BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION BHUBANESWAR

IN THE MATTER OF

An Application for approval of Aggregate Revenue Requirement and Retail Supply Tariff for the financial year 2025-26, under Section 62 and other applicable provisions of the Electricity Act, 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulation 2004.

AND

IN THE MATTER OF

TP Western Odisha Distribution Ltd (TPWODL)
Corporate Office, Burla, Sambalpur, Odisha-768017

---------TPWODL

The humble Applicant above named respectfully sheweth:

Sr. GM (RA & Strategy), TPWODL

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Affidavit verifying the application for the Revised Aggregate Revenue Requirement and Tariff Application

I, Kshirod Chandra Nanda, s/o Late Radhanath Nanda, aged about 55 years, residing at, Sambalpur, do hereby solemnly affirm and state as follows: -

That, I am the Sr. General Manager (RA & Strategy) of TP Western Odisha Distribution Ltd. (TPWODL), Corporate Office-Burla, Sambalpur, Odisha-768017.

That, I am authorized representative of TPWODL, the Applicant in the instant case and competent to swear this affidavit for and on behalf of the Licensee.

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

Place

Date **DEPONENT**

Sr. GM (RA & Strategy), TPWODL

Table of Contents

1. Executive Summary

TP Western Odisha Distribution Ltd. (TPWODL), Burla, Sambalpur, Odisha-768017 is the holder of the Distribution and Retail Supply License w.e.f. 01.01.2021, as per order of the Hon'ble Commission's vide License No. OERC/Engg./2/2021/409 dt.26.03.2021 and has been carrying out the business of distribution and retail supply of electricity in nine districts of Odisha namely Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapada, Kalahandi, Sonepur and Jharsuguda.

That, the Hon'ble Commission in its Order dated 04.03.2015 in Case No. 55/2013 have revoked the Licences of NESCO, WESCO and SOUTHCO (Distribution Companies) under Section 19 of the Electricity Act, 2003(hereinafter referred to as "Act"). Post revocation license of WESCO Ltd., the Hon'ble Commission appointed Chairman-cum-Managing Director, GRIDCO as the Administrator of WESCO utility u/s 20(1)(d) of the Act vide order dated 04.03.2015. Thereafter, in terms of Section 20 of the Act, the Hon'ble Commission initiated action for sale of utility of WESCO and Tata Power Company Limited (TPCL) was selected through bidding process under Section 20 (1)(a) of the Act.

As per direction of the Hon'ble Commission vide letter no. OERC/RA/SALE OF WESCO-27/2019 (Vol.-III)/1394 dated 04.12.2020, GRIDCO incorporated the Operating Company namely TP Western Odisha Distribution Limited (TPWODL) to which the utility of WESCO has been vested and license of WESCO utility is transferred. Accordingly, TPWODL is the wholly owned subsidiary of GRIDCO with an authorized share capital of ₹. 1000 crore (Indian Rupee One Thousand Crore) only and paid-up capital of Rs. 5 lakh (Indian Rupee Five lakh) only. TPWODL is the Operating Company in which TPCL and GRIDCO holds 51% and 49% equity shares respectively after the completion of sale.

As per terms of RFP, reserved capital of TPWODL is ₹. 300 crore (Indian Rupee Three Hundred Crore) only upon execution of Share Acquisition Agreement, TPCL acquires 51% of the equity shares of TPWODL. Accordingly, shareholding pattern with effect from 01.01.2021 continues 51% and 49% between TPCL & GRIDCO respectively.

This submission is made by the Licensee before the Hon'ble Commission for the determination of Aggregate Revenue Requirement and Retail Supply Tariffs for the Financial Year 2025-26.

Since the takeover, the Licensee has showcased remarkable achievements across various commitments as per vesting order and carve out/ segregation order, reflecting a robust and transformative trajectory. Capitalization of assets has been a significant milestone, with strategic investments and financial management leading to a substantial increase in the overall value of the company's assets. During a span of 3 years of operation, the Company has added around Rs. 2000 Cr. of capital assets (Transferred assets was Rs. 1963.30 Cr. whereas the present position as on 31st March 2024 is Rs. 3974 Cr.). Out of post vesting period assets, assets created through approved budget is Rs. 1066.60 Cr. till Q2-FY-25. The reduction of AT&C Losses to an impressive 15.51% in FY 23-24 from 32.20% in FY 20-21 (around 17% reduction) is a testament to the implementation of efficient operational practices and cutting-edge technologies. Furthermore, the successful recovery of past arrears exceeding Rs. 300 Cr. has not only bolstered the financial health of the DISCOM but has also paved the way for sustained growth.

The increase in the consumer base (total 1197 MVA load added & 2764832 nos. of consumers – incl. TD & PD added till Mar-24) reflects a successful outreach and engagement strategy, fostering a connection between the DISCOMs and the consumers they serve. As regards to collection of arrears, the Company has collected an amount of Rs. 408.56 Cr. up to September 2024 against a target of Rs. 300 Cr., as per Vesting Order commitment. Overachievement of target was possible mainly due to approval of One-Time Settlement (OTS) Scheme by the Hon'ble Commission which contributed in collecting around Rs. 130 Cr. (during the scheme period) and became the game changer in resolving outstanding dues, offering consumers a viable approach to settle their past period bills. Around 80,000 customers have availed this benefit. The Company expects similar kind of revolutionary thought in this ARR and approval thereof Hon'ble Commission for increasing collection out of pre-vesting arrear.

As per segregation order, clearance of past period liabilities with permission from Hon'ble Commission was mandated. The Licensee, has cleared substantial amount during the span of 46 months since takeover. Power availability from the time of pre-vesting has improved considerably (SAIDI – 424 Hr. in FY-22 to 309 Hr. in FY-24, SAIFI – 600 in FY-22 to 404 in FY-24) with an average duration of supply (HH:MM) – 23:21 in FY-22 to 23:18 in FY-24. Still long way to go and The Licensee is committed to fulfill the national level index in the coming years.

The Licensee took many revenue improvement initiatives with support of all stakeholders and approval of Hon'ble Commission through which the revenue has increased from Rs. 4000 Cr. (FY-21) to more than Rs. 6000 Cr. (FY-24). The Hon'ble Commission has approved gross metering mechanism under PM KUSUM Component "C" is really a revolutionary decision which will not only contribute towards increase in RE power, additional revenue to farmers but also enhance the state's GDP as well as of the nation. Although the Hon'ble Commission has approved an effective mechanism under gross metering, progress remains stagnant due to non-participation from agricultural farmers because they are unable to contribute their share of contribution i.e. 40%, which is substantial.

Furthermore, Government of India has approved the PM Surya Ghar: Muft Bijli Yojana on 29th February 2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 26-27. The Ministry of New & Renewable Energy, Govt. of India, is implementing the PM Surya Ghar Muft Bijli Yojana to encourage RTS installation in the residential sector. All Odisha DISCOMs have taken a target of 3,00,000 households, out of which the incumbent Licensee took a share of 65,000 households in its licensee area.

Nonetheless, Ministry of Power (GoI) has recognized TPWODL with A+ rating in 11th Annual Integrated Rating for continuously 2 years in a row.

The Licensee operates in Western part of Odisha consisting of 9 revenue districts with area of 48373 sq. km. As per legacy, the business of the licensee is dominated by HT & EHT consumption. However, due to different reasons/factors and creation of their own generation affecting the other segment like LT who are in turn cross-subsidized category. To protect the business and insulate GRIDCO through higher BSP initiatives taken through TPA (Tri-partite Agreement) sale was really beneficial for the first couple of years i.e FY 22-23 & FY 23-24. However, during the current year, even though the

Hon'ble Commission has approved 1250 MUs, the actual sale till October 2024 is only 623 MU. Further, continuance of TPA during the balance period of the current year has a remote chance due to some challenges in allocation of green power. Even though, the licensee was able to sustain the load of quarterly BSP Surcharge in the previous year successfully, but in current year, could able to honour the surcharge bill of Q1 only. Therefore, the licensee while projecting the revenue has not considered TPA sale in FY 25-26. During the ensuing year, the committed AT&C loss is achievable, however, further reduction as compared with previous year's achievement would be a herculean task.

The reason of deviation in current year is attributable to the challenges in installation of smart meters which is being vehemently opposed by agricultural category of consumers with a plea of free electricity and removing old meters from their premises in mass. Further, non-continuance of TPA in the balance period (Nov'24 onwards) of the current financial year is also another reason.

While Odisha is a mineral rich state and has significant contribution to major mineral production at national & international level. Iron and steel, Aluminium and petroleum products account for a majority of Odisha's total exports and the government is ensuring that manufacturing units of these industries are supported. All these are power-intensive industries but their struggle is still persisting sometimes due to market scenario and sometimes due to inadvertent situations.

Looking into the above aspects and helping the industrial sector to grow further, TPWODL humbly requests the Hon'ble Commission for continuity of special schemes and concessional tariffs already in place for industries in the ensuing year in addition to other new proposals in order to increase revenue of the state and retaining the industries.

Filing of ARR Application

The Hon'ble Commission vide its Notification No. 1472-OERC/RA/RST.REGU.-36/2021 dated 20.12.2022 had brought out its New Regulation i.e. Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 superseding the old Regulation of 2014 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022 and to remain in force till 31.03.2028, unless otherwise reviewed/extended by the Commission.

As per the said Regulation, the Licensee has to file the ARR application as well as CAPEX plan & Truing up application of previous years as per the specified timelines before the Hon'ble Commission. It is worth mentioning that the CAPEX plan for FY 24-25 & FY 25-26 has already been approved by the Hon'ble Commission vide Order dated 12.12.2023 wherein certain proposals were disallowed due to lack of proper justification and cost break up. Accordingly, a separate application, was filed before the Hon'ble Commission in 12th July 2024 and was registered as Case. No. 50 of 2024. During the last hearing dated 12.11.2024, Hon'ble Commission has taken a decision to consider this along with ARR public hearing. However, has been pleased enough to accord an adhoc amount of Rs. 15 Cr. for FY 24-25 towards Civil, admin & other infrastructure which will be adjusted against final approval.

Similarly, the Licensee is mandated to file the truing up application of previous years before the Hon'ble Commission for consideration and approval. Hon'ble Commission vide Order dated 13.02.2024 has already finalized the truing up for FY 20-21 & FY 21-22. Regarding, truing up of FY 22-23, has been kept as provisional. Now, the Licensee, through a separate application, is submitting herewith the revised truing up of FY 22-23 & truing up for FY 23-24.

In this application, the licensee has relied upon the audited figures of FY 2023-24 (OERC format) and actuals till Sep-24 of current year (FY 24-25) while preparing the present ARR for FY 2025-26. However certain modifications has been adopted considering latest development and performance parameters on actual basis which may kindly be taken into record. The reasons for change/modifications are enumerated in the appropriate head in the ARR application.

Accordingly, the company in accordance with the license conditions, have calculated the total expected revenue from sale of electricity in accordance with the provisions of the OERC (Terms and Conditions for determination of wheeling tariff and Retail Supply Tariff) Regulations 2022 and hereby submitting in the foregoing paragraphs as per the following structure.

a. A statement with full details of its expected annual revenue and costs for the ensuing year FY 2025-26 for its Licensed Business along with technical, commercial, performance and financial parameters in the prescribed formats.
b. Different initiatives taken & to be taken by the licensee.
c. Statement of allocation of wheeling and retail supply cost as per provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022.
d. Proposal for tariff rationalisation measures.

That, the company has made certain assumptions while projecting its operations for the FY 2025-26. These projections are based upon the best estimates of the operations and prospective plans of the licensee at the time of the ARR filing. The actual ARR and the revenue figures would be different from the above estimates due to several external factors such as power purchase cost and change in consumer mix/ consumption pattern etc.

Basing upon estimated Revenue Requirement and Revenue at existing tariff, the revenue gap for current year FY 2024-25 is Rs. 0.01 Cr. considering surplus from past true ups.

Revenue Gap with AT&C (17.83%)-Current Year FY 24-25	
Parameters	**Estimated (Rs. Cr.)**
Power Purchase Cost excl. BSP surcharge	4703.57
BSP surcharge	381.11
Total Power Purchase Cost	**5084.68**
Distribution Cost incl. tax on ROE	1389.93
Add: Reasonable return on ROE after tax	130.03
Add: Carrying cost on ASL	9.77
Less: Surplus carried over from past True ups	466.20
Sub Total	**6148.20**
Revenue from sale of power at existing tariffs	5739.00
Non-Tariff Income	409.22
Revenue GAP(+)/Surplus (-)	**(-) 0.01**

Similarly, the Licensee has proposed the revenue gap(+)/ surplus(-) for FY 25-26 considering the proposed AT&C loss of 15.90%. There is no revenue gap(+) proposed in ensuing year considering surplus from past true ups.

Revenue Gap with AT&C (15.90%) FY 25-26	
Parameters	**Projected (Rs Cr)**
Power Purchase Cost (BSP @ Rs. 3.80/ u)	4663.90
Distribution Cost incl. tax on ROE	1570.28
Add: Reasonable return on ROE after tax	161.46
Add: Carrying cost on ASL	9.77
Less: Surplus carried over from past True ups	118.44
Sub Total	**6286.97**
Revenue from sale of power at existing tariffs	5891.35
Non-Tariff Income	395.62
Revenue GAP(+)/Surplus (-)	**0**

Considering the surplus from past true ups, the gap for FY 24-25 & FY 25-26 can be reduced but the DISCOM requests the Hon'ble Commission for not considering the BSP surcharge for FY 25-26 as the same may lead to financial instability of the Licensee.

That, in the above background it is worth mentioning that as of now, at existing tariffs, the company through additional sale & proposed tariff rational measures along with surplus from past true ups will meet the required ARR without any tariff hike. However, Govt support and subsidy if any shall be an additional help & will be passed on to the consumer.

i. Prayer

In the aforesaid facts and circumstances, the utility prays that the Hon'ble Commission may be pleased to:

- Take the revised ARR application and Tariff Petition on record.
- Approve the Aggregate Revenue Requirement for FY 2025-26.

  Allow additional R&M and additional A&G cost for special drive for the ensuing year FY 2025-26 out of surplus revenue generated from earlier years along with efficiency gain and additional sale though proposed tariff rationalisation measures without burdening the consumer of the state assuming no increase in BST & Transmission charges.

  <u>Allow the following Tariff rationalisation measures as proposed w.r.t consumer benefit schemes:</u>

- Additional Rebate of Rs. 10/- p.m. if opted E-bill for consumers having Smart Meter also
- Continuation of TPA with modified terms and conditions
- Load factor rebate to HT & EHT industries
- Enhancement of ToD benefit in solar hour
- Digital rebate if paid through Jan Seva Kendra/OCAC/CSC Centres, etc
- kVAh Billing to LT category of consumers with CD>110 kVA
- Allocation of Green Power to industries having CGP
- Special tariff for industries those who have closed their units if reopen/start
- Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA
- Special tariff for Industries for temporary business requirements
- Minimum Contract Demand for the industries having CGP
- Revision of Reconnection Charges with penalty clause
- Creation of Category for Mega lift points under EHT and applicability of Demand Charges
- Proposal for simplification of fixed charges i.e MMFC
- Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply
- Billing with Defective Meter
- Combined Application form replacing Form-I & Form-II
- DPS on Electricity Bills
- Pro rata Billing
- Installation of Smart Meter under Capex and abolition of meter rent
- Creation of Contingency Reserves for Assets that are not insured by Insurance Companies
- Approval for utilization of Consumer Security Deposit (SD) for Consumer benefit through reduction of Financing Costs allowed in Tariffs
- Realistic Assessment of Load in case of theft of electricity
- Standard Service Connection charges
- Processing fee for each services as per Regulation

Any other relief, order or direction which the Hon'ble Commission deems fit.

2. Revenue Requirement for FY 2025-26

This section outlines the assumptions for estimation of revenue requirement for FY 25-26. The Distribution loss and AT&C loss trajectory on the basis of actual projected is considered in the following manner

Particulars	FY 22-23	FY 23-24	FY 24-25	FY 24-25	FY 25-26
	Actual	Actual	Approved	Rev. Estd.	Proposed
Distribution Loss	18.40%	16.54%	16.57%	17.00%	15.05%
Collection Efficiency	100.14%	101.23%	99%	99%	99%
AT&C Loss	18.28%	15.51%	17.40%	17.83%	15.90%

For the current year, the Hon'ble Commission has approved AT&C Loss of 17.40% considering EHT sale of 3827.817 MU including TPA sale of 1250 MU. However, due to non-allocation of green power during current year to the industries having CGP, the intending consumer who was drawing TPA power has backed down from continuance of agreement. Hence, the actual sale under TPA stands at 623 MU till Oct'24 against the above approved quantum.

Further, the concessional tariff to CGP industries having CD up to 20 MW, who can draw double their CD without levy of overdrawal penalty was supposed to contribute towards additional sale as like of FY 22-23. The position during FY 23-24 under this mechanism became grime due to precondition of monthly approval by GRIDCO. Further, in the current year, the market condition of steel industry did not support towards additional production for which the industries were seeking drawl to the tune of double the CD became narrow. As the scheme has already been tested in the past and stands to be a proven mechanism for creation of additional sale, the Licensee humbly submits before the Hon'ble Commission to continue the same in the ensuing year also with existing terms & conditions which will create a platform for generation of additional revenue and can act as a catalyst to the revenue stream.

In case of HT industries, Hon'ble Commission has approved 2590 MUs for FY 24-25 with special concessional tariff for steel industries connected in 33 kV level having CD more than 1 MW. But unfortunately couple of industries drawing substantial power have established their own CGPs and hence dependency towards DISCOM's drawal have reduced. One of the major Industry under HT Category namely M/s. Linde Ltd. who was completely dependent upon Licensee's Power also drawing power through Open Access posing threat in overall achievement in current year's HT consumption. Apart from this as explained earlier, steel & cement market did not support. Therefore, the Licensee is re-estimating its current year HT sale considering actual sale of H1 (1229 MU) as 2475 MU instead of approved figure of 2590 MU.

However, in case of LT, the Licensee has estimated consumption of 3178 MU against approval of 3544 MU considering ground realities and challenges faced in agricultural segment. However, the company is optimistic in reducing the loss through continuance of existing and new initiatives like replacement of defective meters, enforcement activities, bill revision, resolution of disputes etc. Accordingly, in the current year T&D loss has been estimated at 17% against approval of 16.57%.

