

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

**Present : Shri U. N. Behera, Chairperson
Shri S. K. Parhi, Member
Shri Gajendra Mohapatra, Member**

CASE NOS. 75, 76, 77 & 78 of 2020

**DATE OF HEARING : 15.02.2021 at 3.00 P.M (TPWODL),
17.02.2021 at 10.30A.M (NESCO Utility),
19.02.2021 10.30A.M (TPSODL)
18.02.2021 at 10.30 A.M (TPCODL)**

DATE OF ORDER 26.03.2021

IN THE MATTER OF: Applications of Distribution Utilities TPCODL, NESCO Utility, TPWODL and TPSODL for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff for the FY 2021-22 under Sections 62 and 64 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.

AND

CASE NOS. 79, 80, 81 & 82(A) of 2020

**DATE OF HEARING : 15.02.2021 at 3.00P.M (TPWODL),
17.02.2021 at 10.30A.M (NESCO Utility),
19.02.2021 10.30A.M (TPSODL)
18.02.2021 at 10.30 A.M (TPCODL)**

IN THE MATTER OF: Applications under Section 42 of the Electricity Act, 2003 read with OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge and Additional Surcharge for FY 2021-22 of DISCOMs namely TPWODL, NESCO Utility, TPSODL and TPCODL.

ORDER

1. The Distribution Utilities in Odisha namely TPCODL (erstwhile CESU), TPWODL (erstwhile WESCO Utility), TPSODL (erstwhile SOUTHCO Utility) and NESCO Utility and are carrying out the business of distribution and retail supply of electricity

in their licensed areas as detailed below:

Table – 1

Sl. No.	Name of DISCOMS	Licensed Areas (Districts)	%age area of the State	Nos. of Consumer as on 01.04.2020 (as submitted by licensees)
1.	TPCODL	Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur.	18.9	2697335
2.	TPWODL	Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda.	32.3	1974833
3.	TPSODL	Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.	30.8	2279223
4.	NESCO Utility	Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.	18.0	1906556
Odisha Total			100.0	8857947

On the applications of the above Distribution licensees of the State, the Commission initiated proceedings for determination of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) for FY 2021-22 under relevant provisions of the Electricity Act, 2003, OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2014 and OERC (Conduct of Business) Regulations, 2004. By this common Order, the Commission considers aforesaid Aggregate Revenue Requirement (ARR), Wheeling Tariff, RST applications of the above mentioned Distribution Utilities and other related tariff matters including Open Access Charges.

PROCEDURAL HISTORY (PARA 2 TO 15)

- The Commission vide order dated 04.03.2015 in Suo Motu proceeding Case No. 55/2013 had revoked the licenses granted to NESCO, WESCO & SOUTHCO under Sec. 19 of the Electricity Act, 2003 due to failure in meeting license requirements and had appointed the CMD, GRIDCO Limited as the Administrator under Section 20 (d) of the said Act, 2003 and had vested the management and control of NESCO, WESCO & SOUTHCO Utilities along with their assets, interests and rights with the Chairman-cum-Managing Director, GRIDCO Limited in order to ensure the maintenance of continued supply of electricity in the Northern, Western and Southern Zone in the interest of consumers. Another DISCOM CESU was being managed through a Scheme as per Section 22 (1) of the Electricity Act, 2003 due to exit of AES the

erstwhile majority shareholder. Subsequently, the Commission under Section 21 of the Electricity Act, 2003 by its order dated 26.05.2020 in Case No.11 of 2020 has vested the Utility of CESU with TP Central Odisha Distribution Limited (TPCODL). Similarly the Commission under Section 21 of the Electricity Act, 2003 by its order dated 28.12.2020 in Case No.82 of 2020 and 83 of 2020 has vested the Utility of WESCO and SOUTHCO with TP Western Odisha Distribution Limited (TPWODL) and TP Southern Odisha Distribution Limited (TPSODL) respectively.

3. TPCODL projections in this ARR would be based on the Balance Sheet inherited through the Vesting Order dated 28th May 2020, instead of the Balance sheet on 31st March 2020 as was done in the past filings by CESU.
4. The said Aggregate Revenue Requirement (ARR)& Retail Supply Tariff applications were duly scrutinized and registered as Case Nos.75/2020 (WESCO Utility), 76/2020 (NESCO Utility), 77/2020 (SOUTHCO Utility), and 78/2020 (TPCODL/CESU) respectively.
5. As per the direction of the Commission, applicants have published the Aggregate Revenue Requirement (ARR), Wheeling & RST tariff Applications in the prescribed formats in the leading and widely circulated Odia and English newspaper in their area of supply in order to invite objections/suggestions from the general public. The above applications were also posted in the Commission's website www.oriarc.org including the website of the Distribution Utilities. The Commission had also directed the applicants to file their respective rejoinder to the objections filed by the all the objectors.
6. In response to the said public notices, the Commission received applications from the following persons/ associations/ institutions/ organizations as mentioned below against each of the respective distribution licensees to participate in the hearing. The dates for hearing were fixed and it was duly notified in the leading English and Odia daily newspaper mentioning the date, place and time of hearing along with the names of the objectors. The Commission issued notice to the Govt. of Odisha represented by the Department of Energy to send their authorized representative to take part in the hearing of the ensuing tariff proceedings. As the proceedings were held in the supply area of the utilities except TPWODL, the Commission had also directed the applicants to make further publications of Public Notice mentioning date, time and the place of

hearing to facilitate the consumers who have not submitted their views earlier for spot registration at the hearing venue and to participate in the tariff proceedings of the distribution utilities for FY 2021-22.

On TPCODL's application:

7. (1) M/s. Pragati Milk Product Pvt. Ltd., Plot No.71/A/1 and 71/A, New Industrial estate, Jagatpur, Cuttack-754021, (2) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (3) Dy.Chief Electrical Engineer, M/s. East Coast Railway, Rail Sadan, Chandrasekharapur, Bhubaneswar-751017, (4) Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002, (5) Odisha Retired Power Engineers' Forum, C-7640, Bhoi Nagar, Bhubaneswar-751022, (6) M/s.Grinity Power Tech Pvt. Limited, At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (7) Sri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha,, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (8) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (9) Sri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (10) Shri R.P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013, (11) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (12) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 (Consumer Counsel).

All the above named objectors filed their objections/suggestions except objector Nos. 3, 6, 8 and both the Consumer Counsels namely Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India who were also absent during virtual/physical mode of hearing held at Cuttack on 18.02.2021 at 10.30A.M. and also had not submitted their written note of submissions for consideration of the same by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsels and the representative of Government of Odisha, Department of Energy.

On NESCO Utility's application: -

8. (1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (2) M/s. Balasore Alloys Limited, Balgopalpur, Balasore-756020, (3) Principal Chief Electrical Engineer, East Coast Railway Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (4) Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002, (5) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (6) M/s. Visa Steel Ltd., Kalinga Nagar Industrial Complex, At/P.O: Jakhapura-755026, Dist.-Jajpur, (7) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No. 302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (8) Er.(Dr.) P. K. Pradhan, Duplex-244, Manorama Estate, Rasulgarh, Bhubaneswar-751010, (9) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (10) M/s. Tata Steel Ltd., Kalinga Nagar Industrial Complex, Duburi, JK Road, Dist.-Jajpur-755026, (11) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (12) Sri Prasanta Kumar Panda, District Executive Member, BJP, At-Goudapada, P.O: Jamujhadi, Via-Simulia, Dist.-Balasore-756126, (13) Shri Nilambar Mishra, M/s. Odisha Consumer Association, Balasore Chapter (Consumer Counsel), At/Po-Rudhunga, Via/Ps-Simulia, Dist-Balasore-756126, (14) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (15) the representative of Govt. of Odisha, Department of Energy, Govt. Bhubaneswar and (15) Sri Prasanta Kumar Sahoo, M/s. MSP Sponge Iron Ltd., Keonjhar, (16) Sri Ajay Kumar Mallick, M/s. Rungta Mines, (17) Sri Bikash Das, M/s. Crakers India Ltd. registered their names at the venue for hearing through hybrid mode at Durbar Hall, Collectorate, Keonjhar on 17.02.2021 at 10.30 A.M.

All the above named objectors filed their objections/suggestions except Objectors Nos. 3, 5 and 9 and the Consumer Counsel- PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India who were not present during tariff hearing at Keonjhar through Virtual/physical Mode and also have not filed any objection. All the written submissions filed by the objectors were taken on record and also considered by the Commission. The Commission heard the applicant, the

Objectors, Consumer Counsel, Balasore Chapter and those who were present during hearing through virtual mode.

On TPWODL's application:

9. (1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007,(2) Principal Chief Electrical Engineer, East Coast Railway Rail Sadan, Chandrasekharapur, Bhubaneswar-751017,(3) Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002,(4) M/s. Top Tech Steels Pvt.Ltd., At-Hatibari Road, Kuamunda, Vedvyas, Rourkela, Odisha-770039,(5) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (6) M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031,(7) M/s. D. D. Iron & Steel (P) Limited, H-4/5, Civil Township, Rourkela-769004, Dist-Sundargarh, (8) M/s. Bajaranga Steel & Alloys Ltd.,At/P.O: Kalunga,Sundargarh, Odisha-770031, (9) M/s. Maa Girija Ispat (P) Ltd., Regd. Off-BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundargarh, (10) Sri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (11) M/s. Shri Radha Krishna Ispat(P) Ltd., Plot No.19,P Goi Bhanga, Kalunga, Sundargarh-770031,(12) Er.(Dr) Prasanta Kumar Pradhan, Duplex-244, Monorama Estate, Rasulgarh, Bhubaneswar-751010,(13) M/s. Refulgent Ispat Pvt. Ltd., At-Chikatmati, P.O: Belhidi, Sundargarh-770031, Odisha, (14) M/s. Scan Steels Limited, At- Mainroad, Rajgangpur, Dist.-Sundargarh-770017,(15) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor,Max Towers, Sector-16B, Noida,Gautam Buddha Nagar, Uttar Pradesh-201301, (16) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001,(17) M/s. Vedanta Limited, At-Bhurkamunda, P.O: Kalimandir, Dist.-Jharsuguda, Odisha-768202, (18) Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003 (Consumer Counsel),(19) Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela.- 769012 (Consumer Counsel), (20) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel).

All the above named objectors filed their objections/suggestions except Objectors

Nos.15, & 17 and the Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003, Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela.- 769012 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India who were not present during tariff hearing through virtual mode in the Office of the Commission on 15.02.2021 at 3.00P.M and also had not filed any objection. All the written submissions filed by the objectors were taken on record and also considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Counsels and the representative of Govt. of Odisha, Department of Energy.

On TPSODL application:

10. (1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007,(2) M/s. Maa Bana Devi Polutry Pvt. Ltd., At/P.O: Nuagoan, Via-Aska, Dist.-Ganjam-761010, (3) Principal Chief Electrical Engineer, East Coast Railway Rail Sadan, Chandrasekharapur, Bhubaneswar-751017, (4) Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002, (5) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029,(6) Sri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (7) M/s. Indian Energy Exchange, Plot No.C-001/A/1, 9th Floor,Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (8) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (9) Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati-761200(Consumer Counsel), (10) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India(Consumer Counsel).

As the proceeding was held at DRDA Conference Hall at Chhatrapur, Ganjam in the supply area of the Distribution utility, the Commission had also directed the applicant to make further publications of Public Notice mentioning date, time and the place of hearing to facilitate the consumers those who had not submitted their views earlier for spot registration at the hearing venue and to participate in the tariff proceedings of the distribution utilities for FY 2021-22. Accordingly, the following persons/ organizations had registered their names on the date of hearing and participated in the

proceedings on that date and time (1) Shri Rabindra Kumar Swain, Berhampur, (2) Sri B. Jagadish Kumar, Berhampur, (3) Sri Durga Prasad, the authorized Director, M/s. Velstone Tech India Pvt. Ltd., (4) Sri Krushna Choudhury, Berhampur, (5) Sri Sarat Chandra Swain, Berhampur, (6) Er .Asok Kumar Bhukta, President of Southern Odisha Electrical Contractors Association along with 11 number of its members, Gajapati Nagar, 1st Lane, Berhampur-760010, Ganjam, (7) Sri Nilakantha Dash, S/o.late Lingaraj Dash, At-Patpur, Chatrapur, Dist.-Ganjam, (8) Sri Sankar Prasad Dash, S/o. Kanhei Dash, At-Samantarapur, Chatrapur, Ganjam-761020, (9) Sri Judhistir Behera, Vice President,SOUTHCO Bijuli Upvokta Sangha, Berhampur, At-Sidhartha nagar, Berhampur, Dist.-Ganjam-760002, (10) Sri Panchanana Jena, Working President, Bijuli Karmachari Sangha, At-Hill Patna, Berhampur-760003 (11) M/s. Odisha Cold Storage Association, Berhampur, Ganjam, (12) Sri B. Srinivas & Sri K. B. Maity, M/s. Ferro Chrome Plant, M/s. Tata Steel Limited,(13) Sri V.V. Narayan Reddy, Park Street, Chatrapur, Dist.-Ganjam-761020, (14) Sri Sandeep Patnaik, M/s. Gopalpur Ports Ltd., Bada Anjipalli-761045, Dist.-Ganjam, (15) Sri A. K. Das, M/s. Gopalpur Light House, P.O: Gopalpur on sea,Dist.-Ganjam-761002, (16) Sri Himanshu Mishra, M/s. Suntek Industries, Near Grasim Industry Ltd.,Dist.-Ganjam-761025,(17) Sri Aditya Narayan Mishra, Advocate, At-Mushulikanti Sahi, Chatrapur-761020 (18) Sri Ajay Kumar Nayak,M/s. Harika Chemical Pvt.Ltd.,Plot No.2490, Jayshree, Ganjam-761025, (19) Sri Brijesh Mor, M/s. Chilika Cashew Industry, At-Subalaya, Ganjam-761027,(20) Sri Nilakantha Dash,At-Patrapur, Chatrapur, P.O: Sundarpur, Dist.-Ganjam, (21) Sri Gyan Ranjan Kar, M/s. Saraf Agencies Pvt. Ltd., At-Chatrapur, Dist.-Ganjam-761020,(22) Sri Ashok Bhukta, At-Mandiapally, Berhampur, Ganjam-760007, (23) Sri Prakash Nayak, United Electricals, Berhampur-760003, (24) Sri Aditya Narayan, At-Musulikanti Sahi, Chatrapur, Dist.-Ganjam-761020, (25) Sri Sankar Prasad Dash, S/o-Khanki Dash, At-Somanathpur, Chhatrapur-761020, Dist.-Ganjam,(26) Sri Sudhansu Padhi,At-Ramanagar, Kamapalli,Berhampur-760004,(27) Sri Niranjana Behera, Neelanchala Nagar, Berhampur – 760005, (28) Sri P. Rajendra Prusty, M/s Narayan Cashew Industry at Rambha, Ganjam 760628, (29) Sri Godavarish Panigrahi, M/s S D Marine Shrimp Hatchery, At-Hunjana, Ramalenka, Puri, (30) Sri Laxmidhar Sahu, Ex-Chairman, Krushnaprasad, Dist-Puri-752032 (31) Sri Anchala Kumar Biswal, At/po-Ramalenka, Dist-Puri – 752032, (32) Sri Pradeep Kumar Majhee, P.S. Member, Krushnaprasad, Dist-Puri – 752032 (33) Sri Abhaya Kumar Mohapatra, AT/Po-

Badajhada, Dist-Puri – 752032, (34) Sri Sarat Kumar Sahu, BJP Secretary, Dist V.P. (35) Sri Ananta Narayan Sahu, Intellectual Consumers, Berhempur, Ganjam. (36) Sri S. K. Subudhi & Epari Bulu Rao, M/s J P Mushroom Farm, Chamakhandi, Chhatrapur, Ganjam.

All the above named objectors those who filed their objections/suggestions and also those who registered their names at the venue and were physically present during hearing except M/s. East Coast Railway, M/s. Grinity Power Tech Pvt. Ltd., M/s. Indian Energy Exchange, Grahak Panchayat, PRAYAS, Sri Rabindra Kumar Swain, Sri B. Jagadish Kumar, Sri Durga Prasad, Sri Krushna Choudhury, Sri Sarat Chandra Swain, Sri V. V. Narayan Reddy, M/s. Harika Chemical Pvt.Ltd., M/s. Chilika Cashew Industry, M/s. Saraf Agency Pvt. Ltd., Sri Aditya Narayan, Sri Sundhansu Padhi and M/s. Narayan Cashew Industry and both the Consumer Counsels who had also not submitted their written note of submissions for consideration by the Commission. The Commission heard the applicant, the Objectors those have filed their objections and also those have registered their names and were present during hearing through virtual/physical mode on the DRDA Conference Hall at Chhatrapur, Ganjam on 19.02.2021 at 10.30A.M. along with WISE, the Consumer Counsel appointed by the Commission for tariff proceedings.

The following Consumer Counsels were appointed by the Commission.

Table – 2

Sl. No.	Name of the Organisations/persons acting as Consumer Counsels with address	Name of the Distribution Utility
1	Orissa Consumers' Association, Balasore Chapter, Balasore	NESCO Utility
2	Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur	TPWODL
3	Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela	TPWODL
4	Grahak Panchayat, Friends Colony, Parlakhemundi, Dist : Gajapati	TPSODL
5	Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9.	TPCODL
6	The Secretary, PRAYAS Energy Group, Pune	TPCODL, NESCO Utility, TPWODL and TPSODL

11. Distribution Utilities of Odisha had filed their application for wheeling charges, surcharges and additional surcharges for financial year 2021-22 under Section 42 of the Electricity Act, 2003 read with OERC (Terms and Conditions of Intra-State Open

Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge and Additional Surcharge for FY 2021-22 which were registered as Case Nos. 79, 80, 81 & 82(A) of 2020. The Commission had directed the DISCOMs to publish the Public Notice regarding their application in widely circulated Odia and English newspaper inviting views/ suggestion of the public. The Commission had also posted a copy of their applications in its website. The following persons have filed their views / objections in response to such public notice.

12. Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002,(2) M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029,(3) Er.(Dr) Prasanta Kumar Pradhan, Duplex-244, Monorama Estate, Rasulgarh, Bhubaneswar-751010,(4) M/s. Vedanta Limited, 1st Floor, C-2, Fortune Tower, Chandrasekharapur, Bhubaneswar-751023, (5) M/s. Grinity Power Tech Pvt. Ltd., At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029.The said filings are also taken on record and duly considered by the Commission.
13. The Commission took up Case Nos. 79, 80, 81 & 82(A) of 2020 together with the applications of the Distribution Utilities for determination of ARR, Wheeling Tariff & Retail Supply Tariff for FY 2021-22 for analogues hearing as the matters are inter related to fixation of tariff of the utilities and posted the matters for hearing through virtual mode in the Hearing Hall of its premises at Bhubaneswar on 15.02.2021 at 3.00 P.M. for TPWODL, on 17.02. 2021 at 10.30 A.M for NESCO Utility at Durbar Hall, Collectorate, Keonjhar, on 18.02.2021 at 10.30 A.M for TPCODL at Sarala Bhawan, Cuttack and on 19.02.2021 at 10.30 A.M for TPSODL at DRDA Conference Hall at Chhatrapur, Ganjam with due notice to the applicants and the objectors.
14. During virtual hearing on Open Access Charges the following persons were present on behalf of applicants and the objectors:

The representatives of TPCODL, NESCO Utility, TPWODL,TPSODL and OPTCL, Sri Ananda Kumar Mohapatra, Power Analyst, S/O. Jachindranath Mohapatra, Plot No.639/1021, Lane-2, Laxmi Vihar, P.O: Bankual, Tankapani Road, P.S: Saheed Nagar, Bhubaneswar, Dist.-Khurda-751002, M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, Er.(Dr) Prasanta Kumar

Pradhan, Duplex-244, Monorama Estate, Rasulgarh, Bhubaneswar-751010, M/s.Vedanta Limited, 1st Floor, C-2, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, M/s. Grinity Power Tech Pvt. Ltd., At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029. The filings made by the parties were taken on record and also considered by the Commission.

15. The Commission heard the applicants, objectors and the representative of the DoE, Government of Odisha through virtual mode at length. Parties were directed to file their written note of submission by 25.02.2021.

The Commission convened the State Advisory Committee (SAC) meeting on 22.02.2021 at 11.00 AM at its premises to discuss about the Aggregate Revenue Requirement, Wheeling Tariff and Retail Supply Tariff application proposals of the Distribution Utilities. The Members of SAC, Special Invitees, the Representative of DoE, Government of Odisha actively participated in the discussion and offered their valuable suggestions and views on the matter for consideration of the Commission.

ARR & RETAIL SUPPLY TARIFF PROPOSAL FOR 2021-22 (PARA 16 TO 42)

Energy Sales and Purchase

16. A statement of Energy Purchase and Sales by the DISCOMs from FY 2019-20 upto FY 2021-22 as submitted by the DISCOMs of Odisha namely TPCODL, TPWODL, TPSODL and NESCO Utility are given below:

Table - 3
Energy Sales and Purchase

		EHT	HT	LT	TOTAL
TPCODL	Actual Sales during 2019-20	1,040.23	1,419.96	3,813.00	6,273.19
	Approved Sales for FY 2020-21	937.83	1,559.96	4,794.11	7,291.90
	Estimated Sales for FY 2020-21	884.38	1,161.91	4,277.74	6,324.03
	Proposed Sales for FY 2021-22	905.23	1,340.21	4,684.68	6,930.12
	Proposed rise over FY 2020-21	2.36%	15.35%	9.51%	9.58%
TPWODL	Actual Sales during 2019-20	1,579.88	1,929.90	2,604.73	6,114.51
	Approved Sales for FY 2020-21	1,450.00	1,800.00	3,182.00	6,432.00
	Estimated Sales for FY 2020-21	1,300.00	1,750.00	2,930.00	5,980.00
	Proposed Sales for FY 2021-22	1360.00	1,800.00	3,335.00	6,495.00
	Proposed rise over FY 2020-21	4.62%	2.86%	13.82%	8.61%
TPSODL	Actual Sales during 2019-20	488.53	313.51	1,817.94	2,619.97
	Approved Sales for FY 2020-21	463.89	333.38	2,240.23	3,037.50
	Estimated Sales for FY 2020-21	391.10	227.75	2,185.96	2,804.81
	Proposed Sales for FY 2021-22	414.404	230.71	2,397.73	3,042.84
	Proposed rise over FY 2020-21	5.96%	1.30%	9.69%	8.49%
NESCO Utility	Actual Sales during 2019-20	2,123.40	444.50	2,154.27	4,722.18
	Approved Sales for FY 2020-21	2,191.44	439.28	2,733.69	5,364.41

		EHT	HT	LT	TOTAL
	Estimated Sales for FY 2020-21	1,325.28	368.75	2,363.20	4,057.24
	Proposed Sales for FY 2021-22	1571.50	395.42	2,677.28	4,644.20
	Proposed rise over FY 2020-21	18.58%	7.23%	13.29%	14.47%
TOTAL	Actual Sales during 2019-20	5,232.04	4,107.87	10,389.94	19,729.85
	Approved Sales for FY 2020-21	5,043.16	4,132.62	12,950.03	22,125.81
	Estimated Sales for FY 2020-21	3,900.76	3,508.41	11,756.90	19,166.08
	Proposed Sales for FY 2021-22	4,251.14	3,766.34	13,094.69	21,112.16
	Proposed rise over FY 2020-21	8.98%	7.35%	11.38%	10.15%
PURCHASE	Actual Purchase 2019-20				24,592.07
	Estimated purchase 2020-21				25,140.14
	Proposed Purchase 2021-22				27,211.93

Sales analysis for FY 2021-22

17. For projecting the energy sale to different consumer categories, the Licensees have analysed the past trends of consumption pattern for last eighteen years i.e. FY 2001-2002 to FY 2019-20. In addition, the Licensees have relied on the audited accounts for FY 2019-20 and actual sales data for the first six months of FY 2020-21. With this, the four DISCOMs have forecasted their sales figures for the year 2021-22 as detailed below with reasons for sales growth.

Table - 4
Sales Forecast

Licensee/ Utility	LT Sales for 2021-22 (Est.)		HT Sales for 2021-22 (Est.)		EHT Sales for 2021-22 (Est.)		Total Sales 2021-22 (Est.) MU
	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	
TPCODL/CESU	4684.68	9.51	1340.21	15.35	905.23	2.36	6930.12
Remarks	Based on Judgement and development of category wise consumers.		Based on Judgement and development of category wise consumers.		Based on estimated load factor and new addition. Also include energy demand by railway traction (353.12 MU)		
NESCO UTILITY	2677.275	13.29%	395.420	7.23%	1571.505	18.57%	4644.20
Remarks	Increase in demand is due to electrification under SAUBHAGYA, DDUGJY, RGGVY, BSVY, BGJY and growth in domestic category consumers. Expected growth of sales in others as Allied Agro Activity-prawn cultivation and re-opening of educational and religious institution		The sales in this category are not yet revived on account of recession in steel & mining sector, industrial slowdown and temporary closure/disconnection of steel and mining industries. Adding further, Covid-19 pandemic. Considering the worst of pandemic is over and HT consumer will revive.		The pandemic Covid-19 has affected the EHT sales of the utility severely. There are Instances like Agreement with the Industries has been terminated and Industry is under disconnection. Considering the worst of pandemic is over and growth of some EHT consumer with conservative approach.		
TPWODL	3335.00	13.82%	1800.00	2.85%	1360	4.61%	6495.00

Licensee/ Utility	LT Sales for 2021-22 (Est.)		HT Sales for 2021-22 (Est.)		EHT Sales for 2021- 22 (Est.)		Total Sales 2021-22 (Est.) MU
	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	(MU)	% Rise over FY20-21	
Remarks	Impact of electrification of new villages under DDUGJY & SAUBHAGYA, growth in domestic category and irrigation consumption		HT Industries who regularly opted to draw power under Open Access in the past has preferred WESCO power due to high prices in IEX.		EHT consumers are drawing power under short term open access for which the utility has taken conservative approach. EHT sales forecast also includes 437.00 MU for railway traction		
TPSODL	2397.731	9.69%	230.709	1.29%	414.404	5.96%	3042.844
Remarks	Considering past trends and Impact of electrification of new villages under RGGVY, BSVY, BGJY & SAUBHAGYA Schemes.		There has been negative overall growth during FY20-21 due to industry shutdown and drawal by own CGP		Considering past trends and impact of proposal of M/S TATA STEEL and open access drawl by M/S Grasim Industries.		

Rise of BPL Consumers in the State

18. During the past years Odisha has seen a substantial rise in BPL consumers which in turn is affecting the revenue of DISCOMs as submitted by them while filing their ARR for FY 2021-22. The trend observed during last year is as given bellow:

Table - 5
Trend of BPL Consumer and their consumption pattern

Year	TPCODL			NESCO Utility			TPWODL			TPSODL		
	No of Consumers as on 1st April	Consumption MU	Consumption per consumer per Month (in Unit)	No of Consumers as on 1st April	Consumption MU	Consumption per consumer per Month (in Unit)	No of Consumers as on 1st April	Consumption MU	Consumption per consumer per Month (in Unit)	No of Consumers as on 1st April	Consumption MU	Consumption per consumer per Month (in Unit)
2011-12 (Actual)	42,483	18.58	36.45	1,07,593	18.05	13.98	68,418	37.86	46.12	65,104	40.38	51.69
2012-13 (Actual)	1,01,041	45.88	37.84	1,69,264	38.94	19.17	1,43,740	53.78	31.18	1,50,767	99.34	54.91
2013-14 (Actual)	1,64,864	53.19	26.89	1,69,264	124.31	61.2	2,10,608	62.3	24.65	2,63,345	136.65	43.24
2014-15 (Actual)	1,52,862	62.14	33.88	2,15,528	106.91	41.34	3,18,026	128.45	33.66	3,07,803	186	50.32
2015-16 (Actual)	1,75,671	60.81	28.85	2,09,651	85.07	33.81	2,87,211	143.21	41.55	3,69,028	228	51.46
2016-17 (Actual)	1,80,309	62.36	28.91	1,79,336	77.68	36.1	1,73,966	66	32.03	4,04,454	208	43.05
2017-18 (Actual)	1,52,918	48.09	29.81	1,58,571	48.592	25.54	1,89,853	59.808	26.25	3,63,322	140.58	32.24
2018-19 (Actual)	1,15,978	53.41	38.38	1,47,423	46.02	26.01	2,55,369	62.53	20.41	3,26,639	151	38.52
2019-20 (Actual)	1,03,782	34.18	27.44	1,43,215	41.99	24.43	2,53,257	69.49	22.86	3,99,506	155.02	32.33
2020-21 (Estimated)	80,817	39.64	40.88	1,33,950	43.62	27.13	2,31,076	80	28.85	3,64,416	150.77	34.47
2021-22 (Projected)	1,73,343	53.52	25.73	1,34,849	44.93	27.76	2,81,076	100	29.64	4,00,000	150.77	31.41

Losses

19. The Distribution Loss, Collection Efficiency and AT&C Loss as fixed by OERC and actual attained by the licensees by the four DISCOMs since FY 2014-15 onwards

along with their proposal for the ensuing year are given hereunder:

Table - 6
Loss Statement of the DISCOMs (in %)

	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Approved)	2020-21 (Calculated)	2021-22 (Proposed by the Licensees)
DISTRIBUTION LOSS (%)									
TPCODL	33.90	33.42	32.57	31.72	28.15	23.12	23.00	26.92	24.63
NESCO Utility	31.10	26.73	23.50	22.28	18.74	13.19	18.35	19.60	19.05
TPWODL	35.46	33.76	31.22	25.81	21.32	18.73	19.60	22.34	21.27
TPSODL	39.00	36.70	34.59	32.70	29.76	24.47	25.50	25.00	24.50
ALL ODISHA	34.46	32.51	39.39	28.03	24.25	17.44	21.36	23.76	22.42
COLLECTION EFFICIENCY (%)									
TPCODL	94.30	94.26	96.56	96.60	96.75	90.51	99.00	96.00	97.00
NESCO Utility	96.96	95.72	96.25	93.38	94.10	86.38	99.00	92.00	93.00
TPWODL	95.37	93.45	88.00	87.87	86.87	87.91	99.00	95.00	96.00
TPSODL	90.75	88.60	89.90	91.44	86.95	84.34	99.00	91.00	96.00
ALL ODISHA	94.02	93.80	92.91	93.15	91.67	87.90	99.00	94.11	95.67
AT & C LOSS (%)									
TPCODL	37.67	37.25	34.89	34.04	30.49	30.42	23.77	29.84	26.89
NESCO Utility	33.19	29.87	26.37	27.43	23.53	25.01	19.17	26.04	24.72
TPWODL	38.45	38.10	39.38	34.80	31.64	28.56	20.40	26.22	24.42
TPSODL	44.64	43.92	41.20	38.46	38.93	36.30	20.40	31.75	27.52
ALL ODISHA	38.38	36.70	35.33	32.96	30.57	29.48	22.15	28.25	25.78

Revenue Gap Proposed by the DISCOMs

20. The Revenue requirement trend in Odisha DISCOMs as observed since FY2019-20 is as given bellow:

Table - 7
Proposed Revenue Requirement

		EHT	HT	LT	TOTAL
TPCODL	Actual revenue during 2019-20	661.21	1104.07	1457.18	3222.47
	Approved revenue for FY 2020-21	544.15	914.64	2110.79	3569.58
	Estimated revenue for FY 2020-21 (10 months)	482.00	645.00	1635.00	2762.00
	Proposed revenue for FY 2021-22	581.00	845.00	2106.00	3532.00
	Proposed ARR for FY 2021-22				4155.78
	Proposed gap during FY 2020-21				623.78
NESCO Utility	Actual revenue during 2019-20	1281.51	266.03	814.72	2362.27
	Approved revenue for FY 2020-21	1258.24	253.73	1114.04	2626.01
	Estimated revenue for FY 2020-21	842.41	226.38	974.57	2043.37
	Proposed revenue for FY 2021-22	972.59	242.03	1123.88	2338.51

		EHT	HT	LT	TOTAL
	Proposed ARR for FY 2021-22				2651.82
	Proposed gap during FY 2020-21				313.31
TPWODL	Actual revenue during 2019-20	1083.29	1107.22	1016.20	3206.72
	Approved revenue for FY 2020-21	834.17	1024.45	1270.29	3128.91
	Estimated revenue for FY 2020-21	901.76	1017.85	1265.53	3185.14
	Proposed revenue for FY 2021-22	936.04	1052.89	1409.36	3398.30
	Proposed ARR for FY 2021-22				3655.21
	Proposed gap during FY 2020-21				256.90
TPSODL	Actual revenue during 2019-20	211.48	108.71	957.32	1277.51
	Approved revenue for FY 2020-21	267.14	191.48	887.34	1345.96
	Estimated revenue for FY 2020-21	239.32	168.99	933.72	1342.03
	Proposed revenue for FY 2021-22	260.73	171.33	1038.14	1470.21
	Proposed ARR for FY 2021-22				1586.90
	Proposed gap during FY 2020-21				116.70
TOTAL	Actual revenue during 2019-20	3237.49	2586	4245.4	10068.97
	Approved revenue for FY 2020-21	2903.7	2384.3	5382.5	10670.46
	Estimated revenue for FY 2020-21 (TPCODL 10 months)	2465.49	2058.2	4808.8	9332.54
	Proposed revenue for FY 2021-22	2750.36	2311.3	5677.4	10739.02
	Proposed ARR for FY 2021-22				12049.71
	Proposed gap during FY 2020-21				1310.69

21. Inputs in Revenue Requirement for FY 2021-22

i) Power Purchase Expenses

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

Table - 8
Proposed SMD and Power Purchase Cost for FY 2021-22

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

ii) Employees Expenses

TPCODL, NESCO Utility, TPWODL and TPSODL have projected the employee expenses of Rs. 773 Cr, Rs. 362.63 Cr, Rs. 523.85 Cr and Rs. 416.27 Cr respectively for FY 2021-22. Out of these proposed employee expenses, Rs. 233.67 Cr, Rs. 129.39 Cr, Rs. 132.31 Cr and Rs. 144.88 Cr respectively are proposed for employee terminal

benefit trust requirement for FY 2021-22.

For TPCODL the arrears under the 7th Pay Commission have been estimated separately to be Rs 135 Crores for both regular and retired employees. In the order dated 22nd April 2020, Commission had approved Rs 22.5 Cr against Rs 135 Cr that was proposed by erstwhile CESU. Further an additional quantum of Rs 35 Crores is also payable in FY 2020-21 in terms of the government notification. The balance amount of Rs 77.5 Crores is proposed to be recovered in FY 2021-22. For NESCO Utility the above cost has been projected considering the 50% of the arrear impact of 7th Pay Commission report to the tune of Rs. 29.73 crores. For WESCO Utility the above cost has been projected considering balance 50% arrear of 7th Pay commission towards existing employees Rs.38.32 crs. For SOUTHCO Utility the above cost has been projected considering the effect of 50% of 7th Pay commission which is due from 1st January 2016 for Executives and for Non Executives it is due from 1st Apr-2015. To arrive at the basic salary for the FY 2021-22 the existing Basic pay for FY 2020-21 and 3% increment over the FY 2020-21 have been considered. Similarly, DA has been considered to be 28% for FY 2021-22 considering 3% increase each from 1st July-20, 1st Jan-21 & 1st July 21 respectively. For TPSODL arrear due to 7th pay commission for the above period has been taken as Rs.30.94 Crs.

iii) Administrative and General Expenses

TPCODL, NESCO Utility, WESCO Utility and SOUTHCO Utility have estimated the A&G expenses of Rs 193.44 Cr, Rs.63.45 Cr, Rs 83.38 Cr and Rs 58.23 Cr respectively based on expenses 2020-2021. The 7% increase is taken on account of inflation and increase in the growth of consumer and exponential growth of customer service activity on the normal A&G expenses except TPCODL. TPCODL is seeking higher expenditure as compared to the amount that would be arrived at by applying the norm for both FY 2020-21.

