacity reservation allows for effective management of resources, congestion prevention, and fair access to the distribution network, at the same time existing other consumers should not be suffered. It enables grid operators to plan for and mitigate potential challenges, optimizing resource utilization and enhancing overall system performance. Striking a balance between open access and capacity reservation is essential for maintaining a reliable and efficient distribution system that meets the needs of various short-term customers while avoiding congestion and ensuring grid stability.

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5. **Respondent's view/objection:** For determination of Wheeling charges at HT level the applicable cost for the HT Distribution system to be taken into account instead of total cost on the total cost of the distribution system.

   TPWODL Rejoinder: TPWODL submits that the determination of wheeling charges is based on the principles and methodology outlined by the Hon'ble Commission in its regulations. The total cost of the distribution system is considered to ensure equitable sharing of costs across all consumer categories.

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It is important to note that the distribution system is an integrated network, and the cost allocation methodology ensures that expenses for maintaining and improving the system are distributed fairly, considering both LT and HT consumers.

Additionally, TPWODL is continually working on system upgrades, including specific improvements at the HT level, to enhance efficiency and reduce losses, ultimately benefiting consumers. The Licensee remains committed to complying with the directives of the Hon'ble Commission.

6. **Respondent's view/objection:** No CSS will be payable by OA consumer during period of Statutory power cut or restriction due to major breakdown in the transmission system.

   TPWODL Rejoinder: Presently, the imposition of Cross-Subsidy Surcharge (CSS) is levied by the licensee on the actual drawal quantum of power, even though the consumer is purchasing power on schedule basis. The CSS is a mechanism designed to recover costs associated with cross-subsidization and promote a fair distribution of charges among consumers, which is also certain % of actual loss. Even during periods of power cuts or transmission breakdowns, the actual drawal of power by the Open Access (OA) consumer contributes to the overall system costs. In addition to above, the consumer opting open access are for cheaper power and do not hesitate to take calculated risk of occasional power failure. Therefore, the applicability of CSS aligns with the underlying principle of cost recovery based on the real-time consumption patterns rather than adhering to a predefined schedule, ensuring a more equitable sharing of the financial burden across consumers.

7. **Respondent's view/objection:** Cross Subsidy Surcharge should not be levied on the consumers once they exceed the forecasted consumption. Cross Subsidy Surcharge should not be charged on those block periods when consumption is more than contract demand due to Open Access.

   TPWODL Rejoinder: The licensee is of the similar view that if a consumer desires to avail open access for any ensuing year prior to approval of ARR may submit in advance, in such scenario levy of CSS and its quantum can be decided by Hon'ble commission suitably. So, if the applicant objector desires to avail outside power other than DISCOM may submit in writing in advance. At the same time drawal from DISCOM if any should be at emergency rate apart from demand charges.

   In addition to above the Hon'ble Commission is to suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period. The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets has its own

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capacity and limit, continuous stress would affect the network assets adversely for which needs to be compensated. Further, the licensee is forced to create adequate provision in the system at the cost of the other genuine customer. The decision to apply CSS should be guided by regulatory policies and a balance between facilitating Open Access and maintaining the financial viability and reliability of the distribution network. It is within the regulatory framework to determine the appropriate conditions for CSS application, considering the broader interests of both consumers and the overall health of the electricity distribution system.

For and on behalf of TPWODL

Kishore Ch. Nanda.

Sr. GM (RA & Strategy)

Place: Sambalpur

Date: 24/01/2025 ,

C.C. : M/S BR Steel & Power Pvt. Ltd., at Potapali/Sikiridi, PO Katapali Sambalpur

Note- This is also available at the licensee's website- https://www.tpwesternodisha.com

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