Now, in line with the above and with a hope in continuance of concessional tariff to industries and MSME sector the expected sales projection & performance in the ensuing year (FY 2025-26) has been depicted below with actual of previous year (FY 2023-24), estimate for current year (FY 2024-25) as per below table:

Distribution and AT & C Loss FY 2023-24 to FY 2025-26

Particulars	FY 2023-24 (Audited)	FY 2024-25 (Rev. Estimate)	FY 2025-26 (Proposed)
Energy Sales in MU	10644	9554*	9812
Energy Purchased in MU	12752	11511	11550
Overall Distribution loss%	16.54%	17.00%	15.05%
Collection Efficiency%	101.23%	99%	99%
AT& C loss %	15.51%	17.83%	15.90%

** Continuance of TPA hold good till Oct'24 with quantum of 623 MU against approval of 1250 MU*

The Hon'ble Commission has approved input of 11940 MU for the current year against proposal of 11524 MU by the Licensee. Now, the revised estimate has been considered as 11511 MU due to the reasons as explained in the above paragraphs.

Similarly, the drawl of HT industries for 1st half of the current year is not expected up to the level as earlier for the reasons as explained above, if the drawal of Steel & Cement segment will continue with some higher pace, HT sale will be ending up with 2475 MU. Considering the actual drawl till September 2024, continuance of special concessional tariff for FY 2025-26 the Licensee has projected distribution loss of 15.05% & AT&C loss of 15.90% for FY 2025-26.

2.1. Data Sources

The Licensee is duty bound in complying with the information requirements of the Hon'ble Commission for Aggregate Revenue Requirement and tariff for the year 2025-26. The schedule of formats submitted along with this proposal is shown in the Table of Contents. The Applicant has relied upon audited accounts (OERC format) of FY 2023-24 and actual till Sep-24 for data compilation and preparation of this ARR.

The Licensee would like to submit that the input cost is the major cost component for the distribution business. For authentication of input cost, the BSP bills on the basis of scheduled energy received from the Bulk Supplier (GRIDCO) and Transmission Charges on the basis of actual energy received from OPTCL, SLDC charges received from SLDC has been taken. The Licensee expects no deviation from the schedule hence provision for deviation has not been considered in the ensuing year.

Thus, the Licensee submits that the data given are authentic and reliable for formulation of Aggregate Revenue Requirement and Tariff Application for the year 2025-26.

2.2. Sales Projection

The Licensee has projected the consumption of different categories on the basis of past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. Under Domestic category around 85850 new connections have been estimated & in General purpose category around 7000 connections have been proposed. The activity of data sanitization is going on and also a continual activity for removal of Ghost consumers from the billing fold through field verifications. Around 2 lakhs such ghost consumers have already been identified and removed from the database in the past. As a result, the increase in consumer base has shown insignificant movement as compared to previous year.

Consumer growth under irrigation category particularly mega lift point has been envisaged during ensuing year as per mega lift scheme of Govt. of Odisha.

In absence of separate category for Irrigation under EHT category a mega lift consumer with supply voltage at EHT level with load of 13500 kVA is being billed under HT category tariff and also added under HT in the projection. The mega lift point has been energized under Kalahandi West Electrical Division. Now, since last couple of years the Hon'ble Commission in the RST orders have been approving all mega lift points not covered under irrigation pumping and agriculture category of the regulation points to be billed under GP category including HT & EHT without levy of demand charges and eligible for rebate of Rs.2 per unit. However, the Licensee once again requests Hon'ble Commission for creation of a separate category for Mega Lift under EHT with levy of Demand Charges as it is creating difficulties in Energy Accounting.

Similarly, under LT category the irrigation load was 269 MW as on 31st March-23, which has increased to 288 MW as on Mar-24 and now in Sep-24 it is 303 MW, with estimated addition of around 7500 connections under LT category.

The category-wise consumption projected for FY 2025-26 has been provided in following sections.

LT Category

The utility has made all-out effort to bring the entire consumers into billing fold, for which its billing performance has increased in LT sector. The growth in the domestic category has been estimated at 22.79% during FY 2025-26. The reason of higher consumption in Domestic sector is on account of replacement of defective meters and electro-mechanical meters in the consumer premises as well as installation of new meters where consumers were availing power supply without meter.

The growth in the sales of other categories in the LT sector has been estimated in the range of 4% during FY 2025-26 considering the past trends except Irrigation & Pumping category of consumers where growth of 10.56% has been taken up. The irrigation growth is due to addition of loads as well as metering. So, the overall growth under LT has been considered as 16.80%.

The summary of sales projections for LT category is given in following:

Sales(MU)	FY 2023-24	FY 2024-25	FY 2025-26
Domestic including kutirjyoti	1746.611	2078.000	2551.500
General Purpose<100 kW	489.816	540.000	560.000
Specified public purpose	69.676	66.000	68.000
Irrigation	301.384	280.400*	310.000
Allied Agro Activities	11.309	14.500	15.000
Allied Agro Industrial	3.104	4.500	4.700
LT Industrial	73.350	71.000*	74.000
Public water works	59.672	72.000	75.100
Public Lighting	51.406	52.000	54.000
Total	**2806.327**	**3178.400**	**3712.300**

** As explained earlier, the Irrigation billing in the current year has been hampered due to mass agitation of agricultural consumers and removal of meters from the premises. Similarly, in case of LT Industries some of the Industries shifted to HT segment due to load enhancement.*

HT Category

While projecting the sales in HT Category, the Licensee had analyzed the consumption pattern of each HT consumer with contract demand of more than 1 MVA. The average sale under HT category consumers has been estimated @ 5.03% for the ensuing year and is based on the trend of the FY 2023-24 and actual load for the 1st six month of current year ending Sept'24.

Sales (MU)	FY 2023-24	1st Six Mth of FY 24-25	FY 2024-25	FY 2025-26
Large Industry	1187.015	576.669	1192.000	1247.300
Power intensive	596.628	276.234	580.000*	610.000
Mini Steel	245.911	126.444	240.000*	250.000
Others	396.226	250.216	463.410	492.700
Total	**2425.779**	**1229.563**	**2475.410**	**2600.000**

**The consumption pattern of Mini Steel & Power Intensive shows declined trend due to recession in steel & cement segment. In addition to this, couple of high value HT Industries have established their own CGPs*

The above consumption is in kWh, however, the category wise kWh vis-à-vis kVAh billing has been provided by the licensee in OERC prescribed format T-1.

During current year, in the 1st six-month, consumption reached 1229.563 MU in terms of kWh, at the same time kVAh consumption is 1261.229 MU. Even though there is phased recession, in steel segment many steel industries are keeping hope with Hon'ble Commission for stability & continuance of concessional tariff. The Licensee has also proposed continuance of the existing concessional tariff with few other schemes in its proposal to retain the industries, the Hon'ble Commission's decision in this regard may help to a larger extent. So, considering the normal trend projection for the ensuing year with additional load (considering both increase and decrease) growth as well as possibility of some new industries the utility has estimated 2600 MU for FY 2025-26. The overall growth has been taken as 5.03%. The Licensee has also estimated around 199 MVA of load in the last quarter of the ensuing year. The details of such expected Load are also provided in Format T-9.

The drawl under HT category includes drawal of M/s. Linde India ltd., who is availing power supply through tripartite agreement between RSP, Linde & TPWODL from MSDS VI of RSP which is inside premises of RSP. This is the only industry which was earlier contributing around 13% of the entire HT consumption but has reduced its drawal on account of Open Access Consumption. As a result, the current year estimated consumption will be around 266 MU which will be around 11%. The CD of the consumer is 43 MVA & the Licensee has projected 281 MUs to be sold under POI category for the above consumer during ensuing year considering actual monthly drawl in the current year. In addition to same, one more tripartite agreement has been executed between RSP, TPWODL and SE Railway for power supply for their railway sliding inside the premises of RSP. The tripartite agreement has already been approved by Hon'ble Commission and railway has already executed the agreement. The consumer is being billed under EHT category at 132 kV level. So, monthly billing for the three consumers is being generated through bifurcation mechanism. M/S Linde & Railway are being billed on the basis of their consumption and thereafter M/s RSP's billing is made subtracting the quantum of consumption of above two consumers from total consumption recorded at Tarkera grid of OPTCL, which is being done through monthly meter data. With RSPs CD at 170 MVA, the drawal of other two consumers are operating at their CD. It is believed that, as Hon'ble Commission has approved the tripartite agreement in principle, due to non-possibility of direct power supply from the GRID. However, while disposing Case No-86/2023, Hon'ble Commission has directed all the stakeholders for arrangement of direct Grid Power Supply to the above two consumers wherein M/s. OPTCL has been assigned the responsibility along with DISCOM. As regards to surplus generation of RSP and not accounted for by TPWODL, Hon'ble Commission has upheld the existing terms and conditions as per TPA till direct power supply is facilitated. Subsequently, GRIDCO also preferred through another petition (C-10/2024) for harnessing inadvertent surplus power of M/s. RSP wherein Hon'ble Commission has upheld the decision taken in Case No- 86/2023. In similar line, M/s. Rungta Mines Ltd. has also filed an application for approval of TPA wherein additional load of around 15 MVA under HT will materialize in phased manner in the coming years. The same has been under approval of Hon'ble Commission vide Case No. 75 of 2024. The proposed sale under HT Category also has bearing effect on this proposed TPA arrangement.

EHT Category

The Utility has projected 3500 MU of sales in the ensuing year analyzing the consumption pattern of each EHT consumer. While estimating EHT sale, no TPA sale has been considered. Out of 47 Nos. consumers, there are 20 nos. Railway Traction, 1 No. Megalift Connection, also availing power supply at 132 KV level but due to non-availability of tariff category, projection of sales under EHT has been made with balance 26 Nos. of consumers. The consumer availing power supply under Megalift is being billed under HT tariff as explained in earlier sections. Out of the other 26 nos., 21 nos. of industries have their own CGP. The drawal made under EHT category are mainly towards consumption of Railway, MCL, Bhusan Steel & Power, Vedanta (partially), RSP (partially) and Ultratech Cement only. Ordinance Factory Badamal has already set up it's own solar plant of 10MW for which it's drawal is very less. Similarly, MCL has also set up a 50 MW solar plant in Bolangir district for own consumption out of which around 25 MW is under energization which will affect the EHT consumption also to some extent.

Once upon a time, M/s. SAIL (RSP) was contributing substantial quantum under EHT sale. However, upon synchronization of 250 MW CGP, the drawal has drastically dropped. No doubt during FY 23-24, due to TPA and intake of other EHT consumers, the input of FY 23-24 was in higher trend. However, the same trend has declined now in current year due to absence of TPA for the balance period (Nov-24 onwards) as well as off-take of M/s. Vedanta Ltd. has been reduced due to absence of 80% guaranteed power.

The drawal of EHT sale majorly depends upon Vedanta, JSW (Bhushan), RSP for TPWODL. Due to any behavioral changes of these industries has substantial impact on EHT sale. It is observed that Vedanta has acquired 2x600 MW power plant of Athena Chhattisgarh Power Ltd. located at Jhanjgir, Chhattisgarh, and arrangement with Serentica Renewables for RE Power, their power requirement/ drawal pattern may vary depending upon their own generation and RE availability. Therefore, the Licensee has projected EHT sale without considering TPA sale. However, surplus power of GRIDCO, if any, may be required by other industries in the ensuing year. Hence, provision of TPA sale may kindly be retained. In addition to this, under the TPA mechanism allocation of Green Power may be permitted.

Following HT & EHT consumers have their own CGP for which the applicant has the risk of change in drawal pattern under Industrial category:

Name of the Industries	Captive Plant Capacity	Contract Demand	Connectivity
	(MW)	(kW/kVA)	(HT/EHT)
ACC Ltd	30	5000	EHT
Action Ispat & Power Ltd.	123	6000	EHT
Adhunik Metalicks Ltd.	36	23000	EHT
Aditya Aluminum Ltd.- Lapanga	750	55556	EHT
Aryan Ispat & Power Ltd.	18	5000	EHT
Bhaskar Steel & Ferro Alloys Ltd.	12	4000	HT
Bhusan Power & Steel Ltd.	506	200000	EHT
BR Steel and Power Pvt Ltd	20	4500	HT
Hindalco Industrial Ltd - Hirakud	467.5	40000	EHT
MSP Metalicks Ltd.	25	10000	EHT
OCL India Ltd.(Cement)	54	12000	EHT
OCL Iron & Steel Ltd.	53	3000	EHT
RSP	526.5	170000	EHT
Rungta Mines Ltd.	40	15500	EHT
Scan Steel Ltd.	8	9700	HT
Seven Star Steels Ltd.	8	750	HT
Shree Ganesh Metallicks Ltd.	32	3000	EHT
Shree Mahavir Ferro Alloys Ltd.	13	3000	HT
Shyam Metalicks & Energy Ltd	160	20000	EHT
SMC Power Generation Ltd. (I)	37.6	4000	EHT
SMC Power Generation Ltd. (II)	70	7500	EHT
Surendra Minining Industries Pvt Ltd	12	2800	HT
Vedanta Aluminum Ltd.(9X135, Plant-I)	1215	66667	EHT
Vedanta Aluminum Ltd.(3X600, SEZ unit)	1800	200000	EHT
Vedanta Aluminum Ltd.-Lanjigarh	90	15000	EHT
Viraj Steel & Energy Ltd.	28	3000	EHT
M/s Thakur Prasad Sao & Sons (P) Ltd, (Unit-IV)	12	7000	HT
M/s Suraj Product	6	4800	HT
TOTAL	**6153**	**900773**	

In view of the above, the summary of the category-wise sales in MUs for the previous year, actual six months, estimate for FY 24-25 and proposed for ensuing year is given in table below:

Sales (MU)	FY 2023-24	1st Six Mth Of FY 24-25*	FY 2024-25	FY 2025-26
LT	2806.327	1750.113	3178.400	3712.300
HT	2425.779	1229.563	2475.410	2600.000
EHT*	5411.629	2155.416	3900.000	3500.000
Total	**10643.735**	**5135.092**	**9553.810**	**9812.300**

** Includes TPA Sale for FY 2023-24 (1741 MU), estimated 623 MU in FY 2024-25 and no quantum proposed for FY 2025-26.*

The Hon'ble Commission has approved 3827.817 MU under EHT category, considering improved consumption pattern during last quarter of previous year. Further, concessional scheme with flat rate of Rs. 5.00 per unit for drawal beyond 80% of CD (Industries having CGP can draw up to double the CD, those who are having CD up to 20 MW) also helped in increase in consumption during previous year.

In addition to above due to some additional traction load & enhancement of existing load, sale under Railway traction has been estimated as 890 MU for the current year and 934 MU for ensuing year. Railway has challenged the Hon'ble APTEL's Judgment in Appeal No. 55 of 2016 regarding grant of deemed distribution license before the Hon'ble Supreme Court. The matter is sub-judice. However, the licensee has projected estimated sales considering Railway as normal consumer of the Licensee.

Other than the above, new additional load/ load enhancement has also been considered for ensuing year in favor of the following industries:

a) M/s. Rungta Mines load enhancement of 47 MVA & M/s. Action Ispat load enhancement of 6.5 MVA for last quarter Q4 of FY 24-25.

b) M/s. JSW (formerly Bhushan Steel & Power) has already got in-principle commercial approval for load enhancement from 200 MVA to 300 MVA subject to construction of 400 kV line, which is yet to be completed. Hence, no projection has been made in favor of JSW.

c) M/s. Shyam Metallics has applied for 91 MW additional load subject to construction of 220 kV line but due to inadequate progress of construction, no such additional load has been provisioned for.

d) M/s OCPL new connectivity at 132 kV, 5 MVA from OPGC.

2.3. Power Purchase Expenses & SMD Projection

As per mandate of vesting order, TPWODL is procuring power from GRIDCO, who is the state designated entity to procure power for all the 4 DISCOM(s) from different generators like thermal, hydel, renewable etc. located in and outside Odisha. GRIDCO is also a Deemed Trading Licensee under 5th proviso to Section 14 of the Electricity Act, 2003. The Government of Odisha has also notified GRIDCO as the "State Designated Entity" for execution of Power Purchase Agreements (PPA) with various Developers generating energy from various sources including Hydro power, Wind power, power from Agricultural Waste etc. along with Thermal Power vide Government of Odisha Notification No. PPD-II-2/05(pt.)7947 dated 17.08.2006. GRIDCO has a statutory obligation to procure power and act as a bulk supplier to supply power to DISCOMs and meet the electricity demand in the State.

As per para 36(c) & (d) of vesting order, it has been held that

> *"(c) If in the opinion of GRIDCO, at any time during the term of license of TPWODL, the PPAs provided in Annexure – 3 are insufficient to meet the power purchase requirement of the retail supply licensees, then GRIDCO may sign additional PPAs with prior consultation with TPWODL, other retail supply licensees in the State and prior approval of the Commission. Such consultation shall also be required in case GRIDCO signs any PPAs to procure power from renewable energy sources to fulfil its Renewable Purchase Obligation targets set under the regulations and orders of the Commission.*
>
> *(d) Till the time GRIDCO expresses its ability to meet the power purchase requirement of TPWODL from the PPAs provided in Annexure - 3 and any additional PPAs signed as per clause (c) above, TPWODL shall be obligated to meet the full extent of its power purchase requirement from such PPAs."*

Accordingly, for additional power purchase from different generators during post vesting period, GRIDCO is obtaining consent from DISCOMs for further tie-up.