Apart from this, TPCODL has proposed other A&G expenses for some of the activities as Property related expenses, communication, professional charges, conveyance and travelling other expenses and special A&G expenses. NESCO Utility has proposed additional A&G expenses for some of the activities as Energy Audit-Recurring cost, Smart Metering Implementation, AMR related running expenditure, Media Campaigning Expenditure and IT automation for various activity. WESCO Utility has proposed additional A&G expenses for some of the activities as Automated

meter reading activities, Media Campaign, Replacement & shifting of meters, Energy Audit-Recurring cost, Cess on building construction and electrical installation, Prepaid metering running expenses, IT automation for MBC activity and Spot billing additional coverage. SOUTHCO Utility has proposed additional A&G expenses for some of the activities as Media Campaign, Automated meter reading activities, Customer Care Centre, Incentive for arrear collection, Building and other Cess, Energy Audit-Recurring cost, Electrical Compensation Expenses, IT automation, SOP Audit, Vigilance and Antitheft Activities and Transformer Repair Unit. TPCODL has proposed other A&G expenses for FY 2021-22 as Rs. 86.71 Cr. Additional A&G expenses projected by licensees for FY 2021-22 are NESCO Utility – Rs. 8.29 Cr., WESCO Utility – Rs. 18.56 Cr. and SOUTHCO Utility – Rs. 26.36 Cr.

iv) Repair and Maintenance (R&M) expenses

All the DISCOMs have calculated R&M expenses as 5.4% of GFA including the RGGVY, BGJY assets and future assets to be created under SAUBHAGYA scheme at the beginning of the year. With regard to the R&M of the assets created through funding of the RGGVY and BGJY schemes, Commission in Para 350 the RST order for FY 2019-20 had allowed an additional sum of Rs. 5.00 Cr to each of the DISCOMs on a provisional basis which is not enough given the area over which the RGGVY assets have been spread out. Licensees have also prayed to allow the R&M on the RGGVY & BGJY assets so that they can maintain the assets. The details of proposal under R&M expenses for ensuing financial year FY 2021-22 are given below:

Table - 9
R&M Costs (Rs in Cr)

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

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

v) Provision for Bad and Doubtful Debts

TPCODL provision has been worked out on the quantum of revenue estimates at

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

Table - 10
Provision for Bad and Doubtful Debt

DISCOMS	Collection Efficiency (%)	Proposed Bad Debts (Rs in Cr.)
TPCODL	99%	35.324
NESCO Utility	93%	81.85
TPWODL	96%	90.62
TPSODL	96%	29.40

vi) Depreciation

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

vii) Interest Expenses including Interest on Security Deposit

The erstwhile CESU had been submitting the projections on the basis of actual liabilities, including the loans taken under various schemes like APDRP, RAPDRP, loans from GRIDCO and World Bank. However, TPCODL had inherited the Balance sheet without such liabilities. TPCODL submitted interest on Debt capital only for the loans required for the capital expenditure (FY 2020-21 and FY 2021-22) would be considered. Past loans (which have also not been inherited) would not be considered. NESCO Utility, WESCO Utility & SOUTHCO Utility have submitted the interest expenses and the interest income for the FY 2021-22. The net total interest expenses proposed by these licensees are Rs 74.08 Cr, Rs 84.20 Cr and Rs 50.54 Cr respectively. The major components of the interest expenses of these licensees are as follows:

viii) GRIDCO Loan

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

ix) GRIDCO New Loan

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

x) World Bank Loan Liabilities

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

xi) Interest on CAPEX Loan from Govt. of Odisha

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

xii) Interest on APDRP Loan Assistance

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

xiii) Interest on SI scheme Counterpart funding from REC for GoO CAPEX

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

xiv) Interest on Security Deposit

For estimating the deposit, TPCODL has considered the trend of the past two years. Based on the trend on "per capita deposit", a deposit amount of Rs 2700 per consumer is considered. Further to work out the interest on the Security Deposit, the rate considered as available on the site <https://www.sbi.co.in/web/interest-rates/interest-rates/base-rate-historical-data>. TPCODL has submitted interest on security deposits as Rs 58.246 Cr for FY 2021-22. NESCO Utility, WESCO Utility and SOUTHCO Utility have submitted that the interest on security deposits for FY 2021-22 have been worked out at 5.40% on the closing balance for FY2020-21 based on the existing approval of the Commission for FY2020-21. This interest on security deposit proposed as Rs 58.25 Cr, Rs 34.03 Cr, Rs.44.21 Cr and Rs 15.87 Cr respectively. However, due to fall in Bank Rate SOUTHCO Utility has proposed to reduce the rate of interest of security deposit as per prevailing Bank rate declared by RBI for FY 2021-22.

xv) Other short term loan, SOD interest & finance charge

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

22. Revenue and Truing up ARR

i) Non-Tariff Income

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

ii) Provision for contingency Reserve

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

iii) Return on Equity/Reasonable Return

TPCODL has claimed Rs 73.48 Cr as ROE calculated @16% on a return on equity.

TPCODL has worked out the Return on Equity (RoE) for the capitalization arising out of the Capex undertaken by TPCODL after Effective Date. Rest of three Licensees submitted that due to negative returns (Gaps) in the ARR and carry forward of huge Regulatory Assets in previous years, they could not avail the ROE over the years, which otherwise would have been invested in the company for improvement of the infrastructure. As it is followed by various Commissions, the Licensees submit that the ROE to be allowed on the amount of the equity and the accrued ROE for the previous year. This would increase the availability of more funds for the consumer services. Therefore, NESCO Utility, WESCO Utility, SOUTHCO Utility have assumed reasonable return amounting to Rs. 10.54 Cr, Rs. 7.78 Cr and Rs. 6.03 Cr as calculated @16% on equity capital including the accrued ROE as per the earlier Orders of the Commission.

iv) Truing Up for FY 2020-21

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

v) Revenue at Existing Tariff

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

Summary of Annual Revenue Requirement and Revenue Gap

23. The proposed revenue requirement of DISCOMs with and without railway have been summarised below:

Table – 11
Proposed Revenue Requirement of DISCOMs (with railways) for the FY 2021-22
(Rs in Cr)

	TPCODL	NESCO Utility	TPWODL	TPSODL	Total DISCOMs
Total Power Purchase,	2778.23	1959.05	2867.60	895.29	8500.17

Transmission & SLDC					
Losses considered for projection power ARR	24.63%				
Losses considered by Hon'ble Commission for Tariff	22.93%				
Power Purchase cost considered for GAP calculations	2716.97	1959.05	2867.60	895.29	8438.91
Total Operation & Maintenance and Other Cost	1474.87	759.65	964.48	698.98	3897.98
Return on Equity	73.48	10.54	7.78	6.03	97.83
Total Distribution Cost (A)	1548.35	2729.24	3839.86	1600.3	9717.75
Total Special Appropriation (B)		7.89	7.60	6.53	22.02
Total expenditure including special appropriation (A+B)	1548.35	2737.13	3847.46	1606.83	9739.77
Less: Miscellaneous Receipt	109.56	85.31	192.25	18.09	405.21
Total Revenue Requirement	4155.76	2651.82	3655.21	1586.91	12049.70
Expected Revenue(Full year)	3532.43	2338.51	3398.31	1470.21	10739.46
GAP at existing(+/-)	(623.33)	(313.31)	(256.90)	(116.70)	(1310.24)

Table – 12
Proposed Revenue Requirement of DISCOMs (without railways) for the FY 2021-22
(Rs in Cr)

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

*TPCODL has not provided revenue Gap without Railways.

Tariff Proposal

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

Table - 13
Revenue Gap for Ensuing Year 2021-22 (Rs in Cr)

	TPCODL	NESCO UTILITY	TPWODL	TPSODL
Revenue Gap with existing Tariff	623.33	313.31	256.90	116.70
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	623.33	313.31	256.90	116.70

Allocation of Wheeling and Retail Supply Cost

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

Tariff Rationalization Measures proposed by Licensees:

Proposal by NESCO Utility, WESCO Utility and SOUTHCO Utility

Withdrawal of power factor incentives (NESCO Utility and SOUTHCO Utility)

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

Withdrawal of TOD benefits (NESCO Utility and SOUTHCO Utility)

27. As per RST order TOD benefit is being extended to Three phase consumers except public lighting and Emergency Supply category of consumers having own CGP for the consumption during off peak hour. Off peak hour for this purpose is from night 12.00 PM to morning 6 AM of next day. Now with the introduction of frequency based tariff significance of Off peak hour (TOD) consumption has been lost.
28. Consumers are reaping the benefit of frequency based tariff and intends to use accordingly as a result the load curve of most of the industries are almost flat. In such scenario continuance of TOD benefit is no more required. If continuance of TOD benefit is being permitted to the consumers, similarly the Utility's BSP may also be permitted to reduce for TOD consumption during off peak hour. Further, consumers having contract demand more than 110Kva and above are also availing off peak hour benefit towards drawl to the extent of 120% of their contract demand without levy of penalty. So, further continuance of TOD benefit would be a double benefit for the same cause hence licensees have requested to withdraw TOD benefits.

Demand charges to HT medium category consumers

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

MMFC for LT category of consumers (NESCO Utility)

30. In case of Domestic, General purpose, Specified Public Purpose & PWWS the rate is same as for 1st kW as well as additional Kw. However, in case of other category the rate for additional Kw and part thereof is very much lower for which the revenue of the utility is highly affected as well as creating discrimination among LT category of consumers. In this view, Licensees have submitted to rationalized LT consumers with single rate for 1st kW or part thereof as well as additional kw or part thereof.

Billing to Irrigation and Agriculture Category of Consumers (NESCO Utility)

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

Levy of Demand Charges (WESCO Utility and SOUTHCO Utility)

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

Additional Rebate of 2% to LT category of Consumers

33. The Commission has allowed rebate of 2% additional rebate towards digital payment for LT category of consumers. The intention was to promote cash less transaction to avoid pressure on currency notes which is also saving the time of the consumers for

depositing cash in various cash collection centres. So, the licensee is intended to continue with the same for the ensuing year. Therefore, the additional rebate of 2% in addition to normal rebate as applicable may be considered for LT Domestic & Kutir Jyoti category of consumers who shall make payment through digital mode only. WESCO Utility has suggested for additional 2% instead of presently applicable rebate of 2% in addition to the normal rebate as applicable may be considered by the Commission for LT Domestic & Kutir Jyoti category of consumers who shall make payment through digital mode only.

Introduction of kVAh Billing

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

Applicability of Power Factor Penalty (WESCO Utility and SOUTHCO Utility)

35. Licensees submitted that if the kVAh based billing proposal is not accepted by the Commission by any reason, then the licensees have requested continuance of power factor penalty as RST order of 2018-19 for Large Industries, Public Water Works (110 KVA and Above), Railway Traction, Power Intensive Industries, Heavy Industries, General Purpose Supply, Specific Public Purpose (110 KVA and above), Mini Steel Plant, Emergency Power Supply to CGP. Till such time kVAh billing approach is adopted the Utility proposes for applicability of Power Factor Penalty for the following category of Consumers in order to bring more efficiency in Power System Operation.
- LT Category: LT industries Medium Supply, Public Water Works and Sewerage Pumping > 22 KVA

- HT Category: Specified Public Purpose, General Purpose < 110 KVA, HT Industries (M) Supply.

Demand Charges and Monthly Minimum Fixed Charges

36. The Licensees have submitted that 90% of the distribution costs is fixed cost in nature. The distribution cost of the License which is a fixed cost has increased many folds during the recent years, the said cost normally required to be recovered from the Demand Charges. The fixed cost of the power procurement by way of payment towards capacity charges has also increased during last few years. In view of this, the Licensees proposed to recover the full fixed distribution costs by suitably revising the Demand charges and monthly minimum fixed charges as proposed in earlier section, as applicable to the respectively category during the ensuing year.

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

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

Rebate on prompt payment (NESCO Utility and WESCO Utility)

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

Considering the above, it is prayed before the Commission to approve the rebate of 2% to the Utility for prompt payment towards BST bills including part payments within 3 (three) working days from the date of presentation of the BST bill and in case the BST bill is paid after 3 (three) days the rebate should be proportionately allowed to the extent of payment made within 30th day @1% akin to Rebate Policy on Rebate is provided to GRIDCO by NTPC.

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

Recovery of Cost of the Meter (SOUTHCO Utility and WESCO Utility)

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

Creation of Accidental Corpus Fund (SOUTHCO Utility AND WESCO Utility)

40. Sometimes lives of human as well as animal are being lost for electrical accidents. In many cases, the family members of the deceased person are suffering. To protect such unforeseen happening Government of Odisha dept. of energy also suggest for creation of Accidental reserve fund, out of which compensation may be extended to the families of deceased person. It has been discussed on 26th Oct-19 under chairmanship of Commissioner Cum Secretary department of energy under 5 T program. It has been directed that DISCOM should appeal before OERC in tariff for recovery of Re 1 on monthly basis. In view of the above it is humbly submitted before the Commission to approve the same in the RST order.

Negative Cash Flow (WESCO Utility)

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

Charges for line extension to LT single phase up to 5 kW

42. RST order dt. 22.04.2020 Annexure-B para(vii) has allowed charges for LT Extension up to 5kW. Following are the approved charges: Up to 2KW Rs. 1500/- , 2-5KW Rs. 2500/-, Rs. 5000/- for beyond 30m. It is seen that the actual cost is much higher in many cases. For urban areas it is somehow possible, but in case of rural area it is not feasible and it may be fixed as Rs. 12500/- per span.

OBJECTIONS & QUERIES RAISED DURING THE HEARING (PARA 43 TO 168)

43. Public hearing on ARR and Tariff application of all the DISCOMs for the FY 2021-22 was initiated with a Power Point Presentation followed by presentation by World Institute of Sustainable Energy, Pune who was the consumer counsel appointed by the Commission. The consumer counsel presented the summary of the submissions made by the licensee, analysis of the ARR with observations.
44. Consumer associations, individuals in their written submission had raised issues contesting the proposal of the DISCOMs. The Commission has considered all the issues raised by the participants in their written as well as oral submissions made in the public hearing. Many objections were found common in nature. These are summarized and addressed as follows:

Performance Related Issues

AT&C Loss and Collection Efficiency

45. Some of the objectors have raised that many objections and suggestions had being filed but proper compliances not been done by the petitioner. The objectors have submitted that, in spite of AT&C loss targets fixed by the OERC, DISCOMs have not reduced the same and projecting fictitious loss figures at the beginning of a financial year and ending up with increased losses year after year. Further, some of the objectors submitted that the figures related to AT&C losses are fabricated and not realistic as all the feeders and substations are not metered. DISCOMs are not taking action for AT&C loss reduction and its prayer for bridging the revenue gap through increase in RST, decrease in BST, and by truing up exercise may be rejected.
46. Some of the objectors have stated that the applicant has not submitted the systematic plan how to achieve the proposed requirements. The Objectors have stated that The Standards of Performance is not at par the prescribed services of OERC. The Objector has stated that the previous Orders of the Commission is not complied so far and there

is no meaning if those are not properly implemented. The Objectors have claimed the licensee is not able to perform as per their own proposal. There is big gap in actual performance compared to the approval of the Commission. The Objectors have requested the licensee should not be allowed further escrow relaxation due to inefficiency.

47. Some of the objectors submitted that to increase the collection efficiency, the DISCOMs are forcing the consumers to make payments on faulty bills and in some cases the licensee is disconnecting the power supply without prior notice to the consumers for such faulty bills which is not in line with the provision of law.
48. Some of the objectors submitted that in the absence of actual energy audit, technical and commercial losses cannot be segregated and DISCOMs have failed to achieve the targets set by Hon. Commission and it is the deliberate action of DISCOMs to overstate distribution loss to obtain higher tariff.
49. Some of the objectors submitted that the collection efficiency includes the collection of past arrears. However, the licensee should submit the data related to the collection of past arrears.
50. Some of the objectors submitted that the AT&C loss trajectory set by Hon. Commission is constant since past few years and the same needs to be reduced to a lower level compared to previous years' approval.
51. Some of the objectors submitted that utility should analyse reasons behind less reduction of distribution losses and should also work towards improving collection efficiency.
52. One of the Objectors has stated that the Application is beyond the scope of Chapter 2 & 3 of OERC (Terms and Conditions of Tariff) Regulations 2004 and Chapter VIII of OERC (Conduct & Business) Regulations 2004, Electricity Act 2003 and OERC Terms and Conditions for determination of Wheeling, Tariff, and Retail Supply Tariff Regulations 2004.
53. Many Objectors have stated that there is no plan submitted how to reduce the Expenditure. Objectors have stated that The Distribution Loss is Controllable as per order by Commission dated 20.03.2013 on MYT Principles for 2nd Control Period FY 2013-14 to FY 2017-18. The Distribution Loss for FY 21-22 may be approved at very low level compared to the set limit for last year.

54. One Objector has requested the licensee should inform the objector, the collection efficiency and the distribution for the first 8 months so that the expected AT&C losses for the year 2021-22 can be projected. The Objector has stated that the Licensee has to produce details of year wise collection, reduction of AT&C loss for each division since 2013-14 of each division. The Objector has raised that the licensee should justify why AT&C losses are not yet reduced as per directions of the Commission. Set the AT&C loss reduction target to 15%.
55. Many Objectors have raised Electricity price is the highest in Odisha when compared to other states.
56. One Objector has raised that the licensee has not submitted the detail break up of O&M Expenses.
57. One Objector has submitted that the average cost by the Commission in course of RST determination is very high in comparison to actual average cost of supply of Odisha power distribution whereas no attention is paid to the other crucial parameter average revenue. The Objector has claimed that there was erroneous calculation of RST in previous years. The Objector has requested to include parameter average revenue of the enterprise in the process of tariff/price/fees/charges determination. The Objector has claimed that DISCOMs are losing opportunity to reduce their transmission cost. Power generators including CGPs driving more benefits from the state grid than the DISCOMs for which it is necessary to levy charges at par with DISCOMs. The Objector has suggested to take higher average rate of recovery of revenue of P/U in special consideration aftermath of pandemic covid-19. The Objector has claimed in spite of outbreak of pandemic actual billing efficiency for previous year was more, the petitioner has reduced billing efficiency significantly. The Objector has also requested to provide average cost of supply and effective retail supply tariff in Odisha from the year 1998-99 to 2020-21
58. Some of the Objectors have raised that wide gap between T&D loss and AT&C loss is definitely alarming. The Objectors have requested to scrutinize the gap as the actual revenue gap for the previous year
59. Many Objectors have raised that the licensee has not taken any steps to increase efficiency level through the reduction of AT&C losses. If the AT&C losses are audited, it will be much above present figures.

60. In case of TPCODL one of the Objectors has submitted that their ARR is concentrated mainly on additional capitalisation. The Objector has submitted that additional capitalisation has no benefit in reduction in AT&C losses. The Objector has submitted that there is average increase in tariff p/u. The Objector has requested disallow higher expenditure including CAPEX and outsourcing of works resulting higher expenditure and consequent burden on tariff. The Objector has requested development of cyclone resilient distribution system under long term perspective plan and capex.
61. In case of TPCODL there is no submission towards collection of the heavy outstanding dues from the consumers which in excess of Rs. 2000/- crores.
62. In case of TPCODL one of the objector has requested engagement of feeder manager with the responsibility for reducing AT&C loss.
63. One Objector has requested rating of distribution utilities as per the parameters fixed by the Government of India.

Energy Audit and Metering

64. Several objectors submitted that none of the licensees have been able to conduct proper Energy Audit. The DISCOMs have claimed that they have taken serious effort for metering of HT and LT feeders as per direction of the Commission in 2003. However, the data submitted by the DISCOMs suggests that there is substantial absence of metering to carry out “Energy Audit”. The Energy Audit data has not been submitted by DISCOMS along with the application for approval of ARR. They further submitted that the DISCOMs should carry out third party verification of energy audits through the accredited energy auditors.
65. Some of the objectors submitted that most of the DTRs are without energy meters and in such case the energy audit activity will not yield desired results. The Energy audit activity should be carried out only after the implementation of 100% DTR metering. Some of the objectors have submitted that the licensee should furnish details of total energy audit for DTR. Further objector requests the licensee to take steps for corrective action for loss reduction.
66. At the hearing, several objectors have pointed out that if Energy Audit is done under a specified time period, then the DISCOM may be levied a penalty by BEE for the delay.

67. Some of the objectors have requested for the Energy Audit subdivision wise report for the audits conducted in last year along with outcome of audits and subdivision wise technical losses.
68. One Objector has requested for extension of load flow study up to 11KV level. The Objector has requested developing data base for voltage at all consumer premises.

Employees' expenses

69. Many objectors have stated that the projected employee cost is on the higher side. Most objectors have requested for prudent check of employee costs for all DISCOMs. They pointed that, major activities like billing and collection are being outsourced and hence the employee cost should come down. The licensees may be directed to submit the audited statement for O&M expenses including the employee cost.
70. Some of the objectors have objected on the proposed manpower recruitment plan of the DISCOMs. As many activities of DISCOM are outsourced or executed through franchisees hence the proposed increased manpower requirement through recruitment is not justified.
71. One of the objectors has requested the licensee to provide division wise consumer and number of workers engaged in O&M work.

Administrative & General expenses

72. Some of the objectors submitted that prudent check of A&G cost is required and submitted that the additional A&G expenses may not be approved as the Licensees have failed to reduce losses and improve the collection efficiency. The objectors requested to undertake a prudence check regarding A&G cost for each year.
73. Some of the objectors submitted that Petitions proposal on A&G cost estimation for the FY 2021-22 is unjustified.

Depreciation cost

74. Some of the objectors have submitted that depreciation should not be allowed on assets funded by consumer contribution and capital subsidy/grants.
75. Objectors submitted that petition's depreciation cost estimation for the FY2021-22 is high.

Repair and Maintenance expenses

76. Objectors submitted that DISCOMs should furnish details of plan and budget for

periodic maintenance of distribution network including emergency repairs and restoration work under each division. Further, DISCOMs should furnish the details of work and expenditure incurred for undertaking critical activities towards loss reduction, energy audit. Also furnish the detailed breakup of gross fixed assets and detailed lists of RGGVY, BGGY assets taken over by the DISCOM.

77. Some of the objectors submitted that since details of RGGVY, BGJY assets taken over by DISCOMs are not furnished, no additional R&M expenses on these assets may be allowed.
78. Some of the objectors submitted that the licensee has failed to execute the proper R&M of distribution infrastructure. Despite of approval of R&M expenses the licensees are unable to spend the budget under the R&M and most of the R&M expenses are incurred in the last six months of the financial year. In such scenario the additional R&M requirement by DISCOMs is unjustified.
79. One of the Objectors also suggested that the Commission may enforce necessary actions and directions over the DISCOMs for development of strong and robust distribution system with proper safety measures considering the changes in weather and climate pattern of the planet and dangers of cyclones and hurricanes which Odisha facing severe climatic issues over the past couple of years.
80. Some of the Objectors have requested that the licensee to provide expenditure details from 4th March 2019 to till date on the schemes like CAPEX programme, Energy system improvement programme, strengthening of infrastructure programme under elephant corridor, Odisha distribution sector strengthening project, IPDS, DESI, ODSSP, ODAFF, DDUGJY.
81. One Objector has requested to prepare the yardsticks for operation and maintenance work of the area.

Provision for Bad and Doubtful Debts

82. Some of the objectors objected on the higher provision for bad and doubtful debts and submitted that it should not be allowed more than 1% of the LT and HT revenue realisation. Objectors have stated that the licensee should fund their Working Capital requirement through collection from the huge outstanding receivables. Therefore, the provision for bad and doubtful debts of should not be allowed for FY 21-22.
83. One Objector has requested the licensee to provide detailed list of outstanding till date for different organisations.

Issues Related to HT / EHT Consumers

Demand Charges for GP > 70 KVA < 110 KVA and HT Industrial (M) Supply

84. Objectors submitted that proposal of DISCOMs for consumers having contract demand more than 70KVA but less than 110KVA to bill based on contract demand or maximum whichever is higher irrespective of connected should not be accepted.
85. Some of the objectors have stated in reply with MMFC for consumer with contract demand <110 KVA and demand charges for GP>70KVA<110 KVA and HT (M) industrial supply, the Objectors raised the issue that licensee has not followed orders by OERC, and hence present tariff should continue.

Over Drawl by Existing HT/EHT Category Consumers

86. Objectors submitted that Commission may reject the submission of DISCOMs for penal demand charges for over drawl beyond contract demand. The objector requested the Commission to determine a period of continuous overdraw (Beyond 120% of contract demand) which shall be treated as guide line to take action against evading the enhancement of contract demand.

Take or Pay Benefit

87. Some objectors requested to reintroduce the take or pay benefit scheme or special tariff for energy intensive industries /consumers having contract demand of 110 kVA and more and industries should guarantee in writing to pay for minimum load factor of 70%.
88. Some of the consumers proposed to allow special rebate of 50 paise per unit under this scheme. Demand charges should be levied on the basis of maximum demand recorded or 80% of the contract demand.

Withdrawal of Reliability Surcharge on all HT/EHT consumers

89. Objectors submitted that in obedience to the tariff order of the Commission none of the DISCOMs are providing reliability index calculation as well as voltage variation report along with energy bill in case reliability surcharge is to be assessed and claimed.
90. One of the objector submitted that the reliability surcharge may be deleted. Availability of EHT lines and corresponding voltage of supply is related to performance of Transmission Licensee. Therefore, a second incentive and that too to DISCOM on same parameters is not justifiable.

91. Some of the consumers submitted that when reliability surcharge is payable by a consumer to the licensee for achieving a certain level of performance on “availability” and “voltage of supply”, a penalty should also have been imposed for not achieving these standards as per OERC SoP Regulations 2004 and CEA Grid Standards Regulations, 2010.
92. Many Objectors have stated that The Distribution Company is levying Reliability Surcharge without maintaining the Reliability Index and voltage variation report. The Commission may withdraw the reliability surcharge in Tariff order for FY21-22.
93. One of the objectors claimed that reliability surcharge approved in last RST order is neither authorised under the Electricity Act, 2003 nor in the electricity rules or tariff regulations.
94. Some Objectors have requested to withdraw reliability surcharge as it is responsibility of the DISCOMs to provide reliable power supply.

Introduction of KVAH Billing (OR) PF Penalty for Three-phase Consumers having CD<110 KVA

95. Some Objectors have stated that KVAH metering is a win-win situation for Consumer and Supplier if the rate per unit of KAH billing is 90% of kWh rate.
96. Some of the Objectors have stated there is huge investment done for power factor improvement, now installation alterations will be huge if KVAH billing is introduced. power factor incentives should not be withdrawn. Any change in the tariff pattern should be done giving sufficient notice and time frame to the consumers.
97. One of the Objectors has suggested introduction of KVAH billing should be subject to the licensee passing through the benefit to the consumers.
98. Many objectors have claimed Introduction of KVAH billing by which P.F. penalty will be withdrawn may prove system damage also under KVAH billing system the SI, MI & other consumer who are not under P.F. folder, will be affected badly.
99. Some of the objectors have requested the submission of the KVAH billing may be rejected.

Slab Restructuring for HT & EHT consumers

100. Some objectors have requested to reintroduce the three slab based graded incentive tariff for HT/EHT as it promotes higher consumption industries. Reintroducing this incentive will have the effect of reduction in tariff for all HT and EHT consumers for

higher consumption and in turn will help the licensee and the licensee will not be overburdened due to the subsidy component enjoyed by the LT Consumers.

101. One of the objectors submitted that, mega steel plants are contributing substantially to the revenue and employment generation. Hence objector has petitioned for a separate consumer category for 'Mega Steel Plant' as per the provisions of Regulation 80 of the OERC Distribution (conditions of supply) code, 2004, with tariff slabs of load factor consumption as <40%, 40-50%, 50-60%, 60-70% and >70%. The Objector has requested the Commission to determine a common tariff for HT & EHT Consumers based on Voltage of Supply.
102. One of the objectors suggested that in the interest of the industrialization of state, tariff for the EHT and HT consumers should be based on the cost of supply after determining the Bulk Supply Price applicable to the licensee. One of the objector submitted that there should be special Tariff for EHT Consumers with High load factor
103. One of the Objectors has stated there has been unprecedented increase in tariff applicable to EHT consumers from the FY 2010-11 onwards, though BSP charges have not increased in the same ratio as the EHT tariff.

Interest on Security Deposit and acceptance of Bank Guarantee

104. One of the objectors asked details about the month wise receipts of Escrow Relaxation: payment of E.D
105. Some of the Objectors have requested to permit submission of additional security deposit in the form of bank guarantee for HT & EHT consumers

Applicability of MMFC and Fixed Charges in the Tariff design

106. One of the objectors has supported present tariff on MMFC/Demand Charges to continue.

Meter Rent

107. Many Objectors have specifically stated that the Meter cost of 1-phase static meters can never exceed Rs.1600/-. DISCOMs are allowed to charge Rs.2400/- as meter rent against Rs.1600/- investment, which is unjust. So is the case of 3-phase meters. The Commission may kindly review their order and allow DISCOMs to collect meter rent till it recovers its costs. It is further submitted that the Commission may direct the DISCOMs to submit the data related to meter rent collected and may reduce the same thereafter conducting detailed scrutiny.

108. Some of the Objectors have claimed that the other income is non-escrow. Procure good energy meters. The cost of meter is also recovered through meter rent which is also non-escrow.
109. Some of the Objectors have requested meter rent RST order for 2018-19 may be withdrawn and order may be passed for collection of meter rent till recovery of landed cost of the meter
110. One Objector has raised that the cost of the three phase tri-vector meter is about rupees 20000 but by the present order the consumer has to pay rupees 60000. The Objector has submitted that collection of meter rent should be till recovery of landed cost of the meter.
111. One Objector has requested installation of pre-payment meters as per the electricity (rights of consumers) law 2020.

Supply to Captive Power Plants (CPPs)

112. One of the objectors submitted that the CPPs are paying at higher rate than the other category of consumers. CPPs do not avail power regularly & they should not be burdened with paying the demand charge throughout the month. Further Hon. Commission has done detailed examination of the provision in the supply code and tariff structure and the present single part tariff is taking care of the demand charges and energy charges for this category of consumers. Hence the prayer of licensee to change demand charge against emergency power with enhancement of present energy charges should not be accepted.

Calculation of Load Factor

113. One objector submitted that load factor should be calculated based on the actual period of availability of unrestricted power supply during the month and that the demand charges should be calculated on prorated basis if the total period of shutdown of the plant due to interruptions and planned shutdowns exceed 30 hours in a month instead of 60 hrs a month.
114. One of the objectors has claimed that consumers at very low load factor even at HT/EHT are being charged with low tariff whereas the industrial consumer even at high load factor at HT/EHT are charged with higher tariff. Industrial consumers in the state are being charged at very higher rate as compared with other consumers at the

same voltage level having lower load factor in the all the tariff years. Hence the Commission is requested to try to rationalise tariff based on voltage level, load factor, power factor, total consumption from 2020-21 onwards.

115. One Objector has 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, load factor incentive from 40% category instead of 60% category and charging at the unit rate which is actual cost.
116. Some of the Objectors have stated that The Ferro Chrome Industries are not performing well and are facing severe financial crisis mostly due to market conditions. These industries are also drawing less power compared to the CD. This is because the tariff for electricity are high and industries are availing Open Access at comparatively cheaper rates.
117. Some of the Objectors have requested Poor LI consumers GPS tariff under Regulation 138(e) is burden on them, Revisit demand charges and load factor bills against power supply.

Power Factor Incentive

118. Some Objectors have stated that The Power Factor Incentive introduced by the Commission for FY 2015-16 @ 50% of incentive provided prior to FY 2013-14. This results in an incentive of 0.5% for every 1% increase in PF above 97% (allowable PF of 92%) and penalty for fall in PF from 92% to 70% is @0.5% for 1% fall in PF. Thereafter, upto 30% penalty is @1% for every 1% fall in PF. This incentive should be provided @1% for every 1% increase in PF above 97% and 0.5% for every 1% increase in PF above 92%.
119. Some objectors have stated that the Power Factor Incentive and Penalty Scheme is necessary to promote system efficiency and may be continued. One Objector has claimed there is huge investment in installing/replacing capacitor banks and further the cost incurred towards maintenance of such capacitor banks. The power factor incentive should continue and withdrawing power factor incentive may not be considered.

ToD Benefit

120. One of the objectors submitted that, present TOD benefit, Demand Charges for HT medium category consumers MMFC on LT consumers and Levy on demand charges

should Continue.

121. One of the objector is of the opinion that the TOD benefit should be extended for day off-peak hours i.e. from 1200 Hours to 1700 Hours to encourage consumers to consume more power from DISCOM instead of procuring power from power energy exchange through Open Access. Another Objector has suggested off-peak may be granted from 10pm to 6 am of next day
122. Some consumers have also suggested that a differential Tariff for Peak & off Peak hours is necessary to promote DSM, this would encourage consumers to shift their load from peak hour to non-peak night hours. Hence the Commission may encourage DISCOM to move toward separate Peak/ off Peak Tariff and ToD benefit should be increased significantly from 20 paisa per unit to 50 Paisa per Unit.
123. One of the objectors has raised that following should be withdrawn, if maximum demand exceeds the contract demand beyond the off-peak hours then the consumer is not entitled to get off peak hours overdrawal benefit even if the load during off-peak hours is within 120% of CD.

Cross Subsidy

124. Some objectors have stated that CSS should be gradually reduced; the energy cost is very high and difficult for consumers to opt for Open Access. The Commission should calculate Cross Subsidy in an appropriate manner while approving ARR and RST for the licensees. The current CSS computed for different category of consumers is with errors. The Objectors have requested to determine the tariff progressively based on cost to serve the consumer and by reducing the cross subsidy. The unusually high cross subsidy and the inability of DISCOM to control the T&D losses has resulted in a heavy burden.
125. Some of the HT consumers submitted that DISCOMs do project higher purchase and sales of energy intentionally for LT category which ultimately leads to more cross subsidy to be paid by HT / EHT consumers.
126. Some of the Objectors have stated that the applicant has failed to reduce AT&C losses and collect its revenue according to approval of the Commission year-after- year. The Objector has stated that the DISCOMs are projecting higher LT Sales for the purpose of getting advantage in tariff setting. The Commission may determine the tariff for different categories of LT Consumers within limit of $\pm 20\%$ of average cost of supply

in the state as Cross Subsidy. The Objectors have requested to revisit the exceptional consideration to BPL and Agriculture consumers +/- 20% cross subsidy in Odisha RST structure.

127. The Objector has raised that the cross subsidy calculation should be as per the national tariff policy and as per the direction of ATE.

General Issues related to Retail Supply Tariff of DISCOMs

Energy Sales Forecast

128. Many objectors submitted that the sales projections made by the licensees are not realistic and are overestimated. The trend of LT sales, LT sales approved and the power purchase data shows that the LT sales are never been achieved and the same are projected only to procure more power. Objectors have requested for a prudent check of projections for LT Sales for FY 21-22 is required to justify the higher figures for LT sales as projected
129. Many objectors have stated that the DISCOMs has not submitted its Business Plan for the full Control Period with details of Sales/Demand Forecast for each consumer category and sub-category for each year of Business Plan, Distribution Loss Trajectory and collection efficiency trajectory
130. The objectors further submitted that the present practice by DISCOMs of keeping power purchase proposal same and raising LT sales to match it, increases burden of cross subsidy on HT and EHT consumers. A prudent check of projections for LT Sales for FY 21-22 is required to justify the higher figures for LT sales as projected by DISCOMs. The utility needs to provide adequate justification for LT sales with actual sales pattern over years
131. One of the Objectors has stated that induction furnace solely depends on the rate of electricity but from last 12 years there is exponential increase in electricity tariff by the DISCOMs. Many industries are closed now so the petitioner doesn't have exact contract demand figure.
132. Some objectors submitted that the HT and EHT consumers have been increased substantially from 2010-11. Further the increase in HT and EHT tariff has been highly disproportionate as compared to change in BST and transmission charges paid by the licensee. Post COVID-19 vaccination looking into U shaped recovery in business and

economy. The Objectors have stated in addition to the adverse market conditions and disproportionate increase in RST by the licensee for HT and EHT consumers has adversely affected the industrial productivity.

Review of Inefficient Operations and Quality of Power Supply

133. One objector stated that the tariff hike in the past few years was based in improvement of power quality, service and operational efficiency. The effort for curbing thefts are not effective and has led to inconvenience to consumers. One of the objector submitted that licensees need to undertake meter ceiling and inspection activities. Further, he submitted that licensees need to maintain meter replacement history.
134. One of the objectors requested the Hon. Commission to redress the issues of inefficiencies, corruptions, irregularities' and maladministration of licensees and initiate necessary action as per rules of law so as to decrease the RST.
135. Many objectors have raised the issue where utilities consistently fail to meet the Standard of Performance as per regulation and could not satisfy the consumers.
136. Most of the objectors raised the issue that DISCOMs are delivering false statements that reason for power cuts is because of power scarcity.
137. Most of the objectors raised that the net cost of power to consumer is inflated without increasing the reliability or quality of supply.

Demand Side Management

138. Many objectors submitted that NESCO Utility, WESCO Utility, SOUTHCO Utility should submit detailed action taken for implementation of DSM regulations in its area. One Objector asked the licensee to submit the detailed report on implementation of DSM regulation.
139. The Objectors were of the opinion that a differential Tariff for Peak & off Peak hours is necessary to Promote DSM hence the Commission may encourage DISCOM to move toward separate Peak/ off Peak Tariff.
140. The Objector has suggested in the interest of consumers, DISCOM, GRIDCO and the State: as GRIDCO will be surplus with power due to commissioning of 3rd and 4th unit of OPGC and other power station of NTPC so part of surplus power can be utilized by the industry of the state and balance can be traded by GRIDCO to reduce the burden of cross subsidy made by HT/EHT industrial consumers for LT consumers.

Audit of Books of Accounts

141. Many objectors submitted that, DISCOMs have not submitted the audited account for previous years has requested that the Commission may direct the DISCOMs to submit Audited balance sheets, Profit and Loss account, Cash Flow Statement along with Auditor Report at the earliest with a copy to respondent(s).
142. One Objector has raised the licensee is not making payment of actual ED collected from the consumers. Commission may issue directions to government for proper ED audit.
143. One Objector has raised that arrear ED should be collected first against a payment by the consumer. The Objector has submitted that ED should be limited to not more than 40 paisa per unit.

Consumer Awareness and Consumer Grievances

144. One Objector has requested to report on number of open access consumers in Odisha, demand and total power consumption by the open access consumers.
145. Some of the Objectors have suggested that introduction of amnesty scheme for LT non industrial category of consumers is welcome proposal.
146. In regard construction work of HT & EHT (regulation 22(v) & 29 of Code, 2019), objector submits consumer should not be forced for construction of line DISCOM should take up the work and complete within due time with remunerative benefit.
147. Many Objectors have raised clarify statutory power cut and power interruption (regulation 143(iii) of code, 2019). The Objectors have suggested demand charges be calculated on prorata basis if the total period of shutdown of the plant due to interruptions and planned shutdown exceeds 30 hours in a month instead of 60 hours a month.
148. Some of the Objectors have raised Amend/withdraw disconnection of power (regulation 168 of code, 2019) when Appellate Authority could not decide within 180 days from the appeal petition. The Objector has requested Poor LI consumers GPS tariff under Regulation 138(e) is burden on them, Revisit demand charges and load factor bills against power supply.
149. Some Objectors have raised the licensee is not implementing the orders of GRF and ombudsman with same plea or another. Regulation 80(5)(ii)(iii) of OERC code 2004

and 138(f) & (g) of code 2019 licensee should extend benefits and not keep it pending.

Other Issues

Electrical Accidents, Death of Animals and Human beings

150. Some of the objectors submitted that licensee has to produce the division wise details of death of human beings and animals due to electric shock and compensation paid to them from 2010 to 2020.
151. Some of the objectors submitted review proposal to be made on creation of corpus funds for victims of Electrical Accidents.

Regarding effectiveness of tariff exercise design by the Commission

152. As per the EA 2003, the Commission should gradually move towards rationalized tariff and the tariff should actually reflect the cost of supply. The Commission should consider a special tariff for Allied Agro Industrial activities and cold storages. The Objector has raised that Agro Industry Tariff Category is not having continuance of agreement.
153. The retail electricity tariff of various categories of consumers of Odisha is much higher than that of the other states. Therefore, reasonable, rational, competitive and affordable tariff concepts have not been taken in to consideration during determination of RST.
154. As per provisions the Commission make an effort for rationalization of tariff based on voltage level, load factor, power factor, voltage, total consumption
155. One Objector has claimed in the present case no demonstration of stranded capacity has been provided by the licensee therefore there is no case of additional surcharge to be levied by the licensee. The national tariff policy 2016 provide additional surcharge to recover the fixed cost of generation stranded due to open access. Regulatory assets cannot be recovered through additional surcharge.
156. Some of the Objectors have raised that the Licensee has not been able to pay BSP bills to GRIDCO on monthly basis.
157. One Objector pointed towards neighbouring states have identified railway as a separate category. Hence the Commission must direct the licensee to create separate “Railway traction” category and tariff accordingly

158. Some of the Objectors have stressed that the need to approve 'special tariff' for power intensive ferro alloys industries and steel industries as earlier.
159. Some of the Objector have requested to determine a special/separate tariff for power intensive industries. EHT Industry is directly connected to the transmission network of OPTCL no technical loss caused in the network of the licensee.

Franchisee Operation

160. One Objector has stated that the licensees have outsourced major activities like billing and collection in majority of their operational areas and hence the employee cost proposed by the petitioner is very high and not justified.

Electricity Billing and Payment

161. There are many complaints related to energy bills. One of the objectors requested the information related to bills issues, no of discrepancy of bills complaints received, no of complaints still not complied and pending with reasons etc.
162. The Objector has claimed that consumers enhancing contract demand more than their contract demand do not violate tariff order.
163. One of the Objectors has stated that action of the licensee against a consumer is contrary to OERC tariff orders and regulations in force in cases of consuming electricity in excess of the sanctioned or connected load and provisional bill/final bill on energy charges.
164. One of the Objectors has claimed that the licensee has no scope for inspection incase whatever consumption related to demand and unit consumption are made by the consumer is confirmatory to tariff Orders and regulations in force and energy bills cannot be inspected. Utilizing more consumption is by making payment of energy bill at higher tariff than tariff for subsidized customers. The Objector has claimed that without any sanction of law the licensee is raising penal bills.

New Connection

165. In regard any application for new service connection (regulation 18 of Code, 2019), objector submits that utility should check provisions of law and orders and amend its own terms and condition.
166. In regard construction work of HT & EHT (regulation 22(v) & 29 of Code, 2019),

objector submits consumer should not be forced for construction of line. DISCOM should take up the work and complete within due time with remunerative benefit.

Feed extension

167. One of the Objectors has stated that ignoring of maximum demand during feed extension over the different DICOMs, recorded demand can be done by DISCOMs in case of a feed extension of one TSS of a DISCOM over another TSS of other DISCOM due to fault of OPTCL.

OYT Scheme

168. The Objector has raised that OYT scheme is not extended to intending consumers. The Objector has raised that no remunerative benefit was extended to any of the consumers. The Objector has raised that the consumers less than 110 KVA are not being extended with demand charges. The Objector has claimed that due to covid-19 110 KVA load suffered a lot as they have to pay 80% of contract demand but not on the actual basis.

REJOINDER BY DISCOMS TOWARDS PERFORMANCE RELATED ISSUES (PARA 169 TO 338)

Business Plan and maintainability of ARR

169. TPWODL stated that as regards to detail agreement between TPWODL, GRIDCO, & Government of Odisha, it is to state that the Commission has sold the Utility to TPWODL as per section 20 & 21 of Electricity Act 2003 through a suo moto proceedings vide Case No. 82 of 2020. In the same case the learned objector was a respondent. The queries raised by the learned objector has been duly addressed in the vesting order.
170. NESCO Utility, TPWODL erstwhile WESCO Utility and TPSODL erstwhile SOUTHCO Utility have stated that the Annual Revenue Requirement and Retail Supply Tariff Application for the financial year 2021-22 has been filed 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 Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2014. TPSODL also submitted that it is in the interest of consumer the

distribution business should run in a healthy manner. Looking into the present reality the application is filed as per provisions of act and regulation. The applicant duly considered the principles of reform act. SOUTHCO utility/TPSODL stated it is complying orders of the Commission time to time.

171. NESCO Utility and TPWODL/WESCO Utility has stated that they relied upon the Audited Accounts up to March 2020 and actual data up to Sep-20 for compilation of data and preparation of this ARR. The projected revenue GAP has been derived on the basis of anticipated revenue & expected cost. Revenue includes sales from all category of consumers along with other miscellaneous income. As regards to cost it includes substantial amount towards power purchase, transmission charges which are uncontrollable & due care has been taken to project the distribution cost which includes Employee cost, A&G, R&M, Interest, Depreciation, Provision for bad debt. The costs are also being projected considering the normal permissible escalation approved by Commission. Wherever additional cost has been claimed, justification for the same has been provided along with. TPSODL/SOUTHCO Utility has stated it proposed to bridge the Revenue Gap for the FY 21-22 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of Odisha as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff.
172. NESCO Utility submitted that the Business Plan for the 4th Control period is under finalisation and will be submitted before the Commission. The audited accounts of the utility for the FY 2019-20 has been submitted before the Commission
173. TPCODL has submitted its plan for meter reading and bill collection through new business associates in its Annual Business Plan for FY 2020-21 and also in the ARR submission (please refer section 4.5.3 A&G Expenditure). The O&M Expenditure for FY 2020-21 and also for FY 2021-22 has been worked out on that basis. TPCODL will submit any further details as directed by the Commission
174. Regarding, submission of Business Plan as per vesting order, TPWODL has been directed to submit its five-year business plan before the Commission for the period FY 21-22 to FY 25-26. The same shall be submitted in due course.
175. Now after takeover of the Utility by TPWODL, as per vesting order TPWODL shall file it's CAPEX plan, OPEX plan & Business plan in due course of time. However, as regards to ensuing year the additional requirement towards R&M, A&G and

Employee cost shall be appended during tariff hearing process.

176. TPWODL/WESCO Utility stated that it has already complied the direction of the Commission order. The details of such compliance has been briefed in the ARR filing vide para 5.1 (page 93 to 95) which may kindly be referred.
177. TPSODL submitted that it is honouring all orders and regulation of OERC and extending the same to the consumer time to time.

GRIDCO Cost

178. TPWODL/WESCO Utility stated in case of power purchase cost that the licensee has sourced it's entire power purchase requirement from GRIDCO only. The learned objector might have perused from the quantum of purchase sourced from GRIDCO from it's ARR. Hence, apprehension of not sourcing the Bulk power from GRIDCO may be ruled out.
179. TPSODL/SOUTHCO Utility stated due to inadequate cash flow of revenue from consumers the utility unable to pay the BSP bills to GRIDCO on monthly basis.
180. TPCODL stated it appreciates the observation of the respondent that the Power Purchase expenses form a major component in the ARR of the Distribution Company like TPCODL. However, TPCODL do not agree that TPCODL is showing a lackadaisical attitude towards the tariff filings of GRIDCO ARR petition. TPCODL stated they are aware that Power Purchase made by GRIDCO is through Long Term arrangements/PPAs that have been tied up in the past and inherited by TPCODL through the Vesting Order. The Tariffs under the PPA have either been approved by the CERC or the OERC or have been discovered through the competitive bidding. In such Long Terms arrangements, the tariff has been determined on the basis of the Tariff Regulations, approved capital cost and other parameters which leave very little scope for revisiting them and a distribution company like TPCODL cannot do much about it in the Tariff Petition of GRIDCO. TPCODL has therefore not commented on the ARR of GRIDCO. TPCODL stated that it is actively participating in various matters before the Commission. TPCODL has been providing its objections/suggestions in various cases (e.g- Case 52/2020 in the mater of Grid Support Charges as filed by OPTCL, Case 55/2020- in the matter of true up petition filed by OHPC, Case 57/2020- in the matter of Auxiliary power Consumption at PGCIL s/s etc) and will continue to do so in future.

181. In regard to the objection raised by the objector, it is submitted by TPSODL that the applicant buys power in a lowest price among four discoms.
182. NESCO Utility submitted that, in reply to contention the Utility has entered into long term power purchase agreement with GRIDCO as per the Reform Act and all the receivables of the utility is wholly paripassu charged with GRIDCO by way of Escrow Arrangement. The termination of the agreement is vested on the Commission's interference in form of revocation or expiry of the licence either of bulk supply or retails supply. So long as the agreement is in force the utility is bound to purchase power from GRIDCO at rates determined by the Commission. NESCO has no other avenues to purchase power at the cheaper rates.
183. NESCO Utility submitted that, in reply to contention the objector has remarked in wrong notion. The projection has been done as per the changed sales/consumer mix scenario and necessarily the projection cannot be distinctively compared to that of the actual.
184. NESCO Utility submitted that, in reply to contention the objectors have analysed and interpreted the data as submitted in his own skill and knowledge and all are of advisory in nature. The utility has noted it for future reference.
185. TPSODL/SOUTHCO Utility in reply submitted that the TPSODL will examine the suggestion of objectors on GRIDCO cost.
186. TPCODL submitted that, TPCODL wish to submit that following documents have been executed with GRIDCO and are available with the Commission.
- Share Acquisition Agreement signed between GRIDCO & TPCL
 - Shareholder Agreement signed between GRIDCO & TPCL
 - Bulk Supply Agreement signed between GRIDCO & TPCODL

Also, Bulk Power Transmission and SLDC Agreement have been signed between TPCODL and OPTCL and same is also available with the Commission.

Regarding tariff rationalization commensurate with cost of supply:

187. NESCO utility stated that it has proposed the tariff rationalization measures with their justifications in the ARR application.

Performance related issues

AT&C Loss and Collection Efficiency

188. NESCO Utility stated that it is duty bound to reduce the losses over the years and the ground realities, infusion of subsidized consumers by way of Rural Electrification is mainly attributable to contain the T & D losses. Despite the adverse condition the utility is able to contain the T & D Losses. The utility is taking all possible measures to reduce AT&C loss. Vigilance activities have been strengthened. Checking squads have been deployed to arrest unauthorized abstraction of energy. All the consumers have been covered under GPRS based photo –billing. The utility has also provided online cash collection counters. To improve the reach to the consumers, the utility has engaged various service providers for easy payment options. AMRs have been installed for accessing the meter data remotely. The utility is taking all possible measures to reduce loss level. Checking squads have been deployed. The loss level for the FY 2021-22 has been projected taking the actual current loss level into consideration.

Distribution loss has been reduced from 32.20% in 2010-11 to 13.19% in 2019-20 and AT&C loss from 36.04% to 25.01% in 2019-20. The utility is taking all steps for achieving the target set by the Commission.

189. TPWODL/WESCO Utility submitted that the actual AT & C Loss during FY 2019-20 was 28.56%. For the current year FY 2020-21 having Covid-19 effect the company has estimated the same to be within 26.22%. During ensuing year proposal has been given to achieve 24.42%. However, the Commission has recorded in the vesting order vide Case No. 82 of 2020 that the operating company has committed to achieve AT & C Loss of 27.56% for FY 2021-22.
190. TPWODL/WESCO Utility submitted that it is the concern of the learned objector that AT&C loss is directly proportionate to collection efficiency & the licensee has not disclosed the collection out of levy of penalty u/s 126 and arrear collection.

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 its customer and expects the consumer has to use the electricity supplied in judicious manner. Hence, projection towards collection u/s 126 cannot be made. Similarly, TPWODL has committed in the bidding

process to collect Rs 300 crore from arrear and is duty bound to disclosure the same before the Commission. The licensee has also made a disclosure in F-9 format collection out of current and out of arrear.

191. TPWODL/WESCO Utility stated that the analysis made by the learned objector towards past years performance against proposed & approved indicates the variation is within 1% to 2%. During FY 2019-20 the proposal was 27.71% but actual was 28.56%. It is a fact that due to nationwide lockdown on account of Covid-19, March-2020 collection was affected seriously and the shortfall was around Rs 100 crore in LT w.r.t. March-2019. Had the LT collection during March-2020 stands like March-2019, the AT&C loss would have been around 26%. During the current year performance in LT sector has been tremendously improved.

As regards to T&D loss & AT&C loss during the current year till Sep-2020 it was 25.51% and 32.78% respectively. The same figure as on Nov-2020 is 24.46% and 30.07% respectively.

192. TPSODL/SOUTHCO Utility given the detail year wise information regarding collection and reduction of AT&C loss is submitted.

Table – 14
Performance Year-Wise from 2013-14 to 2019-20

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Input							
Total	2915.555	3192.837	3282.784	3268.063	3468.182	3638.946	3468.628
Billing(MU)							
Total	1720.363	1947.733	2077.871	2141.148	2334.116	2555.880	2619.974
T& D Loss (%)							
Total	41%	39%	37%	34%	33%	30%	24.5%
Billing (Rs. Lakhs)							
Total	79130.18	86258.76	96598.38	99405.72	109459.22	119889.93	127946.04
Collection (Rs Lakhs)							
Total	71891.37	78278.43	85587.09	89367.07	100094.56	104245.27	107913.92
Collection Efficiency (%)							
Total	91%	91%	89%	90%	91%	87%	84%
At & C Loss (%)							
Total	46%	45%	44%	41%	38%	39%	36%

193. TPSODL submitted that it has around 23 Lakh consumer with around 9.30 lakh BPL consumers who are billed @ Rs85.00 per month are located in inaccessible areas of Malakangiri, Koraput, Nawrangpur, Jeypore, Phulbani and Boudh. So, the cost to serve is higher than to the existing consumers in urban pockets. Due to large

topographical area with BPL category of consumer the AT&C loss is higher than other utilities. After addition of around 6 lakh consumer during year 19-20 it is in a consolidation phase. SOUTHCO utility also stated that in order to reduce AT & C loss no's of steps has been taken to improve the billing efficiency and collection efficiency in spite of the fact that out of 23 lakh consumers 9.45 lakh are BPL category consumers. In order to improve the billing of industrial high value consumers following steps has been taken as detailed below.

- i. Installation of AMRs in 3-phase consumers having CD more than 20 KW.
 - ii. Key Consumer Business Analytic Cell set up to analyse the dump of the meters of 3-phases for taking action at Corporate and Division level.
 - iii. Intensification of Vigilance Activities by creating separate vigilance cell at Circle level. Action is being taken to engage more Nos of vigilance gangs at Subdivision level.
 - iv. De hooking squad operating at Section level and installation of AB cables in rural and urban areas.
 - v. Commencement of installation of Smart meters and prepaid meters.
 - vi. Analysis of photo billing is taken at the corporate level to find out the areas of leakages and necessary action is being taken on the report of Photo Billing agencies.
 - vii. No of disconnection squad has increased at the section level to improve the collection and deployment of additional outsources personnel through the agencies to improve the disconnection activity.
 - viii. This has already submitted before the Commission in ARR & RST application
194. TPSODL is committed for reduction of AT&C loss as per vesting order of the Commission in the Case No 83/2020. However, despite all odds, with the help of Capex programme TPSODL is committed to reduce the AT&C loss as envisaged in the ARR.
195. TPCODL stated that for the purpose of estimating the Power Purchase Requirement for FY 2021-22, TPCODL has considered an AT&C loss of 26.89% which is based on the trajectory as committed in the Vesting Order. TPCODL has assumed a collection efficiency of 97% for FY 2021-22, which is translating into a billing efficiency of

75.37%. Such billing efficiency has been considered for projections of Power Purchase from the sales projections.

196. TPCODL would like to however assure the respondent that notwithstanding the Billing efficiency as considered above, for the purpose of tariff, TPCODL has considered a AT&C loss of 23.7% as provided in the Vesting Order and it is on this basis that the Gap has been worked out in the Table 5.3 and Table 5.4 of the petition. The trajectory given in the Vesting order is as follows:

Table – 15
AT & C Loss Trajectory for Tariff Determination

Financial Year	AT & C Loss
FY 2021	23.70%
FY 2022	23.70%
FY 2023	23.70%
FY 2024	22.00%
FY 2025	20.00%
FY 2026	18.00%
FY 2027	16.00%
FY 2028	15.00%
FY 2029	14.00%
FY 2030	13.50%

197. TPCODL wish to submit that the difference between Billing Efficiency and (100% less AT&C losses) is reflective of the collection efficiency in any particular year. TPCODL is trying to bridge this gap over the period of its operation.
198. TPCODL wish to submit that for the purpose of gap calculation, the AT&C Loss mentioned in the Para-44 (b) of Vesting order (10 year AT&C loss trajectory for tariff determination) has been considered. In other words, the power purchase cost as estimated on the basis of the AT&C loss given in the Vesting Order has been recalculated on the basis of the AT&C cost considered for Tariff computations. The Gap has been computed accordingly. The re-computation has been done in Table 5.4 of the ARR petition.
199. TPCODL has submitted the figures for FY 2019-20 as per the actual data available. TPCODL is executing various Capex schemes for AT & C Loss reduction. The Commission has approved Capex of Rs. 280.63 Cr for FY 2020-21 against TPCODL's submission of Rs 344.44 Crores. TPCODL has submitted Capex proposal of Rs. 484.62 Cr for FY 2021-22 in the ARR petition. TPCODL is giving prime focus on 100 % metering & Energy Audit and different schemes are in progress towards this.

- TPCODL wish to submit that as explained above, the tariff would be determined on the basis of the losses as provided in the Vesting order notwithstanding the actual losses. Hence the consumers would be insulated to that extent from the actual loss.
200. TPCODL noted the suggestion on Engineer feeder manager and welcome the same. TPCODL will study and implement appropriately.
201. In the case of improve efficiency and as regards the losses, for the purpose of projections, TPCODL have considered the same equal to the losses as committed by us in the Vesting Order which is an improvement over the present losses. Hence TPCODL is not able to appreciate the observation
202. TPWODL/WESCO Utility has stated with respect to Analysis of Revenue GAP on
- i. Suggestion for higher average rate:

The licensee has projected the revenue considering consumer growth in Domestic category on account of SAUBHAGYA scheme. Similarly, in case of mega lift initiative by Government of Odisha lot of Agricultural consumption would be increased. Hence, considering the above factual aspects average rate as proposed is quite justified. Suggestion, to consider higher average rate of Rs 4.50 per unit by the learned objector would only be possible if RST would be increased.

- ii. Billing efficiency of FY 2019-20 w.r.t. ensuing year:

As explained earlier due to good sales mix during FY 2019-20 the efficiency was better. Covid-19 was started from 23rd March 2020. So, the effect of Covid-19 was started from Apr-2020 onwards due to which current year till Sep-2020 AT&C position is 32.70%. Presently almost all the industries are struggling to operate in their normal mode. Considering, such scenario projection of ensuing year may please be considered.

- iii. GAP between AT&C loss & T&D loss during FY 2019-20

During the ensuing year the GAP between AT&C loss & T&D loss of around 10% is due to shortfall of LT collection of around Rs 102 crore during March-2020 w.r.t. March-2019. The respondent is well aware that the DISCOMs across the country used to collect handsome amount from LT sector during March only. During March-20 sudden lockdown from 23rd March-2020 badly affected revenue collection of the licensee with compare to March-2019. Normally March collection compensates the

shortfall of previous months and overall AT&C loss reduces. The same did not happen during March-2020.

iv. Other cost under power purchase cost:

It is not other cost, it is the adjustment of debit bill raised by SLDC on account of DPS on UI bills.

As per format-F6 it is clearly depicted under SLDC charges. Similarly, for ensuing year other cost under power purchase head as noted by the learned objector is not correct. The SLDC charges is shown as Rs 1.21 crore for ensuing year.

203. NESCO utility stated that it observes the provisions of regulations and all the applicable rules and the provisions of Tariff order.

Also OERC (Conduct of Business) Regulation 2004 has been filed on 1.12.2020. The application for approval of open access for the financial year 2021-22 has been filed on 1.12.2020. The applications have been filed with the projection of parameters for the ensuing year. NESCO Utility prayed that the Commission may approve the open access charges for the financial year 2021-22 basing on the approved figures for the ensuing financial year and as per the provisions of OERC (Terms and Conditions of intra State Open Access) Regulation, 2020.

204. NESCO Utility stated that the petitioner's contention of unprecedented increase in tariff to HT/ EHT consumers from the year 2010-11 has relevance to the equal increase of BST Bills during the periods, which is clear from the table provided by the objector.

205. TPWODL/WESCO Utility has stated on Average cost of supply vs Average Revenue, The learned objector has made a comprehensive exercise to proof actual cost of supply of all the DISCOMs vs approved cost of supply for FY 2019-20. From the calculation it is observed that the objector has wrongly divided the total actual cost of FY 2019-20 with total input. But, the Commission while approving the ARR, Average cost of supply of Odisha has been judiciously calculated on saleable unit. So on the basis of the Commission's method the Actual Average cost of supply for FY 2019-20 would be (Rs 10583.81 crore/19729.86 MU) i.e. Rs 5.36 per unit against the Commission's approval of Rs 4.99 per unit for the same year. Therefore, the analysis so made needs to be rechecked. There is no such error in calculation of average cost of supply by the

- Commission for FY 2019-20 and also in past year. Similarly, the other points regarding, Commission's past errors in calculation of Average cost of supply is responsible for tariff hike is not correct.
206. TPSODL has prayed to bridge the Revenue Gap for the FY 2021-22 through reduction in Bulk Supply Tariff (BST), grant/ subsidy from the Government of Odisha and balance if any through increase in Retail Supply Tariff. The logic to bridge the revenue gap has been enumerated in different paras of the ARR and RST application. Regarding AT&C Loss, SOUTHCO Utility now TPSODL has proposed to reduce 4.54 % during FY 2020-21& 4.24% during 2021-22. SOUTHCO Utility presently TPSODL has taken various measures such as replacement of 4.5 lakh meters for consumer billed under defective category further all household is electrified under Soubhagya Yojana.
207. As regards the observation that the Miscellaneous receipt of Rs. 192.25 Cr as mentioned by one of the respondents, the same is not correct. The Miscellaneous receipt as projected by TPCODL for FY 2021-22 is Rs. 109. 56 Crores (Please refer Table 4-24 in page 62 of the ARR petition). It may be corrected.
208. TPCODL stated that the data for FY 2019-20 (Form F-6) provided to the respondent. Objector has pointed out the distribution cost of FY 2019-20 is very high (Rs. 3155.44 Crores) due to inclusion of interest on Loan of Rs. 1966.71 Cr and interest on security deposit of Rs. 46.66 Cr. In this regard, TPCODL wish to submit the following:
- **No Carry forward of Losses**
 - i. TPCODL has commenced operation from 1st June 2020 on the basis of the new Balance Sheet provided in the Vesting Order. TPCODL would be filing true up petition only after completion of 10 months of operation in FY 2020-21 on this new balance sheet. TPCODL wish to assure the stake holders like the respondent that TPCODL has not carried forward any past losses to the present year of filing i.e FY 2020-21 and FY 2021-22 and computed the ARR on the basis of the new balance sheet provided in the Vesting Order. Hence the apprehension of the respondent may be allayed to that extent.
 - ii. On the interest on loan part, TPCODL would like to mention that the figure of Rs. 1966.71 Cr was the value of total interest accrued and due as appearing in the provisional balance sheet of erstwhile CESU as on 31.03.2020 available at

the time of ARR preparation. As the final audited balance sheet of erstwhile CESU as on 31.03.2020 is available now, TPCODL is providing the updated break up of total accrued interest and due as on 31.03.2020 in table below.

Table –16
Revenue Requirement & Analysis of GAP

(Rs. In Crs.)

Expenditure	Actual for the previous year FY 2019-20			
	EHT	HT	LT	TOTAL
Power Purchase Cost (A)				
Cost of Power	273.90	406.40	1468	2148.62
Transmission Charges	25.99	38.57	139.34	203.9
SLDC Charges	0.19	0.29	1.03	1.51
Total Power Purchase cost	300.08	445.26	1608.37	2354.03
Distribution Cost (B)				
Employees Cost	0.00	172.74	624.12	796.86
Repair & Maintenance Cost	0.00	6.50	23.47	29.97
Administrative & General Expenses	0.00	38.93	140.64	179.57
Bad & Doubtful Debt	0.00	5.66	20.46	26.12
Depreciation	5.11	7.57	27.37	40.05
Interest on loans	-	426.34	1540.37	1966.71
Interest on Security Deposits	5.95	8.83	31.89	46.67
Discount to Consumer	7.38	10.95	39.55	57.88
Return on Equity	1.48	2.20	7.95	11.63
Int. on working Capital				
Total Distribution Cost	19.92	679.72	2455.81	3155.45
Total Appropriation[C]				
Amortisation of Regulatory Assets				
True Up of Past losses	498.89	740.23	2674.46	3913.58
Other, if any				
Total Special Appropriation	498.89	740.23	2674.46	3913.58
Total Cost (A+B+C)	818.89	1865.19	6738.96	9423.04
Less: Miscellaneous Receipt	19.67	29.18	105.44	154.29
Ttal Revenue Requirement	799.22	1836.01	6633.52	9268.75
Revenue from Tariffs (at Existing Rate)	661.21	1104.07	1457.18	3222.46
Deficit/Surplus at Existing Rate	138.01	731.94	5176.34	6046.29

Table – 17
Total Interest on Loan as on 31.03.2020 as per audited balance sheet (Rs Cr)

Type of Loans	OB Of Loan as on 31.03.2019	CB of Loan as on 31.03.2020	OB of interest accrued & due as on 31.03.2019	Interest accrued in FY 2019-20	Total CB of interest accrued & due as on 31.03.2020
R APDRP Loan Part-I (GoI)-PFC	168.37	168.37			
R APDRP Loan Part-II (GoO)	175.47	175.47	43.84	21.93	65.77
APDRP Loan	37.09	37.09	167.45	24.54	191.99
IBRD	204.51	204.51	1331.63	206.19	1537.82

GRIDCO	277.70	277.70	150.97	0.00	150.97
CAPEX Loan	294.34	294.39	42.10	7.73	49.83
Working capital loan from Gridco	174.00	174.00			
Total	1331.48	1331.53	1735.98	260.40	1996.38
Interest capitalized				29.66	115.61
Net accrued interest & due after capitalization				230.73	1880.77
Note: Only interest RAPDRP Loan Part-II (GoO) and Capex loan are considered for Capitalization					

However, such interest amounts have not been used for computation of ARR since the ARR prepared is on the basis of the Balance Sheet provided through the principles of Vesting Order.

209. The Commission has issued tariff order for FY 2020-21 for erstwhile CESU in the matter of Case 70/2019 on 22.04.2020. TPCODL took over the operation from 1st June 2020. The Capex plan for FY 2020-21 was approved by the Commission in its order dated 08.09.2020 and Opex plan was approved in order dated 16.11.2020 despite the approval it had given in tariff order dated 22.04.2020. TPCODL has filed its ARR with the Balance Sheet as provided in the Vesting Order and hence it is our submission that there is a large difference in the situation on the basis of the Tariff order for FY 2020-21 and the situation after taking over from 1st June 2020. Hence in our humble submission, the 10 months of FY 2020-21 needs to be reconsidered by the Commission.

However, TPCODL wish to submit that the true up petition for FY 2020-21 will be submitted by the petitioner after it completes 10 months of operation in Mar 2021.

210. TPCODL note that the observations by one of the objectors are very general in nature and not based with any calculations and reference to the ARR petition. In absence of the same, TPCODL are unable to provide our comments. On particular observation, as regards the projected sales, employee costs and other expenditure, TPCODL have provided the details and the justification for the same in the ARR petition. The objector may like to draw our attention to any specific part of our submission.
211. WESCO Utility submitted that the table proposed by the objector for analysis purpose needs to be self-substantiated with appropriate data. Directing the licensee to filled up the vacant places from 1998-99 onwards has no relevance in ARR proceeding for FY 2021-22.

Distribution Loss Target

212. NESCO Utility submitted that for projecting the consumption of different categories, the Utility has analyzed and relied on the past trends of consumption pattern for last twelve years i.e. FY 2010-2011 to FY 2019-20 and actual sales data for the first six months of FY 2020-21, the impact of electrification of new villages under the DDUGJY, RGGVY, Biju Saharanchal Vidyut Yojana and Biju Grama Jyoti Yojana, SAUBHAGYA, actual addition/reduction of loads and other factors such as global recession, drawl of power through open access along with temporary closure of consumers in HT/EHT Category (steel & mining industries). The details have been submitted in the ARR application of the applicant.
213. TPWODL/WESCO Utility submitted that the projection for ensuing year with higher T&D as compared to previous year:

The actual distribution loss for FY 2019-20 was 19% and AT&C loss of 28.56%. Due to Covid-19 the position has drastically changed. Till Sep-2020 the AT & C loss was 32.78%. Having, such difficulty the proposal of AT&C loss for FY 2021-22 has been projected as 24.42% is considered to be optimistic. The same has been indicated in T-1 format. Now almost all the industries, commercial establishment, public institutions, malls, cinema halls etc. are yet to breath in normal mode. Keeping all aspect into consideration the sales mix for the ensuing year obviously would not be enriched like 2019-20. Therefore, the T&D loss as projected for FY 2021-22 may kindly be considered.

Now, after taken over of Wesco Utility by TPWODL, as per vesting order TPWODL is committed to achieve the following AT&C loss target.

Table – 18

FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
27.56%	25.56%	22.50%	20.50%	18.50%	14.50%	12.50%	11%	9.50%	9.08%

Similarly, the Commission has also made it clear in the vesting order that for tariff determination process the AT&C loss of 20.40% would be retained for the year FY 21-22.

214. TPCODL stated that TPCODL has been billing as per the Tariff Order and also the transformer losses as per Regulation 97 (vii) of the Supply Code 2019. TPCODL shall appreciate if specific instances are mentioned for our attention.

215. TPWODL/WESCO Utility stated asset details as on 31-03-2020 is as follows

Table – 19

Network Asset Description	Unit	Quantum
33kv lines	C.K	4595
33/11kv S/S	Nos.	261.00
11 kv lines	Km	43071
Nos of DTR	Nos.	62516
LT lines	C.K	53819

216. TPWODL/WESCO Utility stated that certain amount of power purchase cost has been allocated under wheeling head. This is nothing but 8% loss on HT system as allowed by the Commission. As the total input after EHT sale will be wheeled through 33 Kv& 11Kv line, the permissible loss of 8% and the cost there of has been allowed under wheeling cost which may kindly be approved.
217. In reply to transformer loss it is intimated that licensee TPSODL is adhering the regulation framed & amended from time to time. In regard to the suggestion of the objector noted for further rectification measures at our end.

Energy Audit

218. NESCO Utility stated that the status of energy audit along with the plan of action has been detailed in the application of the utility. NESCO has completed energy audit of 74 nos. of 33KV feeders out of 77 nos. (excluding 14 nos. of dedicated 33KV feeders). Energy audit of balance 3nos of 33KV feeders will be covered by March'21. NESCO has completed energy audit of 617nos of 11KV feeders out of 720Nos. Consumer tagging of the balance 11KV feeders are under progress, which are mainly new lines added for ODSSP s/s.
219. NESCO Utility stated that it is making all efforts to adhere to the SOP standards set by the Commission and as per the direction of the Commission, the utility has done SoP audit in 2016-17 and also in 2017-18 and also third party audit for 2018-19. The Mandatory Audit and the M&V audit also completed as per the mandates of Energy Conservation Act.
220. TPWODL/WESCO Utility submitted that the details of Energy audit have already been submitted in ARR vide page 25 to 63 in para 2.5.1 which may kindly be referred.
221. TPWODL/WESCO Utility submitted that with the existing resources the licensee is

conducting the energy audit. The observation of the learned objector to enhance the energy audit for better result is a welcome note and now the new TPWODL management is committed to carry out the energy auditing activity in scientific and professional manner and in coming years it will yield result.

222. TPSODL/SOUTHCO Utility submitted that the energy audit is already carried out in 109 no's of 11 KV feeders and submitted before the Commission. During the FY 2019-20, TPSODL has meter functioning 302 nos of 11 KV feeders against total 772 KV feeders. In order to complete metering arrangement at all 33kv feeders, 11kv feeders, Distribution transformers and consumers, an amount of Rs 156.58 Cr &Rs 27.3 Cr has been approved under DDUGJY & IPDS Schemes respectively. The work is being taken up presently under IPDS scheme. The details of EA of 33 KV and 11 KV feeders is enumerated in Para 5.7 of the application. Further as per direction of the Commission the utility has carried energy audit in three loss making feeders of Aska and Nowrangpur Division

223. Energy audit activities have been carried by TPCODL and erstwhile CESU regularly since several years and the reports are being submitted to different fora including the OERC from time to time. The report contains various segment wise loss calculation (33KV feeder, 11KV feeder & DT) including some analysis of high loss areas.

As regards the availability of meters, TPCODL wish to submit that some of the meters required for 100% Energy Audit are in stock while the balance required for audit would be sought through additional capital expenditure.

224. Under RAPDRP scheme, CYME software and license (which is a load flow software) were handed over to TPCODL. To utilize this software, TPCODL has started the network modelling of 33KV first and 11KV thereafter. It is expected that next year end, all 11KV network would be completed and then load flow analysis will be possible.

225. TPCODL submitted in case of Electrical inspection, TPCODL note that this query is neither relevant to the ARR filed nor to any matter related to tariff as such. Hence TPCODL is not able to provide any comment

226. TPCODL submitted that the electrical inspector time to time directs the Utility to carry out modification of lines and substation as per requirement of safety. The same was rectified immediately. TPCODL is of the opinion of the same as objector

regarding waiver of annual inspection fees of lines and substation.

Employees' expenses

227. NESCO Utility has estimated Employee cost to Rs.362.63 Crs for the FY 2021-22. The man power details along with justifications have been elaborated under para 2.4 of the ARR application, which may please be referred.

Further, the details of component wise Employee cost upto November, 2020 has been furnished before the Commission in reply to queries and is also available in the website of the utility.

228. TPWODL/WESCO Utility submitted present employee strength as per ARR filing has been given in ARR format F-12. As per vesting order the position of employee strength as on 30th Nov-2020 is 2388 nos vide para 46(b).
229. TPSODL was allowed an escrow relaxation for an amount of 304.02 Cr during 2019-20 and an amount 235.29 Cr during 2020-21 till Nov towards employees cost, Licence fees and O&M cost.
230. TPSODL is running with minimum expenditure and escrow relaxation is allowed by GRIDCO for employee costs only and other costs are met from MISC collections. Now the utility is taken over by Tata power as per commitment in the vesting order it will investment in capital works which will improve the power supply along with consumer service in future years.
231. TPWODL submitted that in case of other income the amount of other income as shown for FY 2021-22 amounting to Rs.192.25 Crore includes CSS projection of Rs 135 Crore. As per present practice CSS is to be put into escrow and hardly left around Rs 57 crores to be earned from meter rent, DPS,ODP, reliability surcharge. The amount of Rs.57 crore is not sufficient enough to meet normal A&G expenses for which escrow relaxation is not being given.