However, Hon'ble Commission was pleased enough to accord in-principle approval to the erstwhile DISCOMs vide Case No. 34 of 2010 dt. 02.11.2010 to procure power from CGP generators connected at 33 kV level and below upto 15 MW at negotiated price limited to Bulk Supply Price. The relevant extract is produced below:

> *"31. After going through the submission made by petitioner-WESCO, the respondent namely State Govt., GRIDCO, OPTCL, SLDC and JSPL and after examining the broad issues analysed in preceding paragraphs we accord in-principle approval of power purchase up to 15 MW from CGPs willing to sell surplus power to WESCO. The arrangement will be carried out with following terms and conditions:*

> *(i) Price of power purchased by WESCO should be within the Bulk Supply Price fixed by the Commission from time to time for WESCO.*
>
> *(ii) For procurement of power beyond 15 MW from CGPs, WESCO may file separate application for the same before the Commission for approval.*
>
> *(iii) As long as injection of power is at 33KV network including the 33 KV Bus of 132/33 KV sub station of OPTCL, WESCO or the generator are not required to pay transmission charges to OPTCL.*
>
> *(iv) In case CGP is connected to EHT system of OPTCL including the 132 KV Bus of 132/33 KV sub station, the DISCOM or the generator will be required to pay the transmission charges.*
>
> *(v) Moreover before selling power to a Distribution Licensee through EHT system of OPTCL, a generator will be required to get permission and approval from the STU…………"*

In line with the above, the Licensee is also harnessing some power from few of the CGP Industries connected at 33 kV level & below in its licensee area at negotiated price limited to average hydel price of the state as approved by the Hon'ble Commission in the BSP Order of GRIDCO. During the current year, the price is 95 paise/unit. The actual quantum of energy purchased during last year was 9.363 MU and in 1st six months of current year it is 12.977 MU. Further, the Licensee has projected 15 MU from such small generators during FY 25-26 @ 95 paise/unit.

Accordingly, the power purchase expenses have been derived from the sales estimates and the distribution loss level. For the year FY 2025-26, energy input of 11550 MU has been estimated based on the estimated sale of 9812.30 MU with Distribution Loss of 15.05%.

Power purchase cost for the current year is continuing with BSP of 380 paise per unit, transmission charges of 24 paise per unit and SLDC charges of Rs. 19.46 Lakh p.m and BSP surcharge quarterly of 35 paise per unit.

During the ensuing year FY 2025-26, the licensee has estimated the power purchase cost of Rs. 4663.90 Crores with BSP @ 380 paise p.u., transmission charges @ 24 paise p.u. & SLDC charges @ Rs 19.46 lakhs per month. Considering, the present financial position, the Licensee has not considered Quarterly BSP surcharge for the ensuing year.

The quantum of power purchase is always fluctuating considering the drawal behaviour of the CGP industries. Under TPWODL area, the CGP's have their generation capacity of 6153 MVA, due to various reasons their drawal pattern from DISCOM is varying, for which the licensee has no control. Further, they do have fixed CD and pay demand charges regularly even in case of no drawal. The applicant has made no. of attempts to get the tentative drawal from the industries, however, in response it is their constant reply that they are having their CD with the DISCOM and their drawal would be within the contract demand. In such scenario, the applicant is not able to project it's monthly requirement of power purchase. Sometimes, increase in coal price affects DISCOM's monthly drawal, because industries are immediately shifting their drawal from DISCOM.

Further, Hon'ble Commission has approved TPA sale of 1250 MU against which only 623 MU is being sold till Oct-24 and there is no further scope in the balance period of the current year.

Considering the above, Hon'ble Commission is requested to consider our revised estimated input for FY 2024-25 and may approve drawal for FY 2025-26.

SMD Projection

Considering the past record and additional load towards inclusion of industrial load under HT and proposed additional load under EHT, continuance of concessional tariff for industries, the licensee proposes 1855 MVA as SMD for FY 2025-26. However, due to the reasons as explained in the above paragraphs, the average SMD of 1st six months of current year is 1542 MVA. The maximum SMD occurred in September 2024 as 1780 MVA. The Hon'ble Commission has approved SMD of 1893 MVA for FY 2024-25.

The Licensee submits that SMD (MVA) projections for a year are estimated based on load mix, consumption patterns and other economic policies, and restricting the SMD of the utility up-to a particular level without considering the proposal as above and imposing penalty thereof for drawl beyond the approved level, shall put the Utility with higher financial burden.

The SMD as projected is without TPA power if any.

2.4. Employees Expenses

TPWODL's transformational journey over the years is a compelling narrative that often highlights its evolution, challenges, successes and adaptability which also reflects the company's ability to not only survive but thrive in the ever-changing business landscape.

This journey from January 2021 involves several stages and a series of improvements which stands as a testament to adaptability, resilience and unwavering commitment to innovation, embracing change and challenging the status quo. Its unwavering pursuit of excellence and the willingness to reinvent itself time and time again.

It has been a wonderful journey of more than three years, wherein TPWODL has fostered a performance-driven culture and focusing on technical skills for employees in engineering, field operations and safety. Not only skill development of employees but also TPWODL has taken a lot of initiatives for skill development of communities which includes students from five ITI's across TPWODL along with internship programs for development of students from academic institutes in Western Odisha. In view of long-term capability and leadership development, TPWODL has curated different kind of comprehensive leadership development program for its employees in association with reputed B school of India. In order to support mental and physical health of its employees, various well-being program are also being conducted across the organization. TPWODL also aims to foster inclusivity by celebrating diversity within the workforce, ensuring everyone feels valued, and creating policies that reinforce a fair and safe workplace for all employees.

In TPWODL, Human resources (HR) play a crucial role and its importance cannot be overstated. As a multifaceted department responsible for managing TPWODL's most valuable asset viz., its people. Key areas of Human Resource department are as follows:

Talent Acquisition: For recruiting and hiring the right talent for the organization ensuring that the workforce is well-qualified, diverse, and aligned with the company's goals and culture.

Employee Development: For fostering the growth and development of employees through training and development programs, performance appraisals, and career planning as well as helping in improving the skills and capabilities of the workforce, leading to a more skilled and motivated team.

Employee Retention: Implement strategies to retaining top talent which are crucial for organizational success.

Compliance and Legal Matters: For ensuring that the organization complies with labor laws, regulations and industry standards.

Organizational Culture: In shaping and maintaining the organizational culture by creating a positive work environment that fosters teamwork, collaboration and innovation.

Strategic Planning: To contribute to an organization's strategic planning by aligning HR practices with the company's long-term goals.

Diversity and Inclusion: In promoting diversity and inclusion within the workplace, ensuring that the organization values and harnesses the diverse perspectives and backgrounds of its employees.

Employee Health and Well-being: Implementation of programs and policies to support employee health and well-being for increased productivity, reduced absenteeism, and a more positive workplace culture.

TPWODL has taken over the distribution business from erstwhile WESCO utility w.e.f. 1st Jan-21. In view of the large-scale energization of new areas either through rural electrification or due to addition of new consumers, the Utility has been restructured and reorganized by creation of new Divisions, Sub-Divisions and Sections with reinforcement of allied activities such as MRT, Energy Audit, Maintenance of Distribution Transformers and Vigilance activities.

The massive shortage of manpower posed real challenge for seamless operation. TPWODL has carried out detailed study of the existing manpower gaps across various departments and geographical areas spread across 48,373 sq. km and accordingly started formulating comprehensive recruitment plan for filling up the resource gaps.

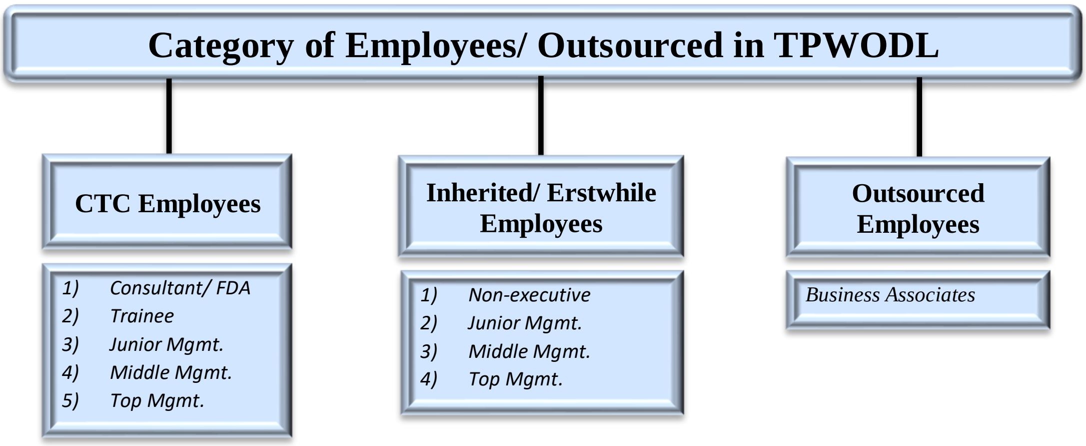
A comparative analysis of the no. of employees and the no. of consumers since FY 13-14 is appended below:

S. No.	Financial Year	No. of Employees	No. of Consumers (in lakhs)	Employee per 1000 Consumer
1	FY 13-14	3785	11.81	3.20
2	FY 14-15	3610	13.78	2.62
3	FY 15-16	3311	14.01	2.36
4	FY 16-17	3007	14.77	2.04
5	FY 17-18	2744	16.40	1.67

S. No.	Financial Year	No. of Employees	No. of Consumers (in lakhs)	Employee per 1000 Consumer
6	FY 18-19	2771	18.24	1.52
7	FY 19-20	2510	21.19	1.18
8	FY 20-21	2321	24.71*	0.94
9	FY 21-22	2589	25.53*	1.01
10	FY 22-23	3043	26.73*	1.14
11	FY 23-24	3374	27.65*	1.22

incl. TD & PD

From the above table it is evident that the consumer base has increased substantially during the span of last 10 years and at the same time the employee strength has reduced. Employees in TPWODL have been categorized under 3 categories as appended below:



The Licensee has recruited 455 nos. of employees in FY 23-24 and planned for 124 nos. of employees in FY 24-25 & 215 nos. of employees in FY 25-26 for recruitment. The proposed recruitments are in line with the employee strength benchmark of 1.4 employees per 1000 consumers as directed by the Hon'ble Commission.

The position of the employees up to the end of FY 25-26 considering the approval of the Hon'ble Commission and as proposed by the Licensee is shown in the following table: -

S. No.	Particulars	Approved by Hon'ble Commission	Actual as per TPWODL
A	**Inherited Employees**		
1	**No. of employees as on 01.04.2023**	**1981**	**1981**
2	Add: Addition during FY 23-24	0	0
3	Less: Retirement/Expired/ Resignation during FY 23-24	94	96
4	**No. of employees as on 31.03.2024**	**1887**	**1885**
5	Add: Addition during FY 24-25	0	0

S. No.	Particulars	Approved by Hon'ble Commission	Actual as per TPWODL
6	Less: Retirement/Expired/ Resignation during year FY 24-25	0	57
7	**No. of employees as on 31.03.2025**	**1887**	**1828**
B	**CTC Employees**		
8	**No. of employees as on 01.04.2023**	**1062**	**1033**
9	Add: Addition during FY 23-24	511	455
10	Less: Retirement/Expired/ Resignation during FY 23-24	55	78
11	**No. of employees as on 31.03.2024**	**1518**	**1410**
12	Add: Addition during FY 24-25	120	124
13	Less: Retirement/Expired/ Resignation during year FY 24-25	0	53
14	**No. of employees as on 31.03.2025**	**1638**	**1481**
15	**Total no. of employees including CTC**	**3525**	**3309**
16	Add: Proposed Addition during FY 25-26		215
17	Less: Expected Retirement/Expired/ Resignation during year FY 25-26		40
C	**Proposed No. of employees as on 31.03.2026 (incl. CTC)**		**3484**

As can be seen from the above table, the Licensee is well within the limits of the total no. of employees as on 31.03.2025.

On recruitment front, the Licensee has considered 215 nos. (50 nos. Executives and 165 Non-executives) for the ensuing year FY 25-26. The Consumer base including TD & PD as on 30th September 2024 is as follows:

S. No.	Particulars	Lakhs
1	Live + TD Consumers as on 30th Sep 24	24.47
2	PD consumers	3.61
3	**Total consumer base as on 30th Sep 24**	**28.07**

Considering the total consumer base as on 30th September 2024 (28.07 lakhs) and the approved ratio of 1.4 per 1000 consumers, the total no. of employee comes out to 3930 per 1000 consumers as on 31.03.2025. It would be pertinent to mention here that TPWODL has projected 3484 employees which is around 1.22 per 1000 consumers, which may kindly be taken into record. The no. of PD consumers has been added with the live as the Licensee has to reach such consumer round the year for arrear recovery, reconnection, regularisation to bring them into billing fold, continuous watch/ enforcement to ensure non-use of energy through illegal means etc.

The item-wise bifurcation of the employee expenses as projected by the Licensee for ensuing year is tabulated as under:

S. No.	Particulars	FY 24-25 (Rs. Cr.)	FY 25-26 (Rs. Cr.)	Remarks
1	Basic Pay	142.66	156.13	
2	Grade Pay			
3	Dearness Allowance	52.20	59.96	
4	Reimbursement of House Rent	29.90	30.83	
5	Other Allowance	40.12	41.33	
6	Bonus		0.00	
7	**Subtotal (1 to 6)**	**264.88**	**288.25**	
	Additional Employee cost			
8	Contractual Obligation	16.87	18.06	Considering wage revision and CPI Index. Hike of 7% has been considered.
9	Outsource Obligation for Grid and S/S manning (maintenance, watch & ward)	38.14	40.80	
10	Others if any (Impact of Restructuring)	2.89	3.51	Hon'ble Commission's approval vide Letter No. SECY/09-Corr.-TPCODL/2023/1331 dt. 19-11-24.
11	**Total additional Employee cost (8 to 10)**	**57.90**	**62.37**	
	OTHER STAFF COST			
12	Reimbursement of Medical Expenses	4.92	5.08	
13	Leave Travel Concession	0.13	0.14	
14	Interim Relief to Staff			
15	Encashment of Earned Leave (UL)	2.22	2.28	
16	Honorarium	0.22	0.23	
17	Payment under Workmen compensation Act	0.00	0.00	
18	Ex-gratia/Incentive	33.52	34.53	
19	Miscellaneous	28.22	19.07	
20	**Total of other staff cost (12 to 19)**	**69.24**	**61.33**	
21	Staff Welfare Expenses incl. EV Interest*	16.86	17.37*	
22	Terminal Benefits (Pension)	130.54	134.46	Considered on Cash Outgo basis.
23	Terminal Benefits (GRATUITY, Rehabilitation and UNUTILISED LEAVE)	22.16	22.83	
24	**Total (7+11+20+21+22+23)**	**561.59**	**586.60**	
25	**Less: Employee cost Capitalized**	**20.09**	**19.62**	
26	**Net Employee Cost**	**541.50**	**566.98**	

The licensee has also calculated and considered saving due to retirement during the current year as well as ensuing year, as per table indicated below:

FY	Category	Nos. of employees retiring	Saving on account of retirement (Rs lakh)
2024-25	Executive & Non-Executive	110	284.10
2025 -26	Executive & Non-Executive	40	178.80

The estimated cost for the above recruitment plan of 215 nos. is considered as Rs.8.12 Cr. during ensuing year.

Justification in support of Employee Cost Estimation/Projection:

To keep the manpower cost optimized, TPWODL has been recruiting majorly trainees - Graduate Engineer Trainees, Diploma Engineer Trainees, Commercial Trainees. Effective management of employee costs is crucial for the financial stability and long-term viability of any organization, including power DISCOMs.

TPWODL has also been enhancing the capabilities of its employees by providing world class training and development, engaging employees and their families throughout the year through various programs, implementing digital platform for better employee experience, implementing good health & wellness program and also performance-oriented work culture for better customer services. The Licensee has continuously been focusing, developing, reinforcing and improvising work environment of TPWODL to ensure employees are happy and sufficiently challenged in their respective roles within the team. Also, to provide service with excellence to esteem consumers, following new departments were created:

- Sub Transmission System – STS
- Safety
- Primary Substation modernization - PSS
- Primary Substation Maintenance & testing - PSS(M&T)
- Power System Control Centre - PSCC
- Automation & SCADA
- Geographical Information System – GIS
- Communication
- Smart Metering
- Revenue Collection & Assurance
- Business Excellence
- Information Technology

- Contracts, procurement and Stores
- Revenue Recovery
- Meter Management Group
- Connection Management Group
- Enforcement Assessment Group

TPWODL has also recruited skilled manpower, mostly from State of Odisha, under various categories to strengthen the existing workforce. At present, TPWODL is recruiting basing upon Hon'ble Commissions approval i.e., 1.40 staff member per 1000 customer. However, this figure is below the permissible limit of recruitment (i.e **2.47 staff members per 1000 customers in India as per study report given by M/s Smart power India and Rockefeller Foundation in partnership with NITI Aayog in Oct-20**) which is applicable for DISCOMs based in urban area. Further, the Hon'ble Commission at para 104 of RST Order dated 23.03.2023 has held as under:

> *"104. The Commission had earlier analyzed the manpower position, retirements and number of consumers for each DISCOMs. A comparison was made regarding the manpower position vis-à-vis the consumers in each DISCOM in Odisha with that of the various DISCOMs in the country. It was found that in most of the DISCOMs of the country, the manpower position varies from **1.5 per 1000 consumers to 1.75**."*

Gender Ratio: The licensee has also ensured female participation in overall manpower and today female gender ratio is of 8% against 5% earlier.

State Domicile Ratio: The Company has recruited most of the employees who are native of Odisha and as on date we are having 88% of employees who are from Odisha including 50% of employees from western Odisha & 37% employees from rest of Odisha.

The Tariff Regulations, 2022 stipulates the following:

> *"Employees of erstwhile DISCOMs*
> *3.9.4. The Employee Expenses such as Salary, Terminal benefit and Liabilities of erstwhile DISCOMs, shall be serviced as per terms and conditions of the Vesting Orders.*
> *3.9.5. As all the employees of erstwhile DISCOMs have been transferred to new Distribution Licensees from the effective date as per the Vesting Orders, the corresponding liabilities towards pension, gratuity, leave encashment and provident fund of such employees (the "Employees' Liabilities") have also been transferred to new Distribution Licensees.*
> *.....*
> *Employees recruited after Effective Date*
> *.....*
> *3.9.10. The expenses for the employees recruited after Effective Date shall be determined based on the formula shown below:*
> $EMP_n = EMP_{n-1} x (1+Index_{Escn})$
> *where,*
> EMP_n*: Employee Cost of Distribution Licensee for the ensuing year;*
> EMP_{n-1}*: Approved Employee Cost of Distribution Licensee for the year preceding ensuing year;*

Provided that for first year of the control period EMP_n shall mean employee expenses as approved by the Commission for the first year of the Control Period in the Business Plan;
$Index_{Escn} = CPI_n$
where,
'CPI_n' (expressed in %) means the average yearly inflation of Consumer Price Index (Industrial workers) over the years for the nth year.
[Source for CPI calculation: Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India {Base Year: 2001=100}]
Provided that CPI_n is to be computed based on the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past three Financial Years, at the time of filing of Petition, as per the Labour Bureau, Government of India and such escalation factor so derived to be applied to Operation and Maintenance expenses of each preceding year."