Now, as per direction of the Commission in vesting order, on submission of LC, for payment of BSP & Transmission charges with 07 days, the escrow arrangement shall be discontinued and the lien/charge created on the bank account/escrow account of TPWODL shall be vacated. Hence, with the above proposition the position during ensuing year would be changed and the operating company an spend the required amount judiciously after payment of BSP, Transmission charges & SLDC charges.

232. TPCODL submitted that as per the Vesting Order directive, TPCODL was required to submit a detailed management structure and staff deployment plan within 45 days of effective date. Accordingly, it was submitted on 15th July 2020. Also employee addition and expenditure details were submitted as a part of Opex in Annual Business plan (Case No 41 of 2020) in July 2020. In Annual Business Plan approval order dated 16.11.2020, the Commission has taken notice of the fact that there has not been any significant addition of manpower during last 10 years in the DISCOMS causing appreciable shortage of manpower and widening the ratio of employees to consumer. In this order, the Commission has approved addition of 8% of total proposed manpower in current year i.e FY 2020-21 and TPCODL is accordingly adding manpower and the same has been presented in the ARR petition.
233. TPSODL submitted that the remuneration benefit is extended to the consumer after submission of bills by the consumer regarding works taken up by the consumer as per Regulation 13(1) and Appendix-1 of OERC Distribution conditions of supply Code 2004., Further it is submitted that TPSODL is following the Remunerative calculation as per Appendix(I) of regulation (27) (29) of new regulation 2019. Further remunerative Calculation is attached with the estimate. SOUTHCO Utility/TPSODL has already issued a circular in this regard to its field offices to follow the same strictly.
234. TPWODL stated that concerned regarding adherence to remunerative calculation should not be there. The licensee is strictly observing the same.

Expenses to Employee Terminal Fund

235. NESCO Utility submitted that in case of Expenses on Terminal Benefit the objector's contention as regards the recruitment of employees w.e.f. Jan'2005 coming under non-pensionary benefits is true. But as regards the terminal benefits, it is not necessarily covers only pension. The terminal benefits which are provided are as under:
- Pension Provision for the pensioners in roll and the employees coming under Age Old Benefits.
 - Gratuity Provision for all class of Employees
 - Leave encashment on Superannuation for all class of Employees
 - Employer's Contribution of Provident Fund for the Contributory Provident

Fund for those classes of employees opted for Non-Pensionary and employees recruited w.e.f. Jan'2005.

So, contentions of the objector as regards the reduction of the provision of terminal benefits with special reference to the pensioners only are not the fact.

236. TPWODL submitted that in case of Expenses on Terminal Benefit presently the terminal dues are being approved by the Commission on cash out go basis. Similarly on sale of Utility to TPWODL, as per vesting order the monthly pension, gratuity, leave encashment etc has to be reimbursed to the trust by the operating company i.e. TPWODL. The cost of such terminal dues shall be passed on in the ARR. Therefore, funding of trust liability through ARR may not be a better proposition.

Administrative & General expenses

237. NESCO Utility submitted that the Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2020-21. Estimation of higher A&G expenses during ensuing year has been made on account of mass engagement of franchisee, Customer care centre, vigilance activities, disconnection squad expenses, etc detailed in the application. In line with the Commission's order A&G expenses for the ensuing year has been projected by considering 7% increase over estimated A&G expenses for FY 2020-21

Depreciation Cost

238. NESCO Utility submitted that depreciation has been provided only on assets available at the beginning of the year and no depreciation has been provided on assets created during the year. The method adopted for calculating depreciation is Straight Line Method (SLM) at pre-92 rates. The numerical details are given in OERC Form F-19 in the ARR application.

Repair and Maintenance expenses

239. NESCO Utility submitted that the Repair & Maintenance (R&M) expenses for the ensuing year FY 2021-22 has been estimated on the basis of 5.4% of Gross Fixed Assets (GFA) including BGJY and assets under SAUBHAGYA Scheme at the beginning of the year. The opening GFA works out to be Rs. 1971.84 crores, based on which the proposed R&M expenses is to the tune of Rs 106.48 crores.
240. TPWODL submitted that in case of R&M Activity: - It is fact that due to want of

adequate escrow relaxation under R&M head, approved amount could not be spend. Now, TPWODL is committed to spend the approved amount towards R&M head.

241. TPSODL is in the process of preparation of detail roadmap for taking up operation& maintenance work in the area.
242. TPWODL submitted that as regards to Government approved CAPEX scheme it is to state that for strengthening 33 Kv line, 11 Kv line, LT line, capacity enhancement of 33/11 Kv Grid substation, DTR, etc. till Dec-2020 Rs 167 crores has been spent under the Capex scheme.
243. TPWODL submitted that amount sanctioned, amount spent and benefit out of various Capex scheme has already been briefed in the ARR vide para 3.1.2. may kindly be referred.
244. TPSODL stated that the detail of govt schemes with amount spent is given below for information of the petitioner.

Table – 20
The proposed Investment under different Schemes is as under.

Name of the Scheme	Budgeted amount	Amount spent up to 19-20	Likely date of completion of the project
CAPEX	196.97	146.77	FY 2020-21
RGGVY (12 th Plan)	979.24	783.00	FY 2020-21
RAPDRP-A	0.00	0.00	NA
RAPDRP-B	0.00	0.00	NA
DDUGJY	440.74	289.00	FY 2020-21
IPDS	259.09	195.80	FY 2020-21
ODSSP	823.46	482.69	FY 2020-21
BGJY	176.19	150.04	
BSVY	29.29	15.67	
RLTAP	34.03	20.65	

245. TPSODL/SOUTHCO Utility stated that the detail of which is submitted in our ARR & RST application 2021-22. Presently TPSODL will do valuation and auction of scarp time to time.
246. For the FY 2021-22, TPCODL has considered the following Capex schemes that have been approved under following categories.

Table - 21
Capex Schemes to be initiated in FY 2021-22

SL. No.	Major Category	Activity	Capex Req. (in Cr.)	Capitalization (in Cr.)
1.	Statutory& Safety	Equipment Enhancing Safe Work Environment	5	5
		Installation / Construction of Plinth fencing or Boundary wall of DSS or GSS Area development wherever substation.	4.5	4.5
		Development of Meter Testing Lab and its Accreditations. Installation of Smart Meters at Distribution Transformers	20.75	18.15
			30.25	27.65
2.	Loss Reduction	Old Electromechanical Meter and Defective Meter's replacement	93.95	79.86
		Infrastructure for spot billing & spot collection	3.55	3.55
		Equipment like Accucheck, CMRI, Digital Camera etc.	0.92	0.92
		11KV Feeder Optimization	19	15.2
			117.42	99.53
3.	Reliability	SCADA Implementation	25	17
		GSAS Implementation	35	28
		33KV and 11 KV Sick Equipment Replacement	15	12
		33KV System improvement schemes-Feeders	10	8
		33KV System improvement schemes-Equipment like 33KV RMU, isolators etc.	10	9
		New 33KV Lines for power evacuation from OPTCL Grid	30	24
		11KV System improvement schemes-Feeders	15	12
		11KV System improvement schemes-Equipment like AB switch, RMU, ACB, MCCB	20	17
			160	127
4.	Load Growth	Meter installation for all new connection	32.49	27.62
		Network extension to release new connection	20	16
		Addition/Augmentation of Power Transformers	15	12
		11KV System Augmentation	10	8
			77.49	63.62
5.	Infrastructure	Infrastructure for customer Care, Call Centre, Payment Centre and Section Offices	5	5
		IT & Technology for process efficiency & enhanced productivity	38.41	15
		Implementation of GIS Roadmap	27	20
		Transformer Repairing Workshop	7	5

SL. No.	Major Category	Activity	Capex Req. (in Cr.)	Capitalization (in Cr.)
		Central Store development	5	5
		Civil upgradation	14.8	14.8
		Ready to use assets for offices	2.25	2.25
			99.46	67.05
		Grand Total	484.62	384.85

It can be seen that the Capex proposal of TPCODL covers a wide range of areas including areas where physical improvement of the Distribution System is envisaged.

247. As regards the observation of heavy capitalization by TPCODL, it is submitted that the Capex has been proposed with the intention of bringing in improvement in the system and working –whether it is loss reduction, safety or improving reliability. Hence the allegation of incurring capex only with the objective of earning a return on equity is unfounded. Secondly it must be added that the Vesting Order (in Para 42) which is the foundation of the business of TPCODL itself stipulates that minimum capex of Rs 1541 crores is required to be undertaken in five years. TPCODL is required to comply with the same.
248. With regards to Capex objection TPCODL stated TPCODL has justified our capital investment in the ARR petition. The respondent should specifically point out the schemes on which he has an objection and the reasons for the same.

Provision for Bad and Doubtful Debts

249. NESCO Utility while estimating the ARR for FY 2021-22 has considered the revenue from sale of power on accrual basis in line with the Commission's Order on ARR and Tariff Petitions for FY 2005-06 to FY 2019-20. However, as it is not feasible for Petitioner to raise finance against huge accumulated loss to bridge the gap of collection inefficiency, the Petitioner has considered the non-collectable amount based on the collection efficiency as bad and doubtful debts while estimating the ARR for FY 2021-22. Considering the proposed collection inefficiency of 7% for FY 2021-22 provisions for bad and doubtful debts at 50 % of the uncollected portion amounting to Rs.81.85 crs has been considered as part of ARR for FY 2021-22. The Petitioner humbly requests the Commission to consider the same to enable the Petitioner to recover its entire costs after duly considering the performance levels.
250. TPWODL/WESCO Utility submitted that as regards to TPWODL is concerned there

is no outstanding against BSP & Transmission charges till Nov-2020. Dec-2020 bill raised during Jan-2021 has been paid/would be paid within due date.

251. TPWODL/WESCO Utility submitted that the outstanding position as on Sep-20 against various categories of consumers has been duly submitted in ARR in form F-15. Other than disconnected consumers the outstanding amount is Rs 2976 crores.
252. TPSODL/SOUTHCO Utility submitted that in regard to Para-6 the regulation is necessary in the interest of the state as well as interest justice to continue the regulation-18 of OERC code-2019. However the Commission may examine the same.
253. TPCODL stated that following initiatives have been taken to collect the outstanding dues:

- **Billing Improvement Plan**

- Implementation of SAP ISU for all Customers
- Reduction of Provisional Bill by replacement of Defective Meters
- Reducing House Lock and Not Read Cases by capturing the reasons through Meter readers and taking corrective actions
- Reducing not traceable/ not found cases by coordination between commercial and line staff; and subsequent action such as route change or stop bill
- Check meter reading by Officials to inculcate discipline among meter readers
- Enforcement drives to identify and address unauthorised use of electricity and enforce discipline pertaining to theft
- Route sanitization through site verification by Meter Reader and Line man to bring currently unbilled consumers into billing net.

- **Collection Improvement Plan**

- Higher coverage by motivation through R&R for Bill Collectors
- Encourage regular payee consumers in rural sections through R&R scheme
- Additional 5,000 outlets for receipt of payment from consumers

through tie-up with IndusInd bank

- Organizing consumer interaction camps under “GaonChala” campaign in remote village areas for spot collection and bill settlement
- Arrear collection and instillation of payment discipline in consumers by Disconnection Squad at sub-divisional level
- Bill Correction/Revision through external CA firms for high value cases at divisional level and also through 48 sub-division level teams for other consumers, to address the billing grievance cases and convert such consumers into regular payers
- Arrear collection by deployment of Ex-servicemen teams and section-level bike squads by O&M staff
- Arrear Govt. Collection by following up through Division Team with Govt.

Issues Related to HT / EHT Consumers

Take or Pay Benefit

254. NESCO Utility submitted that for providing special tariff to consumers with high load factor, ‘Take or Pay’ tariff was allowed by the Commission. The aim was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and the utility. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor.

As per introduction of ‘Assured Energy’ concept no such industries came forward to avail the same. That means in the previous method there was no such efficiency gain, but they were benefited because of Commission’s order only. The purpose of take or pay tariff was defeated and accordingly the same was discontinued by the Commission in the Tariff order for FY 13-14. Therefore, the applicant does not agree with the contention of the objector that the consumption will go up, and prays before the Commission not to allow more graded slabs.

255. TPWODL submitted that presently the Commission has approved load factor

discount, considering the submission of steel industries during FY 20-21 tariff proceedings.

In case of HT Industries (1MW and above)

For Consumption beyond 70% LF, 10 paise per unit & consumption beyond 80% LF, 20 paise unit.

In case of EHT Industries

For consumption more than 80% LF, 10 paise per unit.

Therefore, suggestion of objector has already been addressed.

256. TPSODL/SOUTHCO Utility submitted that the Commission has withdrawn the “Take or Pay” Tariff during FY 2013-14 and the reason also mentioned in the Tariff Order FY 2013-14. Licensee is not in favour of further introduction of Take or Pay Tariff.

Imposition of Reliability Surcharge on all HT/EHT Consumers

257. NESCO Utility submitted that the need to supply uninterrupted power to high end HT/EHT consumers is to be viewed in the overall perspective of a situation of system unavailability / power deficit where a large number of ordinary consumers suffer power cut during peak hours and also sometimes during the summer months.

For getting uninterrupted power supply in the adverse scenario, the high end consumer must pay reliability surcharge to the utility, who may otherwise would have imposed power cuts on those consumers.

258. TPWODL/WESCO Utility mentioned that the for levy of reliability surcharge two pre-condition is a must

- i. 99% reliable power &
- ii. Voltage profile should be within the prescribed limit.

Presently, reliability surcharge is leviable to only HT consumers and prescribed limit of voltage profile is +6% in higher side and -9% in lower side.

Submission of SAIDI calculation is not mandatory for levy of reliability surcharge.

259. TPWODL/WESCO Utility submitted that it may be noted that presently there is no reliability surcharge for EHT consumer. The HT consumers are paying @ 10 paise per unit which is 50% less than the previous one. At the same time TOD benefit has been

enhanced to 20 paise per unit against 10 paise per unit. The objector will appreciate the importance of reliable power for steel industries. Unless the licensee is committed to do so most of the industries availing power in open access would be worst affected. Keeping all such aspect it is submitted before the Commission to fix the reliability surcharge @ 20 paise per unit for both HT & EHT industries.

260. The Commission introduced the Reliability Surcharge as per Regulation 141 of OERC Dist. (Conditions of Supply) Code, 2019 to HT category of consumers. The reliability index calculation and voltage variation report is attached with the energy bill in case of TPSODL
261. TPSODL is of the opinion that the Reliability surcharge should continue and standard of performance is the aspect which is to be adhered by the licensee.
262. TPSODL is supplying full-fledged dump report on payment of prescribed fees as per direction of the Commission in the tariff orders. Further the load factor is defined in chapter II (42) OERC Distribution conditions of supply code 2019 as follows.

“Load Factor” in case of contract demand of 100 KW and above is the ratio of the total number of units consumed during a given period to the total number of units that would have been consumed had the maximum demand been maintained throughout the same period and is usually expressed as a percentage”. So the petitioner’s submission is correct in this context.

263. TPCODL stated that in case of reliability index and surcharge TPCODL has noted the requirement of the objector. At present, TPCODL is providing the computations to those who are specifically asking for the same. However, TPCODL will instruct their divisions to provide the computations to all those who are levied with such surcharge.
264. WESCO Utility submitted that reliability surcharge is also being levied as per direction of the Commission. It is chargeable only when both the two preconditions are satisfied i.e. 99% of reliable power along with prescribed limit of voltage of supply. As per our record no such complain regarding non-compliance is registered.

Introduction of kVAh Billing (OR) PF Penalty for Three-phase Consumers having CD<110 kVA

265. NESCO Utility submitted that, the contention of the objector regarding adoption of KVAh billing is not true. Adoption of KVAh billing will help in maintaining the

power factor and hence in system stability from technical point of view.

It is further submitted that, by adopting kVAh billing in place of kWh Billing the recent pattern of Power Factor penalty imposed on the consumers will be abolished. The objective of introduction of kVAh billing is to ensure reduction in losses which occurs due to low power factor and for encouraging the consumers to maintain their power factor near to unity Power factor.

266. NESCO Utility said that introduction of KVAh billing will improve system stability, power quality and improve voltage profile. In the present tariff structure, the power factor penalty is limited to only large consumers having contract demand more than 110 KVA. By adopting KVAh billing Medium and other 3phase consumers will also be persuaded to maintain their power factor which will help improve the system stability. With regards to the same it is to submit that in most of the States across the country KVAh billing has already been introduced barring few states. Even the neighbouring states like Chhatisgarh, Andhra Pradesh, Jharkhand, West Bengal (DVC) have already introduced KVAh billing. The Madhya Pradesh who has not introduced KVAh billing & continuing with Odisha pattern, but is levying higher charges both in Demand & Energy as compared to Odisha. If KVAh billing would be introduced, rather railway would be benefitted on account of the P.F. penalty .So railway should support for introduction of KVAh billing for overall gain.
267. TPWODL states that Railway is strongly objecting introduction of KVAh billing and preferring adequate intimation before implementation. In this content it is to submit that the licensee is pursuing since long for adoption of kVAh billing. the Commission has also given indication in previous tariff orders and preferred to defer the same and advises that the licensee needs to be fully equipped to carry out kVAh billing. Presently, all the Licensee are fully equipped with static meters recording both kWh &KVAh. Hence, introduction of KVAh billing in 1st phase at least for HT & EHT consumers will not at all be a problem. KVAh billing is always better for the consumer to avoid PF penalty, lead & lag current, etc. Forum of Regulation (FOR) has also recommended KVAh billing during 2009. As of now most of the states like Jharkhand, Chhatisgarh, Delhi, Maharashtra, Bihar, Punjab, Himachal Pradesh have already adopted KVAh billing to some category of consumers. So, for a better system stability and consumer benefit KVAh billing needs to be adopted. In addition to above, once KVAh billing will be adopted the consumer will be automatically benefitted and

requirement of power factor incentive would no longer be valid. If KVAh billing would damage the network system, then most of the states across country would not have implemented KVAh billing.

268. Support of learned objector/respondent for introduction of KVAh billing is appreciated by WESCO Utility and further requests that the Commission may kindly introduce the same during FY 2021-22 at least for HT & EHT category of consumers.
269. TPWODL submitted that the billing to consumers having less than 110 KVA is strictly observed as per direction of the Commission.
270. TPCODL submitted that as per existing Tariff Order (Tariff order for FY 21 dated 22.04.2020 and Revision in RST & Open Access charges dated 23.09.2020), demand charge is applicable to consumer $\geq 110\text{kVA}$ which is being adhered to by TPCODL.

Reintroduction of Third Slab for HT & EHT Consumers

271. NESCO Utility submitted that, as more and more industries are running in higher load factors, the graded slab structure has been modified by the Commission.
272. TPWODL/WESCO Utility submitted that step to be taken to revive the induction furnaces and introduction of three slabs:

Presently the Commission has extended two more benefits for HT & EHT Industries sector.

I. Load factor incentive &

II. Withdrawal of reliability surcharge for EHT consumers

As per the newly introduced load factor incentive scheme consumers drawing power more than 70% LF are eligible for 10 paise discount for consumption beyond 70% LF and for the consumption beyond 80% LF the discount is 20 paise per unit. Similarly, the reliability surcharge for EHT Industries @ 10 paise per unit has been withdrawn.

In case of EHT industries the load factor discount is 10 paise per unit for the consumption beyond 80% LF.

In addition to above the benefit under TOD is @ 20 paise unit (for consumption between 12 AM to 6 AM), prompt payment rebate of 1% if paid within due date, power factor incentive, consumption for colonies in concessional rate to the extent of 10% of industries consumption. The demand charges of Rs 250/- per Kva per month to the extent of 80% of CD or MD whichever is higher is also nominal as compared to

other neighbor states.

As regards to introduction of three slab tariff structure it is to state that present two slab is more beneficial rather than three slab. The following table is appended below for more clarity.

Table – 22
For HT Industries

3 slab during 2012-13		Present two slab system*	
Up to 50% LF	NIL	Up to 60%	Nil
50% to 60% LF	9% (price difference between Slab)		
> 60% LF	12% (-----do-----)	>60%	20% (price difference between slab)

* In addition to above LF discount of 10 paise per unit for consumption beyond 70% & LF 20 paise per unit for consumption beyond 80% LF.

Interest on Security Deposit

273. TPCODL submitted with regards to the interest on Security deposit of Rs. 46.66 Cr , TPCODL wish to submit that the as per audited balance sheet of erstwhile CESU as on 31.03.2020, the opening value of security deposit for FY 2019-20 was Rs. 717.86 Cr. Interest rate of 6.5% has been considered for FY 2019-20 and accordingly the amount of Rs 46.66 Cr has been arrived at.

Table – 23

Actual fund availability against Security Deposit as on 31.03.2020		
Particulars	Amount in Rs. Cr.	Mode of Investment
In form of FD	311.54	Pledged with UBI for availing OD
In form of Flexi Deposit	33.86	Free funds
Total	345.40	

As regards the Security deposit, the following are the Security Deposits invested in the forms of FDs.

274. TPSODL/SOUTHCO Utility stated that the E.D collected from the consumers are remitted to govt as per E.D act. Further the utility/Company submits the accounts of E.D billed, collected & remitted to Electrical Inspector, Govt of Odisha regularly. The matter was already clarified in our rejoinder to the petition in the last tariff order 2020-21 which was raised during the hearing of tariff.
275. TPWODL/WESCO Utility stated that collection of ED and appropriation of same as per OERC Code 2019. It is to state that the Commission's regulation 2019, para 152

specifically address the manner of Recovery of arrears. The Licensee is adhering the same. Similarly, the Commission's RST order (for FY 2020-21) vide para 491 directs, a consumer is eligible for prompt payment rebate if paid within due date excluding all arrears. Hence, when a consumer is only paying the current dues entire amount is allocated against current ED, current EC etc. In case of payment more than the current dues allocation/appropriation is being made on the basis of the Commission's Regulation, 2019.

276. TPCODL stated that it has been paying the Electricity Duty as per the rules and regulations as provided under Regulation 152 of the Supply Code.

Applicability of MMFC and Fixed Charges in the Tariff Design

277. TPWODL/WESCO Utility submitted that the distribution cost towards Employees, R&M & A&G are almost fixed in nature irrespective of increase or decrease in sales. So, unless the same is recouped in appropriate manner the licensee will be unable to supply quality power. So, the licensee has proposed the Demand charges @ 85% of CD or MD whichever is higher, which may kindly be considered.

Waiver of penalty for occasional consumption beyond CD

278. TPWODL/WESCO Utility submitted that as regards to Covid-19 relief, it is to appraise that the Commission vide Letter No. DIR(T)-405/2020/452 dated 22-04-2020 has extended relief (during Apr-2020 & May-2020) for Demand Charges to the extent of demand recorded instead of 80% of CD or demand recorded whichever is higher. This was for the consumer with CD of 110 KVA & above.

Meter Rent

279. NESCO Utility and WESCO Utility submitted that the Commission is allowing recovery of cost in 60 months' period, which is justified.
280. TPWODL/WESCO Utility submitted that recovery of meter rent is being stopped on account of saturation of 60 months period. Within coming few years there would be hardly few lakh of consumers who would be paying meter rent. Now, with latest technology of prepaid meter, smart meter the consumer would be more benefitted. The concept of recovery of meter rent may not be a proposition and may be treated as capital cost as it would be treated as an equipment for measuring electricity and to be kept under Network asset.

281. TPCODL wish to submit that expenditure towards meter installation does not consist cost of meters alone but also includes associated accessories, set up of back end IT infrastructure, installation cost including site visit etc. Also the licensee makes all expenditure upfront at the time of meter installation whereas meter rents are collected over a period of 5 years. Hence appropriate present value factor must be considered while comparing the meter installation cost with amount recovered through Meter rents.

Metering

282. NESCO Utility submitted that the defective position of meter as shown in P-13 as on end of Sep-20 is 1,90,601 and unmetered 1,13,065. Out of the above, 23,960 meters already replaced/installed by December'2020 and incorporated in billing fold. Installation of 1,95,585 nos. of meters are under progress.
283. TPWODL/WESCO Utility submitted that the Commission while reviewing the performance of the licensee have given directive to replace the defective meters and to install meter where consumer have no meter.
284. In case of Consumer meters, TPCODL stated that they have presented the detailed reasoning for considering the metering expenditure as Capex to be included in the ARR. TPCODL has also presented the reasoning under 4.9.1 of the ARR. The Commission may decide appropriately. The Capex proposal for FY 2021-22 has been submitted on the basis of existing regulations that treat Metering expenditures as Capex. However, based on the directive of the Commission in this matter, the treatment of capital expenditure towards financing of the meters (whether through rentals or otherwise) and associated equipment will be done.

Emergency Power Supply to Captive Generating Plants (CGPs)

285. NESCO Utility stated the quantum of power is kept reserved for the industry both in normal industrial supply as well as emergency supply. However, in case an emergency supply industry will not draw power in a month it will not be charged any energy charge or demand charge, even though the quantum of power are kept reserved for them. The tariff fixed for emergency supply may take care of the demand charge component, in case the unit draws above a thresh hold quantum of power. But in case of no drawl or drawl below this quantum the charges, the marginal charges that are billed are very insufficient to cover any charge. Therefore, provision of demand charge

must be done for Emergency supply category, which the consumer must pay irrespective of its drawl.

Power Factor Incentive

286. NESCO Utility pointed that the contention of the objector is not true. Consumption by small consumers at low power factor will collectively have substantial impact on the power system. The objector has stated that, the investment in improvement of PF also helps in reduction of demand charges. Therefore, the categories as proposed, if covered under PF penalty will help in reducing their demand charges and also in improving system stability.
287. NESCO Utility has suggested the adoption of KVAh billing so that the question of power factor penalty and incentive will not arise. The detail submission on KVAh billing and power factor penalty in ARR application for FY 2021-22 may please be referred.
288. NESCO Utility has prayed for withdrawal of power factor incentive in its application with detail justification. For the investment made by the consumers for maintaining improved power factor, they have already recovered the investment made in shape of double benefit extended in tariff for years in shape of avoidance of PF penalty and PF incentive. Its time to move towards system stability and make other consumers (three phase consumers) conscious by adopting KVAh billing.
289. NESCO Utility submitted that the collection out of imposition of penalty under Section 126 has been furnished in P-16.
290. TPSODL/SOUTHCO Utility stated that the assessment under Section 126 is accounted separately.
291. TPWODL/WESCO Utility is continuously pursuing before the Commission for introduction of KVAh billing. Upon introduction of KVAh billing Industries aspiring to get higher incentive would be automatically benefitted and there would not be any displeasure for non-increase of PF incentive. Industries will also plan to maintain adequate PF to avoid PF penalty.
292. TPSODL/SOUTHCO Utility in reply to withdrawal of power factor incentive stated that, now days all the machineries used by the industries are certified by BIS or ISO, similarly pumps are designed are energy efficient and motors are copper banded. So

use of such star rated energy efficient equipments along with capacitor banks are the contributor for achievement of higher power factor. Now with the present scenario continuance of PF incentive is no more required which may kindly be abolished.

ToD Benefit

293. TPSODL/SOUTHCO submitted that the present TOD benefit is appropriate so the utility is adverse to the view of increasing TOD benefit to the consumer. The OYT scheme is extended to the applicant as per their application. TOD benefit is given to the eligible consumers.
294. NESCO Utility and TPWODL/WESCO Utility stated that there is no justification in changing the TOD tariff from 20paisa to 50paisa. The load curve of most of the industries is almost flat. In such scenario continuance of TOD benefit is no more required. TPWODL/WESCO Utility further stated the proposal of 50 paise per unit would affect the revenue of the licensee and for industries consuming power beyond 80% LF, in such cases revenue realization would be less than the power purchase cost of the DISCOM. NESCO Utility submitted that the consumers having contract demand more than 110KVA and above are also availing off peak hour benefit towards drawal to the extent of 120% of their contract demand without levy of penalty. So, further continuance of TOD benefit would be a double benefit for the same cause which may kindly be abolished.
295. NESCO Utility submitted that the existing TOD benefits is being extended to all the eligible 3 phase consumers as per the RST order. The TOD benefit allowed to HT & EHT consumers are furnished hereunder:

Table – 24
TOD Benefit

Year	HT (In Rs)	EHT (In Rs)	Total (In Rs)
FY 2018-19	21984659	79368998	101353657
FY 2019-20	22373982	86939557	109313539
FY 2020-21 (Upto Dec-20)	14245628	38141873	52387501

296. NESCO Utility submitted that the suggestion of the objector for reducing the tariff of EHT/HT consumers by at least Rs.1/- during off-peak hours must be rejected. This will just widen the revenue gap of the utility. Incorporation of TOD tariff in the BSP needs to be examined before examining the proposal of the objector.
297. TPWODL/WESCO Utility pointed that suggestion regarding day off peak hours from

12.00 noon to 17.00 hours may not be fruitful as during summer it will create more pressure upon GRIDCO to harness power with higher cost.

298. TPSODL/SOUTHCO Utility submitted that the present TOD benefit is appropriate so SOUTHCO Utility is adverse to the view of increasing TOD benefit to the consumer.
299. TPWODL/WESCO Utility and TPCODL stated that extension of OYT scheme to the intending consumers is being extended as per prevailing RST Order. Unless specifically mentioned by the objector, the petitioner may not be in a position to resolve the concerned case.

Cross Subsidy

300. TPWODL/WESCO Utility submitted that the licensee has no opinion regarding comments of the learned objector to the extent of providing subsidy by State Government as like of other state u/s 65 of the Act.
301. TPWODL/WESCO Utility stated that the Commission is repeatedly explaining cross subsidy in tariff and cross subsidy surcharge payable. In RST order for FY 20-21 vide para 344 to 351 the details are explained. As per the mandate of Electricity Act 2003, under section 42 the cross subsidy surcharge is to be reduced progressively. the Commission has also evolved a mechanism (the Commission is also authorized to do so) for recovery of cross subsidy surcharge accordingly they have allowed to the extent of 63% of the computed value as against 65% in the previous year. Therefore, submission of learned objector has been duly addressed.
302. TPWODL/WESCO Utility submitted that the calculation of cross subsidy surcharge has been made as per Open Access Regulation 2020.

Table – 25

Total EHT sales proposed for FY 2021-22 in MU	Proposed ARR for EHT category Rs in Crore	Average Tariff (P/Kwh) 'T'	Cost of power purchase (P/Kwh) 'C'	Wheeling Charges (P/Kwh) 'D'	System Loss % 'L'	Regulatory Asset (P/Kwh) 'R'	Surcharge (P/Kwh) (T-(C/(1-L/100))+D+R)
1360	936.05	688.27	322.60	25.0017	0	0	341
Total EHT sales proposed for FY 2021-22 in MU	Proposed ARR for EHT category Rs in Crore	Average Tariff (P/Kwh) 'T'	Cost of power purchase (P/Kwh) 'C'	Wheeling Charges (P/Kwh) 'D'	System Loss % 'L'	Regulatory Asset (P/Kwh) 'R'	Surcharge (P/Kwh) (T-(C/(1-L/100))+D+R)
1800	1052.90	584.94	322.60	132	8	0	103

So, after correction in EHT there would not be any change but in case of HT CSS would be 103 paise per unit instead of 101 paise per unit.

Similarly, if suggestion of the learned objector would be considered the position would be as under.

As the Commission is not allowing EHT loss to DISCOM, we have not considered the same for calculation. If EHT loss 3% would be considered, then loss or margin for EHT will be 331 paise per unit and for HT 91 paise per unit.

Table – 26

Total EHT sales proposed for FY 2021-22 in MU	Proposed ARR for EHT category Rs in Crore	Average Tariff (P/Kwh) 'T'	Cost of power purchase (P/Kwh) 'C'	Wheeling Charges (P/Kwh) 'D'	System Loss % 'L'	Regulatory Asset (P/Kwh) 'R'	Surcharge (P/Kwh) (T-(C/(1-L/100))+D+R)
1360	936.05	688.27	322.60	25.0017	3	0	331
Total EHT sales proposed for FY 2021-22 in MU	Proposed ARR for EHT category Rs in Crore	Average Tariff (P/Kwh) 'T'	Cost of power purchase (P/Kwh) 'C'	Wheeling Charges (P/Kwh) 'D'	System Loss % 'L'	Regulatory Asset (P/Kwh) 'R'	Surcharge (P/Kwh) (T-(C/(1-L/100))+D+R)
1800	1052.90	584.94	322.60	132	11	0	91

CSS for peak & off peak hours:

The intention of different CSS for both peak and off peak is to maintain harmony with regards to drawal from DISCOM during peak & off peak hour. As the consumer is eligible for TOD tariff in off peak hours is trying to offset the open access drawal with drawal from DISCOM and vice versa.

As regards to tariff of two types of CSS for peak & off peak the difference may be to the tune of TOD benefit.

Additional Surcharge:

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 OERC is fixing BSP for the DISCOM. So, when a consumer opting for open

access, denying the DISCOM power & in turn drawal from GRIDCO reduces and fixed cost incurred by GRIDCO for generator cannot be prevented.

Most of the neighboring states have also fixed Additional surcharge in similar manner.

303. SOUTHCO Utility stated that the Commission is determining the Cross Subsidy Surcharge on the basis of average cost of supply to the all consumers of the State as there is uniform RST. TPSODL stated that detail of cross subsidy in Odisha RST structure is submitted in our ARR application 2021-22.
304. TPSODL submitted that the Commission may examine the average cost of supply issues while delivering the RST order. Whole exercise may be looked in a holistic view. The immediate cost may be allowed by the Commission to run the utility for further improvement in coming years.

Special Tariff Measures

305. NESCO Utility, TPWODL/WESCO Utility and TPSODL/SOUTHCO Utility submitted that tariff of Railway traction with neighboring states vs Odisha is appended below.

	<u>States</u>	<u>Demand Charges</u>	<u>Energy Charges</u>
1)	Chhatisgarh	Rs.350/-per KVA per month	Rs. 4.20 per KVAh
2)	Andhrapardesh	Rs.350/-per KVA per month	Rs. 5.50 per KVAh
3)	Jharkhand	Rs.350/-per KVA per month	Rs. 5.25 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)	Maharastra	Rs.411/-per KVA per month	Rs. 6.76 per KWH
6)	Bihar	Rs.280/-per KVA per month	Rs. 6.70 per KWH
7)	Odisha	Rs.250/-per KVA per month	HT(Kwh) EHT(Kwh)
			Upto 60% L.F. 5.55 5.50
			>60% L.F. 4.45 4.40

So, request of Railway for reduction of railway tariff as compared to other HT & EHT category will affect the revenue of the Utility.

306. TPWODL/WESCO Utility submitted that in case of reduction of higher Demand and Energy Charges, 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, if railway tariff would be isolated from other category it needs to be fixed in higher tariff instead of lower because of non-efficient use.

Maximum Demand during feed extension from different DISCOM

307. TPWODL/WESCO utility stated that presently, feed extension benefit is being extended to railway, if power fails in one TSS within the DISCOMs jurisdiction. Request of railway for availing the same benefit (if it happens in two different DISCOMs) cannot be accepted/permissible as the DISCOMs are different legal entities. Even though OPTCL network is common for all the four DISCOMs, the DISCOMs are paying different BSP, different SLDC charges having uniform RST across the state. Previously, railway has also represented for the same and it was denied with justification. The possible maximum benefit within the DISCOM has already in force. So East Coast railway is already benefitted.
308. NESCO Utility and TPSODL/SOUTHCO Utility stated that as explained the railway tariff here in Odisha is much cheaper as compared to other states. Hence the suggestion regarding reduction of slab rate may not be accepted. Further, in Odisha all the distribution companies are operating in different geographical area with different consumer strength & different socio economic conditions of the people, as well as with different BST rates. Suggestion of railway to consider the railway load at OPTCL grid end with simultaneous metering is not justified.
309. NESCO Utility and TPSODL/SOUTHCO Utility stated that in case of ignoring of MD during feed extension from different DISCOM the submission of the railway in this regard is not acceptable. The benefit of feed extension is being extended within the same DISCOM as per the terms of mutual agreement. But the same benefit cannot be extended across the DISCOM. Each DISCOM have different BSP even though single RST is in force across the state. Each DISCOM ARR also being individually approved. If railway would try to avail such benefit then each DISCOM's revenue would be affected. Hence proposal of railway in this regard may not be considered.
310. TPCODL stated in case of railways that they have not proposed any change in tariff

and hence the present tariff would be applicable. The tariff has been determined by the Commission in the previous Tariff Order and no change has been proposed by TPCODL. The Tariff to individual category of consumers is decided by the OERC based on the cross subsidy in the tariff to that particular category of consumer.

311. TPSODL/SOUTHCO Utility stated that Allied Agro-industrial Activities category relates to supply of power to Cold Storages (i.e. a temperature controlled storage where flowers, fruits, vegetables, meat and fish can be kept fresh or frozen until it is needed) and includes chilling plant for milk and only the cold storages attached to processing units for meat, fish, prawns, flowers, fruits and vegetables.
312. So the objectors submission to group the cold storage under allied agricultural activity does not hold good. However, looking to the key role played by cold storages in preserving the foods which will be beneficial for the economy, the Commission may examine the submission of the petitioner and pass appropriate orders. It is submitted that the petitioner is billed as per regulation and tariff orders of the OERC.

Amnesty Arrear Clearance Scheme

313. TPWODL/WESCO Utility stated that the learned objector has denied for introduction of amnesty arrear scheme as proposed by the licensee anticipating good amount of commission to TATA power. In this context it is to submit that the commission for arrear realization is 10% in case of live consumer & 20% for disconnected consumers. It has already proved that arrear collection is not an easy task and without incurring cost it is not at all possible. If the same would have been an easy task the present level of arrear amounting Rs.3000 crore may not have arisen. Therefore, for benefit of GRIDCO/Government it would be prudent to extend/approve a suitable amnesty arrear clearance scheme.

Tariff for Industrial Consumers

314. NESCO Utility stated the Commission has allowed in the tariff order for 2020-21 under para 472

“All the industrial consumers having CD of 1 MW and above and drawing power in 33KV shall be allowed a rebate of 10 paise per unit for the units consumed in excess of 70% of load factor and up to 80% of load factor and 20 paise per unit for the units consumed in excess of 80% of the load factor per month. This shall be in addition to all other rebate the consumer is otherwise eligible. All the industrial consumers drawing power in EHT shall be eligible for a rebate of 10 paise per unit for all the units consumed in excess of 80% of load factor.”

The revenue of the utility has been affected very much due to this COVID-19 pandemic, and any increase in the rebate will make the situation worse.

315. NESCO Utility and TPWODL/WESCO Utility submitted that the learned objector has submitted a list of 41 industries and claimed that they have closed their unit because of higher tariff. At the outset it is to state that most of the industries are running with different name & with different load. Some have disconnected since long (may be more than 10 years). Few industries have court cases. Other have terminated their agreement & taken back their security deposit. It is a fact that during lock down industries position was severely affected for which the Commission had allowed two months' relief for deferment of Demand Charges. During Apr-2020 & May-2020 demand charges was levied to the extent of Demand recorded instead of 80% of CD or MD whichever is higher. Now, from Jun-2020 onwards industrial consumption particularly in HT segment is in normal trend.

Tariff for Industrial Consumers:

316. The Industrial tariff of Odisha vs Other neighbouring states for FY 2020-21 is appended below.

Table - 27
Demand charges (per KVA per month)

Odisha	Jharkhand	Chhattisgarh	Andhra Pradesh
Rs. 250	Rs. 350	Rs.350	Rs. 475

Table - 28
Energy Charges

	Odisha (per KWH)		Jharkhand (per kvah)	Chhattisgarh (per kvah)	Andhra Pradesh (per kwh)
Upto 60%	HT	EHT	HT		
> 60%	5.55	5.50	JBVNL Rs. 5.50	Rs. 5.91 to Rs. 6.91(for OthInd)	Rs. 5.40 to Rs. 6.30 in (different voltage supply)
	4.45	4.40	TSL Rs. 5.85	Rs. 5.30 to Rs. 6.75(for steel Ind)	
			DVC Rs. 3.75	(in different LF & voltage supply)	

Similarly, the industrial tariff of Madhya Pradesh is as below:

Table - 29

Supply Voltage	Demand Charges In Kva (p.m.)	Energy Charges for Consumption upto 50% LF Rs PU	Energy Charges for Consumption beyond 50% LF Rs PU
11 Kv Supply	347	7.10	6.10
33 Kv Supply	660	6.62	5.65
132 Kv Supply	660	6.62	5.65
220/400 Kv Supply	660	6.20	5.20

Other Special Condition

Guaranteed minimum annual consumption of 1200 unit (in Kwh) per KVA of Contract demand.

In case of Odisha, HT Industries are eligible for load factor incentive of 10 paise per unit for consumption beyond 70% LF & 20 paise per unit for consumption more than 80% LF.

As regards to surplus power of GRIDCO, if GRIDCO can sale the surplus quantum with negotiated price to DISCOMs, in turn DISCOM can trade the same with the industries in appropriate terms and conditions mutually agreed between GRIDCO, TPWODL & consenting industries.

General Issues related to Retail Supply Tariff of DISCOMs

Energy Sales Forecast and Addition of BPL & LT Consumers

317. NESCO utility stated it is engaged in distribution of electricity in five districts Balasore, Bhadrak, Mayurbhanj, Jajpur and Keonjhar. The performance of the utility has been very much affected due to this pandemic situation of COVID -19 and lock downs and slowdowns of industrial consumers. The projection for FY21-22 has been prepared keeping in view the current years' parameters. Position of the EHT consumers have been detailed in the application of the Utility
318. NESCO Utility and TPWODL/WESCO Utility stated that the justification regarding sales forecast has already been elaborated under para 2.2 of ARR application alongwith the actual category wise sales figures of the previous years. From the past trend, it can be seen that the projection submitted by the licensee is justified.
319. TPWODL/WESCO utility stated that HT & EHT sales projection always depends upon the nature of drawal of the industries, market position, economic scenario, Government policies, IEX price under open access, etc. In addition to above most of the EHT industries are having their own CGP. The licensee cannot predict correctly

- the quantum of consumption for such industries. Now a days open access transaction has been increased manifold. Availability of Renewable energy is also playing major role. Therefore, projection of HT & EHT sale vis-à-vis actual will always change.
320. As regards to LT sales, the projection is made considering the consumer under SAUBHAGYA Scheme. Agricultural sector has been given more importance by Government of India as well as state Government, so sales under irrigation and agriculture sector would obviously increase.
 321. TPSODL/SOUTHCO Utility stated that the LT and HT loss projected as per actual for FY 2019-20 and the future projections are as per different schemes and projections. The projected sales forecast is prepared as per future growth of consumer.
 322. TPSODL/SOUTHCO Utility in reply submitted that M/S Saraf industry having Contract demand 15000KVA is closed due to COVID-19 & and other EHT&HT industries have reduced their intake or availing power from open access or own power.
 323. TPSODL submitted that the DSM activity is implemented by BEE in association FICCI in TPSODL area with logistical support from TPSODL. Till now training in all circles completed and sample DSM study is going on at consumer level.
 324. TPCODL is committed in its obligation towards Energy conservation and DSM, in its supply area. The detailed action plan which TPCODL has outlined and its current status of implementation is as below:
 - a. For estimation of the baseline data, consumer survey and load research is being conducted on sample population, selected from different consumer categories and with the completion of the survey by February 2021 estimated baseline data will be frozen.
 - b. TPCODL has signed a MoU with EESL, A JV of PSUs under Ministry of Power on 14/01/2021, with a vision to encourage consumers to purchase energy efficient appliances like Energy efficient A.Cs, fans etc. Energy efficient appliances will now be made available to consumers for purchasing online, through TPCODL website.
 - c. TPCODL is developing online platform for Grid Connected Roof Top PV Solar installation program for residential consumers to meet the domestic demands during day peak loads.
 - d. Training programs and workshops are being arranged in association with

FICCI (Federation of Indian Chambers of Commerce & Industry) for sensitizing officials about DSM, its impact and benefits. Two such training programs are scheduled to be conducted in Feb, 2021.

Review of Inefficient Operations and Quality of Power Supply

325. TPSODL committed to provide quality power supply and better consumer services to its consumers. TPSODL has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/S, up gradation of existing S/S and Power Transformers. TPSODL has installed good no's of new transformer and up gradation of transformer of different capacity in its area of operation has been undertaken. TPSODL has added additional transformers into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being undertaken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in TPSODL area. The power cut is being implemented in TPSODL with notice for regular maintenance work or for load restriction by GRIDCO. Further, as per the drawl schedule of SLDC and grid constraints the power restriction is being imposed at SLDC/OPTCL level. The detail of additional works under taken and going to be undertaken under various schemes is submitted in Para3.1 to 3.8.2, 4.1.3 of our ARR & RST application. Further as per vesting order TPSODL is going to invest in capex plan as per commitment to improve consumer services.
326. The O& M activities in the TPSODL's area is carried out and the voltage level has improved a lot and there is no more low voltage problem in TPSODL's area.

Regarding compliance to directives and provisions under the Act.

327. Any scheme that is as per regulations and approved by the Commission will be adhered to by TPCODL.
328. Any consumer who approaches TPCODL for power supply under remunerative schemes, as per the provision of the Supply Code, 2019 will be provided with the remunerative calculation and depending upon the outcome of the calculation required action will be taken.
329. TPCODL stated in regard to supervision charges that, TPCODL would like to produce below extracts from Supply Code, 2019.

“4. Calculation of capital cost

When a consumer is asked to bear the capital work, the estimated cost shall be calculated as per the following calculation. The licensee is entitled to collect the requisite supervision charge for checking and ensuring that the capital works have been done as per the standards and in addition, the inspection fees for inspection pertaining to safety and security as notified by the Govt. of Odisha from time to time. The licensee should ensure inspection of works by the Electrical Inspector.”

Hence the Supervision charges are collected on the basis of the regulations. Further it should be understood that word supervision should not be construed as physical presence of the utility at the time of execution but overall control. The control from the Distribution Utility is exercised through preparation/approval of design, site visit and final inspection. This is to ensure that the work has been completed by adhering to the safety, quality and statutory requirement of applicable standards.

330. TPCODL submitted that Power supply to all consumers will be provided as per the relevant provisions of Supply Code 2019 and other applicable regulations as laid down by the Commission. However, as a part of ease of doing business proposal TPCODL has submitted that for the purpose of maintaining quality and avoiding substandard equipment being installed by consumer due to his/her lack of experience and knowledge, all supply and installation are to be executed by the licensee only.

Open Access Consumers data for FY 2019-20 is provided in table below.

Table - 30
Open Access consumption for FY 2019-20

Sl. No.	Name of the Industry	Contract Demand in KVA	Total Consumption during FY 2019-20 (Grid + Open Access) in MU		
			GRID	OA	TOTAL
1.	M/s. Dalmia Cement (Bharat) Limited	10000	28.02	25.79	53.81
2.	M/S T.S. Alloys Ltd.	12000	30.30	157.85	188.15
3.	M/S Aarti Steels Ltd	11110	0.64	0.09	0.73
4.	M/S Pradeep Phosphates Ltd.	14000	37.80	4.0	41.80
5.	M/S Jindal Steel & Power Ltd.	20000	1.39		1.39

Safety of Animal & Human life and Vigilance Activities

331. NESCO Utility submitted that vigilance activities have been strengthened with deployment of 73nos of vigilance squads. Vigilance activities are being reinforced in high loss prone area considering Section / Feeder wise analysis of Input Vs Billing.

Each circle has a Manager Vigilance and one at corporate office to monitor vigilance activities under the supervision of Chief Vigilance Officer at Corporate Office. Four nos. AVO (retired Police Officers) have been appointed to boost the vigilance activities under supervision of Chief Vigilance Officer.

332. TPWODL/WESCO Utility submitted that presently there are 17 vigilance squad operating through Agencies. The moto of vigilance activity is always not to penalise the consumer and collect revenue. The main idea of keeping vigilance team is to prevention of theft of energy. While doing so, if a consumer found to be guilty, needs to be punished. Therefore, the cost towards vigilance team around Rs 17 lakh per month not necessary to be recovered through penalty from consumers.

It is assured that wherever penalty raised are collected and in case of non-realisation power supply is disconnected.

333. TPWODL/WESCO Utility submitted that the details of Fatal & Non-fatal accidents occurred during previous year, current year six month has been depicted below.

	During Current Six Months	
	Human	Animal
Fatal	07	03
Non-fatal	01	00

334. TPSODL has appointed dedicated safety officer at Headquarter who is looking into the aspect of safety. Further there are one training institute at Ambagada, Berhampur who is imparting in house safety training to our employees.
335. TPCODL has changed its 11KV overhead line construction design philosophy for all upcoming and ongoing projects. TPCODL has reviewed and revised the design of Civil foundation, introduced high tensile WPB pole & revised the span length to 30 meters which will provide mechanical strength and thus making the network robust to withstand wind speed of approx. 215 Km / Hr which is much higher than wind speed defined under Zone 6 (as per IS 875). TPCODL is conducting a Study on the impact of the Cyclone on Power distribution network and shall come up with the network design which can withstand the wind speed of 250+ Km/hr near to the coast line. Study is expected to be completed by Dec'21 and based on the study, network would be designed for coastal area.
336. In response to overall queries of the Objector, TPCODL has submitted that it has

given the highest priority to Safety of personnel. After commencing operations on 1st June 2020, on analysis of last two year's accident data and discussion with operation and Safety teams, a major problem found among the employee was absence of PPE and non-use of PPE and safety tools. Another major problem is the awareness among the employee about the regulation that their employer should provide them the PPE and train them on how to use those PPE.

Corrective action proposed was to procure the Personal Protective Equipment and provide them training on use and maintenance of PPEs. Safety glasses and safety gloves are probably one of the most common (and effective!) forms of PPE while working at ground.

A budget of about Rs 9.5 Crores has been earmarked for this expenditure to be incurred in FY 2020-21.

337. TPWODL submitted that the concerned regarding assessment u/s 126 in line with Hon'ble Supreme Court's decision, it is to state that the Commission has already enumerated detailed guideline in the OERC (Condition of Supply) Code 2019 notified on 27th August 2019. The relevant para 159 to 170 of chapter-XI of the Regulation has already in place for Assessment for unauthorized use and theft of Electricity. TPWODL is duty bound to adhere the same.
338. TPCODL since its inception is continuously working on the two fronts i.e. (a) ensuring safe work environment to team working at the field, animals and public at large and (b) ensuring reliable power supply to the consumers. In this endeavour, lot of de-vegetation drives have been taken which has removed creepers from the Structure and shrubs from the substation. Apart from de-vegetation, TPCODL has also started the preventive maintenance of 33/11KV Substations, 33KV Lines, 11KV Distribution Substation and lines etc for upkeep of the equipment.

OBSERVATION, ANALYSIS AND RECOMMENDATIONS OF CONSUMER COUNSEL "WISE" ON ARR, WHEELING AND RETAIL SUPPLY APPLICATION OF DISCOMS (PARA 339 TO 355)

339. The licensees have over projected the LT demand and the demand of BPL categories which is not as per the norms of consumption allowed for this category. There should be zero unmetered and defective meter supply, in case of defective meter it should be replaced immediately. The overconsumption due to unmetered / unbilled consumption or defective meters cannot be permitted and requested for review.

340. LT particularly BPL category customers and consumption should be projected carefully. The BPL domestic category should be restricted for consumption up to 30 units per month and the same should be converted to APL after crossing 30 units consumption on annual basis. Projection of BPL consumers in TPCODL seems to be incorrect as the increase in BPL projected is unrealistic to the historical trend.
341. Increase in LT sales require more cross subsidy from HT & EHT consumers or this needs to be recovered from the Government through tariff subsidy. Monthly per capita consumption for LT is going up and for HT and EHT coming down. Power intensive industries in HT and EHT has consumption declining in DISCOMs. SOUTHCO is the most affected as their HT & EHT consumer base is very less compared to other DISCOMs of Odisha. TPCODL has HT consumers increasing and its connected demand increasing but the consumption is declining in many cases.
342. It is observed from the past data that all the DISCOMs have consistently failed to realize LT revenue per input fixed by the Commission. LT distribution loss calculated at 8% HT loss is still considerably high.
343. It is observed that EHT consumption is coming down significantly in many cases. HT consumers are increasing however the consumption is declining. Units/kW is decreasing in HT consumers.
344. It is observed that in most of the cases distribution loss has come down notably in FY 2019-20 however collection efficiency also reduced which failed to reduce AT&C loss in overall. The collection efficiency challenges the involvement of franchise operation and cost involved in it. Franchisee expenses should be tallied with the benefits received.
345. AT&C and Distribution loss have been reducing over the period of time however in most of the cases it has not matched the target yet which has been set consistently over the years. Even though the reduction in losses is welcome in terms of efforts much more is needed to reduce the losses and the target losses further. Losses have sharply increased in TPCODL Sep 2020 (6 months) compared to last year. These losses should be examined as the area is mostly urbanized. Cuttack has highest 67.40% AT&C loss.
346. It is observed that there is increase in employee expenses despite no. of employees are declining and also outsourcing many activities. 7th pay commission arrear may be reviewed based upon government notification. Terminal benefit should be on the basis

- of the submission of the actual liability paid. The effect can be realized during true-up exercise.
347. Impact of A&G expenses should be assessed, especially of energy auditing IT automation expense is welcomed, though schedule for implementation should be strictly followed, and details should be in public domain Energy Audit and other additional expenses not segregated by Utility. Normal A&G expenses should be approved with 7% escalation. Additional A&G expenses should be considered viewing its long term impact on performance.
 348. The Commission may review capital expenditure against cost benefit analysis on the basis of consumer benefit and operational efficiency.
 349. Gap between actual and approved R&M expenses. Distribution line maintenance has increase many folds. In every year's ARR submission a very common practice by DISCOMs is the cost for last six months of current FY shoots up exorbitantly. Actual spending very less than proposed and approved R&M costs this may be increasing operational cost as repairs and maintenance is not done as proposed and required
 350. Debtors outstanding must be recovered, in most of the cases the over 24months outstanding forms a significant amount which could have been balanced against revenue requirement if the outstanding is recovered.
 351. Distribution line maintenance has increase many folds in 21-22 over 19-20. Line maintenance expenses should tally with performance improvement. In every year's ARR submission a very common practice by DISCOM is the cost for last six months of current FY shoots up exorbitantly. In spite of underutilization of allocated funds, DISCOMs are requesting larger allocation for R&M. Actual spending very less than proposed and approved R&M costs this may be increasing operational cost as repairs and maintenance is not done as proposed and required.
 352. In the case of bad and doubtful debts many licensees have increased requirement for making provision for bad and doubtful debt. Further, despite appointing various collection franchisees, outsourcing of the billing and collection activities and imposition of DPS to domestic category consumers the billing and collection efficiency of the licensees have not shown any sign of improvement. The licensees have also failed to recover the arrears which are pending for more than a year. It has been observed that more than 50% bad debts across all the licensees are more than 24

- months old. This shows that the licensees are not putting enough effort to recover the old bad debts. The arrears older than 2 years are piling up and DISCOMs need to recover the same to meet their working capital requirements. Further, the proposal of the licensee to introduce the amnesty arrear clearance scheme for LT non industrial category of consumer to recover such old debts if introduced could help to improve the recovery of such bad debts. Also, the Licensees, seem to project the provision for bad debt considering 4% collection inefficiency. It is suggested that this should be computed @1% of the total annual revenue billing in HT and LT sales only.
353. It is observed that all the DTRs and feeders are not yet metered. Hence, a 100% energy audit from DISCOMs point of view means audit of only metered DTRs and feeders. Large number of 33kV and 11kV feeders not metered, not audited and metered but not audited. This is inefficient practice as it does not reflect the true picture of energy efficiency of the utilities. NESCO has effective auditing of DTR about 1% only. SOUTHCO has 0 DTR under audit. Despite utmost thrust imparted by the Utilities, the Energy Audit has failed to bring any conclusive results. Energy audit is like diagnosis and needs to be backed by concrete action plan to reduce losses. Very less chances of survival, if such scenario continues.
354. All DISCOMs should target and commit to the collection efficiency to reach 99% which set by the Commission and has been quite distant for DISCOMs.
355. TPCODL had not submitted tariff rationalization measures at the time of application. From consumer point of view incentives and rebates need to continue. We welcome on system improvements and rewards in payments to DISCOMs by consumers and payments by DISCOMs to GRIDCO passing benefit to consumers.

OBJECTIONS ON PROPOSALS OF THE UTILITIES ON OPEN ACCESS CHARGES (PARA 356 TO 363)

356. The objectors submit that the open access charges particularly cross subsidy surcharge of DISCOMs in Odisha is high as compared to the other states, due to which, the very purpose of open access is defeated. The Commission should promote the development of the power trading market as per Section 66 of the Electricity Act, 2003 by fixing open access charges including cross subsidy surcharges at reasonable levels in order to encourage competition in the power market.
357. It is submitted that the CSS ought to be gradually reduced every year. This is laid

- down in Section 42 of the Electricity Act, 2003 (Act) that a road map is to be made by the Commission for reduction of the subsidies and the corresponding reduction in the amount of subsidies is to be reflected and implemented for the purposes of reduction of the CSS. Further, Section 42(2) of Electricity Act, 2003 provides that, there should have been constant endeavour on the part of the Commission to reduce the cross-subsidy surcharge on yearly basis.
358. The open access charges particularly the Cross-Subsidy Surcharge (CSS) becoming unviable for EHT consumer to avail power supply from other sources through open access.
 359. The objector would like to submit that no precise and clear formula has been approved by the Commission for determination of Cross Subsidy and CSS. However, in no case the CSS can ever be more than cross subsidy. CSS which is collected to compensate the distribution licensee for financial loss incurred by them due to loss of cross subsidy. It is submitted that the levy of CSS is to compensate the Distribution Company for the loss of a customer and was never intended to be a source of revenue for it.
 360. There should not be any additional surcharge when the open access consumer is availing power supply through dedicated transmission line constructed at its own cost. There should not be any cross subsidy surcharge payable by the consumer procuring renewable and cogeneration based energy from other sources in order to promote renewable and cogeneration based energy as per the Section 86(1)(e) of the Electricity Act, 2003.
 361. DISCOM has proposed to allow Open Access within limited transmission/distribution capacity so as to keep adequate reserve for the new consumer, which is wrong and violation the principle of Open Access. The criteria for allotment/reservation of transmission and distribution capacity have to be governed by the approved procedure under OERC (Terms & Conditions for Open Access) Regulation 2005. Therefore, if adequate transmission/distribution corridor is available then the prospective Open Access customer should be allowed to procure power beyond its contracted capacity for the existing consumer till no new consumer starts drawing power from the network otherwise it will lead to poor utilisation of Network.
 362. Further, if the DISCOM is unable to supply power due to power regulation or shortage

- of power, then in that case the industries should be allowed to source power from third part through open access without payment of cross subsidy surcharge.
363. The Cross Subsidy Surcharge in majority of the states in India is very low as compared to the State of Odisha. Because of low Cross Subsidy Surcharge, the industrial units in the other state are able to procure low cost power from IEX and third party and achieve their operational variability. Whereas majority of Odisha based industries are not in a position to procure these low cost power from IEX/third party due to very high open access charges.

OBSERVATION OF STATE ADVISORY COMMITTEE (SAC) (PARA 364)

364. The Commission had convened SAC Meeting on 22.02.2021 and among other things the SAC opined the following regarding tariff proposal:
- A need for Revisiting GRIDCO' Role (Except 5 States, other States in India do not have a similar organization. It is no doubt coming to the rescue of some of the non-payment DISCOMS, but in the long run it may be a non-sustainable business model.) The cost to serve should be reflected in the tariff. The assumption of 8% loss in HT should be revisited. Surplus available power to the tune of 9000 MU can be utilised for HT and EHT consumers. Special attention is needed for Arrear Collection, employment to women Self Help Groups, GRF infrastructure improvement, Bills in Odia language. The CAPEX implementation should be properly monitored by OERC. The State Government subsidy is needed for low end consumers. It is right time to monitor DISCOMs performance wrt PQ indices, number of accidents, arrear collection, customer satisfaction and their employee cost. Koraput area is suffering from power cuts even during slight rain or wind. Rural areas are experiencing long unscheduled outages.
 - Since tariff had been increased in Sept, 2020, it should not be hiked again, rather efficiency of utilities should be improved. Instead of tariff revision, arrears should be collected particularly from commercial, HT & EHT consumers. There should be reduction in AT&C loss. WSHGs should be deployed for bill collection. Employees of utilities should wear uniforms for identification. Also as per OERC orders, bills should be in Odia language. There should be a provision of penalty in case of poor performance by TPCL.

NESCO Utility should take proper action for payment of arrear wages to the outsourced employees. Performance Regulations should be enforced. There is no need for further capital investment for infrastructure growth as lot of Sub-stations/lines were created under different schemes and after physical checking any further capital investment on network may be allowed on real term basis. All such investments can be allowed on project wise with detail analysis along with support of drawings of existing and proposed network. The present service connection cost of Rs.1500/- per consumer and present rent on single phase meter at Rs.40/ per month, respectively, is high and needs to be reviewed. Every Power supply permission should comply with Regulation 22 of the Code and shall be followed with feasibility report/Estimate/Remunerative calculation.

- The high tariff will have negative impact on the industries and the Commission should devise a cost based tariff system. Demand Side Management should be implemented for efficiency in energy use. There is a need for strengthening GRF and Ombudsman by appointing members from outside rather than serving officers of utilities. The impact of reform in power distribution system is not being felt by the consumers today because there is little scope for participation and also due to gradual elimination of consumer friendly practices and guidelines. All the decisions and directions given by the Commission in the SAC for implementation to benefit consumers are being ignored by DISCOMs. The supplier/seller should install his own measuring device to sell the product and the buyer should have no responsibility for this except to check its correctness. As such the power distribution utilities charging the consumer for the cost of the meter as well as interest, is unjustified. This should be included in the cost like other equipment of the licensee for which reasonable minimum return may be considered and the licensee must not be allowed to charge for supply of meter. Licensees should be very transparent in the purchase of materials as higher cost ultimately means higher claim for tariff. The procurement from outside the state will affect the state revenue and local industries trade and employment adversely.
- The Case No. 43 of 2017 in APTEL has to be considered while finalising the ARR. A gap of Rs.258 cr in tariff which could not be realised because of Covid

situation last year would have to be passed on this year. The power purchase price of OHPC and NTPC is going up and the effect of this on BSP will be 9 - 10 paise/unit and this will put a pressure on tariff. Equity to DISCOMs will also entail some commitment by GRIDCO. AT & C loss is gradually reducing so Tata Power is in a good position and they have time to improve.

VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (PARA 365)

365. The State Government in response to query of the Commission has intimated as follows in their letter No. 3333, dated 24.03.2021.

(a) Keeping in abeyance of up-valuation of assets

Regarding the issue of up-valuation of assets pertaining to OPTC'L, Generators and other licensees, the Government for the time being agree with the views of the Commission to keep in abeyance the up-valuation of assets like previous years. Considering the present difficult situation, the Govt. agrees to extend the status-quo on up-valuation for 5 years from FY 2021-22 to 2025-26.

(b) Provision of subsidy under Section 65 of the Electricity Act, 2003

In view of the increasing power demand, massive investments have been made by the State Government for up gradation of transmission and distribution systems which is primarily in the nature of capital subsidy to keep the tariff low for all categories of consumers. The Government, therefore, do not agree to provide any subsidy for any class of consumers under Section 65 of the Electricity Act, 2003.

(c) Return on non-cash equity infusion of Rs.647 Cr. in OPTCL

Government vide its notification No. 11080 dt. 31st December 2020 have converted the Bonds of Rs. 400 Crore and interest outstanding of about Rs.247 Crore to equity share capital investment of Government in OPTCL. However, in order to bring down its effect on the tariff, OERC may not allow any return on this equity for the time being. However, OPTCL may not be allowed to incur losses and requisite provision may be made for proper upkeep of the transmission assets.

OBSERVATION AND DIRECTION OF THE COMMISSION (PARA 366 TO 532)

366. All the DISCOM Utilities of Odisha have filed their Aggregate Revenue Requirement

- (ARR), Wheeling and Retail Supply Tariff (RST) applications for the financial year 2021-22 in pursuance to Regulation 6 (1) of (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 within 30th November, 2020. The DISCOM Utilities have proposed segregation methodology for segregating their cost and revenue into wheeling business and retail supply business for approval of the Commission under Regulation 4.4 of said Regulations. Similar to previous year the Commission has approved the cost allocation matrix provisionally for FY 2021-22 consistent with the Regulations (paras 385 to 393 of RST order 2016-17).
367. In the meantime the Utilities of CESU, WESCO and SOUTHCO have been transferred to newly created DISCOMs i.e. TPCODL, TPWODL and TPSODL respectively under Section 20 and 21 of the Electricity Act, 2003. TPCL and GRIDCO hold 51% and 49% of equity respectively in these newly created said DISCOMs. The Utility of NESCO shall be transferred to a new company shortly in which TPCL and GRIDCO will have similar equity holding pattern. The Commission has transferred the utilities such as CESU, WESCO and SOUTHCO vide their Vesting Order Nos. 11/2020, 82/2020 and 83/2020 respectively. The different tariff determination parameters shall be adopted from the respective vesting orders of the utilities and OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014.
368. The tariff design exercise carried out by the Commission is a balancing act in which revenue is matched with expenditure in such a way that voltage-wise tariff remains within $\pm 20\%$ of the average cost of supply as per Clause 8.3 of National Tariff Policy. In the present State of Odisha power sector, EHT and HT consumers are cross subsidizing consumers, whereas the LT consumers are the subsidized consumers. Similar to the previous years, the Commission has adopted Top Down Approach to calculate sales of ensuing year by applying normative loss specified in the vesting order.

Table – 31
Proposed and Approved Loss of DISCOM Utilities

	FY 2019-20 (Actual)	FY 2020-21 Approved	FY 2020-21 Estimated by licensees	FY 2021-22 Proposed by licensees	FY 2021-22 (Approved) by the Commission
TPCODL					
Distribution Loss	23.12%	23.00%	26.92%	24.63%	22.93%
Collection Efficiency	90.51%	99.00%	96.00%	97.00%	99.00%
AT and C Loss	30.42%	23.77%	29.84%	26.89%	23.70%
NESCO Utility					
Distribution Loss	13.19%	18.35%	19.60%	19.05%	18.35%
Collection Efficiency	86.38%	99.00%	92.00%	93.00%	99.00%
AT and C Loss	25.01%	19.17%	26.04%	24.72%	19.17%
TPWODL					
Distribution Loss	18.73%	19.60%	22.34%	21.27%	19.60%
Collection Efficiency	87.91%	99.00%	95.00%	96.00%	99.00%
AT and C Loss	28.56%	20.40%	26.22%	24.42%	20.40%
TPSODL					
Distribution Loss	24.47%	25.00%	25.00%	24.50%	25.00%
Collection Efficiency	84.34%	99.00%	91.00%	96.00%	99.00%
AT and C Loss	36.30%	25.75%	31.75%	27.52%	25.75%
ODISHA					
Distribution Loss	19.78%	21.23%	23.76%	22.42%	21.24%
Collection Efficiency	87.94%	99.00%	94.11%	95.67%	99.00%
AT & C Loss	29.45%	22.02%	28.25%	25.78%	22.03%

Assessment of Power Purchase Requirement of DISCOM Utilities for FY 2021-22

369. Since last year FY 2020-21 there was complete lockdown in State since 22.03.2020 onward due Corona virus pandemic, energy consumption patterns of all consumer categories were affected. The Commission has estimated sales for EHT and HT for FY 2020-21 by averaging sales of last six months and extrapolating the same for the whole year. The estimated sale for FY 2020-21 in HT and EHT are as follows:

Table - 32

(in MU)

Licensee	EHT Sale for FY 2020-21	HT Sale for FY 2020-21
TPCODL	976.93	1129.50
NESCO Utility	1450.26	388.93
TPWODL	1485.88	1903.98
TPSODL	457.85	200.35

370. The Commission scrutinized the estimated sale of the licensee for FY 2020-21 and proposal for FY 2021-22 in HT and EHT level. The additional sale in EHT was found that to be 20.85 MU, 246.22 MU, 60.00 MU and 23.30 MU in TPCODL, NESCO Utility, TPWODL and TPSODL respectively. Similarly the additional sales in HT are

26.67 MU, 50.00 MU in NESCO Utility and TPWODL respectively. Considering the above additional sales, the estimated sales for FY 2021-22 of the DISCOMs are calculated by adding the same with estimated sale found out by the Commission for FY 2020-21 for HT and EHT. The Commission allowed power purchase for the above additional sales over the power purchase estimated for FY 2021-22 by the Licensees considering 8% loss in HT and no loss in EHT. Basing on the power purchase figure so arrived for FY 2021-22 and considering overall distribution loss and sales in EHT and HT level, the Commission determines estimated sales at LT level following top down approach specified in the Regulation. Accordingly, the estimated power purchase and sales figure of DISCOMs are given in the table below for FY 2021-22:

Table – 33

(In MU)

All Odisha Purchase and Sales Proposed and Approved by the Commission for FY 2021-22										
	TPCODL		NESCO		TPWODL		TPSODL		ODISHA	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Purchase	9194.80	9290.00	5737.12	5880.00	8250.00	8600.00	4030.00	4100.00	27211.93	27870.00
Sales										
EHT	905.23	997.78	1571.51	1696.49	1360.00	1545.88	414.40	481.15	4251.14	4721.30
HT	1340.21	1340.21	395.42	415.60	1800.00	1953.98	230.71	230.71	3766.34	3940.51
LT	4684.68	4821.81	2677.28	2688.93	3335.00	3414.54	2397.73	2363.14	13094.69	13288.42
Total Sales	6930.12	7159.80	4644.20	4801.02	6495.00	6914.40	3042.84	3075.00	21112.17	21950.22

Revenue Assessment

371. Basing on normative parameters like distribution loss, AT & C loss and collection efficiency as approved in this Retail Supply Tariff order of the Commission, we proceed to determine the revenue on the following principles.
372. The estimated revenue for FY 2021-22 was found out basing on the billing figure for FY 2019-20 with normalization for 2020-21 since the figures for the same in FY 2020-21 are distorted due to pandemic situation.
373. Therefore, relying on the above principle we approve the expected revenue of DISCOM Utilities for FY 2021-22 as given in the table below:

Table – 34

Revenue of DISCOM Utilities for FY 2021-22

(Rs. Crs.)

	TPCODL	NESCO Utility	TPWODL	TPSODL
EHT	630.44	1,061.94	964.14	301.38
HT	851.80	259.87	1,204.75	142.05
LT	2,353.34	1,223.80	1,536.87	1079.30
Total	3,835.58	2,545.61	3,705.75	1,522.73

Tariff Related Issues

DISCOM Utilities have raised certain issues which are discussed below:-

Introduction of kVAh Billing

374. The prime objective of the kVAh based billing is to encourage the consumers to maintain near unity power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile. Advantages of kVAh billing are
- (i) Overloading of Distribution system is avoided resulting in better voltage profile.
 - (ii) Reduction in line & transformer losses.
 - (iii) Increase in available line and transformer capacity.
 - (iv) It captures both real and reactive power

The Commission intends to implement kVAh billing to all consumers other than LT consumer w.e.f. 4th April 2021. All DISCOMs are required to take all necessary steps to ensure that all the HT and EHT consumers are billed by kVAh basis from 4th April, 2021 and educate the consumers for the same. All open access transaction will be maintained in kWh sale only and kVAh based sale shall be converted into kWh base on the power factor for the month provided in the energy bills if necessary. For electricity duty purpose the kWh reading of the meter shall be utilised. For load factor purpose kWh reading shall be taken into consideration. Since kVAh reading captures both active and reactive power drawal, therefore, there is no necessity for continuing with either power factor incentive or penalty. Therefore, power factor penalty and incentive is abolished w.e.f. FY 2021-22. In case of leading power factor whose instances are relatively few when kVARh are injected into the system from consumer side. In that event the kWh drawal reading shall be taken and billed as per the kVAh tariff.

Withdrawal of ToD benefit

375. Some DISCOM Utilities have requested the Commission to withdraw the ToD benefit where as other DISCOM Utilities want to continue with the same. ToD benefit to the consumers encourage them to draw more power during off peak hours. This helps in flattening the load curve of the State. This helps in efficient use of generating, transmitting and distributing assets. ToD benefit is implemented in Odisha for the consumers who are capable of segregating their load drawal into peak and off-peak

hours. There are certain consumers who cannot segregate/shift their load from peak hours to off peak hours. Therefore, all the three phase consumers with static meters are allowed to avail ToD rebate excluding Public Lighting, emergency supply to CGP, LT Domestic and LT General Purpose categories @ 20 paise/unit for energy consumed during off peak hours. Off peak hours has been defined as 10 PM in the evening to 6 AM of the next day.

Demand Charges for HT Medium category consumers.

376. Presently, HT Medium Industries (CD >70 <110 KVA) are paying demand charges @Rs150/KVA. Some DISCOMs have been submitting for past several years that the said demand charges should be enhanced to Rs.250/KVA. This matter has already been dealt with at Para 331 of Retail Supply Tariff order for FY 2020-21. Their demand fluctuates throughout the year. Their viability cannot be compared with large industrial consumer. Therefore, the Commission has been consciously keeping demand charges lower for this category than that of large industry category to encourage small and medium industries in the State.