The major heads of employee expenses include salaries and wages, leave travel allowance, earned leave encashment, dearness allowance, other allowances/ bonus/ benefits and terminal benefits. Salary also includes contractual obligations towards agencies providing manpower for various services like grid maintenance, billing & meter reading, vigilance activities along with outsource obligation.

CAMPUS RECRUITMENT:

TPWODL also emphasizing recruitment of trainees in different cadre and stream through Campus from various Engineering, Polytechnic, Law and B-school colleges and promoting recruitment of fresh candidates giving emphasis within State Domicile as well as maximum preference from Western Odisha.

LEARNING & DEVELOPMENT

The **Learning & Development initiatives** are formulated to handhold employees by providing platforms for personal and ongoing journey of discovery, growth, and development, in which an individual actively seeks to acquire new knowledge, skills, and experiences in pursuit of their learning goals. Rather than utilizing external force, equipping employees with the desired set of knowledge and skills, required to perform specific tasks or job, promotes employee's own agency and motivation to achieve the desired expectation of the Organization.

To cater this, **Learning programs** like Technical/ functional Training, Behavioral/ soft skill training, Leadership development, Competency development, Induction/ Orientation programs, Refresher trainings, Safety training etc, are provided.

Quarterly Training Calendar are published at the beginning of each quarter as per the organizational requirement.

In the 1st quarter of the FY24-25, 1078 nos. TPWODL employees were **Certified in Energy Literacy Training** as per the direction of the Energy Department, Govt. of Odisha. Also, TPWODL was awarded with a **Silver Certification from Energy Swaraj Foundation** along with only 02 other Govt. PSUs of Odisha.

Grid-guru: Power Distribution Learning Series was launched with an objective of organizing various knowledge sharing sessions related to power industry by our internal industry experts and discussing real-life challenges. Also, 02 Sessions have been organized under these initiatives with the active participation of 545 employees.

Several training programs were organized for developing capability of employees through various learning interventions.

- Total 447 Training batches organized in 70 different Topics for all Direct & Indirect Employees till Q2, FY25.

- Total 15415 employees covered – 12355.75 Man-days in above batches.

- Average Training Man-days achieved till Q2: **2.27 avg. Man-days**

Training manual **SMILE (Strategic Model of Integrated Learning Experience)** has been launched on to streamline the Learning & Development Activities of TPWODL.

After Completion of each training programs, **Training effectiveness** of the programs is calculated in different levels considering the category of the program as per the guidelines of learning manual **SMILE** in a method of continuous **feedback, evaluation, and improvement**.

TPWODL has collaborated with 05 Govt. ITIs in 05 Circles under the roof of 'Skilled-in-Odisha' initiative of Govt. of Odisha. In association with TPSDI, Shahad, we have developed 20 Internal trainers & designed a 19-days' course curriculum for skill development of the ITI Students in Electrical Trade.

Safety being of the utmost priority, TPWODL conducting Safety programs for all the executives Felt Safety Leadership, BBS Training, Defensive Driving, Certified First-aid.

Interest Cost on Electric Vehicle Advance Policy:

OPTCL, vide its Circular No.AW/E&M-EV-1/2023(PT)/3358 dated 03rd March 2023 announced its Electric Vehicle Advance Policy (EVAP) for its employees which is in line with the guideline issued by the Finance Department, Government of Odisha (GoO) vide Memorandum No. 8524/F dated 05th April 2022. Advance will be interest free and will be granted based on eligibility and subject to availability of budget. All Executives will be eligible to purchase electric motor car/ two-wheeler and non-executives will be eligible for electric two-wheelers only. Advance amount will be 75% of cost of vehicle or repaying capacity and maximum advance limit for electric motor car is Rs. 15 lakhs and for electric two-wheeler is Rs. 2 lakh. This scheme will be in vogue till December 31, 2025 unless extended otherwise in line with the guidelines issued by the State Government vide O.M. No. 8524 dated April 05, 2022 .

Further, the employees' wellbeing related policies and procedures, as and when framed/adopted by GRIDCO/ Odisha Power Transmission Corporation Limited (OPTCL) for their employees, were subsequently adopted by erstwhile WESCO utility.

TPWODL also being committed to decarbonisation and promotion of National and State mandate for promoting Electric Vehicles, has adopted EV Advance Policy in line with the OPTCL and Government of Odisha Memorandum.

To facilitate eligible and interested employees to purchase EV by providing interest free recoverable advance, these vehicle loans to employees shall be interest free and the cost for the same shall need to be borne by the TPWODL. It is estimated that 15 % of Executives and 20 % of Total Employee of erstwhile utility may avail the scheme. In FY 2025-26, the licensee has estimated Rs.4.00 Cr. towards the interest cost under Staff Welfare Expenses.

The DISCOMs have placed before Hon'ble Commission for considering pass through of the interest cost in ARR vide letter no-TPCODL/Regulatory/2023/242/6433 dated 25.10.2023 for pass through of such interest cost on interest free advances under the policy. Hon'ble Commission vide letter no.Secy/09-Corr-TPCODL/2023/1609 dated 03.11.2023 had advised to submit the matter in the ARR.

The licensee has considered **Rs. 4.00 Crs**. towards interest cost on such advances to be extended to eligible employees in the FY 25-26 included under Staff Welfare and prays before Hon'ble Commission to kindly approve the same.

EMPLOYEE ENGAGEMENT:

Employee engagement is the foundation of a successful workplace, driving innovation, productivity, and satisfaction. At TPWODL, our engagement programs focus on four key pillars: Celebration, Care, Connect, and Coaching & Mentoring, with a central emphasis on Sustainability and Health & Wellness for FY25.

Key activities conducted in H1 FY25 include:

- World Nature Conservation Day: Mass plantation drive across 50,000 sq. km on 12-07-2024.
- World Environment Day: Celebrated with women farmers in Jharbandh, Bargarh (224 employees participated).
- Raja Parba & Mother's Day: Volunteering events held at orphanages and old age homes across all circles.
- Annual Athletics Meet: Qualifiers held across six locations with 996 participants; Grand Finale on 8-9 Nov 2024.
- Regional Festivals: Celebrations of Sambalpuri Day, Nuakhai, Biswakarma Puja, and Ganesh Puja across offices.

INDUSTRIAL RELATION:

Key achievements of Industrial relation vertical in FY 25 so far has been appended below:

S. No.	Description	Remarks
1	Industrial Relation	"No man days loss" due to IR issues from Apr'24 to Oct'24
2	Implementation of minimum wages	Circular issued to all TPWODL BA employees for implementation of Minimum wages as per Gazette notification by GoO dated 18/07/24 & 30/09/24
3	Skilled grade of meter readers	As per direction received from Labour Commissioner, GoO skill grade of meter readers revised from Semi-skilled to Skilled grade
4	Pension on higher wages	Out of 273 applications, 243 have been processed and demand letter has been received by individual employees
5	Social security	Implementation of all statutory provisions and benefits to contract workmen ensured by ESIC & PF

Engagement of Outsource Employees:

Services Description	No. of Manpower	Engaged with (Dept.)	Nature of work
O&M-Other Manpower-Helper	534	O&M	Operation and Maintenance job, collection activities, consumer collection, etc. connected with different SDOs, Sections, Division and other offices of TPWODL
O&M- (Back-office services-Computer Operator)	152	O&M	Office boy, pantry boy and Postal released services
PSCC- (GIS Work)	45		GIS related services
Back-office services (RCM/ CMG/ Finance/ Legal/ HR etc.)	380	Services for RCM, Finance, Legal, Admin, etc.	RCM services – Consumer services, bill revision activities, etc. Finance – Verification and Processing of invoices Legal – Court released services Admin – CLA and time management
Call Centre Services	79	Commercial	Capturing of consumer complaints, evaluating problems, providing solutions, and forwarding issues to concerned departments for solutions
CSC	90	Commercial	Capturing of consumer complaints, evaluating problems, providing solutions, and forwarding issues to concerned departments for solutions
Enforcement activities	194	Commercial	
Security Services	247	Security	Provide security services at different offices of TPWODL
IT Services (Fluent grid)	31	IT	Providing IT support services
IT Manpower Services	32	IT	Providing IT support services
Store Services	112	Stores	Logistic services in stores
Housekeeping	135	Admin	Housekeeping, GH, office boy, and panting services

Expenses towards Terminal Benefit

As per terms of vesting order dated December 28, 2020, issued by the Odisha Electricity Regulatory Commission (OERC), all existing employees of Wesco Utility (WESCO) have been transferred to the Licensee. Payment of terminal benefits including pension, gratuity and leave encashment to the past and existing employees will be made by the respective Trusts (WESCO Employees' Pension Fund Trust, WESCO Employees Gratuity Fund Trust and WESCO Employees Rehabilitation Fund Trust) over the eligibility period.

Considering specific clarification in TPCODL's Carve Out Order and management expectations, the Licensee has revised the accounting treatment of terminal employee liabilities to align it with TPCODL and therefore the Actuarial provisions on account of terminal dues of the erstwhile employees.

Therefore, in line with Hon'ble Commissions order & direction in the vesting order TPWODL has projected the terminal liabilities towards pension, gratuity, leave encashment etc on **the basis of actual cash outgo** and the projections provided for FY 24-25 and FY 25-26. The details are given in OERC Form: F-12. Therefore, the employee Terminal Benefit outgo requirement for the year FY 24-25 and FY 25-26 amounting to Rs. 152.70 Cr. and Rs.157.28 Cr. respectively may kindly be approved.

Further, as per normal practice & approval of the Hon'ble Commission, the contractual obligation of an amount of Rs. 58.86 Cr. has been proposed for the ensuing year which may kindly be approved, as like of approval made for FY 22-23, FY 23-24 and FY 24-25.

The licensee proposed the Employee cost aggregating to Rs. 566.98 Cr. net of capitalization for FY 25-26.

In view of the above it is humbly submitted before Hon'ble Commission to approve the proposed employee cost of **Rs. 566.98 Cr.** net of capitalization for the ensuing year.

2.5. Administrative and General Expenses

The A&G cost of the Licensee is towards license fees, rent, rates & taxes, insurance, vehicle hire charges, consultancy charges, electricity charges, travelling & conveyance, advertisement & CSR, Meter reading billing and collection (MBC), collection cost for current including arrear, enforcement & vigilance, watch & ward, IT automation, energy audit, shifting of meters from inside to outside premises, safety and statutory requirement, audit fees and expenses, legal expenses, GIS, SCADA & data communication &maintenance cost etc.

After assuming business operations, TPWODL has engaged agencies on a circle-wise basis through a transparent bidding process to handle meter reading, billing, and collection activities, which constitute a significant portion of the A&G expenses. Additionally, revenue enhancement initiatives, such as engaging arrear collection agents and their associated commissions, as well as costs related to customer care, vigilance/enforcement activities, have been included under the A&G expenses. Furthermore, O&M expenditures aimed at improving reliability, adopting advanced operational technologies like SCADA, GIS, IT automation, and ensuring safety measures are also accounted for under the A&G head. In addition to above, to strengthen the activities like enforcement, customer service, meter replacement, MBC, Energy Audit, Digitalization of IT & OT Infrastructure, etc the Licensee has proposed certain additional expenditure which may kindly be taken into consideration.

As per the terms of Regulation, 2022 Hon'ble Commission approves the A&G expenditure of the Licensee wherein the provision of escalation of 7% hike over previous year approval along with additional expenses (subject to prudence check) towards improvement in performance for special measures to be undertaken are permitted. The relevant regulation is extracted below.

Regulations 3.9.16 & 3.9.17 of the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 provides as under:

> *"3.9.16. The normal A&G Expenses for each subsequent year will be determined by escalating the approved A&G Expenses (excluding additional or special A&G expense) for the previous year, at the escalation factor of 7 % to arrive at permissible A&G expenses for each year of the Control Period.*
>
> *3.9.17. The Commission, in addition to the normal A&G expenses may allow additional expenses, under this head for special measures to be undertaken by the distribution licensees which are not covered under Capital Investment plan approved by the Commission.*
>
> *Provided the Commission will undertake a prudence check before allowing such expenditure."*

In its previous orders, the Hon'ble Commission has consistently considered a 7% increase over the allowable A&G expenses of the preceding year, accounting for inflation on normal A&G expenses. It is therefore respectfully requested that the Hon'ble Commission approve the A&G expenses for FY 2025-26, taking into account historical trends, the prevailing inflation scenario, and the Licensee's additional requirements in a prudent manner.

It is worth to mention here that, the minimum wages of Unskilled, Semiskilled, Skilled and Highly Skilled categories of employees has increased vide Notifications No. 5308 dated 18.07.2024 and 6432 dated 30.09.2024 by Office of the Labour Commissioner, Govt. of Odisha. The impact on account of such wage hike has also been estimated in the current year and projection has also been made accordingly. The following table indicates the increment of Minimum wages and VDA.

Category of Employee	Minimum Wage per day w.e.f 18.07.2024	V.D.A per day w.e.f 01.10.2024	Minimum Wage with VDA per day w.e.f 01.10.2024
Unskilled	Rs. 450/-	Rs. 2/-	Rs. 452/-
Semi-skilled	Rs. 500/-	Rs. 2/-	Rs. 502/-
Skilled	Rs. 550/-	Rs. 2/-	Rs. 552/-
Highly Skilled	Rs. 600/-	Rs. 2/-	Rs. 602/-

With the above revision, the employees engaged by various Business Associates for performing activities like MBC, AMC in 33 kV & 11 kV, housekeeping and other maintenance activities, etc. will get the benefit. Accordingly, the associated Cost of services provided by BAs will substantially increase.

As per the order of Labour Commissioner vide Order No. 1047 dated 21.02.2024 the employees engaged i.e. Meter Readers & Bill Collectors will be covered under "Skilled Category".

Accordingly, the impact of wage revision in the current year w.e.f. 01.10.2024 under MBC in the current year will be:

S. No.	Activity	FY 2024-25				
		Monthly Manpower cost as of 17-07-2024	Annual Expenses	Monthly Manpower cost as of 01-10-2024	Annual Expenses (after Wage Revision)	Differential expenses (after wage revision)
		(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
1	Metering & Billing	3.02	36.20	3.76	45.13	8.93
2	Collection	3.56	42.75	4.55	54.66	11.91
3	**Total**	**6.58**	**78.95**	**8.32**	**99.79**	**20.84**

Accordingly, the Hon'ble Commission is requested to allow the additional cost incurred on account of wage revision during the current year. While projecting, the cost of MBC for ensuing year the base after wage revision has been taken into account.

The Licensee has projected the A&G cost for ensuing year with hike of 7% on estimated expenses of current year (FY 2024-25) and also requested for additional expenses towards specific head with detail justification as outlined in following sections.

The A&G expenses for FY 2025-26 are projected at Rs 232.99 Cr., which includes additional expenses of Rs. 51.96 Cr.

It is submitted that there has been an increase in Meter Reading, Bill Distribution, Billing, and Collection (MBC) costs due to various reasons as under:

a) Transition towards advanced metering infrastructure (AMI) and smart meters, while beneficial in the long run, requires significant upfront investment in technology and training.

b) Rising costs of labor, driven by inflation and increased demand for skilled personnel.

c) Growing complexity of billing systems, including the need for accurate data integration and management.

d) Enhancements in customer service, such as improved complaint resolution mechanisms, necessitate additional resources and technology investments.

e) Implementation of robust collection strategies to minimize revenue losses from delinquent accounts.

Furthermore, it is important to highlight that from FY 2018-19 to FY 2023-24, DISCOM has witnessed a steady increase in month-wise revenue collection (LT), demonstrating improved operational efficiency, greater billing accuracy, and broader consumer outreach. The month-wise collection trend for the LT segment is tabulated as below:

Rs. Cr.

FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
18-19	45.6	40.6	54.0	53.3	48.9	46.2	47.8	43.7	41.0	43.3	38.0	202.9	**705.4**
19-20	35.8	50.3	58.6	56.8	49.8	49.4	55.9	56.5	57.8	57.3	61.0	102.1	**691.3**
20-21	21.4	57.7	64.3	60.3	58.8	62.8	69.6	83.3	66.6	93.9	53.7	220.3	**912.5**
21-22	49.7	31.2	91.6	71.6	75.2	67.0	56.6	71.4	98.0	78.9	87.6	262.9	**1041.7**
22-23	57.6	72.9	107.5	104.7	90.2	100.7	89.5	90.3	92.4	96.9	109.7	287.1	**1299.3**
23-24	84.9	88.1	116.8	124.9	109.8	105.9	113.5	108.1	101.0	95.0	96.9	231.7	**1376.8**

Similarly, from FY 18-19 to FY 23-24, TPWODL has also experienced a steady increase in LT consumer coverage month-on-month. This growth aligns with national electrification policies aimed at providing universal access to electricity, especially in underserved rural regions. Key initiatives, such as intensified consumer outreach, last-mile connectivity, and simplified connection processes, have made it easier for households and small businesses to join the grid. The month-wise consumer coverage (MRs generated in lakhs) is tabulated below:

Nos in Lakh.

FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
18-19	3	2.2	2.8	3.1	3.3	3.1	3.2	3.2	3.1	3.6	3.1	7.0	**40.7**
19-20	2.3	3.3	3.1	3.4	3.0	3.1	3.6	4.0	4.5	4.6	4.1	4.1	**43.1**
20-21	0.5	2.8	3.2	3.6	3.7	4.6	4.8	5.8	5.1	5.2	4.7	8.6	**52.4**
21-22	3.0	4.2	4.4	4.3	4.0	3.1	2.8	4.2	5.5	5.3	6.0	10.1	**57.0**
22-23	3.2	4.1	7.0	7.6	7.6	8.3	8.3	9.1	10.1	9.6	9.3	11.5	**95.7**
23-24	8.8	10.6	10.5	11.9	11.8	11.4	11.8	11.9	11.9	12.2	12.6	14.2	**139.8**

As can be seen from the above table, there has been an annual as well as month-wise increase in LT consumer coverage from FY 18-19 to FY 23-24 which has necessitated higher A&G expenses, which have supported the DISCOM in scaling its operations to meet new demands. The increase in LT consumer coverage reflects DISCOM's commitment to enhancing energy access, which has, in turn, supported revenue growth and improved overall network utilization. As the consumer base has expanded, DISCOM has scaled up its infrastructure and customer service capabilities to maintain quality and reliability, positioning itself to serve an ever broadening and diverse range of consumers across its service areas.

Apart from the normal A&G expenses, due to various other initiatives and additional scope in the activities, the Licensee has claimed additional A&G expenses of Rs. 51.96 Cr. and requests the Hon'ble Commission to approve the same.

Additional A&G Cost for FY 2025-26.

Sl. No	Description	Amount (Rs. Cr.)	Justification
1	Energy Audit	0.02	Ref. para 2.5.1
2	Call Centre Addnl. Cost	7.13	Ref. para 2.5.2
3	GIS, SCADA, Communication, OT, Data Charges	7.62	Ref. para 2.5.3
4	IT automation	6.14	Ref. para 2.5.4
5	Insurance Premium Cost for GFA of Govt. Funded Jobs	5.00	Ref. para 2.5.5
6	Loss Reduction	1.49	Ref. para 2.5.6
7	Metering, Billing & Collection (MBC)	17.65	Ref. para 2.5.7
8	Enforcement activities	6.90	Ref. para 2.5.8
	Total	**51.96**	

The reason/justification and approximate cost under each head is provided in the following paragraphs:

2.5.1. Energy Audit

Energy audit is a comprehensive assessment of how energy is used effectively in a Utility. It aims to identify areas where energy is being wasted and recommends measures to improve efficiency. The Energy Audit department of TPWODL has been proactive in taking various initiatives and implementing strategies to reduce energy losses. The Energy Audit department at TPWODL plays a crucial role in ensuring compliance with regulatory standards and environmental regulations. Energy audits are fundamental in driving operational efficiency, cutting costs, and promoting sustainability at TPWODL. By identifying and addressing energy inefficiencies, it helps to create a more reliable and environmentally friendly energy distribution system. This not only benefits the organization but also supports broader environmental goals and regulatory compliance.

The following monthly Energy audit activities are carried out in TPWODL:

1. BST & Transmission bill unit comparison w.r.t GRIDCO & OPTCL billed units.
2. BST bill unit v/s 33 kV Feeder consumption.
3. EHT Consumer Consumption Comparison w.r.t BST bill unit.
4. 33 KV & 11 KV Feeder and DT loss calculation.
5. Dedicated Industry audit
6. Group audit/one-to-one audit of high-value industrial consumers
7. Apartment audit of residential/commercial apartments

The Cost projected for Energy Audit for FY 2025-26 is as under:

Nature of Activity	FY 2025-26 (in Rs. lakhs)
Annual Energy accounting (Consultation Fee to Accredited Energy Auditor)	2
Total	**2**

2.5.2. Customer Care & Call Centre

It is utmost important to resolve consumer grievances as quickly as possible. TPWODL has implemented a range of consumer-centric initiatives to enhance service accessibility, responsiveness and consumer satisfaction. Exclusive E-Care Centers, New Service Connection missed call services and interactive WhatsApp services provide consumers with easy and efficient ways to connect and address their queries or grievances through multiple channels, including social media, email and tele-calling. Automated systems, such as the IVRS for contact information capture and CRM integrations for complaint tracking, enable better consumer outreach and streamlined issue resolution. Additionally, targeted initiatives like the KAM Contact Plan and HT-EHT client visits foster stronger relationships with high-value consumers, ensuring personalized support and prompt issue resolution. For specific needs, services such as real-time outage information and a Senior Citizen Desk at Customer Care Centers have been introduced, enhancing the experience for diverse consumer segments. Moreover, the TPWODL digital services promotion at the grassroots level, combined with the Mo-Sarkar Visitor Management System and Jan Jagran Journey camps, promote consumer awareness, feedback, and safety measures, thereby bolstering community engagement and trust in TPWODL's services.

Call Centre has been ever since April 2021 with the following features:

Existing Features of Call Centre:

i. Interactive Voice Response System (IVRS) based calls routing to agents.
ii. Computer Telephony Integration with CRM
iii. Options of three languages i.e. Odia, English and Hindi
iv. Auto-forwarding of complaints to SDO & Section based on complaint codes derived from the consumer account.
v. IVRS with 7 options to choose from.
vi. Reporting of theft and ethics-related issues through voice-recorded message.
vii. Option available on IVRS for mobile number and Email ID updating.
viii. Happy calling to take the consumer feedback on regular basis.

In addition to the above-mentioned Customer Services with Various Touch Points below are the upcoming services for better and more effective customer centricity in FY 25-26.

Call Centre (Upcoming Services in FY 25-26)

Technology Upgrade

1. Integrated Call Centre and Unified CRM OMNI Channel: This system would ensure a uniform approach to handling consumer interactions across various channels like Social Media, Call Centre & E-Care.
2. Preferred Language Setup Feature: Consumers can choose their preferred language, which enhances personalized communication and user experience.
3. Auto Dialer for Outbound Calling: An automated dialer system would be implemented for efficient and timely outbound calls focused on Recovery related calls.
4. IVR NPS - Automated No Power Supply complaint registration on Call Centre IVR (1912) to reduce the load at call centre during peak periods.
5. Introduction of "Missed call Service" for Outage Information and NPS Complaint Registration– 9777774511 to reduce the load at call centre during peak periods.

Increase of Manpower @ Call Centre: Based on the inbound call flow trend above 40% YoY, increase of manpower from existing 80 agents to 100 agents in next financial year, with this daily calling capacity would increase from Rs. 11000/- to Rs.15000/- per day.

Outbound Consumer Campaigns from Call Centre:

1. Tie up with True caller for whitelisting of our out calling numbers (Removing from SPAM List) with TPWODL Logo and reason of Call to increase the contact ability with consumers.

2. Automated Voice Based out calling to default consumers for arrear dues payment to improve the collection.
3. PM Surya Ghar Muft Bijli Yojana Promotion Campaign through Call Centre. This refers to an initiative where a call center campaign would be conducted under the PM Surya Ghar Muft Bijli Yojana, encouraging consumers to opt for solar connections.
4. Welcome Calling to New Released Service Connection through Call Centre.
5. Know your Consumer: Online Customer demographic details validation (Name, Address, Mobile No, Email Id etc.)

E-Billing & KYC From Call Centre:

1. E-bill Opt-in request registration drive through Call Centre and various touch points to save the paper and timely distribution of monthly bills to consumers over WhatsApp & Email.
2. KYC Flagging (Mobile Number and Email ID verification) process in billing system.
3. Mobile number and email id Capturing through Meter Reader app along with OTP validation.
4. SMS based Services: Electricity related information through SMS anywhere anytime at your fingertips.

Pay n Win Scheme for Regular Payee Consumers:

Consumer behavior and perspective towards a service or product is one of the vital parameters to measure the smooth and sustainable functioning of the business. At this point, it is vital to emphasize on Consumer awareness and encourage them to consume electricity wisely and pay the bills on regular basis. It will eventually help consumers, as better collection of Energy Bills will lead to lowering of the overall supply tariff.

To encourage consumers to pay their electricity bills timely Pay n Win Scheme identifies consumers with no arrears in residential and agricultural categories, every month sub division wise 3 consumers would be identified and rewarded with gifts like Mobile phone, Sa-re-ga-ma Caravan & Solar Lamp.

Customer Care Centre (Upcoming Services in FY 25-26)

1. Dedicated Customer Care Centre Setup for physically disabled consumers.
2. New Customer Care Setup at Padampur under BWED Division.
3. “Saral Samwad” Hotline installation - In over 400 Fuse Call Centers (FCCs) Hotline Access would be provided to Consumers for registering No Power Supply related complaints with GPS Map feature and location tracking.
4. Offline C-Sat Survey through third party to Identify Consumer Needs & Expectation through physical visit by third party for all categories consumers.

5. "Maitri- A Digital Bonding" consumer campaign at consumer doorsteps. In this drive the camps shall be organized in identified areas based on analyses of mode of payment patterns.
6. Across TPWODL the Customer Care Centre will be equipped with CCTV cameras for surveillance.
7. Virtual Customer Services- through Customer Care Centre to resolve or assist customer resolve query/complaint with the help of departmental SPOC

Social Media & E-Care (Upcoming Services in FY 25-26)

Technology Upgrade

1. Enhanced CRM 365 and Social Media Integration: Integrate social media platforms with the CRM system to streamline complaint tracking, enabling prompt response and resolution for improved consumer satisfaction.
2. Consumer Sentiment Analysis and Reporting: Regular analysis of consumer sentiment to understand feedback trends, strengths, weaknesses, and opportunities. This will help management make informed decisions and improve service quality.
3. Real-Time Outage and Storm Information Updates: Provide consumers with real-time updates on outages and storm-related issues, improving transparency and trust in TPWODL's responsiveness.

Awareness Campaigns on Social Media, Print Media, Television, Hoardings & Banners)

1. Energy Efficiency and Green Energy Awareness Campaigns: Promote energy-saving tips and green energy benefits, encouraging consumers to adopt sustainable practices and utilize green energy solutions.
2. Consumer Education on Smart Meters: Use social media to educate consumers about the advantages and functionality of smart meters, promoting their adoption for better energy management.
3. Promotion of Online Self-Service Platforms: Increase awareness and adoption of the TPWODL mobile app and website for self-service options, making it easier for consumers to manage their accounts, pay bills, and access support services.

To summarize, the Licensee proposes **Rs. 7.13 Cr.** under this head towards additional expenses which may kindly be considered.

Customer Service OPEX	FY 25-26 (Rs. Lakh)
Call Centre Manpower	282.00
IKONTEL Call Centre CRM Solutions	19.32
IKONTEL Missed Call Service Solution	0.48
IKONTEL Interactive WhatsApp Solutions	3.60

Customer Service OPEX	FY 25-26 (Rs. Lakh)
Ikontel_Post Transaction Feedback	0.60
Manpower Services for operation of Consumer Care Centres	221.00
SMS Charges for sending SMS to Consumers	177.60
Tubelight (WhatsApp delivery charges)	102.20
Email	1.68
Voice Message (IVR OBD)	10.38
Call Centre IVRS (1912) BSNL	165.00
SIM Rental for Call Centre Desk phones	5.96
Various Customer Meet	10.00
Manpower Services for Handling Social Media Complaints	30.00
SIM Rental for Call Centre Desk phones	30.10
Customer Satisfaction Survey	4.32
TOTAL	**1064.24**
Less: Recurring cost already considered under Normal A&G	**350.90**
Additional Expenses Considered	**713.34**

2.5.3. OT Initiatives for improvement of Reliability, SCADA/GIS etc

In order to enhance reliability, reduce losses and optimize overall performance necessitates the effective implementation of advanced technologies. TPWODL is currently undergoing a significant technology transformation to elevate customer service quality and provide a safe, highly reliable, and improved quality power supply. This transformation aligns with various operational standards. TPWODL has strategically planned systematic investments in Operation Technology to integrate the latest advancements.

Among TPWODL's notable achievements is the establishment of a 24/7 Operational Power System Control Centre (PSCC), along with the provision of mobile applications to all 33/11KV Primary Sub-Stations, enabling operational data collection, planned outage monitoring, and timely information dissemination to consumers. TPWODL takes a proactive approach in monitoring planned outages, ensuring that consumers receive information about outages in their area at least 48 hours prior.

JUSTIFICATION -

By strategically implementing cutting-edge technologies, TPWODL has achieved notable progress in improving its operational efficiency and service delivery.

Communication establishment of offices and PSS: In order to enable smooth communication and data sharing, TPWODL has set up an extensive communication network. Connecting several offices and primary substations (PSS), this network is based on MPLS and optical fibre technology. Critical processes like SCADA, automation, and remote monitoring are supported by this infrastructure, which guarantees dependable and effective communication.

Spare of Distribution Automation & Substation Automation: TPWODL has prioritized the automation of its substations to improve reliability and reduce operational costs. As of now, 210 out of 315 PSS have been successfully automated. This automation involves the integration of various components, including communication cards, power supply cards, and Ethernet switches. These components are essential for the smooth functioning of SCADA and automation systems, enabling remote monitoring, control, and fault detection.

Autocad & GIS Support For Engg. Drawing: The completion of the GIS project in March 2024 has further strengthened TPWODL's capabilities in network planning, design, and maintenance. This advanced GIS system provides detailed information on the power distribution network, including feeder configurations, substation locations, and consumer data.

To ensure the effective utilization of GIS, TPWODL has invested in various activities such as printing single-line diagrams (SLDs), pole painting, and software maintenance. These initiatives enhance the accuracy and reliability of GIS data, enabling informed decision-making and efficient resource allocation.

By making these crucial technology investments, TPWODL will be in a strong position to increase service delivery, boost operational effectiveness, and support the growth of the power industry as a whole.

OT Particulars	FY 24-25 (Rs. Cr.)	FY 25-26 (Rs. Cr.)
Automation	3.00	3.00
Communication	2.40	2.40
GIS	0.72	0.72
Virtual Reality for Switchyard operation	-	1.5
Total	**6.12**	**7.62**

The Licensee has considered **Rs. 7.62 Cr.** towards additional OT Expenses.

2.5.4. Additional Expenses towards IT Automation

TPWODL has setup state-of-the-art Technology Center & Disaster Recovery Center to develop, host & maintain IT/OT infrastructure and Business Applications. Enterprise Private Network has also been setup to connect all remote Offices and enabled them for uniform accessibility of Business Application, Enterprise Software and all required Data access facilities as it's available to major City offices across TPWODL.

To maintain such critical assets, OPEX is indispensable. Upon implementation of various IT automation activity, lot of visible changes has been undertaken & executed in last 30 months of operation. Some of the completed activity has been appended for perusal of Hon'ble Commission.

Innovative digital initiatives for Applications

In FY 2024-25, IT Team has continued implementation of its digital innovations for the benefit of Customer as well as streamlining business process and growth of the company.

- **Launch of New Applications**
    - **DO & RO App**
    - **FCC App**
    - **Enforcement App**
    - **Sanjoga App**
    - **Suraksha Sahamati App**
    - **Mangalam Portal**
    - **Improvisation of Collection Application "MUDRA 2.0"**
    - **User Access Management Systems (UAMS)**

Major notable initiatives:

Multiple employee-centric IT initiatives are being implemented to enhance employee satisfaction and well-being, while adhering to rigorous data security standards. TPWODL has deployed multi-layered security approach to mitigate the risk of data breaches and unauthorized access.

In this endeavor, Wireless Application Firewall, DDoS, Perimeter Security Firewall, Internal Security Firewall has been implemented in TPWODL enterprise IT network.

- **Technology Augmentation at DC & DR -** Technology Center & DR hardware augmentation has been done by installing new active hardware.
  - ✓ **DC/DR Active Hardware**
  - ✓ **ICC Infrastructure**
  - ✓ **Security Posture & Audit**
  - ✓ **Enhanced Email/Collaboration Services**

SAP Implementation Updates –

Additional features across different SAP Modules have been implemented for facilitation of services and improve business processes across different departments.

- ✓ **PM Module**
  - Roll out of SAP PM business New Processes across all the Circle DT Breakdown Report and Analysis
  - SAP and FG Integration for Auto A1 notification
  - DT chain upgrade
  - Warranty Management Process
  - CT/PT Failure Record
  - Integration of FCC Application with ADMS
  - Integration of SAP with ADMS for the Predictive maintenance and Planned Shutdown
  - Fiori Mobile Application for HT Consumer Meter Testing
  - BRAP 2024 Compliance
  - Safety Innovation Project (SK 3.0)
  - Maintenance Mobile Application for Online Survey

- ✓ **MM Module:**
  - Material Site Inspection & MDCC
  - PR/ PO Approval from Mobile
  - Roll out of SAP MM business New Processes Digitalization
  - Schedule of material delivery from store
  - Store and Door Delivery Mobile Application
  - Digitalization of the Manual MIS Reports

The details of IT automation cost for FY 25-26 under different heads is as below:

Particulars	Rs. Lakh
M365	325
Customer Experience Enhancement	52
SAP AMC	363
Internet Connectivity	24
MBC CIS Support FG & Digitization of documents	1200

Particulars	Rs. Lakh
Manpower Support Services	280
Software & Subscriptions	260
Enterprise IT & Infra	162
Total	**2666**
Less: Recurring cost considered under normal A&G	2052
Additional A&G Considered	**614**

The Licensee has considered **Rs. 6.14 Cr.** towards additional IT Expenses.

2.5.5. Insurance premium towards GFA for Govt. funded projects

The Licensee has given a detailed justification under other proposal section 8 of this application towards creation of Contingency reserve for approval of Hon'ble Commission @ 0.25% of GFA amounting to Rs. 20.74 Cr. However, there is no such provision for Govt. Grant assets which are not in the books of the Licensee. Therefore, the Licensee has considered **Rs. 5 Cr.** towards Insurance premium cost for GFA of Govt. funded projects as an additional A&G expense which may kindly be approved.

2.5.6. Loss Reduction

Under Loss Reduction the following activities are to be undertaken.

(i) OCR Based Meter Reading:

With the objective of ensuring actual reading-based billing and ensuring the best customer services to the end consumers, TPWODL incurs expenditure for the replacement of defective meters, implementation of smart meters and onsite statutory testing of consumer meters and use of latest technology for accurate meter reading In order to ensure the reading-based billing of all consumers, TPWODL offers Rs.18.50/- per bill Metering & Billing Agency With the introduction of OCR-based reading an additional cost of @Re.1/- per bill get added. TPWODL has proposed **Rs. 0.54 Cr.** towards Metering & Billing cost in FY 25-26.