MMFC for LT category of consumers

377. This matter has already been dealt with at Para 332 of Retail Supply Tariff Order for FY 2020-21. Some DISCOM Utilities want that the additional KW in all LT categories should have uniform MMFC. It is to be stated that this has been done to give some relief to agriculture, public lighting and small industry consumers. The revenue from this section of consumers is as such very low. It is expected that differential KW charges have minimal impact on the revenue inflow from this category of consumers.

Demand Charges for consumers having CD <110 KVA

378. Some DISCOMs submit that the demand charges for consumers CD <110 KVA should be computed as 80% of CD or maximum demand whichever is higher similar to that of consumers having CD >110 KVA. This principle has been followed by the Commission for past 15 years. This is because the consumers with CD <110 KVA are basically the consumers who do not use their electrical appliances continuously. There are many consumers whose electricity uses are seasonal only. The fluctuation in their demand does not affect the load curve of the State in a perceptible way. Therefore, compelling them to pay at least 80% of their CD is not justified.

Additional Rebate of 2% to LT category of consumers for Digital Payment

379. Some DISCOM Utilities want that for encouraging digital payment, the additional rebate of 2% should be granted to the LT domestic and Kutir Jyoti consumers. Therefore, after consideration of convenience of payment by the consumers, the Commission decides that 2% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single phase General purpose category of consumers only over and above all the rebates who pay through digital means. This rebate shall be applicable on the current month bill if paid in full.

Billing to Irrigation category of consumers

380. One DISCOM submits that due to difficulties in putting meters in irrigation category of consumers load factor billing may be permitted in their case. It is to be mentioned here that load factor billing has been abolished in principle by this Commission since the year 2004. Every consumer should be billed only with a correct meter as per the Electricity Act. Therefore, the submission of the utility is not acceptable.

Mini Steel Plants

381. Some objectors representing Mini Steel Plant category of consumers connected at 33 KV voltage level having induction furnaces have approached the Commission to reduce their tariff. They state that the tariff of similar industries in neighbouring States like Chhattisgarh, Jharkhand etc. are comparatively lower than that of Odisha. Thus steel production costs in those States have become low. These industries in neighbouring States procure iron ore, sponge iron, pellets etc. from Odisha and process the same in their induction furnace and supply them again back to Odisha at cheaper rate which makes the product of Odisha unviable in the market. Considering the surplus power situation in the state and drawal of those industries at 33 KV the Commission directs as follows:

“All the industrial consumers (Steel Plant) having CD of 1 MW and above and drawing power in 33 KV shall be allowed a rebate of 30 paise per unit (kVAh) for the units consumed in excess of 60% of load factor and up to 70% of load factor and 40 paise per units (kVAh) for the units consumed above 70% load factor upto 80% load factor and 50 paise per units (kVAh) for energy drawn in excess of 80% load factor per month. This shall be in addition to all other rebate the consumer is otherwise eligible.”

Cold Storage Tariff

382. The Odisha Cold Storage Association has submitted that they should be allowed a tariff equal to Allied Agricultural Activities. This is because their business is

becoming unviable due to higher Allied Agro Industrial tariff which is higher than Allied Agricultural tariff. A meeting was convened by Director Horticulture of Odisha under the Chairmanship of APC-Cum-Additional Chief Secretary where it was decided that the Cold Storage Association would request OERC to classify the cold storage under Allied Agricultural Activities. Accordingly, they have filed the present application. Since this matter relates to amendment of Regulation this request cannot be accommodated here. The Commission in due course will take step in this regard.

Meter Rent

383. The meter rent w.e.f. 04.04.2021 shall be as follows:

Table - 35

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

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

Tatkal Scheme for New Connection

384. The Tatkal Scheme for consumers availing LT supply for Domestic, Agricultural and General Purpose shall continue as directed vide para 293 of the RST order for FY 2017-18. The Tatkal charges will continue to be applied as given below:

Table - 36

Category of Consumers	Tatkal charges
LT Single phase upto 5 kW load	Rs.2000/-
LT three phase 5 kW and above	Rs.2500/-
LT Agricultural consumers	Rs.1000/-
LT General Purpose single phase and three phase consumers	Rs.4000/-

The above Tatkal charges do not include meter cost and over and above the charges mentioned for the respective category in OERC Supply Code, 2019.

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

385. This matter has been dealt with at para 343 of Retail Supply Tariff Order for FY 2020-21. During hearing of the views of objectors and consumers and on many occasions the Commission has come across the complaints of small consumers who are denied service connection by DISCOM Utilities on the pretext of overloading of area transformer. On the other hand it is learnt from Government of Odisha that a large number of distribution transformers have been supplied to DISCOM Utilities. Therefore, there is no shortage of transformers at any DISCOM Utilities. DISCOM Utilities have also concurred this view in the SAC Meeting where this issue was discussed. Therefore, it is directed that while providing new LT supply upto 5 KW, the cost of upgradation of transformer or installation of new transformer shall not be insisted upon or recovered from the consumers in the context of remunerativeness of the connection.

Cross-subsidy in Tariff

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

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

According to that Regulation, cross subsidy is to be worked out basing on the average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers. The average cost of supply for Odisha for FY 2021-22 is follows:

Table – 37
Average Cost of Supply (per Unit) FY 2021-22

Expenditure	2021-22 (Approved)
Cost of Power Purchase	8,257.57
Transmission Cost	780.36
SLDC Cost	4.81
Total Power Purchase, Transmission and SLDC Cost (A)	9,042.74
Net Employee costs	1,777.19
Repair and Maintenance	481.75

Expenditure	2021-22 (Approved)
Administrative and General Expenses	240.93
Provision for Bad and Doubtful Debts	86.52
Depreciation	134.24
Interest Chargeable to Revenue including Interest on S.D	106.20
Sub-Total	2,826.82
Less: Expenses capitalised	-
Total Operation and Maintenance and Other Cost	2,826.82
Return on Equity	168.00
Total Distribution Cost (B)	2,994.82
Amortisation of Regulatory Asset	-
True up of Past Losses	-
Contingency reserve	-
Total Special Appropriation (C)	-
Total Cost (A+B+C)	12,037.56
Approved Saleable Units (MU)	21,950.22
Average Cost (paisa per unit)	548.40

For the purpose of calculating average tariff, the estimated revenue realization from a voltage category and total sales to that category have been taken into consideration.

Average Tariff realization = Total expected revenue to be realized from a category
for a category as per ARR/ Total anticipated sales to that category as
per ARR

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

Table - 38
Cross Subsidy Table for FY 2021-22

Year	Level of Voltage	Average cost of supply for the State as a whole (P/U)	Average Tariff P/U	Cross-Subsidy P/U	Percentage of Cross-subsidy above/below of cost of supply	Remarks
1	2	3	4	5= (4) – (3)	6= (5 / 3)	7
2017-18	EHT	488.26	580.45	92.19	18.88%	The tariff for HT and EHT categories have been calculated basing on average tariff of that category.
	HT		581.60	93.34	19.12%	
	LT		398.95	-89.31	-18.29%	
2018-19	EHT	489.47	576.88	87.41	17.86%	
	HT		579.18	89.71	18.33%	
	LT		398.72	-90.76	-18.54%	
2019-20	EHT	499.71	577.21	77.49	15.51%	
	HT		579.38	79.67	15.94%	
	LT		406.21	-93.50	-18.71%	
2020-21	EHT	524.62	595.77	71.15	13.56%	
	HT		596.18	71.56	13.64%	
	LT		433.81	-90.81	-17.31%	

Year	Level of Voltage	Average cost of supply for the State as a whole (P/U)	Average Tariff P/U	Cross-Subsidy P/U	Percentage of Cross-subsidy above/below of cost of supply	Remarks
2021-22	EHT	548.40	626.50	78.10	14.24%	
	HT		623.90	75.49	13.77%	
	LT		466.07	-82.33	-15.01%	

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

Open Access Charges (Cross Subsidy Surcharge and Wheeling Charges)

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

Surcharge formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where:

S is the surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets.

389. As in the previous year Commission accepts 'C' equal to BSP of respective DISCOM

Utilities as explained above. Similarly 'T' is the tariff at 100% load factor including demand charges for the respective voltage level. The wheeling charges 'D' is as determined from the distribution cost approved for the FY 2021-22 and 'L' is assumed 8% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

390. Commission does not differentiate between 11 KV and 33 KV in determination of wheeling charges. The wheeling as per our Wheeling Tariff and Retail Supply Tariff Regulations, 2014 includes distribution system and associated facilities of a distribution licensee, therefore, includes the network both at 33 KV and 11 KV. Therefore, the Commission determines a single wheeling charge for 11 KV and 33 KV.
391. Basing on the above the wheeling charges and cross subsidy surcharges have been determined as follows:

Table – 39
Wheeling Charges Approved for FY 2021-22

	TPCODL	NESCO Utility	TPWODL	TPSODL
Energy Handled at HT (MU)	8292.22	4183.52	7054.12	3618.85
Net Distribution Cost (Rs. Crs.)	647.27	394.52	424.45	358.06
Wheeling Charge calculated for 2021-22 (Paise per unit)	78.06	94.30	60.17	98.94

Table - 40
Computed Surcharge for Open access consumer 1MW and above

DISCOM	PCODL	NESCO Utility	TPWODL	TPSODL
Surcharge for EHT Consumer (P/U)	260.88	223.88	206.88	336.88
Surcharge for HT Consumer (P/U)	162.76	106.30	121.95	224.49

392. As per mandate of the Electricity Act, 2003 under Section 42 the cross subsidy surcharge is to be reduced progressively. The Commission is authorized to evolve a methodology for such reduction. Accordingly, the Commission has fixed the leviable surcharge at 63% of the computed value for FY 2021-22.

Table – 41
Leviable Surcharge, Wheeling Charge and Transmission Charge for Open access consumer 1MW and above for FY 2021-22

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open access Customer
	EHT	HT		
TPCODL	164.35	102.54	78.06	The Open Access customer availing open
NESCO	141.04	66.97	94.30	

Utility				access shall pay Rs.6720/MW/Day (Rs.280/MW/Hour) as transmission charges
TPWODL	130.33	76.83	60.17	
TPSODL	212.23	141.93	98.94	

Additional Surcharge

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

In summary,

- (i) The wheeling charge, transmission charge and surcharge as indicated in Table above shall be applicable from 04.04.2021.
- (ii) The normative transmission loss at EHT (3%) and normative wheeling loss for HT level (8%) shall be applicable for the year 2021-22.
- (iii) Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be given at present.
- (iv) No Cross-subsidy surcharge is payable by the consumers availing Renewable power through open access.
- (v) 20% Transmission & Wheeling charge is payable by the consumers drawing power through open access from Renewable source excluding Co-generation and Bio mass power plant.

These charges as notified for FY 2021-22 will remain in force until further orders.

FINANCIAL ISSUES FY 2021-22

Employees Cost

394. The four DISCOMs, WESCO (now TPWODL w.e.f. 01.01.2021), NESCO, SOUTHCO (now TPSODL w.e.f. 01.01.2021) and TPCODL in their ARR and tariff petition for the FY 2021-22 have projected employee cost at an higher projection compared to what was approved in the RST order for FY 2020-21. A comparison of the approved Employees cost for FY 2020-21 and proposed by DISCOMS for FY 2021-22 is shown in the following table.

Table – 42
Employee Cost

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		NESCO		TPSODL		TPCODL		TOTAL	
		Approved (2020-21)	Proposed (2021-22)	Approved (2020-21)	Proposed (2021-22)	Approved (2020-21)	Proposed (2021-22)	Approved (2020-21)	Proposed (2021-22)	Approved (2020-21)	Proposed (2021-22)
1	Basic Pay + GP	115.98	213.90	104.41	106.32	100.94	99.76	206.49	297.68	527.82	717.66
2	DA	31.31	55.61	28.19	28.71	27.25	27.93	55.75	74.44	142.50	186.69
3	Reimbursement of HR	16.38	19.25	15.06	19.14	14.30	16.79	41.29	42.54	87.03	97.72
4	Other allowance	3	3.01	0.39	2.62	1.60	1.95	5.5	6.05	10.49	13.63
5	Arrear of 7th Pay commission of regular employees	7.66	38.32	5.95	29.73	6.19	30.94	22.50	77.50	42.30	176.49
6	7th Pay arrear of retired employees towards differential gratuities, commuted pension and unutilised leave										
7	Bonus	0.80	0.30		0.00	0.08	0	0.64	0.70	1.52	1.00
8	Outsource, contractual and additional employee cost	39.70	50.81	32.81	35.29	77.94	83.83	43.17	52.10	193.62	222.03
9	Additional Employee Cost (New Recruitment)										
10	Total Emoluments (1 to 9)	214.91	381.20	186.80	221.81	228.30	261.20	375.34	551.01	1005.35	1415.22
11	Med. Allowance/ Reimbu. of medical expenses	4.87	10.70	4.15	5.32	4.03	4.99	10.31	10.63	23.36	31.64
12	Leave Travel Concession	0.17	0.05	0.15	0.15	0.15	0.15	0.01	0.00	0.48	0.35
13	Honorarium	0.20	0.20		-	0.02	0.01		0.00	0.22	0.21
14	Payment under workmen compensation Act	0.07	0.25	0.09	0.09	0.29	0.29	0.53	0.58	0.98	1.21
15	Expenses towards uniform to Employees				0.00			2.65	2.92		2.92
16	Ex-gratia	0.10	0.30	2.12	2.23				0.00	2.22	2.53
17	Other Staff Costs	0.60	0.50	1	1.06	0.35	0.56	1.26	1.39	3.21	3.51
18	Total Other Staff Costs (11 to 17)	6.01	12.00	7.50	8.85	4.84	6.00	14.76	15.52	33.11	42.37
19	Staff Welfare Expenses	1.00	1.00	2.61	2.74	4.04	4.18	1.32	1.45	8.97	9.37
20	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	141.47	132.31	152.06	129.38	134.90	144.89	230.74	233.67	659.17	640.25
21	Total (10+ 18+19+20)	363.39	526.51	348.98	362.78	372.08	416.27	622.15	801.65	1706.60	2107.21
22	Less : Empl. cost capitalized	2.37	2.65	0.14	0.15	1.20	0.00	15.4	29.00	19.11	31.80
23	Total Employees Cost (FY 2021-22)	361.02	523.86	348.84	362.63	370.88	416.27	606.75	772.65	1687.49	2075.41
	% rise over approved FY 2020-21		45.10		3.95		12.24		27.34		22.99

395. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee's cost compared to the approval for the FY 2020-21. TPWODL, NESCO Utility, TPSODL and TPCODL have projected an increase over the approval of FY 2020-21 at 45.10%, 3.95%, 12.24% and 27.34% respectively. The overall projection for all DISCOMs together is 22.99% more than the previous year approval.

396. The Commission allows Employees cost in terms of the MYT principles enunciated in

its order dated 20.03.2013. The relevant portion of said order is reproduced below:

“16.1 Employee Cost

The three DISCOMs, WESCO, NESCO & SOUTHCO submitted to provide employee cost through indexation mechanism linked to CPI during the control period in line with the model FOR MYT Regulations. CESU submitted to take into account the employee cost due to massive RGGVY expansion of network. DISCOMs also submitted that incentive and dis-incentive scheme may be introduced to improve productivity level.

The Commission after considering the submissions has decided to continue with the employee cost allocation in the ARR on the same principles as adopted during the second control period.

Wages and salaries during this control period would include the base year values of Basic pay and Grade Pay escalated for annual salary increments and inflation based on Govt. of Odisha notification. The sixth pay recommendation notified by Govt. of Odisha recommends annual increment @ 3% of the Basic and grade pay. The annual increment would be approved as per such recommendation. Basic Pay and grade pay are to be taken from annual audited accounts of the Licensee. However if as per the Commission's assessment the figures shown in the audited accounts cannot be relied upon, the Commission may take into account the actual payment outgo during the last six months of the year to arrive upon the pay for the ensuing year. Dearness Allowance, HRA and other allowance would be calculated as per rates notified by Govt. of Odisha. Terminal liabilities would be provided based on a periodic actuarial valuation to be made by OERC in line with the prevailing Indian accounting standards. The financial impact of any award by Govt. of India/Govt. of Orissa shall be taken care of in subsequent year in truing up. XXXXXX”

397. In the order No. 11/2020, relating to vesting of CESU, TPCODL was asked to submit proposed plan towards O&M expenses which includes Employees cost, Repair and Maintenance and A&G costs. TPCODL accordingly submitted a petition for the approval of Annual Business Plan (ABP) for FY 2020-21. The Commission vide its order dated 16.11.2020 approved the Annual Business Plan Order for TPCODL towards additional expenses in O&M expenses for FY 2020-21.
398. TPCODL in the ARR petition for FY 2021-22 has submitted that as per the present plan, TPCODL would recruit 497 employees in FY 2020-21. The employment is within the approved levels of recruitment i.e 8% of 1367 employees. However, the actual expenditure is of the order of Rs 53.30 Crores for 10 months. The 497 employees who would join would also include employees at senior level whose salaries are higher than the average salary for 1367 employees. Hence average per employee cost of 1367 employees cannot be strictly applied to the 497 employees and the same is reason for deviation from the approved expenditure. The actual expenditure for FY 2020-21 is expected to be to the tune of Rs. 102.30 crore which

includes additional expenditure of Rs.53.30 cr for 10 months and Rs.49 cr towards outsourced employees for FY 2020-21.

Employee Cost Projection for FY 2021-22 of TPCODL:

399. TPCODL submitted that based on the direction of the Commission, TPCODL would gradually increase the proposed manpower in a period of say 3-5 years and not in one year as proposed in the ABP petition. Accordingly, for FY 2021-22, TPCODL would further increase the manpower by 4 % to meet the requirement of the work in that year. Hence considering this, the estimated additional manpower expenses would be as follows:

Table -43
Additional employee expenses for FY 2021-22

Sl. No.	Head of Expenditure	FY 2021-21
1	Salaries of Existing Employees (497 Nos.)	55.59
2.	Salaries of 250 Employees to be recruited in FY 2021-22	17.87
3.	Insurance (Medical +GPA)	2.00
4.	HR Operation Cost	10.03
Total		85.49
	Add	
5	Out sourced manpower	52.10
Total		137.6

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

Table – 44
Employees Proposed (2021-22)

Employees Proposed (FY 2021-22)	TPWODL	NESCO	TPSODL	TPCODL
No. of employees as on 01.04.2020	2510	2320	2109	4931
Add: Addition during 2020-21	0	0	6	3
Less: Retirement/Expired Resignation during 2020-21	184	145	131	216
No. of employees as on 31.03.2020	2326	2175	1984	4718
Add: Addition during 2021-22	881	0	0	0
Less: Retirement/Expired/ Resignation during year 2021-22	153	77	94	203
No. of employees as on 31.03.2022	3054	2098	1890	4515

401. The Utilities have submitted that the number of consumers in the area have increased almost 90 times in the span of 20 years whereas the employee strength which was

- during 1998 has now reduce to almost half as on March 2020. The reduced manpower has led to outsourcing of the major activities like billing, collection, grid maintenance, vigilance, watch and ward, etc. These factors have put challenge to provide quality uninterrupted power supply to the consumers. Since 2011 there has been no recruitment for the Utility in spite of the reduction in employees due to retirement/death etc.
402. The Commission passed an order dated 16.11.2020 approving the ABP of TPCODL FY 2020-21. In such approval of annual business plan order for TPCODL, the Commission observed that it is aware that in the DISCOMs no new significant recruitments have been made during last 10 years and DISCOMs have appreciable shortage of required manpower. The ratio of the employees versus consumers has also widened over the years and bringing in new employees will bridge this gap for efficient functioning of the DISCOMs. The Commission therefore allowed 8% of the total manpower during the FY 2020-21 to TPCODL and stipulated that the new recruitments be made as per operational requirements. The TPCODL has accordingly projected to recruit 498 number of additional manpower during the FY 2020-21. TPCODL has further stated that it would gradually increase the proposed manpower in a period of 3 to 5 years and it would increase the manpower by 4% to meet the requirement during the FY 2021-22.
403. In the meantime TPWODL and TPSODL came into operation w.e.f. 01.01.2021 which is later than the submission of the ARR petition for FY 2021-22. In terms of their respective vesting order, TPWODL and TPSODL have also made additional submission with regard to the O&M cost for the current FY 2020-21 and further projections for FY 2021-22 beyond the ARR projections as per the petitions submitted on 30.11.2020 by the utilities WESCO and SOUTHCO. The Commission in such a scenario will consider such additional submission towards Annual Business Plan of TPSODL and TPWODL and hear the same from different stakeholders before approving the same. In the present order the Commission has taken into consideration the proposal made in the original ARR petition for FY 2020-21.
404. The Commission after analysis for the purpose of calculation of Basic pay only considers no new addition during the current FY 2020-21 and also during the ensuing FY 2021-22. The Commission directs in the next ARR the DISCOMs shall submit the actual additions impacting the basic pay and other additions. Accordingly Commission

approves following number of employees for the DISCOMs for FY 2021-22 only for the purpose calculation of basic pay.

Table – 45

Employees Approved (2021-22)	TPWODL	NESCO	TPSODL	TPCODL
No. of employees as on 01.04.2020	2510	2320	2109	4931
Add: Addition during 2020-21	0	0	6	3
Less: Retirement/Expired Resignation during 2020-21	184	145	131	216
No. of employees as on 31.03.2020	2326	2175	1984	4718
Add: Addition during 2021-22	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2021-22	153	77	94	203
No. of employees as on 31.03.2022	2173	2098	1890	4515
Average no. of employees for FY 2020-21	2418	2248	2047	4825
Average no. of employees for FY 2021-22	2250	2137	1937	4617

405. The above table projects the addition and exit of employees those who are under the prescribed pay scales of the utility and the estimation of basic pay is made accordingly for the approval of employee cost. The Commission in the approval for the Annual Business plan of the TPCODL in case No. 41/2020 dated 16.11.2021 have observed the following with regard to new recruitment:

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

The Commission in view of the above observations provisionally allows Rs.24 crore each to TPWODL, TPSODL and NESCO Utility and Rs.54 crore to TPCODL towards additional employee cost including new recruitment for FY 2021-22.

406. All the Licensees have projected their employee cost for FY 2021-22 taking into account the impact of 7th Pay Commission recommendations including arrears for previous years. The DISCOMs in the reply to queries of the Commission furnished the actual cash outflow on Basic Pay + GP from April, 2020 to November, 2020 (for a period of 8 months). Accordingly the Basic pay and GP for FY 2020-21 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2021-22. The Commission in accordance with the OERC (Terms and conditions for Determination

of Wheeling Tariff and Retail Supply tariff) Regulations, 2014, allows 3% escalation on Basic Pay and Grade Pay (based on Govt of Odisha notification on the escalation of annual salary increments) towards normal annual increment on year to year basis and the same principle shall also continue for estimation of Basic pay and GP for this ARR also. The actual Basic pay and GP drawn for the period April, 2020 to November, 2020 was prorated for the entire year and the quantum of Basic pay and GP for FY 2021-22 was estimated by factoring the average no. of employees for FY 2020-21 and FY 2021-22.

407. The DA as per the 7th Pay Commission recommendations and the projected DA thereof for FY 2021-22 is shown in the following table:

Table – 46

Effective Date	Rate	Status
01.01.2016	nil	Approved By GoO
01.07.2016	2%	Approved By GoO
01.01.2017	4%	Approved By GoO
01.07.2017	5%	Approved By GoO
01.01.2018	7%	Approved By GoO
01.07.2018	9%	Approved By GoO
01.01.2019	12%	Approved By GoO
01.07.2019	17%	Approved By GoO
01.01.2020	20%	Projected
01.07.2020	23%	Projected
01.01.2021	26%	Projected
01.07.2021	29%	Projected
01.01.2022	32%	Projected

As per the above table the DA rate for FY 2020-21 is assumed to be 29%.

House Rent Allowance and Medical Allowance

408. House rent allowance and Medical Allowances have been allowed for FY 2021-22 as a proportion of the basic pay after implementation of 7th Pay Commission recommendations as submitted by the DISCOMs.

Outsource and Contractual employees Cost

409. As regards engagement of manpower, DISCOMs have submitted in the ARR that since no recruitment has been permitted by the Commission there has been drastic reduction in the manpower. In view of the large scale electrification through rural electrification, addition of new consumers, reorganisation, and to carry out MRT, Energy Audit, maintenance of DTRs and vigilance activities present manpower is

inadequate. Consequently in order to improve 100% coverage, reduction of distribution loss and to improve collection they have engaged contractual personnel and outsource agencies for maintenance of existing Grid substations, sub stations under ODSSP, watch and ward activity, vigilance activities etc. DISCOMs were asked to submit the actual expenses on these activities during the current financial year 2020-21. The Commission after scrutiny allows the expenses on Contractual and outsource employees for the ensuing FY 2021-22 on the basis of the submission of DISCOMs and actual cash outgo for the current year 2020-21.

Analysis of LT Division-wise Performance and Employee Performance

410. The Commission have analysed the LT loss level of various divisions of DISCOMs as submitted by the DISCOMs. This reveals the performance of the Divisions for FY 2019-20 on the various parameters as given in the following tables:-

Table – 47
LT Division-wise Performance (2019-20) – WESCO Utility (Now TPWODL)

Sl. No.	Name of Division	No of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	Loss % (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing To Consumers (Rs. Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	LT P/U Realisation
OERC Target For 2019-20			4178	3174.7	24.0%	76.0%	1260.7	1230.5	97.6%	25.8%	294.5
1	Bargarh(W)	158129	427	266	38%	62%	84	28	34%	79.1%	66
2	Bargarh	117010	428	260	39%	61%	114	50	44%	73.3%	117
3	Sonepur	134462	206	177	14%	86%	65	23	35%	70.1%	110
4	Titilagarh	197385	286	178	38%	62%	75	38	51%	68.5%	133
5	Bolangir	135592	297	164	45%	55%	70	41	59%	67.2%	139
6	Nuapada	114279	179	101	44%	56%	41	26	64%	63.9%	146
7	Kwed	138705	153	104	32%	68%	45	26	58%	60.6%	172
8	Sambalpur (East)	109598	226	159	30%	70%	73	45	62%	56.6%	198
9	Sambalpur	60065	235	182	22%	78%	91	59	65%	49.7%	251
10	Keed	142984	182	165	9%	91%	68	39	58%	47.7%	215
11	Sundergarh	112433	136	122	10%	90%	56	39	69%	38.5%	285
12	Jharsuguda	121007	201	177	12%	88%	83	59	71%	37.4%	293
13	Deogarh	70451	60	57	6%	94%	25	16	67%	37.2%	272
14	Brajrajnagar	51095	89	79	11%	89%	36	26	72%	35.8%	293
15	Rourkela-Sadar	108753	157	147	6%	94%	70	55	78%	26.9%	349
16	Rourkela	71049	142	134	6%	94%	63	54	86%	19.4%	382
17	Rajgangpur	119752	134	134	1%	99%	61	53	86%	14.8%	392
Total	TPWODL	1962749	3538.640	2604.737	26.4%	73.6%	1119.36	676.95	60.5%	55.5%	191

Table – 48
LT Division-wise Performance (2019-20) – NESCO Utility

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)
OERC Target /Approval			3413.247	2589.414	24.14%	75.86%	1029.78	1019.48	99.00%	24.89%
ACTUAL			-	-	-	-	-	-	-	-
1	BED, Balasore	59068	153.086	132.028	13.76%	86.24%	66.67	56.44	84.65%	26.99%
2	BTED, Basta	82059	121.413	89.486	26.30%	73.70%	35.72	18.99	53.17%	60.81%
3	JED, Jaleswar	112821	159.285	123.057	22.74%	77.26%	46.28	31.17	67.34%	47.98%

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)
4	CED, Balasore	111139	186.100	119.644	35.71%	64.29%	52.49	32.61	62.13%	60.05%
5	SED, Soro	141036	153.646	133.011	13.43%	86.57%	58.44	44.39	75.95%	34.25%
6	BNED, Bhadrak (N)	176726	280.772	237.253	15.50%	84.50%	108.17	65.72	60.75%	48.66%
7	BSED, Bhadrak (S)	109490	136.308	116.849	14.28%	85.72%	50.01	28.80	57.60%	50.62%
8	BPED, Baripada	219803	263.265	236.474	10.18%	89.82%	109.43	73.55	67.22%	39.62%
9	UED, Udala	102166	84.554	92.104	-8.93%	108.93%	40.65	19.87	48.87%	46.76%
10	RED, Rairangpur	187420	170.422	151.673	11.00%	89.00%	66.95	39.00	58.25%	48.16%
11	JRED, Jajpur Road	95281	197.122	155.108	21.31%	78.69%	73.10	48.50	66.36%	47.79%
12	JTED, Jajpur Town	97976	166.388	104.334	37.29%	62.71%	45.01	32.63	72.50%	54.54%
13	KUED, Kuakhia	115641	195.397	125.257	35.90%	64.10%	55.48	34.42	62.03%	60.24%
14	KED, Keonjhar	97890	91.199	108.383	-18.84%	118.84%	53.04	36.72	69.23%	17.73%
15	JOED, Joda	80783	114.151	118.303	-3.64%	103.64%	58.30	44.36	76.09%	21.14%
16	AED, Anandapur	117257	133.142	111.310	16.40%	83.60%	50.14	28.15	56.15%	53.06%
NESCO Total		1906556	2606.250	2154.274	17.34%	82.66%	969.88	635.33	65.51%	45.85%

Table – 49

LT Division-wise Performance (2019-20) – SOUTHCO Utility (Now TPSODL)

Sl. No.	Name of Division	No. of Consumer	Energy Input(MU)	Energy Sold (MU)	Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realisation per LT Input p/u
OERC Target / Approved for 2019-20			3,112	2,290.931	26.4%	73.6%	894.5	98.6%	27.4%	2.87
1	Aska-I	64205	126.05	52.41	58.42%	41.58%	17.31	79.66%	66.87%	1.37
2	Aska-II	66344	104.37	52.22	49.97%	50.03%	15.30	68.62%	65.66%	1.47
3	Nawarangpur	280133	199.91	144.34	27.80%	72.20%	33.17	50.91%	63.24%	1.66
4	Boudh	108163	96.02	75.91	20.95%	79.05%	15.16	52.89%	58.19%	1.58
5	Malkangiri	139751	130.33	112.60	13.60%	86.40%	23.79	50.04%	56.76%	1.83
6	Koraput	147077	130.86	86.09	34.21%	65.79%	26.01	69.14%	54.52%	1.99
7	Chatrapur	114673	168.56	110.49	34.45%	65.55%	34.80	73.70%	51.69%	2.06
8	Purusottampur	117366	140.22	94.45	32.65%	67.35%	28.47	74.26%	49.98%	2.03
9	Hinjili	90295	124.60	80.11	35.70%	64.30%	26.15	80.05%	48.53%	2.10
10	Bhanjanagar	138151	155.99	95.57	38.74%	61.26%	35.45	88.25%	45.93%	2.27
11	Phulbani	158368	126.97	88.31	30.45%	69.55%	28.11	78.38%	45.49%	2.21
12	Jeypore	154963	160.10	136.94	14.47%	85.53%	42.17	71.91%	38.49%	2.63
13	Digapahandi	108642	109.21	86.14	21.13%	78.87%	27.52	79.78%	37.07%	2.52
14	Parlakhemundi	136860	109.11	93.88	13.96%	86.04%	40.49	86.32%	25.73%	3.20
15	Gunupur	75958	67.65	60.82	10.10%	89.90%	20.99	83.42%	25.01%	3.10
16	Rayagada	166167	143.85	136.43	5.16%	94.84%	48.64	82.45%	21.81%	3.38
17	Berhampur- III	74248	90.00	79.38	11.80%	88.20%	32.38	93.35%	17.67%	3.60
18	Berhampur- II	60283	143.88	128.99	10.35%	89.65%	61.64	98.19%	11.98%	4.28
19	Berhampur- I	77002	153.65	146.64	4.56%	95.44%	66.50	93.77%	10.50%	4.33
Actual Total TPSODL		2,278,649	2471.95	1861.71	24.69%	75.31%	618.50	76.98%	42.02%	2.50

Table – 50

LT Division-wise Performance (2019-20) – CESU (Now TPCODL)

Sl. No.	Name of Division	No of Consumers	Energy Input(MU)	Energy Sold (MU)	Loss (%) (Assuming HT Loss 8%)	Billing to Consumers (Cr.)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per LT Input
OERC Target / Approved for 2019-20			6,353.5	4,798.8	24.5%	2023.19	2002.96	99.0%	25.22%	3.15
1	BCDD-1	59975	226.3	232.04	-2.5%	130.35	126.78	97.3%	0.3%	5.60
2	BCDD-2	168070	445.8	454.30	-1.9%	237.06	232.85	98.2%	-0.1%	5.22
3	BED	122945	403.1	374.13	7.2%	194.78	186.36	95.7%	11.2%	4.62
4	NEDN	174791	280.1	173.43	38.1%	78.45	40.84	52.1%	67.8%	1.46
5	PED	177787	301.0	260.12	13.6%	113.75	83.40	73.3%	36.6%	2.77
6	NED	204025	204.6	179.71	12.2%	75.37	63.82	84.7%	25.6%	3.12
7	KED	175443	318.0	245.87	22.7%	108.95	89.66	82.3%	36.4%	2.82
8	BEDB	107934	164.8	127.15	22.9%	51.84	42.32	81.6%	37.0%	2.57
9	CED	149997	333.5	201.24	39.7%	102.54	52.30	51.0%	69.2%	1.57
10	CDD-I	75142	276.3	255.77	7.4%	133.82	135.67	101.4%	6.1%	4.91
11	CDD-II	72860	247.1	212.03	14.2%	112.13	102.57	91.5%	21.5%	4.15
12	AED	121228	234.7	116.23	50.5%	53.74	25.59	47.6%	76.4%	1.09

Sl. No.	Name of Division	No of Consumers	Energy Input(MU)	Energy Sold (MU)	Loss (%) (Assuming HT Loss 8%)	Billing to Consumers (Cr.)	Collection Received (Cr.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per LT Input
13	SED	111117	180.9	112.07	38.1%	53.21	24.25	45.6%	71.8%	1.34
14	KED-I	192002	257.2	177.08	31.1%	78.93	70.53	89.4%	38.5%	2.74
15	KED-II	90291	94.9	59.45	37.4%	24.85	23.00	92.5%	42.0%	2.42
16	PDP	106686	176.3	120.39	31.7%	53.65	39.11	72.9%	50.2%	2.22
17	JED	120376	155.3	108.73	30.0%	47.33	42.63	90.1%	36.9%	2.74
18	DED	180351	385.0	218.23	43.3%	99.60	91.69	92.1%	47.8%	2.38
19	ANED	143414	260.5	152.06	41.6%	72.36	65.32	90.3%	47.3%	2.51
20	TED	138512	312.7	159.14	49.1%	75.84	59.62	78.6%	60.0%	1.91
TPCODL Total		2692946	5258.3	3939.17	25.1%	1898.54	1598.30	84.2%	36.93%	3.04

411. The Commission in the last few tariff orders expressed concern regarding high losses at LT level. The losses though have reduced but very marginally and continue to be quite high in many divisions. Consequently the 'Realisation per LT input' of these divisions is dismally low and much lower than the Bulk supply price and Average cost of supply. Almost all divisions have therefore been spending more on establishment cost than the revenue realisation.
412. The Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have vested the three utilities i.e. CESU, WESCO and SOUTHCO to M/s Tata Power Company Ltd. (TPCL). The respective vesting orders for these companies elaborately deals with many performance parameters, loss reduction targets, capital expenditure, recovery of past arrears, treatment of employee liabilities etc. The Commission has also elaborated review of performance and commitments provided by the TPCL while acquiring these utilities. The Commission has also set the terms for revocation of license in addition to the provisions related to Revocation of License under Section 19 of the Act.
413. The Commission in view of the new dispensation in the distribution utilities and in terms of the Vesting order believes that there will be significant improvement of the functioning, consumer service, billing and collection efficiency and general health of the new companies. The Commission have also approved enhanced expenses on employee cost, repair and maintenance cost and A&G cost for the ensuing FY2021-22 in order to allow the new companies to plan and execute their actions on the all required areas for improvement of the services.