(ii) Estimated cost to bring consumers into billing fold:

Upon field study, it is found that, there are many consumers who were earlier disconnected and are now availing power supply but are not in the billing fold or system. Therefore, the Licensee proposes an estimate of **Rs. 5.1 Lakh** to bring the disconnected/ not in billing fold consumers into billing fold engaging outside third party at the rate of Rs 600 per consumer for 850 consumers under all 5 circle.

(iii) Estimated cost for Capturing & reporting of correct Mobile No/Email ID.

The Licensee proposes **Rs 0.09 Lakh** towards capturing and reporting of correct details like contact number, email ID, address, etc. for 45000 consumers at a rate of Rs. 2.

(iv) Estimated cost for Conversion of provisional/average bill continuing for more than 2 months into the actual base.

The Licensee proposes Rs. 0.02 Cr. for conversion of provisional/ average bill which are continuing for more than 2 months into the actual base for 5200 consumers at Rs. 40 per customer.

Meter Replacement (Recurring expenses other than cost of meters)

Manpower Services Cost for Consumer Survey

Around 2 Lakhs consumers have defective meters in the billing database. These faulty/defective meters are being replaced on regular basis. However, during replacement of these meters in the field, it is observed that many premises are locked, or consumers are not available at the site and consumer resistance. To attend to such cases multiple visits are required for meter replacement teams thereby reducing their efficiency and increasing the cost of the entire activity. To overcome such a scenario, it is pertinent to identify the locations and exact status of these connections, for which survey activity needs to be carried out beforehand so that Meter Replacement activity can be done in a more effective and time-bound manner. To carry out the survey, a mobile application has been developed by the in-house IT Team named "MMG 2.8" which has made the meter replacement activity a lot systematic, automatic, and error-free.

Expenses towards Maintenance and testing of CT/PT Unit

As per OERC Conditions of Supply Code-2019 and the CEA regulations all EHT & HT Meters must be tested once every year, single-phase consumers once in 5 years and three-phase must be tested once every 03 years. This is a statutory requirement and TPWODL needs to comply with it. At present, there are 2300 nos. of HT & EHT consumers and approx. 3500 consumers having LTCT meters in the purview of meter testing for which agencies need to be hired who are experts in carrying out such testing activities. Work is allotted based on tendering and competitive bidding to agencies equipped with all required tools and instruments suitable for offline as well as live line field testing and possess sufficient logistics facilities for ferrying manpower and testing equipment across the TPWODL area.

Tools & Equipment - Lineman Tool Kit:

Linemen work on electrical cables and powerlines with powerful electric currents, making it mandatory to follow all applicable safety protocols, and PPE and use proper tools and tackles to keep them protected from electric shock and accidents. As there are 201 Sections across TPWODL, approx. 500 such kits are required per annum to replace worn-out defective items and provide immediate replacement to maintain continuity of meter testing services.

Calibration of Instruments:

As per ISO 9001, all testing instruments are required to be calibrated at defined intervals, at least once a year through the NABL Certified Statutory Agency. Instruments like meggers, earth testers, clamp-on meters, multimeters, on-site accuracy testers, CTPT testers, etc. are being used for maintaining metering at operational standards.

Rental for SIMs for Modems:

To keep the AMR Modems installed at HT Consumers billing meters, monthly rental charges for SIMs are required for remote and timely reading and billing on the 1st day of every month or on demand. 3.5 lakh Smart Meters have already been installed and it will increase to 6 lakhs in next FY.

Expenses towards maintenance of Office & MMG Store:

To facilitate timely availability of meters and metering materials at all locations, including remote locations, 25 Nos. Porta Cabins were procured for setting up of MMG office as well Material Storage at various MMG locations. These porta cabins act as storage for materials drawn from central stores for site activities.

Replacement of Dusty/Non-Visible Meter Boxes

Around 60000 Meter Boxes need to be replaced as these boxes have got dirty due to environmental factors and continuous exposure to elements and Meter reading and other details are not visible from outside.

Manpower Services Cost for attending Non Comm cases of smart meter

Around 3.5 Lakh Smart Meters have been installed out of which 40K are not communicating due to several factors. Further 5K new cases are added every month to resolve the non-Comm issue, teams will be deployed in the field.

Replacement of NIC in Smart Meters

While attending the Non-Communicating Smart Meters, sometimes NIC needs to be replaced to make the Smart Meter communicate with HES.

Replacement of Seals for attending Non Comm cases of smart meter

While attending the Non-Communicating Smart Meters, polycarbonate seals will be installed on Meter and Meter Box.

Manpower Services Cost for Shifting of Old Meters installed Inside/At Height

Around 3.54 Lakhs consumers have meters installed either inside their premise or at height due to which Meters readers are unable to take the Meter readings properly. These meters needs to be shifted outside the consumer premise and installed at suitable height for proper meter reading.

Meter Testing Lab

TPWODL has three numbers of Meter Testing Lab. These are at Burla, Rajgangpur & Bolangir locations. All three labs are fully equipped to test all type of Energy Meters. All three labs have received NABL accreditation.

Till Oct 2024 month, all three Lab has tested approx. 2 lacs Meters, including consumer compliant Meters etc.

It has been decided to test 100% Smart Meters procuring by TPWODL to give additional confidence to consumers.

Therefore, the Licensee proposes **Rs. 1.49 Cr.** towards additional A&G expenses under Loss Reduction.

Activities	FY 25-26 (Rs. Cr.)
OCR Based Meter Reading	0.54
Cost to bring consumers into billing fold	0.60
Cost for capturing & reporting of correct Mobile No/Email ID	0.10
Cost for Conversion of provisional into actual	0.25
Total	**1.49**

2.5.7. Meter Reading, Billing & Collection (MBC)

With the vision of initiating the structured and proper course of the reform process, the TPWODL has introduced a system of competitive bidding with proper checks and balances for the appointment of Division wise Metering and Billing Agencies. Thereby, after going through the complete process of competitive bidding in a transparent manner, 11 (Eleven) Agencies were appointed and started their Metering and Billing activity from 1st August

2022 in a phased manner to carry out performance-based tasks of Meter reading and billing activities in their assigned Divisions. Besides, the primary activities of Meter reading and billing, the incentives are attached with other supporting and loss reduction activities such as reporting of extra-connections, Theft/ Unauthorized Extension, Misuse cases, reporting of unethical activities, OCR-based billing, etc.

With the vision of accommodating the future requirements and dynamic needs of the organization, the broader spectrum of performance parameters such as training & development of BA employees on the new billing system namely the Fluent Grid (FG) billing system are taken into consideration while deciding the scope of service level agreements with the agencies. The Division wise detail of the Agencies appointed is as follows:

Division Wise Metering & Billing Agencies Appointed	
Agency Name	**Division**
Inventive Software Solutions Pvt. Ltd	BED, Bolangir
Shyam Indus Power Solutions Pvt. Ltd	TED, Titlagarh
Hindustan Engineering Corporation	SED, Sonepur
	NED, Nuapada
M/s. Bks Enterprises	KEED & KWED Kalahandi
Emdee Digitronics Pvt. Ltd	BWED, Bargarh
Powertech Consultants India Pvt. Ltd	BED, Bargarh
M/S. Buddham Builders Private Limited	RED, Rajgangpur
	SED, Sundergarh
M/s. The Imperial Electric Company	RED, Rourkela
	RSED, Rourkela
M/S Data Ingenious Global Limited	BED, Brajraj Nagar
	DED, Deogarh
Powertech Consultants India Pvt. Ltd	JED, Jharsuguda
M/S G.V. Electricals Pvt Limited	SED, Sambalpur
	SEED, Sambalpur

Coverage Area/ Extent of Applicability:

This includes a complete operating area of TPWODL which includes:

Circle Name	Division	Sub-Division	Section
Rourkela	4	14	45
Sambalpur	5	12	57
Bargarh	2	9	31
Bolangir	3	11	36
Kalahandi	3	10	32
Total	**17**	**56**	**201**

Scope of work:

The scope of work extends to the whole operating area of TPWODL and includes-

i. Meter reading for spot billing of consumers
ii. Meter reading for non-spot billing consumers
iii. Special meter readings
iv. Bill Distribution, with collection of consumers contact details.
v. Painting of walk-in sequence
vi. Training & development of BA employees

Besides the above, following additional initiatives have also been taken to improve billing efficiency: -

i. OCR Based Billing
ii. Installation of Smart Meters in Single Phase consumers
iii. Installation of Smart Meters in Agriculture Consumers.
iv. Replacement of defective and aging meters
v. Expedite the Bill Revision process for error-free billing.
vi. Efforts to reduce provisional billing.
vii. Onsite statutory testing of consumer meters.
viii. Hiring extra manpower to expedite the meter replacement activities.
ix. Lead of theft/misuse.
x. Capturing the count of ACs installed in a premises.
xi. Establishment type capturing through bill distributors.
xii. Survey/Surveillance of Bill Stopped cases.

Reasons for Escalation in MBC Expenses

a) **Increase in Minimum Wages**: Government-mandated increases in minimum wages raise labour costs, directly impacting expenses for roles like meter readers and customer service personnel. Higher wages improve worker retention and satisfaction but lead to increased overall operating expenses. The Meter Readers involved in meter reading activities were earlier place under "Semi-skilled" category, which has now been ungraded to "Skilled" category. This, along with the revision in minimum wages has increased the minimum wage by 40%.

b) **Change in Category of Meter Readers (Semiskilled to Skilled)**: When meter readers are reclassified into a higher category, their wages and benefits often increase to match the new classification standards. This adjustment raises the cost per employee, contributing to an overall increase in labour expenses.

c) **Increase in Billable Consumer Base**: With a growing number of consumers, the demand for resources such as meter readers, billing operations, and customer service support also rises. This expansion requires additional manpower, technology, and infrastructure, leading to higher operational costs.

Estimated cost involved in carrying out core functions of Revenue Cycle Management Departments i.e. Meter Reading & Billing for FY 25-26 on the basis of consumer data up to Oct- 2024 is enumerated below:

Estimated Monthly Cost of Spot Meter Reading, Billing and Bill Distribution and service of Disconnection Notice Cost			
Circle	**Total No. of Consumers**	**Rate**	**Total Cost (in Rs.)**
Bolangir	4,48,509	₹ 30.20	₹ 1,35,43,086.90
Bargarh	2,66,992	₹ 34.95	₹ 93,31,107.61
Kalahandi	4,43,911	₹ 29.06	₹ 1,28,99,778.80
Rourkela	4,09,104	₹ 27.10	₹ 1,10,87,068.66
Sambalpur	4,13,621	₹ 28.94	₹ 1,19,71,934.41
Total	**19,82,137**	**₹ 29.68**	**₹ 5,88,32,976.38**

Estimated Monthly cost for Meter Reading of Non SBM Consumers- Other Than Irrigation/PWW and SPP			
Circle	**Total No. of Consumers**	**Rate**	**Total (in Rs.)**
Bolangir	1,664	₹ 51.64	₹ 85,922.40
Bargarh	1,069	₹ 84.99	₹ 90,857.57
Kalahandi	1,006	₹ 127.93	₹ 1,28,693.82
Rourkela	2,071	₹ 80.50	₹ 1,66,718.11
Sambalpur	3,442	₹ 78.45	₹ 2,70,038.90
Total	**9,252**	**₹ 80.22**	**₹ 7,42,230.80**

Estimated Monthly cost for Colored Bill Printing			
Circle	**Total No. of Consumers**	**Rate**	**Total (in Rs.)**
Bolangir	7,862	₹ 23.10	₹ 1,81,578.94
Bargarh	5,910	₹ 10.25	₹ 60,603.96
Kalahandi	6,245	₹ 45.89	₹ 2,86,610.91
Rourkela	11,759	₹ 30.07	₹ 3,53,613.38
Sambalpur	14,948	₹ 22.32	₹ 3,33,595.29
Total	**46,724**	**₹ 26.03**	**₹ 12,16,002.48**

Estimated Monthly cost for Bill distribution of Non-SBM Consumers including disconnection/other notice delivery with Acknowledgement			
Circle	**Total No. of Consumers**	**Rate**	**Total (in Rs.)**
Bolangir	7,862	₹ 56.49	₹ 4,44,091.81
Bargarh	5,910	₹ 36.33	₹ 2,14,705.68
Kalahandi	6,245	₹ 45.87	₹ 2,86,488.62
Rourkela	11,759	₹ 97.79	₹ 11,49,967.77
Sambalpur	14,948	₹ 53.96	₹ 8,06,549.18
Total	**46,724**	**₹ 62.11**	**₹ 29,01,803.06**

Estimated Monthly cost for Bill distribution of Non SBM Consumers including disconnection / other notice delivery without Acknowledgement			
Circle	Total No. of Consumers	Rate	Total (in Rs.)
Bolangir	153	₹ 54.20	₹ 8,292.60
Bargarh	102	₹ 27.58	₹ 2,812.65
Kalahandi	153	₹ 43.22	₹ 6,612.66
Rourkela	204	₹ 85.24	₹ 17,389.47
Sambalpur	255	₹ 37.74	₹ 9,623.19
Total	**867**	**₹ 51.59**	**₹ 44,730.57**

Estimated Monthly cost for Special Meter Reading/Site Verification report			
Circle	Total No. of Consumers	Rate	Total (in Rs.)
Bolangir	306	₹ 78.55	₹ 24,037.32
Bargarh	204	₹ 67.44	₹ 13,757.76
Kalahandi	306	₹ 134.55	₹ 41,172.30
Rourkela	408	₹ 92.00	₹ 37,533.96
Sambalpur	510	₹ 59.90	₹ 30,547.98
Total	**1,734**	**₹ 84.80**	**₹ 1,47,049.32**

Estimated Monthly cost for Special Bill Distribution / Notice with Acknowledgement			
Circle	Total No. of Consumers	Rate	Total (in Rs.)
Bolangir	612	₹ 48.58	₹ 29,728.92
Bargarh	408	₹ 33.28	₹ 13,578.24
Kalahandi	612	₹ 120.41	₹ 73,692.96
Rourkela	816	₹ 92.00	₹ 75,067.92
Sambalpur	1,020	₹ 74.68	₹ 76,177.68
Total	**3,468**	**₹ 77.35**	**₹ 2,68,245.72**

Estimated Monthly Meter Reading of Non-SBM Consumers- Irrigation/PWW and SPP Cost			
Circle	Total No. of Consumers	Rate	Total Cost (in Rs.)
Bolangir	25,876	₹ 59.75	₹ 15,46,134.19
Bargarh	36,724	₹ 52.61	₹ 19,32,094.08
Kalahandi	16,882	₹ 98.99	₹ 16,71,172.62
Rourkela	8,845	₹ 116.02	₹ 10,26,188.34
Sambalpur	11,805	₹ 85.07	₹ 10,04,234.98
Total	**1,00,132**	**₹ 71.70**	**₹ 71,79,824.21**

Revenue Collection and Recovery Initiatives

With the vision of initiating the structured and proper course of the reform process, TPWODL has introduced a system of competitive bidding with proper checks and balances for the appointment of Division wise collection Agencies. Thereby, after going through the complete process of competitive bidding in a transparent manner, 9 Agencies were appointed and started their Revenue Collection activity from 2022 in a phased manner to carry out performance-based tasks of Revenue Collection in their assigned Divisions.

With the vision of accommodating the future requirements and dynamic needs of the organization, the broader spectrum of performance parameters such as training & development of BA employees on the new Collection system application are taken into consideration while deciding the scope of service level agreements with the agencies. The Division wise detail of the Agencies appointed is as follows:

Division Wise Revenue Collection Agencies Appointed	
Name Of Division	**Name of Agency**
Bolangir & Sonepur	Hindustan Engineering
Titilagarh & Nuapada	Subhedu Dash
Bargarh (BED & BWED)	HS Power
Kalahandi (KEED) - Partly	Susanta Pattnaik
Kalahandi (KEED Part & KWED)	Bks Enterprises
Rajgangpur, Brajrajnagar & Jharsuguda	Buddham Builders
Rourkela (RED & RSED)	Swastik Engineering
Sundargarh, Deogarh & Sambalpur (SED & SEED)	Impelco

I. Coverage Area/ Extent of Applicability:

This includes a complete operating area of TPWODL which includes:

Circle Name	Division	Sub-Division	Section
Rourkela	4	14	46
Sambalpur	5	12	57
Bargarh	2	9	31
Bolangir	3	11	36
Kalahandi	3	10	32
Total	**17**	**56**	**202**

II. Scope of work:

The scope of work extends to the whole operating area of TPWODL and includes-

i. Revenue Collection Door to Door activity

ii. Revenue Collection at Collection Counter

iii. Training & development of BA employees

Besides the above, the following additional initiatives have been taken to improve Collection efficiency: -

i. Door to Door collection with Minimum Current demand and along with Arrear recovery
ii. Door to Door collection through digital transaction Ezetap
iii. Bill collector wise Consumer allocation as per MRU
iv. Monthly target set for the bill collectors and incentives for achieving beyond the target
v. Daily work management and monitoring of bill collector wise performance
vi. Tele calling for low performance bill collectors for improving their performance
vii. Digital Services Stickering and Digital transactions through shops at villages

Therefore, the Licensee proposes **Rs. 17.65 Cr.** towards MBC and Revenue Collection activities for FY 25-26 to be considered under Additional A&G Expenses.

2.5.8. Vigilance & Enforcement Activity

To reduce AT&C losses, various measures have been implemented at the Division and Sub-Division levels. While some of these efforts have yielded positive results, additional work is necessary to meet the targets set by the Regulator. A constant watch is essential to prevent TPWODL customers and the public from resorting to unauthorized means to access TPWODL services

Scope of Work

The Enforcement Team will inspect meters during replacements, investigate suspected disconnected meters classified under the TD category, address misuse, and detect power theft in live meters based on available information (e.g., billing records, computer data, etc.) and intelligence gathered through covert surveillance and source work. This also includes conducting raids during night and early morning hours, as scheduled by TPWODL, to achieve optimal results.

i. Identification of theft cases.
ii. Preparation of a complete physical verification report after capturing all the evidence
iii. Seizure of material, preparation of seizure memo and handing over seized material to the concerned Section in charge.
iv. Submission of PVR report to concerned SDO/ Executive Engineer on the same day or the next morning.
v. The team shall be responsible for maintaining and sharing the MIS of cases checked and booked in the prescribed format provided by TPWODL daily.

vi. The team shall do door-to-door checking of at least 40 premises in the absence of any theft-related information.

vii. Facilitate Police in investigations like site identification, user and material evidence identification and submitting the material evidence at police stations.

viii. The involved team member needs to be present physically to proceed with the witness for trial by courts. Any expenses like (DA +TA for presenting the witness) need to be borne by the Business Associate.

ix. Reporting of Reading Accumulation Cases/ MD violations etc. abnormality to the department/ back office concerned for its resolution.

x. Supporting Enforcement Assessment cell team in conducting settlement camps for recovery from theft booked cases.

Details of deployment of Enforcement teams are as follows:

1. Sambalpur – 14 Teams
2. Rourkela – 9 Teams
3. Bolangir- 16 Teams
4. Kalahandi – 12 Teams
5. Bargarh -14 Teams

Each team consists of 1 Supervisor, 1 Technician, 1 Helper/Photographer and 1 Female Personnel. The outsource team will be led by TPWODL employees. The number of teams increased in phased manner in FY 24-25 leading to Q1 – 47, Q2- 57, Q3 – 63 and Q4 – 65 teams. At present around 65 teams are involved in enforcement activities in 5 circles, the cost of those is estimated at Rs. 10.26 Cr. Per annum.

Furthermore, the Licensee is planning to continue to deploy the 65 teams along with commercial assistants at each division throughout the FY 25-26 for enforcement activities, involving a total of **Rs. 12.31 Crores**.

Also, Over the last three years, the Enforcement Team has successfully booked over 1 lakh theft cases, resulting in an accumulated arrear of ₹89 crore. Regular AMC teams, under the supervision of SDOs, are already engaged in maintenance and routine collection activities, leaving them with limited capacity to address theft-related arrears. To tackle the arrears and recover the pending amount, 14 dedicated Disconnection teams have been deployed for 5 months of this FY 25 and the same will be continued after reviewing the performance.

The following amount has been estimated under enforcement activities for FY 25-26:

Name of the Vendor	UoM	FY 24-25	FY 25-26
M/S Amman Associate (Sambalpur, Bargarh and Kalahandi Circles)	Rs. Cr.	7.76	9.24
M/S Unix services (Rourkela)	Rs. Cr.	0.69	-
M/S Nirmal Kumar Samantray (Rourkela and Bolangir)	Rs. Cr.	1.81	3.07
Total Amount	**Rs. Cr.**	**10.26**	**12.31**

Looking into the current situation and the activities undertaken by the Licensee for increasing collection and reducing theft, the Hon'ble Commission is requested to allow **Rs. 232.99 Cr**. for FY 2025-26. Further to the above, the Licensee has applied an escalation factor of 7% over the normal A&G Expenses for FY 2024-25 plus additional expenses of Rs. 51.96 Cr. to arrive at the proposed A&G expenses for ensuing year.

2.6. Repair & Maintenance Expenses

In the vesting order Hon'ble Commission vide para 53(d) has directed that:

> "*…with regards to R&M expenses, the Commission shall allow in the Aggregate Revenue Requirement, R&M expenses incurred on the existing assets transferred to TPWODL as well as assets created out of grants which are not reflected in the books of WESCO utility subject to prudence check by the Commission, as per existing practice.*"

Accordingly, Assets transferred as on effective date i.e Dec-20 balance sheet of erstwhile Wesco utility is Rs.1964.79 Cr. This includes Land cost of Rs. 1.77 Cr. As per license condition, the new operating Company TPWODL only retains the operational use of Land for the purposes of carrying out distribution business. As per terms of vesting order, land has been given on lease basis for a nominal consideration of Rs.1 per year. So, balance asset as on effective date is Rs.1963.02 Cr. The assets added by TPWODL during Jan-21 to March-21 is Rs.0.28 Cr. Therefore, opening GFA as on March-21 became Rs.1963.30 Cr. Subsequently, upon further additions of assets by TPWODL, the opening GFA as on 1st April-24 is Rs. 2995.85 Cr.

Now as per new Regulation for Determination of Wheeling & Retail Supply Tariff, 2022. As per provision of new Regulation vide following para;

> "3.4.1. *The following nature of work carried out by the Distribution Licensee shall be classified under this category:*
> *a. Works after obtaining a part or all of the funds from the users in the context of deposit works;*
> *b. Capital works undertaken by utilising grants received from the State and Central Governments, including funds under various schemes;*
> *c. Capital investment from the depreciation to be allowed on the asset of the erstwhile DISCOMs as on effective date in terms of the provisions of Vesting Orders*

d. Any other grant of similar nature and such amount received without any obligation to return the same and with no interest costs attached to such subvention.

3.4.2. The expenses on such capital expenditure shall be treated as follows:

***a. normative O&M expenses as specified in these Regulations shall be allowed**;*

………………………"

In line with vesting order as well as new regulation, for R&M purposes assets are grouped under the following major category;

i) Assets transferred to new licensee as on effective date (this also includes some grant & consumer contribution assets.

ii) Assets created by the licensee itself through own capital investment.

iii) Addition of consumer contribution assets post vesting period through deposit work mechanism

iv) Assets executed through Grant of central and state govt funding but not appearing in the books of DISCOMs.

While approving the R&M Cost for FY 24-25 (Table-52, Page-114), the Hon'ble Commission has considered the GFA after excluding the asset that have reached 90% of their GFA which is against the provisions of the Tariff Regulations, 2022. However, it is pertinent to note that the Tariff Regulations, 2022 does not allow for such exclusion of assets. The relevant extract of the Tariff Regulation, 2022 is provided below:

"3.9.19 Repair and Maintenance expenses shall be allowed as a % of opening Gross Fixed Assets (GFA) only on assets owned by the distribution company, for each year of the Control Period as provided in the table below:

DISCOMs	TPCODL	TPWODL	TPNODL	TPSODL
FY 23-24	4.20%	4.50%	4.50%	5.40%
FY 24-25	4.00%	4.20%	4.20%	4.50%
FY 25-26	3.50%	4.00%	4.00%	4.20%
FY 26-27	3.00%	3.00%	3.00%	3.50%
FY 27-28 & onwards as per the directives of the Commission	3.00%	3.00%	3.00%	3.00%

…………

3.9.22. The Commission shall allow an amount for maintenance of assets added under State and Central Government Schemes @ 3.00% of the opening GFA of such assets. The Distribution Licensee(s) shall be required to separately submit to the Commission along with ARR, the details of assets taken into service under these Schemes."

The term GFA is defined in the Tariff Regulations, 2022 as provided below:

> ***37) "Gross Fixed Asset"*** *means historical cost of an asset or gross book value the company had to pay in order to possess the fixed asset or other amount substituted for historical cost in the books of account or financial statements."*

Further, the Licensee is also entitled for 3% R&M on the Govt. owned assets as per Regulation 3.9.22 of the Tariff Regulation, 2022.

It is submitted that, the Assets that have been deducted by the Hon'ble Commission for allowing normative R&M are very much in service and are required to be maintained for ensuring reliable power supply to the Consumers. The DISCOM is obliged to provide the list of such assets in use. Moreover, such assets have useful life left and have not reached a point requiring retiring/ de-capitalization. Upon de-capitalization, the same will automatically be deducted from the GFA.

As these assets are in use and the DISCOM need to carry the R&M of these assets to ensure smooth & reliable power supply to the consumers and also the Tariff Regulations, 2022 specifies allowable R&M on total GFA, such disallowance under R&M entitlement will on the other hand encourage utilities to replace such assets when they are beyond their "depreciated life" but are still serviceable and put additional burden on consumers in terms of additional cost to replace with new assets instead of converging or life enhancement of existing assets through R&M. The Licensee, therefore, requests the Hon'ble Commission to allow R&M on these assets which are still under service.

The Licensee has claimed R&M Expenses on the Opening Gross Block as on 31st March 2024 & 31st March 2025 of Rs. 3973.57 & Rs. 5141.85 Cr. @ 4.20% & 4.00% respectively amounting to Rs. 166.89 Cr. & Rs. 205.67 Cr. respectively.

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

Sl No	Name of Scheme	Mar-24 (Rs. Cr.)	Mar-25 (Rs. Cr.)
1	ODSSP (I, II & III)	1083.92	1083.92
2	ODSSP (IV)	216.92	216.92
3	DDUGJY New	373.42	373.42
4	IPDS	244.65	244.65
5	DDUGJY (PGCIL)	685.37	685.37
6	DDUGJY (NTPC)	1442.63	1442.63
8	RGGVY	26.94	26.94
9	BGJY OPTCL DTR	41.08	41.08
10	IPDS IT PH-II	54.20	54.20
12	CMPDP (ODSSP PH-V)	76.55	220.00
13	BGJY	10.17	63.67
16	Megalift for past period	84.54	84.54
17	**TOTAL**	**4340.39**	**4537.34**

The above assets are under the jurisdiction of TPWODL area across 48373 sq.km. of operation. While maintaining the assets (both preventive & breakdown) the Licensee has to maintain it without any discrimination. So, R&M entitlement for FY 24-25 & FY 25-26 on Opening GFA of Rs. 4340.39 Cr. & Rs. 4537.34 Cr. at 3% rate amounts to Rs. 130.21 Cr. & Rs. 136.12 Cr. respectively on Govt. owned assets.

Accordingly, the R&M entitlement for FY 2024-25 & FY 2025-26 as per Tariff Regulations, 2022 is computed below:

<u>FY 2024-25:</u>

S. No.	Particulars	Amount (Rs. Cr.)
1	Opening GFA as on 01.04.2024 for DISCOM owned assets	3973.57
2	Approved %	4.20%
3	R&M Expenses for DISCOM owned assets	166.89
4	Opening GFA as on 01.04.2024 for Govt. owned assets maintained by DISCOM	4340.39
5	Approved %	3.00%
6	R&M Expenses for Govt. owned assets maintained by DISCOM	130.21
7	**Total R&M expenses for FY 2024-25**	**297.10**

FY 2025-26:

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

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

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

It is submitted that ageing also plays an important factor in the distribution system. Due to ageing of the electrical equipment, power distribution system is plagued with problems of high failures. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the consumers.

Some of the key reasons for failures in distribution transformers are as given below:

a. Prolonged overloading
b. Oil pilferage or leakage
c. Non-topping up of oil
d. Single phasing
e. Improper size of fuses
f. No lightning arresters installed/faulty
g. Faulty earthing
h. Tree cutting

i. Improper sag in lines and miscellaneous maintenance reasons.

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

Accordingly, the Licensee requests the Hon'ble Commission to allow R&M Expenses of **Rs. 297.10 Cr.** for FY 2024-25 & **Rs. 326.79 Cr.** for FY 2025-26 considering the efforts put in by the Licensee to provide uninterrupted and safe supply to the consumers.

Justification of Repair & Maintenance Cost

TPWODL, serves a population of around 90 lakh with a Customer Base of more than 27 lakh. With vast Distribution Area covering 48,373 sq. km across nine revenue districts of Odisha such as Bargarh, Bolangir, Deogarh, Jharsuguda Kalahandi, Nuapada, Sambalpur Sonepur and Sundergarh. It procures power from GRIDCO at 33KV at various supply points and maintains extensive 33KV, 11KV and LT overhead networks for distribution of electric supply over its entire area of operation. For making reliable power supply, along with prompt service to its consumers, establishment of 5 Circles and 17 Divisions, 57 Subdivisional offices, 201 Electrical sections has been created.

TPWODL receives electrical power at 33 kV level from 47 numbers of 220/33KV or 132/33 kV GSS substation (OPTCL) located within and in the vicinity of TPWODL operational area. TPWODL distributes the power at 33 kV / 11 kV / 440V / 230V depending on the demand of the consumers. Presently, there are 199 numbers of 33KV feeders with a combined circuit length of approximately 5632 CKMs supplying power to 314 numbers of 33/11 kV Primary Substation (Structures). The 33 kV supply is stepped down to 11 kV level through 689 numbers of 33/11 kV power transformers. 1205 numbers of 11 kV feeders emanates from the 33/11 kV primary substations having cumulative length of approximately 51708 CKMs and supply power to HT consumers connected at 11 kV level and other LT customers connected to 11/0.415 kV distribution substation. Approx. 77020 numbers of distribution transformers are installed in all five circles. The length of the LT network is approximately 68558 KMs. These LT feeders supply power to three phase and single-phase consumers.

With this objective of ensuring reliable power supply and ensuring best customer services to the end consumers, TPWODL requires expenditure for maintain the existing 33 kV, 11 kV, LT Network and its office building under “Repair & Maintenance” Head.. In order to ensure the Operation, repair and maintenance and upkeep of the existing network, TPWODL has proposed placed various AMC contract through competitive bidding process for 33 kV Operations, 33 kV Network , 11 kV network, DTR & PTR repair, Tower maintenance in the previous year and upcoming year. Additionally, various spares, repairs & OEM services is also proposed under Repair & Maintenance Head.

Infrastructure Maintenance (Preventive & Breakdown): The existing infrastructure of the Licensee requires regular maintenance and in certain cases, urgent upgradation to ensure its optimal performance considering the sudden and repeated occurrence of Kalbaisakhi in the region. Furthermore, the following issues require additional expenses necessary to adequately address the unique challenges associated with maintaining infrastructure in the region:

a) The Licensee operates in a geographically diverse region, which includes elephant corridors and extensive government assets. The maintenance of infrastructure in such areas requires specialized resources, equipment and expertise.

b) Also, to ensure the longevity and reliability of our infrastructure, preventive maintenance plays a vital role. Regular inspections, testing and upkeep are necessary to identify potential issues and address them before they escalate into costly breakdowns or disruptions in power supply.

c) Despite best efforts in preventive maintenance, breakdowns can still occur due to various factors, including natural disasters, wildlife interference and equipment failures. Timely repair and replacement of damaged components are essential to restore power supply and minimize downtime.

d) The Licensee is responsible for maintaining and safeguarding various government assets, including sub-stations, transformers and distribution lines. These assets are critical for the reliable delivery of electricity to consumers.

These assets are crucial for maintaining the safety and reliability of our power distribution network and additional funds will help cover the expenses associated.

a) Civil infrastructure repair & maintenance:

Civil maintenance for offices, PSS, Store, Access Road need time bound maintenance, painting to ensure safe, and hygiene atmosphere. Maximum buildings are old and some of the buildings are more than 50 years of age and maintenance requirement is very high.

Following activities are covered under civil repair & maintenance:

1. Old Building Painting where paint is totally fed
2. Maintenance work of AC & sanitary item
3. Periodically cleaning of Septic Tank & Soak Pit
4. Replacing of Light Fittings
5. Shifting of material including scrap
6. Other Miscellaneous work.

b) 33 kV Network AMC:

33 kV Network AMC is placed for each circle through competitive bidding process, which covers following activities.

1) <u>FEEDER MAINTENANCE</u>

- Replacement of damaged poles/assistance for erecting structures during the breakdown. For towers, separate order will be placed. However, feeder will be restored by installing rail/joist poles.
- Replacement of corroded, cracked, flashed insulators (Disc/Pin). Trimming (off Line) of trees under/near the feeders on regular basis
- Attending to hotspots / replacement of joints
- Repairs and re-tensioning of conductors, G.I. Earth wire, providing of guard laces, stay wires. repairs to the earthing of the poles.
- Installation of lightning arrestors, in places, where the chances of lightning is very high, as per guidance of Division In charge.
- Thermo vision scanning to be carried out on periodic basis or on the instruction of Division in charge (without outage)
- Providing assistance in identification of tower/poles without earthing. Identification of locations where guard wires/cradle guards are required. The details would be sent to engineer-in-charge for needful action after the inspections are affected.
- To ensure Plan Maintenance Schedule for 5632 Ckm. lines.

2) PSS MAINTENANCE & TESTING

- Inspection, Preventive and Predictive maintenance, condition monitoring of all electrical equipment installed in Primary Substation S/S as per the schedule and check list provided by respective engineer in charge to ensure optimum performance.
- Improvisation at PSS i.e. adding Transformers, breakers, CRP, Switchgear and other equipments along with accessories (Control cable, MCBs, Switches, LED hooters etc.) It also includes cost incurred for Replacements, attending breakdown, Spares identification & Inventory mgmt.
- Inspection, maintenance, & restoration of Electrical equipment installed in PSS.
- Pre-commissioning Test, Post commissioning checks, Investigation Tests, Routine Testing of Electrical equipment.
- Transformer Oil Testing at NABL for chemical properties, DGA, furan analysis.
- DC System Maintenance for reliable DC Supply in PSS. Inspection of Battery and Battery Chargers services provided by AMC.
- Earthing System study, recommendations, and refurbishment of earthing
- Testing Equipment's calibration and repairing of the Kit.
- Repairing of defective relay through card repairs/replacement.

3) 11 kV NETWORK AMC

Presently 11kV contract includes combined activities related to Maintenance of LT & HT Network, Installation, replacement and shifting of single-phase meter, new connection upto 5kW, recovery and disconnection in TPWODL area.

TPWODL intend to deploy 11kV AMC contract to ensure better quality services to its esteemed consumers and also in order to improve the collection efficiency, disconnection being part of the existing contract needs to be strengthened in order to achieve desired targets of organization.

The following are the salient features and considerations which are considered for renewal of 11kV AMC contract for FY 25-26.

- In FY 23-24, Total number of 11kV feeders were 1205 no's while it is now increased to 1215 Nos till H1(FY 24-25). Also, total numbers of Distribution transformers in FY 23-24 were around 77020 while it is now increased to 79775 No's till H1(FY 24-25).

- Though a lot of work has been done in 11 kV and LT network which has also resulted into significant reduction of tripping. However, still a lot of work are required to be done to improve dilapidated state of network which requires ample resources to make robust, reliable and safe network system.
- Routine maintenance practice has now begun which has significantly improved Distribution Network health. So far we have covered high value DTs and now requires urgent attention to improve heath of lower rating DTs whose failure rate is very high. Hence, resources in terms of manpower, testing equipment's and vehicles would be required for condition monitoring and maintenance.
- Further, increased numbers of assets in tune of 5% in 11kV population and 5% in DT population requires to be maintained for which extra number of resources would be required to be placed.
- The Safety of human, animal and electrical equipment's is a big challenge in last one and half year we have strengthen safety processes but 100% usage of PPE is also a big concern. Hence, we are deploying dedicated safety personals and with all required PPE and other safety gadgets to the line staff. This will help to enhance and maintain safety culture in the organization.
- Other commercial activities like Meter shifting, Service line replacement, burnt meter/faulty replacement etc. would also be carried out on a day-to-day basis.
- As disconnection is a part of this AMC contract and now in order to achieve desired targets of organization, we need to strengthen disconnection by deployment of dedicated team and other resources in all 202 sections of TPWODL.
- To take care of the movement of the team, all the 17 Nos of divisions are provided with 24 Hrs., 16 Hrs. 12 Hrs. vehicles considering geographical locations, total number of sections and number of feeders per section etc. Due to the addition of 11KV feeders and new line additional resource would be deployed.