Terminal Liability

414. All the DISCOMs have projected their terminal liability for the ensuing year. A

comparative position of the approved terminal liability in ARR of FY 2020-21 vis-a-vis projection made by the DISCOMs for FY 2021-22 is given in the following table:

Table – 51

(Rs. Cr.)			
Terminal Liability	Approved FY 2020-21	Proposed FY 2021-22	Percentage increase (in %)
TPWODL	141.47	132.31	-6.47%
NESCO Utility	152.06	129.38	-14.92%
TPSODL	134.90	144.89	7.41%
TPCODL	230.74	233.67	1.27%
Total	659.17	640.25	-2.87%

415. TPCODL has projected the terminal benefits (Pension, Gratuity and Unutilized Leave on the cash flow basis.
416. TPWODL, NESCO Utility and TPSODL in their submission have stated that the contribution to the Pension Fund and Gratuity Fund and Leave Encashment has been proposed for the FY 2021-22 based on the actuarial valuation done by the Actuary M/s. Bhudev Chatterjee as on 31.03.2020 and the projections provided for FY 2020-21 and FY 2021-22.
417. The Commission has been analysing the expected corpus fund available with the DISCOMs taking into the provision allowed in the successive tariff orders of the Commission. The expected corpus fund as per funds approved in the ARRs from FY 1999-00 onwards till FY 2020-21 is stated in the table given below:

Table - 52

(Rs. in Cr.)				
	TPWODL	NESCO Utility	TPSODL	TPCODL
OB as on 01.04.99/ Fund transfer from GRIDCO to DISCOM	70.77	68.00	67.39	138.56
Allowed by the Commission				
1999-00	6.71	5.62	7.78	0.00
2000-01	6.27	7.07	7.07	0.00
2001-02	7.92	7.00	6.63	6.09
2002-03	8.08	7.21	6.81	6.27
2003-04	8.96	7.56	7.57	6.90
2004-05	11.30	8.35	9.40	3.25
2005-06	12.06	8.92	10.03	3.51
2006-07	12.07	9.55	9.73	13.19
2007-08	16.36	15.30	13.97	18.28
2008-09	37.02	25.16	24.49	48.10
2009-10	37.04	27.19	20.53	49.68

	TPWODL	NESCO Utility	TPSODL	TPCODL
2010-11	51.81	51.13	58.22	75.84
2011-12	55.91	59.86	60.78	131.39
2012-13	66.13	67.88	68.81	149.84
2013-14	93.21	71.21	55.66	210.50
2014-15	95.38	96.53	77.73	122.89
2015-16	107.76	90.96	96.95	135.30
2016-17	73.16	87.06	61.46	135.24
2017-18	77.70	78.69	66.68	133.54
2018-19	82.72	84.63	74.60	151.09
2019-20	133.70	122.05	156.63	217.52
2020-21	141.47	152.06	134.90	230.74
Sub-Total	1142.74	1090.99	1036.43	1849.16
Grand Total	1213.51	1158.99	1103.82	1987.72

418. The DISCOMs were asked to submit the actual Corpus fund available up to 31st March 2020. As per the submission by the DISCOMs the actual corpus fund available is far less than what actually should have been by 31.03.2020. The following table shows the actual corpus fund availability:

Table – 53

(Rs. in Cr.)

	As on 31.3.2019			As on 31.3.2020		
DISCOMs	Pension Fund	Gratuity Fund	Total	Pension Fund	Gratuity Fund	Total
WESCO	219.22	40.66	259.88	215.72	35.40	251.12
NESCO	145.95	23.75	169.70	164.39	21.29	185.68
SOUTHCO	30.25	6.40	36.65	35.37	6.53	41.90
CESU	248.37	37.12	285.49	273.23	40.99	314.22

419. The Commission on analysis found that the actual corpus fund available is much less than the expected and required corpus. The Commission in previous RST orders observed that the Licensees have failed to transfer the amounts to corpus fund which were allowed in the previous successive tariff orders for the purpose. Licensees have also failed to submit any plan of action to recoup the corpus fund through enhanced collection. Commission is therefore not inclined to allow the full amount of Terminal liability projected and instead allow only the liability on the actual cash out go basis for the ensuing year. The DISCOMs during the present ARR analysis were asked to submit actual cash outgo on terminal liability for the current FY 2020-21 up to Nov 2020. On the basis of their submission the actual liability paid up to Nov 2020 was extrapolated to full year of FY 2020-21 and then after prudence analysis by the

Commission, the expected terminal liability for FY 2021-22 is approved. In case of TPCODL and TPSODL the initial proposal was analysed basing on the actual cash outgo in the current year FY 2020-21 and it was found that they have higher requirement for the ensuing year FY 2021-22 than actually projected in the ARR petition. After prudence check TPCODL and TPSODL have been approved higher amount than the proposed amount in the terminal benefit.

420. The details of proposed terminal liability and approval for FY 2021-22 are given in the table below:

Table – 54
Terminal Liability (Approved)
(Rs. in Crore)

Terminal Liability	Proposed FY 2021-22	Approved FY 2021-22
TPWODL	132.31	165.68
NESCO Utility	129.38	129.38
TPSODL	144.89	150.02
TPCODL	233.67	214.81
Total	640.25	659.90

421. The DISCOMs implemented the recommendation of the 7th Pay Commission during August 2018. The 7th Pay Commission envisages revision of pay and pension with effect from January, 2016. The DISCOMs have projected for payment of the balance 50% of the arrears towards 7th Pay Commission recommendations during the ensuing FY 2021-22. However, Government of Odisha is yet to notify the payment of arrears towards 7th Pay Commission recommendation. In view of this, Commission is not inclined to allow any amount on this account in the ARR for FY 2021-22. The Commission further observes that as and when the notification on such aspect is notified by Government of Odisha, which becomes due to the employees, the DISCOMs will pay be same and project such expense in their subsequent truing up petition which Commission will allow after prudence check.
422. In light of the discussions in the foregone paragraphs, the Employee cost proposed by the DISCOMs vis-à-vis approval by the Commission for FY 2021-22 is shown in the following table:

Table – 55
Employee Cost (Approved FY 2021-22)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		NESCO Utility		TPSODL		TPCODL		TOTAL	
		Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
1	Basic Pay + GP	213.90	110.80	106.32	101.59	99.76	94.96	297.68	200.91	717.66	508.27
2	DA	55.61	32.13	28.71	29.46	27.93	27.54	74.44	58.26	186.69	147.40
3	Reimbursement of HR	19.25	15.61	19.14	14.50	16.79	13.53	42.54	30.94	97.72	74.57
4	Other allowance	3.01	3.01	2.62	2.62	1.95	1.95	6.05	6.05	13.63	13.63
5	Arrear of 7th Pay commission of regular employees	38.32	0.00	29.73	0.00	30.94	0.00	77.50	0.00	176.49	0.00
6	Bonus	0.30	0.30	0.00	0.00	0	0	0.70	0.70	1.00	1.00
7	Outsource and contractual employee cost	50.81	53.92	35.29	45.70	83.83	83.83	52.10	54.68	222.03	238.13
8	Additional employee cost		24.00		24.00		24.00		54.00		126.00
9	Total Emoluments (1 to 8)	381.20	239.78	221.81	217.87	261.20	245.81	551.01	405.55	1415.22	1109.01
10	Med. Allowance/ Reimbu. of medical expenses	10.70	4.43	5.32	4.02	4.99	3.89	10.63	8.00	31.64	20.34
11	Leave Travel Concession	0.05	0.00	0.15	0.00	0.15	0	0.00	0.00	0.35	0.00
12	Honorarium	0.20	0.20	-		0.01	0.01	0.00	0.00	0.21	0.21
13	Payment under workmen compensation Act	0.25	0.25	0.09	0.09	0.29	0.29	0.58	0.58	1.21	1.21
14	Employees uniform Expenses							2.92	2.92	2.92	2.92
15	Ex-gratia	0.30	0.30	2.23	2.23			0.00		2.53	2.53
16	Other Staff Costs	0.50	0.50	1.06	1.06	0.56	0.56	1.39	1.39	3.51	3.51
17	Total Other Staff Costs (9 to 16)	12.00	5.68	8.85	7.41	6.00	4.75	15.52	12.89	42.37	30.72
18	Staff Welfare Expenses	1.00	1.00	2.74	2.74	4.18	4.18	1.45	1.45	9.37	9.37
19	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS)	132.31	165.68	129.38	129.38	144.89	150.02	233.67	214.81	640.25	659.90
20	Total (9+ 17+18+19)	526.51	412.14	362.78	357.39	416.27	404.76	801.65	634.70	2107.21	1808.99
21	Less : Empl. cost capitalized	2.65	2.65	0.15	0.15	0.00	0.00	29.00	29.00	31.80	31.80
22	Total Employees Cost (2021-22)	523.86	409.49	362.63	357.24	416.27	404.76	772.65	605.70	2075.41	1777.19

423. It is directed that any rise in employee cost other than that approved shall require prior approval of the Commission.

Administrative and General Expenses

424. The Administrative and General Expenses covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance and travelling expenses, material related expenses and other expenses. The DISCOMs have projected their estimates for FY 2021-22 in their ARR in the following manner which are compared with approved A&G expenses for previous FY 2020-21.

Table - 56

(Rs. in Cr.)

A&G Expenses	Approved 2020-21			Proposed FY 2021-22		
DISCOMs	Normal A&G	Additional A&G	Total A&G	Normal A&G	Additional A&G	Total A&G
TPWODL	40.80	12.00	52.80	64.82	18.56	83.38
NESCO Utility	27.29	12.00	39.29	55.16	8.29	63.45
TPSODL	23.49	12.00	35.49	31.87	26.36	58.23
TPCODL	58.82	12.00	70.82	106.73	86.71	193.44

425. TPCODL has proposed enhance A&G expenses from the previous year approved cost. In addition, TPCODL has projected Rs.193.44 crore for FY 2021-22. TPCODL in its petition for additional A&G expenses has stated the following reasons:

- i) Additional expenditure for meter reading and collection activities
 - OPEX requirement for meter reading -In order to carry out the activity of billing and collection covering customer base of 25 lakh on monthly basis, expenditure of Rs.40.41 crore is considered with an average cost of Rs.10.35 per bill. In order to improve in billing and collection, deployment of more meter readers and bill collectors in field and consequent rising costs. TPCODL has also proposed increased supervision cost for an effective monitoring system. TPCODL has proposed to have photo meter reading on site to improve billing and to reduce consumer complaints. TPCODL has assumed expected hike in minimum wage of 6% which will increase the cost of meter reading rate from present Rs.6.50 to Rs.10.35 per meter reading.
 - TPCODL has proposed an expenditure of Rs.39.16 crore to motivate customer to make the payment at the counter office and other online mechanism. In addition, they have projected to deploy women SHG for collection of money from 5.80 lakh consumers with an expenditure of about Rs.7.84 crore. The total requirement for both meter reading and collection activities will be Rs.76.15 crore.
 - TPCODL has proposed towards improving in technology for meter reading in order to ensure hassle free billing and data analysis even for the cases of defective and non-communication meters, CMRI data downloading and manual reading from the site jobs. TPCL has stated that for existing AMR modem, a SIM rental amount need to be spent monthly. For the improved

technology for meter reading, TPCODL has projected the total cost of Rs.4.32 crore.

- Towards meter testing, TPCODL has proposed that a sample testing for single phase meter considering all makes of meter should be allowed to test. This will help to assess the accuracy of the meters in the field and also help in customer confidence about the accuracy of the meters. TPCODL has therefore proposed Rs.6.06 crore towards OPEX requirement for doing the statutory meter testing.

426. TPCODL has submitted that since it is a new set up, they have to establish the organisation with systems, infrastructure, administration that would require some time and the expenditure in such areas would be high for some initial period after which it would stabilize. In light of these facts, TPCODL has projected total A&G expenses of Rs.86.71 crore.

427. TPWODL has projected enhanced A&G expenses for the ensuing year by considering 7% increase over the estimated A&G expenses for FY 2020-21 along with additional expenses of Rs.18.30 crore. The total expenditure projected by TPWODL for FY 2021-22 is Rs.83.38 crore. TPWODL has submitted that additional expenses will be in the area of intra-state ABT and energy audit. They have proposed to carry out incentive audit by proper metering and technology. TPWODL has engaged 17 nos. of external vigilance squads in all the 17 divisions to detect the pilferage of electricity. TPWODL will continue with the real-time meter reading of 3 phase HT/EHT and LT consumers with the help of EMR modems. The process of completion of modem installation of consumers above 10 KW is almost complete. In HT consumers, 93% and in case of 10 to 100 KW consumers, 89% of modems are installed (except OLIC consumers). TPWODL is also carrying out the PAT (Perform Achieve Trade) Scheme which is a market based trading scheme of Government of India. Besides this, TPWODL is also engaged in Urja Mitra initiative, Strands of Performance audit, IPDS/DDUGJY Phase-I metering scheme, IT automation etc.

428. TPSODL has projected A&G expenses for FY 2021-22 by considering 7% increase over the estimated A&G expenses for FY 2020-21 along with additional expenses of Rs.26.36 crore. The additional expenses have been projected mainly for vigilance and anti-theft activities, IT automation, incentive for arrear collection, customer care centre, energy audit, automated meter reading activities, electrical compensation

expenses etc.

429. NESCO Utility has projected A&G expenses of Rs.63.45 crore for FY 2021-22 by considering 7% increase over the estimated A&G expenses for FY 2020-21 including additional expenses of Rs.8.29 crore. The additional expenses have been projected mainly for energy audit, smart metering implementation, AMR installation and management expenses, media campaign, IT automation and community participation in rural power distribution system.
430. As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2014, Administrative & General (A&G) Expenses would be allowed as follows:
- “7.27 The A&G expenses for each subsequent year will be determined by escalating the A&G expenses for the previous year at the escalation factor of 7% to arrive at permissible A&G expenses for each year of the control period.*
- 7.78 The Commission may, in addition to the normal A&G Expenses, actually incurred during the previous year under this head for special measures to be undertaken by the distribution licensees towards reduction of AT&C losses and improving collection efficiency, provided the commission will undertake a prudence check before allowing such expenditure.”*
431. The Commission observes that A&G expenses are a controllable cost and the DISCOMs would not be allowed more than the approvals in the truing up exercise. The DISCOMs should make efforts to spend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. In the present changed scenario, the management of all the three DISCOMs (TPCODL, TPWODL& TPSODL) have been handed over to the private entity through a competitive bidding process. For NESCO, the process of handing over management to the new entity is undergoing and is likely to be completed shortly. The new management in the DISCOMs have projected enhanced A&G expenses which is more than the norms under the OERC (Tariff Determination) Regulation. The Commission finds that the proposals for A&G expenses in the petition relates to improving metering, billing and collection activities, energy audit, AMR metering, implementation of PAT scheme, IT automation etc.
432. The Commission over the years in the ARR has been allowing A&G by escalating 7% over the previous expenses. The Commission also allows additional expenses on AT&C loss reduction activities, accident compensation, IT automation, training programme, inspection fee etc. The Commission accordingly after prudence check approves the A&G expenses for FY 2021-22 to all the four DISCOMS in the

following manner:

Table - 57

A & G Expenses Approved for FY 2021-22	TPWODL	NESCO Utility	TPSODL	TPCODL
Normal A&G expenses (Escalated @7% over FY 2020-21) (A)	43.66	29.20	25.13	62.94
Additional expenses:				
Total Additional Expenses (B)	20.00	20.00	20.00	20.00
Total A&G expenses (A+B)	63.66	49.20	45.13	82.94

433. The Commission further observes that the DISCOMs shall make the expenditure in A&G Expenses head in a prudent manner and achieve the objectives for which these expenses are being made. The Commission will extensively check such expenses made by the DISCOMs while allowing them in the Truing up. The higher expenses in A&G shall also reflect in the reduction of AT&C losses and general improvement in the customer services. The Commission will also take into account such parameters while scrutinising A&G expenses.

Repair and Maintenance Expenses

434. The DISCOMs in their ARR and tariff petition for FY 2021-22 have proposed higher requirement for R&M over the previous year's approved expenses as follows:

Table – 58
R & M Proposal for FY 2021-22

(Rs. in Cr.)

R & M Expenses	Approved for FY 2020-21	Proposed for FY 2021-22	% rise proposed over FY 2020-21 approved
TPWODL	92.24	109.53	18.74%
NESCO Utility	95.09	106.48	11.98%
TPSODL	45.96	86.81	88.88%
TPCODL	139.62	237.27	69.94%
TOTAL	372.91	540.09	44.83%

435. The Commission has been analyzing the spending in R&M by the Licensees, through the information available in the audited accounts of the companies. Audited account for the FY 2019-20 is available for all the DISCOMs. The approved and audited figures under R&M expenses over the years are given in the following table:

Table – 59
R & M Expenses

(Rs. in Cr.)

R&M Expenses	TPWODL		NESCO Utility		TPSODL		TPCODL	
Years	Approved	Audited	Approved	Audited	Approved	Audited	Approved	Audited
99-00	14.43	15.90	14.22	16.19	12.63	13.39	19.05	24.01
00-01	14.43	10.25	14.22	11.02	12.63	7.31	19.57	19.92
01-02	13.62	10.12	16.32	7.02	15.57	9.29	23.43	15.6
02-03	15.33	8.04	14.62	5.65	16.82	6.43	22.11	25.04
03-04	16.89	16.27	17.59	8.84	16.38	9.93	24.12	21.22
04-05	17.28	12.85	17.66	11.13	13.25	8.43	31.95	20.27
05-06	21.30	9.61	22.63	11.21	18.55	6.07	33.67	12.26
06-07	24.25	12.44	24.48	12.88	17.35	5.54	41.31	22.09
07-08	23.82	12.37	24.43	13.00	18.38	5.50	43.64	25.11
08-09	25.66	17.90	25.87	20.86	19.08	7.79	41.87	34.79
09-10	27.01	18.01	27.88	22.79	20.73	11.59	40.46	28.45
10-11	34.77	16.56	37.22	19.26	26.11	13.09	51.19	29.38
11-12	36.81	18.04	47.46	16.39	28.47	8.28	56.77	28.92
12-13	40.06	14.71	51.17	17.52	28.28	8.97	57.78	27.12
13-14	51.30	19.73	56.73	16.16	43.53	15.02	81.87	52.55
14-15	64.28	17.74	84.92	19.90	39.19	12.02	116.78	33.14
15-16	44.24	17.71	61.05	27.70	31.93	16.82	79.64	33.85
16-17	55.55	19.37	70.54	18.62	33.18	9.74	92.43	45.52
17-18	68.48	18.40	87.97	13.77	34.91	6.74	110.85	26.52
18-19	64.28	17.36	84.92	17.02	39.19	6.78	116.78	23.10
19-20	86.33	12.57	89.48	15.66	44.00	4.59	134.63	31.01

436. The above table reveals that the trend of spending of DISCOMs in R&M activities is much less than what is being approved by the Commission in the ARR which is mostly less than 50% of the amount approved by the Commission. Timely and efficient R&M activities are the essential prerequisites to the viability of the distribution network. Commission expects a better system through higher allocations but the activities have to be monitored at field level.

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

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

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

7.31 The Commission may provisionally allow an amount for maintenance of assets

added under RGGVY, BGJY programme etc.. The licensee is required to submit to the commission along with ARR the details of assets taken into service under these programmes.

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

438. In order to calculate Repair and Maintenance allocation, which is a percentage of fixed assets, the commission analyses the fixed assets of the DISCOMs and subsequent additions during the year. In the tariff submission for FY 2021-22 the DISCOMs have proposed capital expenditure and addition of fixed assets scheme wise for FY 2020-21 which is shown in the following table.

Table – 60
Proposed addition of Fixed Assets FY 2020-21

Proposed Capital expenditure and addition of Fixed Assets for FY 2020-21	TPWODL		NESCO Utility		TPSODL		TPCODL	
	Capital Exp.	Addition	Capital Exp.	Addition	Capital Exp.	Addition	Capital Exp.	Addition
Land Building Furniture and Fixtures	1.40	1.76	0.96	0.96	3.60	3.60		
RAPDRP								269.83
APDRP					0	0.55		
RE/MNP					0	1.89		
S.I. Scheme	3.89	12.14						
Deposit work	76.10	71.85	135.72	65.94	11.26	6.76		182.96
DDUGJY	71.90	21.57						
DDUGJY (12th Plan)	14.96	5.98						
PMU						7.72		
Biju Gram Jyoti			7.00	3.50				
Biju Sahar VY			2.01	1.00				
SOUBHAGYA	28.31	60.20	63.28	110.36	187.57	199.15		155.04
DESI (GoO)				54.59				
RLTAP	12.00	6.00			3.70	3.70		
Capex Plan (GoO)	9.49	36.48	1.39	186.98	30.18	72.40		45.29
IPDS	19.40	7.76			254.89	127.45		
ODSSP	25.79	25.79			557.44	499.20		
NH					1.12	0.72		
Elephant corridor					16.00	8.73		
Other works	3.67	1.84			62.23	61.05	304.37	228.33
Total	266.91	251.37	210.36	423.33	1127.99	992.92	304.37	881.45

439. The Commission analysed the proposed CAPEX and the proposed addition to the fixed assets. The scheme wise asset addition already made till date and the assets which are likely to be added within the FY 2020-21 is considered by the Commission after prudence check. The assets owned by Government of India and Government of Odisha schemes which are not handed over to DISCOMs have not been considered as addition to fixed assets. Accordingly the approved addition of fixed assets during FY 2020-21 is given in the following table.

Table – 61

(Rs. in Cr.)

Approved addition of Fixed Assets FY 2020-21	TPWODL	NESCO Utility	TPSODL	TPCODL
SOUBHAGYA	40.00	63.29	100.00	100
S.I. Scheme	1.00			
Deposit work	12.00	50.00		182.96
Capex Plan (GoO)	100.00	1.39	35.18	45.29
Elephant corridor			10.20	
Other works		9.01	12.00	46.01
Total	153.00	123.69	157.38	374.26

440. The Gross Fixed Assets as on 01.04.2021 has been computed based on the audited accounts for 2019-20 and the approved addition for the FY 2020-21.
441. The R&M for FY 2021-22 is calculated as the 5.4% of the GFA as on 1.04.2021 in terms of the OERC Tariff Determination Regulation 2014. The Commission in order to ensure maintenance of the assets under RGGVY, DDUGVY & Biju Gram Jyoti Scheme, which continue to be with the Govt. of Odisha, also allows Rs.5.00 crore to each DISCOMs subject to detailed scrutiny in next tariff proceedings. The approved R&M for FY 2021-22 is accordingly shown in the following table:

Table – 62
R&M Approved for FY 2021-22

(Rs. in Cr.)

R&M for FY 2021-22	TPWODL		NESCO Utility		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
Gross fixed asset as on 01.04.2021	2028.35	1930.00	1971.84	2022.76	1436.42	932.67	4130.97	3665.60
% of GFA	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%
R&M on GFA	109.53	104.22	106.48	109.23	77.57	50.36	223.07	197.94
Special R&M for addition of RGGVY/DDUGJY and BJGY assets	0	5.00	0	5.00	9.24	5.00	14.20	5.00
Total R & M incl Spl R & M	109.53	109.22	106.48	114.23	86.81	55.36	237.27	202.94

Interest on Loan

442. The source-wise loans and interest burden as proposed by the four DISCOMs for FY 2021-22 is given in the following table:

Table – 63

(Rs. in Cr.)

Source	TPWODL	NESCO Utility	TPSODL	TPCODL
Long Term Debt				28.13
World Bank loan	11.82	11.87	9.44	
Gridco New Loan			12.45	
APDRP Net of 50% grant (GoO)	0.66	0.76	0.80	
SI Scheme	0	0	0.08	
Interest on security deposit	44.21	34.03	15.87	58.25
Govt. of Orissa Capex loan	2.32	1.73	1.92	
SOD interest and finance charges- Int. on Working Capital	25.19	25.69	9.98	41.87
Total interest before capitalization	84.20	74.08	50.54	128.25
Less: Interest Capitalized	0	0	0	0
Total Interest proposed	84.20	74.08	50.54	128.25

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

Interest on Security Deposit

444. The Commission in its query asked DISCOMs to furnish the details of the investments made out of the Consumer's security deposits. Accordingly DISCOMs furnished the details which has been tabulated as below:

Table - 64
Security Deposit

Licensee	Security Deposit as on 31.03.2020 as per audited balance sheet	Security Deposit physically available as on 31.03.2020	Remarks
TPWODL	Rs.770.91cr.	Rs.773.65 cr.	Rs. 390.71 cr. is pledged in banks for availing loan towards payment of BST bills and salary. Balance of Rs.382.94 cr. is free from any lien.
NESCO Utility	Rs.605.11cr.	Rs. 589.20 cr.	Rs. 392.87 cr. is pledged in banks for availing loan towards payment of BST bills and salary. Balance of Rs.196.33 cr. is free from any lien.
TPSODL	Rs.256.11cr	Rs. 153.54 cr.	Rs. 68.16 cr. is pledged in SBI for availing loan towards payment of BST bills and salary. Balance of Rs.85.38 cr. is free from any lien.
TPCODL	Rs.732.16cr.	Rs.345.40 cr.	Rs. 311.54 cr. is pledged in UBI for availing loan towards payment of BST bills and salary. Balance of Rs.33.86 cr. is free from any lien.

445. In view of the large gap as per audited accounts and physical availability, we direct the DISCOMs to have a comprehensive audit of the Security Deposit and get the figures reconciled. Commission therefore directs the DISCOMs to maintain the security deposit intact so as to meet this liability. Commission further directs the DISCOMs to recoup the deficit of the security deposit through enhanced collection.
446. The Interest on security deposit is allowed by the Commission as per the OERC Distribution (Conditions of Supply Code), 2004. The prevailing bank rate during February, 2021 as notified by RBI is 4.25% per annum as ascertained from the RBI website. The Commission accordingly allows the interest at the rate of 4.25% on the closing balance on consumer's security deposit as on 31.3.2021 as shown in the table below:

Table - 65
Interest on Security Deposit approved (2021-22)

(Rs. in Cr.)

Interest on Consumer's Security Deposit	Proposed interest on Consumer's SD for FY 2021-22	Consumer's Security deposit as on 31.03.2021 (Proposed)	Approved interest on Consumer's SD @ 4.25% for FY 2021-22
TPWODL	44.21	808.64	34.37
NESCO Utility	34.03	630.11	26.78
TPSODL	15.87	272.89	11.60
TPCODL	58.25	787.10	33.45

447. Accordingly the total interest on loan proposed by DISCOMs and approved by the Commission for FY 2021-22 is summarized below:

Table - 66
Total Annual Interest approved

(Rs. in Cr.)

Interest on Loans of DISCOMs	TPWODL		NESCO Utility		TPSODL		TPCODL	
	Proposed 2021-22	Approved 2021-22	Proposed 2021-22	Approved 2021-22	Proposed 2021-22	Approved 2021-22	Proposed 2021-22	Approved 2021-22
Long Term Debt							28.13	
World Bank loan	11.82		11.87		9.44			
Gridco New Loan					12.45			
APDRP Net of 50% grant (GoO)	0.66		0.76		0.80			
SI Scheme	-		-		0.08			
Interest on security deposit	44.21	34.37	34.03	26.78	15.87	11.60	58.25	33.45
Gov of Orissa Capex Loan	2.32		1.73		1.92			
SOD interest and finance charges	25.19		25.69		9.98	-	41.87	-
Total interest chargeable to revenue	84.20	34.37	74.08	26.78	50.54	11.60	128.25	33.45

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

448. As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2014, Interest on Working capital shall be allowed as follows:

“7.49 Interest on Working Capital: Working capital shall include –

(a) Operation and maintenance expenses for one month;

(b) Receivables for one month;

(c) Maintenance spares @ 40% of R&M expenses for one month.

7.50 The rate of interest for working capital shall be equal to the SBI Base Rate plus 300 basis points as on 1st January of the preceding year for which tariff is determined:

Provided that the commission while determining the working capital requirement, shall take into account the outstanding receivables with the consumers as per the annual audited accounts of the licensees, and may direct the licensee to fund the requirement of working capital by collection from the outstanding receivables.

449. TPCODL in its petition has proposed Interest on working capital to the tune of Rs. 41.87 crore for FY 2021-22. TPCODL has also submitted that they are eligible to take extra working capital due shortfall in the collection due to Covid-19 situation.
450. In the previous tariff orders the Commission in this regard have observed that all the

DISCOMs have huge outstanding receivables from the consumers the commission accordingly directed the Licensees to fund the requirement of working capital by collection from the outstanding receivables. However in the present scenario where new investors have taken over the existing utilities they have proposed to take working capital loan for carrying out various obligations as envisaged in the said Regulations. The Commission will analyse such requirement at the appropriate stage during the truing up. Accordingly the Commission has not approved any interest on working capital loan while determining the ARR for FY2021-22.

Depreciation

451. DISCOMs have calculated depreciation at Pre-92 rate on the asset base for FY 2021-22. The depreciation amounts claimed by the four DISCOMs are given as under.

Table – 67

	(Rs. in Cr.)			
	TPWODL	NESCO Utility	TPSODL	TPCODL
Proposed	72.89	71.16	55.90	107.40

452. Hon'ble High Court of Orissa in their judgement dated 28.02.2003 and 14.03.2003 in Misc Case No. 7410 and 8953 of 2002 have directed to calculate the depreciation on the pre-up valued cost of assets at pre-92 rate on the Transmission and Distribution assets as on 01.4.96 apportioned amongst GRIDCO and DISCOMs. Regarding calculation of depreciation, the Commission observed following in the RST order for FY 2009-10:

“388. The Commission has extensively dealt with the matter of calculation of depreciation in successive tariff orders and in the last tariff order for FY 2008-09 (Para 399 to 406) considering the book value of the fixed asset as on 01.4.1996 at the pre-up valued cost and subsequent asset additions thereof in later years. The Commission adopts the same principle for determination of depreciation for FY 2009-10.”

453. The asset addition from 01.4.1999 has been based on the audited annual accounts of the DISCOMs.
454. The depreciation is calculated on the approved asset base as on 1.04.2021 at Pre-92 rate in pursuance to the directive of the Hon'ble High Court. The gross block of assets has been taken from the audited accounts of the DISCOMS as on 31.03.2020 and the approved additions for the FY 2020-21. The portion of depreciation on assets created out of grants & subsidy/ service line contribution (audited for FY 2019-20) is deducted

from the gross depreciation amount for the purpose of ARR.

455. The table of detailed calculation of depreciation of DISCOMS are given below:

Table –68

Gross Fixed Assets TPWODL	As on 01.04.2020 (Audited)	Approved Addition FY 2020-21	GFA approved FY 2021-22	Pre – 92 Rate	Depreciation FY 2021-22
Land	1.77	0	1.77	0%	0.00
Buildings	15.94	0	15.94	1.80%	0.29
Plant & machinery	1750.11	153.00	1903.11	3.80%	72.32
Vehicles	0.48	0	0.48	12.86%	0.06
Furniture & Fixtures	1.97	0	1.97	4.55%	0.09
Office Equipment	6.73	0	6.73	9.00%	0.61
Total	1777.00	153.00	1930.00		73.36
Less: Dep. Of assets created out of grants & subsidy/ service line contribution (audited 2019-20)					37.02
Net depreciation approved					36.34

Table –69

Gross Fixed Assets NESCO	As on 01.04.2020 (Audited)	Approved Addition FY 2020-21	GFA approved FY 2021-22	Pre – 92 Rate	Depreciation FY 2021-22
Land	1.72	0	1.72	0%	0.00
Buildings	5.50		5.50	1.80%	0.10
Plant & machinery	1883.31	123.69	2007	3.80%	76.27
Vehicles	0.44		0.44	12.86%	0.06
Furniture & Fixtures	2.23		2.23	4.55%	0.10
Office Equipment	5.87		5.87	9.00%	0.53
Total	1899.07	123.69	2022.76		77.05
Less: Dep. Of assets created out of grants & subsidy/ service line contribution (audited 2019-20)					44.19
Net depreciation approved					32.86

Table – 70

Gross Fixed Assets TPSODL	As on 01.04.2020 (Audited)	Approved Addition FY 2020-21	GFA approved FY 2021-22	Pre – 92 Rate	Depreciation FY 2021-22
Land	2.06		2.06	0%	0.00
Buildings	5.98		5.98	1.80%	0.11
Plant & machinery	758.51	157.38	915.89	3.80%	34.80
Vehicles	1.28		1.28	12.86%	0.16
Furniture & Fixtures	2.12		2.12	4.55%	0.10
Office Equipment	5.34		5.34	9.00%	0.48
Total	775.29	157.38	932.67		35.65
Less: Dep. Of assets created out of grants & subsidy/ service line contribution (audited 2019-20)					14.18
Net depreciation approved					21.47

Table -71

Gross Fixed Assets TPCODL	As on 01.04.2020 (Audited)	Approved Addition FY 2020-21	GFA approved FY 2021-22	Pre - 92 Rate	Depreciation FY 2021-22
Land	7.70		7.7	0%	0.00
Buildings	23.47		23.47	1.80%	0.42
Plant & machinery	3245.97	374.26	3620.23	3.80%	137.57
Vehicles	0.60		0.6	12.86%	0.08
Furniture & Fixtures	3.47		3.47	4.55%	0.16
Office Equipment	10.13		10.13	9.00%	0.91
Total	3291.34	374.26	3665.60		139.14
Less: Dep. of assets created out of grants & subsidy/ service line contribution (audited 2019-20)					95.57
Net depreciation approved					43.57

456. Accordingly, the Commission approves the following amount towards depreciation for the FY 2021-22.

Table – 72**(Rs. Cr.)**

	TPWODL	NESCO Utility	TPSODL	TPCODL
Proposed	72.89	71.16	55.90	107.40
Approved	36.34	32.86	21.47	43.57

Manner of utilization of depreciation:

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

- For funding of additional service liabilities
- Capital investment
- Working capital requirement

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

The Commission in light of these facts directs that the depreciation shall be used only

for the purpose as stipulated in the respective vesting order.

Provision for Bad & doubtful debts

458. The TPWODL, NESCO Utility, TPSODL and TPCODL have proposed Bad and doubtful debts for the ARR for FY 2021-22 which is shown in the table below:

Table – 73

(Rs. cr)

Bad & Doubtful Debt FY2021-22 (Proposed)	TPWODL	NESCO Utility	TPSODL	TPCODL
Proposed revenue billed	3187.81	2,677.46	1372.94	3640.12
Proposed Bad and Doubtful debt	90.62	81.85	29.40	35.32

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

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

460. Therefore according to the above provisions of the Regulation the Commission is required to establish a percentage of the sales as Bad debt. The Commission in the previous RST orders have approved Bad and Doubtful debts according to its Order dated 20.3.2013 on MYT principles which set out principle for allowing bad and doubtful debt in the following manner:

“17. The Business Plan order of the Commission dated 20.03.2010 approved collection efficiency of 99% for FY 2011-12 and FY 2012-13. The benchmark of collection efficiency would continue to be at the level of 99% during the third control period also. Accordingly the Bad and Doubtful debt during the third control period would also be allowed @ 1% of the total annual revenue billing in HT and LT sales only.”

461. The Commission in line with the above Order on MYT principles allowed Bad and Doubtful debt of 1% of the total annual revenue billing in HT and LT sales only on normative basis. Hence the amount of Bad and doubtful debt as proposed by the DISCOMs and approved by the Commission for FY 2021-22 is summarized below. Commission directs that the procedure for classification of an amount under bad and doubtful debt have to be in place prior to implementation.

Table – 74
Bad & Doubtful Debt FY 2021-22 (Approved)

(Rs. in Crore)

Bad & Doubtful Debt	Proposed		Approved				
DISCOM	Revenue	Bad debt	Total Revenue	Revenue from EHT sales	Revenue at HT	Revenue at LT	Bad debt (1% of LT & HT revenue)
TPWODL	3187.81	90.62	3,705.76	964.14	1204.75	1536.87	27.42
NESCO Utility	2677.46	81.85	2,545.61	1061.94	259.87	1223.80	14.84
TPSODL	1372.94	29.40	1,522.73	301.38	142.05	1079.30	12.21
TPCODL	3640.12	35.32	3,835.58	630.44	851.80	2353.34	32.05

Truing up of DISCOMs

462. The OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 at Regulation 8 provides for the procedure for Truing up. Reg.8.1 provides that “The Distribution Licensee shall file an application each year for Truing up separately by 1st week of October every year along with the audited accounts of the relevant year. The Commission shall pass the Truing up order by 1st week of November. The Licensee shall duly consider the Truing up order up to the previous financial year while filing ARR for the ensuing year.”
463. The licensees have not filed any truing up application within the scheduled time therefore, no Truing up is allowed for ensuing year ARR for FY 2021-22.

Return on Equity

464. TPCODL in its petition has projected RoE of Rs.73.48 crore basing on the opening equity of Rs.368.51 crore with subsequent equity addition of Rs.181.48 crore (towards capitalization to the tune of Rs.604.95 crore). NESCO Utility, TPWODL and TPSODL have projected RoE of Rs.10.54 crore, Rs.7.78 crore and Rs.6.03 crore respectively as per the earlier order of the Commission. TPWODL, NESCO Utility and TPSODL in their ARR filing have submitted that due to negative returns(gaps) in their ARR and carry forward of huge Regulatory Assets in previous years, the Licensee could not avail the RoE over the years, which otherwise would have been invested in the company for improvement of the infrastructure. They have further submitted that the RoE to be allowed on the amount of the equity and the accrued RoE for the previous years.
465. The Commission has considered allowing the RoE as per the OERC (Determination of

Wheeling and Retail Tariff) Regulation, 2014. The said Regulation states that the RoE shall be allowed @16% on the amount of equity capital determined in accordance with Regulation. The Commission while vesting the utilities of CESU, WESCO and SOUTHCO in TPCODL, TPWODL and TPSODL respectively have approved relaxation of conditions related to RoE in the Regulation. The Commission in the respective Vesting order have provided that it should allow to the new companies RoE on the equity capital which was the reserve price of the utility as specified in the RFP. The Commission further observed that RoE on the reserve price is assured in order to encourage investor participation by providing certainty on returns. The reserve price in case of TPCODL is Rs.300 crores, in case of TPWODL it is Rs.300 crores and in case of TPSODL it is Rs.200 crores. In light of the provisions of the vesting order, the Commission allows RoE to TPCODL, TPWODL and TPSODL equivalent to the reserve price given in the respective RFP. In the case of NESCO utility, the sale process is about to culminate pending issuance of the vesting order and keeping such a fact in mind the Commission has considered the reserve price given in the RFP for determination of RoE. As regards the submission of TPCODL with regard to the equity addition due to Capex, the Commission is of the opinion that since the Capex have not been added as of now, no such equity additions are considered in the present ARR. As and when the capitalization happens in the particular year, this will be considered in the truing up exercise to be passed on in the subsequent ARR.

Table - 75

(Rs. in cr.)

Particulars	TPWODL	NESCO Utility	TPSODL	TPCODL
Amount proposed by DISCOMs	7.78	10.55	6.03	73.48
Amount approved by the Commission	48.00	40.00	32.00	48.00

Miscellaneous receipts

466. The miscellaneous receipts proposed by the licensees for the FY 2021-22 against the approved for FY 2010-21 are given in the table below:

Table -76
Miscellaneous Receipts

(Rs. in cr.)

Particulars	TPWODL	NESCO Utility	TPSODL	TPCODL
Amount approved for FY 2020-21	191.39	135.66	39.77	178.98
Amount proposed for FY 2021-22	192.25	85.31	18.09	109.56

467. The miscellaneous receipt of the DISCOMS is mainly on account of meter rent,

commission for collection of ED, miscellaneous charges, interest on loans and advances, interest on bank deposit, DPS, over drawl penalty, supervision charges and Reliability surcharge, open access charges, and other miscellaneous receipts. It is observed from the audited accounts that the actual miscellaneous receipts of DISCOMs is much more than the proposed receipts in the ARR. The audited accounts of DISCOMs are available up to the year 2019-20.

468. Commission observes that the receipts under miscellaneous receipts are of fluctuating nature and the reasonable estimate of future receipts would be on the basis of the analysis of actual past trends. The Commission after scrutiny and analysis, allows the miscellaneous receipt on the basis of average receipt of two years (FY 2018-19 and 2019-20) after deducting meter rent, DPS & OD penalty and reliability surcharge etc. In case of TPWODL it is observed from the audited accounts of FY 2018-19 and FY 2019-20 that they have received substantial amount towards Cross Subsidy/ Open Access Charges. It is analysed that such receipts are of uncertain nature and varies substantially on year to year basis. Accordingly half of Cross Subsidy/ Open Access Charges is deducted from the miscellaneous receipts along with other deductions such as meter rent, DPS & OD penalty and reliability surcharge while determining ARR of the WESCO. The approved miscellaneous receipts for FY 2021-22 is shown in the following table:

Table - 77

(Rs. in cr.)

	TPWODL	NESCO	TPSODL	TPCODL
Amount proposed for FY 2021-22	192.25	85.31	18.09	109.56
Amount approved for FY 2021-22	237.45	137.42	25.56	104.80

Receivables from DISCOMs and Others

Securitized Dues

469. GRIDCO in its filing submitted that it has outstanding dues to be received from DISCOMs towards securitized dues, NTPC Bond dues, Non-payment of BSP dues and Year End Adjustment Bills of DISCOMs. The Commission after undertaking the competitive bidding process for sale of Distribution Companies as envisaged under Section 20 of the Electricity Act, 2003 have now handed over the three utilities i.e. CESU, WESCO and SOUTHCO to M/s Tata Power Company Ltd. (TPCL) who acquired 51% of equity share in the new companies. Government of Odisha through it's entity GRIDCO hold 49% equity share in the new companies. The utility of CESU

was vested in a new company, TPCODL on 01.06.2020 in terms of the vesting order No.11/2020 dated 26.05.2020, WESCO was vested on 01.01.2021 in the new company TPWODL in terms of the vesting order No.82/2020 dated 28.12.2020 and SOUTHCO was vested in the new company TPSODL on 01.01.2021 in terms of the vesting order No.83/2020 dated 28.12.2020. The respective vesting orders for these companies' deals with the segregation of the balance sheet as on the date of vesting by transfer of assets and liabilities to the new company. In the case of NESCO utility, the sale process is about to culminate pending issuance of the vesting order and the Balance sheet will be segregated on the same lines. Accordingly all the outstanding dues of the GRIDCO will be dealt as per the provisions of the respective vesting order.

Revenue Requirement

470. In the light of above discussion, the Commission approves the revenue requirement of FY 2021-22 of four DISCOMs, as shown in Annexure-A.
471. A summary of the approved revenue requirement, expected revenue at the approved tariff and approved revenue gap for FY 2021-22 by the Commission is given below:

Table - 78

(Rs. in Cr.)

DISCOM	Revenue Requirement FY 2021-22		Expected Revenue FY 2021-22		Gap (-)/Surplus(+)	
	Proposed	Approved	Proposed	Approved	Proposed	Approved
TPWODL	3326.81	3631.52	3148.97	3705.75	-177.84	74.23
NESCO Utility	2860.44	2544.97	2623.18	2545.61	-237.26	0.64
TPSODL	1539.60	1521.20	1391.90	1522.73	-147.70	1.53
TPCODL	4313.93	3834.65	3595.48	3835.58	-718.45	0.93
Total	12040.78	11532.34	10759.53	11609.67	-1281.25	77.33

Segregation of wheeling and retail supply business

472. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 at Reg. 3.1 mandates that "In accordance with the principles laid out in these Regulations, the Commission shall determine the tariff for : (a) wheeling of electricity, i.e. Wheeling Tariff, (b) Retail sale of electricity i.e., Retail Supply Tariff". Further, Regulation 3.2 provides that the Commission shall determine the Aggregate Revenue Requirement (ARR) and Tariff for (a) Wheeling Business and (b) Retail Supply Business. The Regulation 4.3 further provides that "the distribution licensee shall segregate the accounts of the licensed business into wheeling business and retail supply business.

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

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

Table - 79
Allocation of Wheeling and Retail Supply Cost

Sl. No.	Cost/Income Component	Ratio for consideration in Wheeling Business	Ratio for consideration in Retail Supply Business
1	Cost of Power	0%	100%
2	Transmission Charges	0%	100%
3	SLDC Charges	0%	100%
	Total power purchase cost *		
	O&M		
4	Employee Cost	60%	40%
5	Repair & Maintenance Cost	90%	10%
6	Administrative & General Expenses	40%	60%
7	Bad & Doubtful Debt including Rebate	0%	100%
8	Depreciation	90%	10%
	Interest on Loans		
9	for Capital loan	90%	10%
10	for Working capital	10%	90%
11	Interest on Security Deposits	0%	100%
12	Return on Equity	90%	10%
	Special Appropriation		
13	Amortization of Regulator Assets	25%	75%
14	True Up of Current year GAP 1/3rd	25%	75%
15	Other, if any-Contingency Reserve	90%	10%
	Grand Total		
	Miscellaneous Receipt		
16	Non-Tariff Income - Wheeling	as per actual/assumption	as per actual/assumption
17	Non-Tariff Income - Retail Business	as per actual/assumption	as per actual/assumption

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

Wheeling Business

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

Table - 80
Miscellaneous Receipts

	(Rs. Cr.)			
	WESCO	NESCO	SOUTHCO	TPCODL
Total Miscellaneous Receipts Approved for FY 2019-20	173.99	123.33	36.15	162.71
Approved Miscellaneous Receipt for Wheeling Business- FY 2019-20	15.32	7.08	1.14	22.33
Approved %age of wheeling business for FY 2019-20	8.81%	5.74%	3.15%	13.72%
Total Miscellaneous Receipts Approved for FY 2021-22	237.45	137.42	25.56	104.80
Approved Miscellaneous Receipt for FY 2021-22 Wheeling Business applying same percentage as in FY 2020-21	20.91	7.89	0.81	14.38
Approved Miscellaneous Receipt for FY 2021-22 Retail Business	216.54	129.53	24.76	90.41

476. On the basis of the aforesaid Allocation of Wheeling and Retail Supply Cost matrix table, the ARR for wheeling business for TPWODL, NESCO Utility, TPSODL and TPCODL is approved at Rs.379.29 cr, Rs. 382.45 cr, Rs. 318.96 cr and Rs. 616.99 respectively. The wheeling charges (per unit) for TPWODL, NESCO Utility, TPSODL and for TPCODL have been accordingly determined at 57.91 paise/unit, 87.35 p/u, 89.05 p/u and 72.31 p/u. The details of the Wheeling Business cost allocation and determination of wheeling charges is shown in the following table:

Table - 81
Allocation of cost towards Wheeling Business – FY 2021-22

(Rs. in Crs.)

	Ratio out of Total approval	TPWODL		NESCO Utility		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling
Employee costs	60	361.02	216.61	348.84	209.31	370.88	222.53	606.75	364.05	1,687.49	1012.50
Repair & Maintenance	90	92.24	83.02	95.09	85.58	45.96	41.37	139.62	125.66	372.92	335.63
A & G Expenses	40	52.80	21.12	39.29	15.71	35.49	14.19	70.82	28.33	198.39	79.36
Depreciation	90	61.40	55.26	63.58	57.22	29.03	26.13	94.56	85.10	248.58	223.72
Interest on capital Loan (Excluding SD)	90	14.58	13.12	14.36	12.93	11.75	10.57	31.04	27.93	71.73	64.55
Return on equity	90	7.78	7.00	10.54	9.49	6.03	5.43	11.64	10.48	35.99	32.39
Gross Total		589.83	396.14	571.71	390.24	499.13	320.21	954.43	641.55	2615.09	1748.14
Less: Miscellaneous receipts			16.85		7.79		1.25		24.56		50.46
Less: Expenses capitalised			0.00				0.00				0.00
Total wheeling Cost			379.29		382.45		318.96		616.99		1697.69
Total MU approved for LT & HT consumers			6550.00		4378.56		3586.11		8532.17		23046.84
Wheeling charges (P/U)			57.91		87.35		88.94		72.31		73.66

Retail Supply Business

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

Table - 82
Miscellaneous Receipts- Retail Supply Business 2021-22 (Approved)
(Rs. in cr.)

	TPWODL	NESCO Utility	TPSODL	TPCODL
Approved Miscellaneous Receipt for FY 2021-22 Retail Business	216.54	129.53	24.76	90.41

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

Table – 83
Revenue Requirement of DISCOMs for the FY 2021-22 – Retail Business

(Rs. in Cr.)

	Ratio out of Total approval	TPWODL		NESCO Utility		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail
Cost of power purchase	100	2898.20	2898.20	1881.60	1881.60	848.70	848.70	2629.07	2629.07	8,257.57	8257.57
Transmission Charges	100	240.80	240.80	164.64	164.64	114.80	114.80	260.12	260.12	780.36	780.36
SLDC Charges	100	1.48	1.48	1.01	1.01	0.72	0.72	1.60	1.60	4.81	4.81
Employee costs	40	409.49	163.79	357.24	142.90	404.76	161.90	605.70	242.28	1,777.19	710.88
Repair & Maintenance	10	109.22	10.92	114.23	11.42	55.36	5.54	202.94	20.29	481.76	48.18
A & G Expenses	60	63.66	38.19	49.20	29.52	45.13	27.08	82.94	49.76	240.93	144.56
Bad and Doubtful debt	100	27.42	27.42	14.84	14.84	12.21	12.21	32.05	32.05	86.52	86.52
Depreciation	10	36.34	3.63	32.86	3.29	21.47	2.15	43.57	4.36	134.24	13.42
Interest on Capital Loan (Excluding SD)	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00
Interest on security deposit	100	34.37	34.37	26.78	26.78	11.60	11.60	33.45	33.45	106.20	106.20
Return on equity	10	48.00	4.80	40.00	4.00	32.00	3.20	48.00	4.80	168.00	16.80
Gross Retail Supply Cost		3868.97	3423.61	2682.40	2279.99	1546.76	1187.90	3939.44	3277.79	12037.57	10169.29
Less: Miscellaneous Receipts		237.45	216.54	137.42	129.53	25.56	24.76	104.80	90.41	505.23	461.24
Net Retail Supply Cost		3,631.52	3,207.07	2,544.97	2,150.46	1,521.20	1,163.14	3834.65	3187.37	11,532.34	9,708.04

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

TARIFF DESIGN

The present tariff structure

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

481. Two part tariff under LT supply covers consumers with connected load/contract demand less than 110 kVA and they are having MMFC (based on Rs. /kW or KVA)

and energy charges.

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

Single Part Tariff

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

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

All classes of consumers other than Kutir Jyoti

- (a) Energy Charge (kWh) (Paise/unit)
- (b) Monthly Minimum Fixed Charge (MMFC) (Rs./KW/Month)

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

- (a) Demand Charge (Rs./kVA)
- (b) Energy Charge (kWh) (Paise/unit)
- (c) Customer Service Charge (Rs./Month)

HT Consumers

- (a) Demand Charge (Rs./kVA)
- (b) Energy Charge (kVAh) (Paise/Unit)
- (c) Customer Service Charge (Rs./Month)

EHT Consumers

- (a) Demand Charge (Rs./kVA)
- (b) Energy Charge (kVAh) (Paise/Unit)
- (c) Customer Service Charge (Rs./Month)

483. In addition, certain other charges like prompt payment rebate, meter rent, delayed payment surcharge, over drawal penalty/incentive, other miscellaneous charges, etc. are payable in cases and circumstances mentioned in the later part of this order.
484. The details of charges applicable to various categories of consumers classified under OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

(a) Tariff for Consumers availing Power Supply at LT

485. The consumers availing power supply at LT with CD less than 110 kVA or 100 KW have to pay MMFC and energy charges as described below:

- (a) The MMFC is payable by the consumers with contract demand less than 110 kVA who are supplied power at LT.
- (b) The Commission decides that rate of MMFC determined for FY 2020-21 shall continue to apply for FY 2021-2022.

Table – 84
MMFC for LT consumers

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge for first KW or part (Rs.)*	Monthly Fixed Charge for any additional KW or part (Rs.)
		Approved For FY 2021-22	
	LT Category		
1.	Domestic (other than Kutir Jyoti)	20	20
2.	General Purpose LT (<110 kVA)	30	30
3.	Irrigation Pumping and Agriculture	20	10
4.	Allied Agricultural Activities	20	10
5.	Allied Agro-Industrial Activities	80	50
6.	Public Lighting	20	15
7.	LT Industrial (S) Supply	80	35
8.	LT Industrial (M) Supply	100	80
9.	Specified Public Purpose	50	50
10.	Public Water Works and Sewerage Pumping <110 kVA	50	50

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

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

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

487. The Commission is aware of the paying capability of our BPL consumers. Therefore, the Kutir Jyoti consumers will only pay the monthly minimum fixed charge @ Rs.80/- per month for consumption upto 30 units per month. In case these consumers consume in excess of 30 units per month, they will be billed like any other domestic consumers depending on their consumption and will lose their BPL status from that month onward.
488. The Commission is also conscious of affordability of non-Kutir Jyoti consumers. Keeping this in view the Energy Charge for supply to domestic consumers availing low tension supply is determined for FY 2021-22 which are given below:

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

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

General Purpose LT (<110 kVA)

490. The Commission reviewed the existing tariff structure and decided to revise the rates for GP LT category of consumers.

Table - 85

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

Irrigation Pumping and Agriculture

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

Allied Agricultural Activities

492. The Commission decides the tariff of this category shall be 160 paise per unit (kWh) at LT and 150 paise per unit (kVAh) at HT.

Allied Agro-Industrial Activities

493. The Commission decides to allow a tariff of 470 paise per unit (kWh) at LT and 460 paise per unit (kVAh) at HT.

Energy Charges for Other LT Consumers

494. The Commission, in keeping with its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following tariff structure is determined for FY 2021-22 for all loads at LT except domestic, Kutir Jyoti, general purpose, irrigation pumping, allied agricultural activities and allied agro-industrial activities.

Voltage of Supply

LT

Energy Charge

620 paise per unit

The above rate shall apply to the following categories:

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

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

Customer Service Charge at LT

495. As explained earlier these categories of consumers are required to pay three part tariff. The existing customer service charge for consumers with connected load of 110 kVA and above shall continue for FY 2021-22.

Table - 86

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

Demand charges at LT

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

Voltage of Supply**Demand charge**

LT (110 kVA & above)

Rs.200/ kVA/month

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

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

Table – 87

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

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

(ii) Demand charge for HT & EHT consumers

498. The Commission examined the existing level of Demand Charge of Rs.250/kVA/month payable by the HT and EHT consumers and Rs.150 for HT Industrial (M) Supply consumers only (≥ 22 kVA and less than 110 kVA) and decides not to revise the same. The class of consumers and the voltage of supply to whom this charge of Rs.250/150 per KVA per month shall be applicable are listed below.

HT Category (Rs.250 per KVA per month)

Specified Public Purpose
General Purpose (>70 kVA <110 kVA)
General Purpose (≥ 110 kVA)
Public Water Works and Sewerage Pumping
Large Industry
Power Intensive Industry
Mini Steel Plant
Railway Traction

HT Category (Rs.150 per KVA per month)

HT Industrial (M) Supply

EHT Category (Rs.250 per KVA per month)

General Purpose
Large Industry
Railway Traction
Heavy Industry
Power Intensive Industry
Mini Steel Plant

499. Consumers with contract demand 110 kVA and above are billed on two-part tariff on

the basis of actual reading of the demand meter and the energy meter. They are also allowed to maintain loads in excess of their contract demand. The Demand Charge reflects the recovery of fixed cost payable by the consumers for the reservation of the capacity made by the licensee for them. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the consumer it is necessary that the consumer pays at least a certain amount of fixed cost to the licensee. To arrive at that cost the Commission studied the pattern of demand recorded by the demand meters of all such consumers of the licensee. After taking into consideration this aspect the Commission has decided that the existing method of billing the consumer for the Demand Charge on the basis of the maximum demand recorded or 80% of the contract demand, whichever is higher shall continue. The method of billing of Demand Charge in case of consumers without a meter or with a defective meter shall be in accordance with the procedure prescribed in OERC Distribution (Conditions of Supply) Code, 2019. Again in case of statutory load restriction the contract demand shall be assumed as the restricted demand.

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

Table - 88

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

501. However, the billing demand in respect of consumers with Contract Demand of less than 110 KVA for all category of consumers having static meters should be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. The highest demand recorded should continue from the month it occurs till the end of the financial year for the billing purpose.

(iii) Energy Charge for HT and EHT consumers

502. The Commission, aiming at rationalisation of tariff structure by progressive

introduction of a cost-based tariff, has set the Energy Charge at different voltage levels to reflect the cost of supply. While determining Energy Charge, the principle of higher rate for supply at low voltage and gradually reduced rate as the voltage level goes up has been adopted. This year the Commission has decided to introduce kVAh tariff for HT and EHT consumers. This method of billing for energy charge captures both active and reactive energy consumed by the consumers.

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

Graded Slab Tariff for HT/EHT Consumers

504. Considering more and more industries are running in higher load factor the Commission has decided to modify the present Graded slab tariff for HT and EHT consumers where the Demand charges are billed on kVA basis as given below:

Table – 89
Slab rate of energy charges for HT & EHT (Paise per unit (kVAh))

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

505. All the industrial consumers (Steel Plant) having CD of 1 MW and above and drawing power in 33 KV shall be allowed a rebate of 30 paise per unit (kVAh) for the units consumed in excess of 60% of load factor and up to 70% of load factor and 40 paise per units (kVAh) for the units consumed above 70% load factor upto 80% load factor and 50 paise per units (kVAh) for energy drawn in excess of 80% load factor per month. This shall be in addition to all other rebate the consumer is otherwise eligible.
506. Load factor has to be calculated as per Regulation 2 (42) of OERC Distribution Code, 2019. However, in calculation of load factor, the actual power factor of the consumer and power-on-hours during billing period shall be taken into consideration.
507. Power on hours is defined as total hours in the billing period minus allowable power interruption hour. The allowable power interruption hours should be calculated by deducting 60 hours in a month from the total interruption hour. In case power interruption is 60 hours or less in a month then no deduction shall be made.

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

508. The Commission has decided to continue with the present tariff structure in respect of

Irrigation pumping, Allied Agricultural availing power at HT except Allied Agro Industrial Activities. The Energy Charge applicable to them has been fixed as follows:

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

Industrial Colony Consumption

509. Since the purpose of incentive scheme is to encourage higher consumption by the EHT and HT consumers, the Commission after reviewing the scheme, directs that, the units consumed for the colony shall be separately metered and the total consumption shall be deducted from the main meter reading and billed at 490 paise per unit for supply at HT and 485 paise per unit at EHT. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

Colony / Hostel consumption

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

Emergency power supply to CGPs/Generating stations

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

Peak and Off-Peak Tariff

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

“The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.”

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

- i) Public Lighting Consumers
- ii) Emergency supply to captive Generating plants
- iii) LT Domestic
- iv) LT General Purpose

Charges for Overdrawal

Penalty for overdrawal

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

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

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

515. When Maximum Demand is less than the Contract Demand during hours other than off peak hours then the consumer is entitled for over drawal benefit limited to 120% of

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

Incentive for Overdrawal during off peak hours

516. As per the existing Commission's Order all the consumers who pay two-part tariff with > 110 KVA CD are allowed to draw upto 120% of contract demand during off peak hours on payment of demand charge as per the 80% of the contract demand or maximum demand drawn during other than off peak hours whichever is higher where drawal of maximum demand is within CD.
517. The Commission has decided to continue with the existing tariff provisions wherein there is no penalty for overdrawal during off-peak hours upto 120% of the contract demand. The off-peak hours is defined as 10:00 PM to 6 AM of the next day. However, any consumer overdrawing during hours other than off-peak hours shall not be eligible for overdrawal benefit during off-peak hours. In case of Statutory Load Regulation deemed contract demand shall be the restricted contract demand.

Eligibility for availing over drawal benefit during off peak hours

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

Metering on LT side of Consumers Transformer

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

Energy loss = $(730 \times \text{rating of the transformer KVA}) / 200$.

Demand Loss in the transformer in KVA = Rating of the transformer in KVA / 200

Incentive for prompt payment

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

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

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

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

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

521. Special Rebates

- a. Hostels attached to the Schools run by SC/ST Dept. of Government of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT/HT).
- b. All Swajala Dhara consumers shall get 10% special rebate on total bill (except electricity duty and meter rent) in addition to other rebates they are otherwise eligible if the electricity bill is paid within the prescribed due date of normal rebate.
- c. All rural LT domestic consumers availing power through correct meter shall avail 5 paise per unit additional rebate over and above the 10 paise prompt payment rebate if they pay the bill in time.
- d. 2% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single phase general purpose category of consumers only over and above all the rebates who pay through digital means (cash less).
- e. Own Your Transformer – “OYT Scheme” is intended for the existing individual LT domestic, individual / Group General Purpose consumers who

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

Reconnection Charge

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

Table - 90

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

Delayed Payment Surcharge

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

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

- xi. Allied Agro-Industrial Activities
- xii. Colony Consumption

524. There is a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers who don't pay delayed payment surcharge to be negligent towards bill payment once the due date is over. Therefore, it is directed that LT Domestic, LT General Purpose and HT Bulk Supply Domestic consumers will get 10 paise/unit rebate for prompt payment of the bill within due date. Thereafter, if the bill is paid within the next due date, there shall be no Rebate/Delayed Payment Surcharge. But if it is paid beyond the next due date then there shall be a Delayed Payment Surcharge of 1% of the billed value for each month of delay.

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

Rounding off of consumers billed amount to nearest rupee

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

Charges for Temporary Supply

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

New Connection Charges for LT

527. Prospective small consumers requiring new LT single phase connection upto and including 2 kW load shall only pay a flat charge of Rs.1500/- and beyond 2 KW upto 5 KW a flat charge of Rs.2500/- as service connection charges and a processing fees of Rs.50/- excluding security deposit and cost of meter as applicable. The service connection charges include the cost of material and supervision charges. In case of Single phase LT new or load enhancement consumers upto 5 KW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

Meter Rent

528. The existing meter rent for consumer during FY 2021-22 shall continue as follows:

Table - 91

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

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

Effective date of Tariff

529. The tariff schedule attached to this order shall be made effective from 04.04.2021 and shall remain in force until further order of the Commission. In order to simplify the procedure, we stipulate that if the metering and billing date falls within 15th of April 2021(including 15th), the bill for the consumers will be prepared on pre-revised rate i.e. tariff applicable for the FY 2020-21 w.e.f 01.10.2020. If the billing and metering date falls on or after 16th of April, 2021 the bill will be prepared at the revised tariff rate i.e. Tariff applicable for 2021-22 w.e.f 04.04.2021. The DISCOMs should ensure that the billing cycle of any consumer should not be disturbed due to the above stipulations.
530. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this order (in Case Nos. 79, 80, 81, 82 (A) of 2020 shall be made effective from 4th April, 2021 and shall be in force until further order. The cases are disposed of accordingly.
531. The applications of TPWODL, NESCO Utility, TPSODL and TPCODL vide Case Nos. 75/2020 (TPWODL), 76/2020 (NESCO Utility), 77/2020 (TPSODL) and 78/2020 (TPCODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2021-22 are disposed of accordingly.

532. The Retail Supply Tariff as stipulated in the order shall be effective from 4th April, 2021 and shall be in force until further orders.

Sd/-

(G. MOHAPATRA)
MEMBER

Sd/-

(S. K. PARHI)
MEMBER

Sd/-

(U. N. BEHERA)
CHAIRPERSON

ANNEXURE- A

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2021-22

	TPWODL			NESCO UTILITY			TPSODL			TPCODL			TOTAL		
Expenditure	Approved 2020-21	Proposed 2021-22	Approved 2021-22	Approved 2020-21	Proposed 2021-22	Approved 2021-22	Approved 2020-21	Proposed 2021-22	Approved 2021-22	Approved 2020-21	Proposed 2021-22	Approved 2021-22	Approved 2020-21	Proposed 2021-22	Approved 2021-22
Cost of Power Purchase	2506.40	2660.26	2898.20	2017.98	1814.63	1881.60	776.39	793.91	848.70	2547.43	2485.69	2629.07	7,848.20	7754.49	8257.57
Transmission Cost	200.00	206.12	240.80	164.25	143.43	164.64	101.25	100.75	114.80	236.75	229.87	260.12	702.25	680.17	780.36
SLDC Cost	1.22	1.22	1.48	1.00	1.00	1.01	0.62	0.63	0.72	1.44	1.44	1.60	4.28	4.29	4.81
Total Power Purchase, Transmission & SLDC Cost (A)	2,707.62	2,867.60	3,140.48	2,183.23	1,959.06	2,047.25	878.26	895.29	964.22	2,785.62	2,717.00	2,890.79	8,554.73	8438.95	9042.74
Employee costs	361.02	523.86	409.49	348.84	362.63	357.24	370.88	416.27	404.76	606.75	773.19	605.70	1,687.49	2075.95	1777.19
Repair & Maintenance exp.	92.24	109.53	109.22	95.09	106.48	114.23	45.96	86.81	55.36	139.62	237.27	202.94	372.91	540.09	481.76
Administrative and General Expenses	52.80	83.38	63.66	39.29	63.45	49.20	35.49	58.23	45.13	70.82	193.44	82.94	198.40	398.50	240.93
Provision for Bad & Doubtful Debts	23.39	90.62	27.42	13.97	81.85	14.84	11.01	29.40	12.21	30.87	35.32	32.05	79.24	237.19	86.52
Depreciation	61.40	72.89	36.34	63.58	71.16	32.86	29.03	55.90	21.47	94.56	107.40	43.57	248.57	307.35	134.24
Interest on loan including Interest on S.D	53.20	84.20	34.37	46.85	74.08	26.78	25.48	52.38	11.60	69.81	128.24	33.45	195.34	338.90	106.20
Total Operation & Maintenance and Other Cost	644.05	964.48	680.49	607.62	759.65	595.15	517.85	698.99	550.54	1,012.43	1,474.86	1,000.65	2,781.95	3897.98	2826.83
Return on equity	7.78	7.78	48.00	10.54	10.54	40.00	6.03	6.03	32.00	11.64	73.48	48.00	35.99	97.83	168.00
Total Distribution Cost	651.83	972.26	728.49	618.16	770.19	635.15	523.88	705.02	582.54	1,024.07	1,548.34	1,048.65	2,817.94	3995.81	2994.83
Less: Miscellaneous Receipt	191.39	192.25	237.45	135.66	85.31	137.42	39.77	18.09	25.56	178.98	109.56	104.80	545.80	405.21	505.23
Net Distribution Cost(B)	460.44	780.01	491.04	482.50	684.88	497.72	484.11	686.93	556.98	845.09	1,438.78	943.86	2,272.14	3590.60	2489.60
Special Appropriation															
Contingency reserve	-	7.61		-	7.89		-	6.53					-	22.03	-
Total Special Appropriation (C)	-	7.61		-	7.89		-	6.53			-		-	22.03	-
Total Revenue Requirement (A+B+C)	3,168.06	3,655.22	3,631.52	2,665.73	2,651.83	2,544.97	1,362.37	1,588.75	1,521.20	3,630.71	4,155.78	3,834.65	10,826.87	12051.58	11532.34
Expected Revenue(Full year)	3187.81	3398.30	3705.75	2,677.46	2,338.51	2,545.61	1372.94	1470.21	1522.73	3640.12	3532.00	3835.58	10,878.33	10739.02	11609.67
GAP at existing(+/-)	19.75	(256.92)	74.23	11.73	(313.32)	0.64	10.57	(118.54)	1.53	9.41	(623.78)	0.93	51.46	(1,312.56)	77.33

ANNEXURE-B

RETAIL SUPPLY TARIFF EFFECTIVE FROM 4th APRIL, 2021

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

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

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

- (i) Energy charges for all LT consumers shall continue to be billed on the basis of kWh whereas the energy charges for HT and EHT consumers shall be billed on the basis of kVAh drawal. All open access transaction will be maintained in kWh sale only and kVAh based sale shall be converted into kWh base on the power factor for the month provided in the energy bills if necessary. For electricity duty purpose the kWh reading of the meter shall be utilised. For load factor purpose kWh reading shall be taken into consideration.
- (ii) Power factor penalty / incentive and reliability surcharge are abolished.
- (iii) The reconnection charges w.e.f. 01.04.2015 shall continue unaltered

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

- (iv) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.
- (v) The meter rent w.e.f. 04.04.2021 shall be as follows:

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

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

- (vi) All the industrial consumers (Steel Plant) having CD of 1 MW and above and drawing power in 33 KV shall be allowed a rebate of 30 paise per unit (kVAh) for the units consumed in excess of 60% of load factor and up to 70% of load factor and 40 paise per units (kVAh) for the units consumed above 70% load factor upto 80% load factor and 50 paise per units (kVAh) for energy drawn in excess of 80% load factor per month. This shall be in addition to all other rebate the consumer is otherwise eligible.
- (vii) Any industry having CGP wishing to avail power from DISCOMs above 80% of load factor shall be allowed to draw power @ Rs.3.50/kVAh for incremental units above 80% load factor. No overdrawl penalty shall be levied on them. Any industry having CGP without CD availing emergency power only can get this benefit for incremental units above emergency drawal. For this purpose the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO.
- (viii) All the industrial consumers drawing power in EHT shall be eligible for a rebate of 10 paise per unit (kVAh) for all the units consumed in excess of 80% of load factor.
- (ix) LT Single Phase consumers of all categories having CD upto 5 KW with pole within 30 meters from the consumer premises shall pay new connection charges excluding processing fees as follows:

Upto 2 KW	:	Rs.1,500/-
Beyond 2 KW upto 5 KW	:	Rs.2,500/-

Provided that if the line extension is required beyond 30 meters, the licensee/supplier shall charge @ Rs.5,000/- for every span of line extension in addition to the above charges.
- (x) A “Tatkal Scheme” for new connection is applicable to LT Domestic, Agricultural and General Purpose consumers.
- (xi) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA, the above shall form the basis.
- (xii) LT Domestic, LT General Purpose and HT Bulk Supply Domestic consumers will get 10 paise/unit rebate for prompt payment of the bill within due date. Thereafter, if the

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

- (xiii) The billing demand in respect of consumer with Contract Demand of less than 110 KVA should be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.
- (xiv) Three phase consumers with static meters are allowed to avail TOD rebate excluding Public Lighting, emergency supply to CGP, LT Domestic and LT General Purpose categories @ 20 paise/unit for energy consumed during off peak hours. **Off peak hours has been defined as 10 PM in the evening to 6 AM of the next day.**
- (xv) Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.
- (xvi) Swajala Dhara consumers under Public Water Works and Sewerage Pumping Installation category shall get special 10% rebate if electricity bills are paid within due date over and above normal rebate.
- (xvii) During the statutory restriction imposed by the Fisheries Department, the Ice Factories located at a distance not more than 5 Km. towards the land from the sea shore of the restricted zone will pay demand charges based on the actual maximum demand recorded during the billing period.
- (xviii) Poultry Farms with attached feed units having connected load less than 20% of the total connected load of poultry farms should be treated as Allied Agricultural Activities instead of General Purpose category for tariff purpose. If the connected load of the attached feed unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.
- (xix) 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.

- (xx) Drawal by the industries during off-peak hours upto 120% of Contract Demand without levy of any penalty has been allowed. “Off-peak hours” for the purpose of tariff is defined as a period from 10 PM in the evening to 6.00 A.M. of the next day. The consumers who draw beyond their contract demand during hours other than the off-peak hours shall not be eligible for this benefit. If the drawal in the off peak hours exceeds 120% of the contract demand, overdrawal penalty shall be charged on the drawal over and above the 120% of contract demand (for details refer Tariff Order). When Statutory Load Regulation is imposed then restricted demand shall be treated as contract demand.
- (xxi) General purpose consumers with Contract Demand (CD) < 70 KVA shall be treated as LT consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019 the supply for load above 5 KW upto and including 70 KVA shall be in 3-phase, 3 or 4 wires at 400 volts between phases.
- (xxii) Own Your Transformer – “OYT Scheme” is intended for the existing individual LT domestic, individual/Group General Purpose consumers who would like to avail single point supply by owning their distribution transformer. In such a case licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the ‘OYT’ transformer shall be made by DISCOM utilities. For removal of doubt it is clarified that the “OYT Scheme” is not applicable to any existing or new HT/EHT consumer.
- (xxiii) The rural LT domestic consumers shall get 5 paise per unit rebate in addition to existing prompt payment rebate who draw their power through correct meter and pay the bill in time.
- (xxiv) 2% rebate over and above normal rebate shall be allowed on the bill to the LT domestic and single phase general purpose category of consumers only over and above all the rebates who pay through digital means. This rebate shall be applicable on the current month bill if paid in full.

- (xxv) 2% rebate shall be allowed to all pre-paid consumers on pre-paid amount.
- (xxvi) A Special rebate to the LT single phase consumers in addition to any other rebate he is otherwise eligible for shall be allowed at the end of the financial year (the bill for month of March) if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.
- (xxvii) The Educational Institution (Specified Public Purpose) having attached hostel and / or residential colony who draw power through a single meter in HT shall be eligible to be billed 15% of their energy drawal in HT bulk supply domestic category.
- (xxviii) The printout of the record of the static meter relating to MD, PF, number and period of interruption shall be supplied to the consumer wherever possible with a payment of Rs.500/- by the consumer for monthly record.
- (xxix) Charging of electric vehicles shall be treated as GP category.
- (xxx) Tariff as approved shall be applicable in addition to other charges as approved in this **Tariff order w.e.f. 04.04.2021.**

ANNEXURE-C

1. The Open Access Charges i.e. Cross Subsidy Surcharge, Wheeling and Transmission Charge for Open Access consumer of 1MW and above for FY 2021-22 effective from 04.04.2021 as determined by the Commission are given in the table below:

Surcharge, Wheeling Charge & Transmission Charge for Open access consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT consumers)
	EHT	HT		
TPCODL	164.35	102.54	78.06	The Open Access customer availing Open Access shall pay Rs.6720/MW-day (Rs.280/MWh) as transmission charges.
NESCO Utility	141.04	66.97	94.30	
TPWODL	130.33	76.83	60.17	
TPSODL	212.23	141.43	98.94	

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (8%) are applicable for the year 2021-22.
3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be given to the embedded licensee.
4. No Cross-subsidy surcharge are payable by the consumers availing Renewable power.
5. 20% Transmission & Wheeling charge is payable by the consumer drawing power from Renewable source excluding Co-generation & Bio mass power plant.
6. These charges as notified for the FY 2021-22 will remain in force until further order.