4) OPERATION OF PSS – 33 kV / 11 kV SUBSTATION:

All the 33/11 kV Grid substations Operations and Condition monitoring are being carried out 24X7 by various AMC Business Associates across TPWODL.

The major activities are as follows:

- Recording of the readings at periodical intervals including Feeder Metering Points as specified by Officer-in charge of Sub-station and maintaining them in the logbook. All log sheets and registers should be signed with their name by the concerned person on duty deployed by the Service Provider in every shift.
- carry out the operations like charging CBs circuit breakers and other equipment, issue of PTW to authorized person etc. and follow the SOP (Standard Operating Procedure) during PERMIT TO WORK
- Recording all tripping of Breakers and other events that occur in the order of sequence with the time of occurrence correctly and record them in logbook.
- Updating of interruption registers, Telephone Call Register, Data Book, Battery Register, Register of Inspection of Jumpers. Apart from the above, the Service Provider shall carry out the routine checks during the Contract period daily.
- Must attend to all emergencies that may arise during the contract period such as equipment failures, fire accidents etc., shall get acquainted with all the operations such as isolating transformers and other equipment etc.
- Periodical inspection and intimation for any defects, abnormality to PSCC/ maintenance team.

A. TRANSFORMERS:

1. Logging & reporting of oil level & leakages & recording temperatures of oil and winding.
2. Reporting un-usual internal noises.
3. Reporting relief diaphragm for cracks.
4. Reporting status of HG-Fuses and Section Fuses of Station Transformer for replacement by TPWODL.
5. Reporting the condition of silica gel and record in the Logbook.
6. Shall record hourly readings of temperature of oil and winding in the logbook.
7. Reporting for Release of gas from Buchholz relay during its operation.

B. 33/11 kV BREAKERS:

1. Reporting of healthiness of trip circuits, SF-6 Gas pressure, pneumatic and hydraulic.
2. Pressures and oil leakage, if any, and other works specified by the Officer of TPWODL.

C. SWITCH YARD:

1. Checking of the Yard at hourly intervals and note down & report unusual observations,
2. Defects, sparks, loose contracts, red hot spots, jumpers, abnormalities detected in the equipment and loose bolts & nuts etc. and informing the concerned officers of TPWODL.

D. BATTERIES:

1. Logging of specific gravity and voltage of pilot cells daily during morning shift and for all cells weekly once & observation shall be recorded in the logbook.
2. Logging/Checking of DC Earth leakage, physical condition of connectors and top up distilled water when required.

5) DTR & PTR Repair & Maintenance:

A. DTRs Installed in TPWODL: Total **77970** DTRs are installed in TPWODL System.

a. Below Report shows Total DTs Installed in 5 circles.

Circle	Rourkela	Sambalpur	Bargarh	Bolangir	Kalahandi
Total	15963	18078	11714	16598	15617

b. Below details shows Capacity Wise DTs installed in TPWODL.

Circle Name	Capacity	Total DTs installed in our system
Rourkela	10 kVA TO 63 kVA	13603
	100 kVA TO 200 kVA	1671
	250 kVA TO 500 kVA	664
	630 kVA TO 1600 kVA	25
Sambalpur	10 kVA TO 63 kVA	14806
	100 kVA TO 200 kVA	2353
	250 kVA TO 500 kVA	881
	630 kVA TO 1600 kVA	38
Bargarh	10 kVA TO 63 kVA	9595
	100 kVA TO 200 kVA	1764
	250 kVA TO 500 kVA	345

Circle Name	Capacity	Total DTs installed in our system
	630 kVA TO 1000 kVA	10
Bolangir	10 kVA TO 63 kVA	14056
	100 kVA TO 200 kVA	2089
	250 kVA TO 500 kVA	442
	above 500 kVA TO 1000 kVA	11
Kalahandi	10 kVA TO 63 kVA	13594
	100 kVA TO 200 kVA	1738
	250 kVA TO 500 kVA	280
	above 500 kVA TO 1000 kVA	5
Total		**77970**

B. REASON OF DTs FAILURE:

1) **OVER LOADING:** During field verification & system Reliability inspection it has been observed that many DTRs are overloaded above their capacity & which is the main Cause of DTR failure in Summer Season. In SAUBHAGYA/DDUGY/RGGVY Many DTs (16kVA to 25 kVA) are installed with new connections adding load on already installed DTRs. Every Year 20000 new connections given to our new consumer in various TPWODL area in Existing Distribution Transformer.
2) **AGEING:** In TPWODL System Many Distribution Transformers are Installed in near about 15 to 20 years back. These Transformers are failing because of over age and frequent faults in the system. These Transformers are either Not repairable or if repairable but having high No Load losses. Also, the cost of repair of these transformers are comparatively high as compare to new Transformer. which is also causing reliability of power supply to the Consumers. Hence instead of repairing these old age transformers it is better to replace with new one. Over aging is also impacting technical losses of the system.
3) **M/s VIJAI ELECTRICAL MAKE:** M/s. Vijai make DTRs installed During Earlier time & under DDUGJY/RGGVY, 12th plan are frequently failing since installation. These transformers are Also Having High losses and not repairable by Regular Vendors. Hence there is difficulty repairing these transformers due to complicated core arrangement and core design**.**

OTHER REASONS OF DTRs FAILURE-

Apart from above mentioned reasons there are some other reasons which affecting failure of DTs.

a) **Heavy Lightening:** TPWODL is high lightening prone area. Lightening strokes are regularly observed during Kal-baisakhi and normal rainy season also.

b) **Oil Level Low:** Many Old Transformers are also failing due to low Oil level by several years.

c) **Improper Earthing:** In several DSS either earthing system in not available or improper earthing has been done earlier.

6) **Spares for all repair and maintenance:**

Requirement of spares (11kV,33kV, VCB Spares etc.)

11 kV Spares

TPWODL has around 77020 DTs and around approx. 42444 AB switches installed in its network. Now, in order to maintain these DTs and AB switches, we require spare parts like Male-Female contacts, Handles, Copper strips, lugs, studs, gaskets, Channels, brackets etc. Such spares are very critical as most of these assets are installed in systems for more than 15-20 years and it is utmost important to ensure reliability of supply to our esteemed consumers.

33kV Spares

33KV Overhead Network comprising of 199 Nos 33kV Feeders having total length of 5632 Ckt Kms spread in Geographical area of 48373 Sq. Kms. Following spares are required to maintain the reliability & availability of 33kV Feeders at various locations of TPWODL.

VCB Spares

For a healthy system, it is important for VCBs to operate successfully during fault condition in order to isolate faulty network in minimum time. This saves the healthy equipment from abnormal conditions and also increases reliability of the overall system.

Most of the VCBs are obsolete and have served their useful life. Multiple operation of these VCBs during long run have resulted in failure of parts in some cases. This are parts of VCBs like Pole assembly, Complete mechanism, closing coil & tripping coil, Vacuum Interrupters which deteriorate in the long run and have tendency to malfunction.

It is recommended to maintain minimum stock of spares in store in order to rectify defective parts during preventive maintenance and also restore the system in minimum time during breakdown maintenance.

7) 33 kV TOWER MAINTENANCE

Presently TPWODL network consists of 645 Nos tower. Most of these towers are more than 50 years old and cross rivers, forest & serving critical load requirement of Rourkela, Sambalpur & other areas. Corporate civil design team were engaged to inspect the foundation of these towers. They observed that 40% of the tower are having poor foundation & structure. In a few areas tower legs are being cut (photo attached) and stolen. Considering the above conditions special maintenance activities are planned to repair and strengthen these Towers.

Further, due to wage revision effective from 18th July 2024 in the tune of 28% the impact of minimum wages has increased abnormally and hence needs to be considered separately while allowing R&M Expenses for FY 25-26. Accordingly, the total R&M Expenses claimed by TPWODL for FY 2025-26 is tabulated as under:

Sl.No.	Particulars	Ensuing Year FY 25-26 (Rs. Cr.)
1	Civil repairs & maintenance	0.50
2	Distribution line repairs & maintenance (Material)	8.04
3	33 kV Network asset AMC (other than Grid operation)	39.41
4	11 kV & below Network assets AMC	142.50
5	Consumer service maintenance	31.78
6	Substation operations & maintenance (33 kV Grid operation & maintenance)	66.14
7	Transformer maintenance	15.00
8	Other repairs & maintenance	8.43
10	Special R&M (33 kV & 11 kV river crossing & forest area Tower maintenance including Elephant Corridor Patrolling)	15.00
11	**TOTAL**	**326.79**

The reason of special R&M for TPWODL:

To protect the life of wild animal recently Govt of Odisha has funded substantial amount more than Rs.200 Cr. towards Elephant corridor. In the past similar type of network assets also created under Wesco utility (now TPWODL). Hon'ble Commission is very much aware about the type of pole and requirement of network assets under dip forest area for this cause of action. Maintenance of such asset needs special equipment and skill also. TPWODL is having large part of forest among all the DISCOMs. So, Hon'ble Commission is requested to kind enough to sanction special R&M for maintenance of these assets.

Further, under Megalift scheme, Govt of Odisha has created substantial electrical assets to promote water for all. These assets are also far away from the PSS with longer span of connectivity and communication to maintain such assets more or same as like of Elephant Corridor. Apart from these, TPWODL area of operation constituting most of the hilly region where in electrical consumers are not to be deprived from their essential need like electricity. To maintain assets under hilly area can't be treated under equal footing as like of urban.

Therefore, considering the above justification for R&M Expenses, the Licensee requests the Hon'ble Commission to approve **Rs. 326.79 Cr** for FY 25-26.

2.7. Provision for Bad and Doubtful Debts

The Licensee while estimating the ARR for FY 2025-26 has considered the revenue from sale of power on accrual basis in line with the Commission's Order on ARR and Tariff Petitions. Considering the ground reality improvement of collection efficiency to the extent of desirable level i.e., 99% is not possible. However, the licensee is putting its best efforts for improvement of the same. Accordingly, for the ensuing year the proposed collection efficiency considered as 99%, which is also a challenging target.

Regulation 5.8.1 of the New Regulations, 2022 provides as under:

> *"5.8.1 The Commission shall allow provisioning for bad debts as a pass through in the Aggregate Revenue Requirement, as a prudent commercial practice in the revenue requirement of the licensee. The Bad and Doubtful debt during this control period shall be allowed on normative basis of **1% of the total annual revenue billed for sale of electricity**."*

In terms of the above, the licensee has proposed the same as provisions for bad and doubtful debts as tabulated below:

Sl. No.	Particulars	FY 2025-26 (Rs. Cr.)
A	Total Revenue	5891.35
B	Bad Debt (1% of A)	**58.91**

The Petitioner humbly requests the Hon'ble Commission to consider the same.

2.8. Depreciation

As per para 39 (h) of the vesting order *The capital investments made by TPWODL shall be allowed recovery of depreciation in line with the rates prescribed in Annexure-2 till the time applicable regulation is notified by the Commission. The depreciation rates specified in regulations shall prevail over the rates specified in Annexure - 2 as and when applicable regulation is notified by the Commission*.

Similarly, for assets transferred under transfer scheme shall continue to earn depreciation as per existing norms approved by Hon'ble Commission. It has been directed in the vesting order vide para 39 (i) "*Depreciation on all existing assets transferred to TPWODL shall be determined based on the existing methodology being followed by the Commission."*

Now as per Tariff Regulations, 2022 vide clause 3.8, the Licensee's entitlement of depreciation has been enunciated as under:

a. For the assets of erstwhile DISCOMs transferred to the new DISCOMs through the Vesting Orders, depreciation shall be calculated on the pre-up valued cost of assets at pre-1992 rate on the asset base approved by the Commission.

b. For assets achieving date of commercial operation (COD) in the control period, depreciation shall be computed annually based on the straight-line method at the rates specified in the Annexure II to the New Regulations, 2022.

Accordingly, depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @ rates prescribed in the Annexure-2 of New Regulations, 2022.

Type of Assets	Dep rate applicable to transferred assets with-Pre 92	Dep rate applicable for TPWODL created assets as per New Regulations, 2022
Land	0%	0%
Building	1.80%	3.34%
Network Assets	3.80%	4.67%
Overhead Lines	3.80%	4.67%
Furniture's & Fixtures	4.55%	6.33%
Vehicles	12.86%	9.50%
Office Equipment	9%	6.33%
IT Equipment's	9%	15%
Software		30%

Further as per vesting order para no. 44 a(iii) *"No depreciation shall be allowed to be recovered on assets created out of Government grants/capital subsidy/capital contribution from consumers irrespective of whether the corresponding grant is transferred to TPWODL or not."*

Accordingly, the Licensee has computed depreciation for the ensuing year FY 2025-26 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022 as under:

Particulars	Dep on old assets (@ pre-92 rates)	TPWODL assets (@ new regulation)	Total for FY 25-26 (Rs. Cr.)
Land	0	0	0
Buildings	0.29	6.82	7.11
Network assets	23.68	103.35	127.03
Overhead lines	49.94	43.84	93.77
F&F	0.09	2.21	2.30
Vehicles	0.06	0.98	1.04
O/E	0.22	8.11	8.32
IT Equipment's	0.45	18.97	19.43
Software		0	0
Total	**74.73**	**184.28**	**259.01**
Depreciation on Consumer contributed assets			103.56
Dep Considered			**155.45**

Further, in the Tariff Regulations, 2022 it has been mentioned that the Licensee can calculate depreciation on the assets created during part of the year considering opening balance and closing balance average. In similar line depreciation on assets to be capitalized during the ensuing year has been calculated.

The Hon'ble Commission is requested to kindly consider the depreciation of **Rs.155.45 Cr**. for the ensuing years as calculated above, which may kindly be approved.

2.9. Interest Expenses

The Licensee has calculated the interest on loan for capex works, working capital and on the Security Deposit as per details provided in the following section.

2.9.1. Interest on Loan for Capex works

The Hon'ble Commission has approved Rs. 333 Cr. towards CAPEX for FY 2021-22 vide order dt. 18th Sep-21, Rs. 477.72 Cr. for FY 2022-23 vide order dated 8th July 2022, Rs. 381.91 Cr. for FY 2023-24 vide order dated 21st June, 2023, Rs. 493.77 Cr. for FY 2024-25 & Rs. 336.60 Cr. for FY 2025-26 vide order dated 12th Dec, 2023. To execute the same, the Licensee has to arrange fund with debt-to-equity ratio of 70:30. The term loan availed upto Sep-24(outstanding balance) is Rs. 596 Cr. and estimated another Rs. 400 Cr. to be availed during balance 6 month of the current year. Similarly, for FY 2025-26, the Licensee has estimated a loan of Rs. 388.67 Cr. for Capital Investment plan of Rs. 336.60 Cr. (approved) and additional Capex of Rs. 175 Cr. (Case No – 50/2024 to be heard with ARR) and meter investment proposal of Rs. 181.50 Cr. With the above approved Capex, the Licensee also requires loan from different banks/financial institutions for an amount of Rs. 388.67 Cr. with the debt-to-equity ratio of 70:30. The proposed rate of interest has been considered as 8.50% p.a. for the current year and ensuing year. Therefore, the interest on loan for FY 25-26 has been proposed as Rs. 80.23 Cr. net of capitalization may kindly be approved.
For the ensuing year 2025-26, the repayment of loan has been taken as 30%.

2.9.2. Interest on Working capital Loan

As regards to interest on Working capital the Licensee has relied upon the following regulation of Hon'ble Commission -
Regulation 3.10 of the OERC Tariff Regulations, 2022 provides for Interest on working capital as under:

> *"3.10.1. The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:*
> *a. Operation and maintenance expenses for one month; plus*
> *b. Maintenance spares @ twenty (20) % of average R&M expense for one month; plus*
> *c. Power Purchase Cost for one (1) month."*

The Licensee, in accordance with the above Regulation has computed the normative interest on working capital as under:

SL. No.	Particulars	FY 25-26	Average for 1 month	Maintenance spares @ 20% of R&M for 1 month	Working Capital as per Reg., 2022
		(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
1	O&M Expenses	1146.38	95.53		95.53
2	Gross Power Purchase Cost	4663.90	388.66		388.66
3	R&M Expenses	326.52	27.21	5.44	5.44
4	**Total requirement**				**489.64**
5	**Requirement for 6 months**				**244.82**
6	Rate of Interest for Working Capital @ 8.50% *				8.50%
7	**Interest on Working Capital**				**20.81**

Accordingly, the Licensee proposes working capital interest of **Rs. 20.84 Cr.** (Rs. 20.81 Cr. + Rs. 0.03 Cr. as other borrowings) which may kindly be approved.

2.9.3. Interest on Security Deposit

Section 47(4) of the Electricity Act 2003 states that "The distribution Utility shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security."

The OERC Distribution (Conditions of Supply) Code 2019, Regulation (57) also mandates the payment of interest on consumer security deposit, the manner in which it is to be administered and penal provisions for delay in making such payments.

The Licensee has calculated the interest on security deposit @ 6.75% on the closing balance of security deposit amount for FY 2024-25 based on the existing approval of Hon'ble Commission. The interest on security deposit considered in ARR for FY 2025-26 is to the tune of **Rs. 85.32 Cr.**

2.9.4. Total Interest for Financial Year FY 2025-26

The total interest expenses estimated for FY 2025-26 is given in following Table:

Summary of Interest Expenses

Sl. No	Interest Expenses	Rs. Cr.
1	Interest on loan for Capex	80.23
2	Interest on loan for working capital	20.84
3	Interest on Security Deposit	85.32
4	**Total Interest for ARR**	**186.39**

The total interest chargeable to revenue proposed by the Licensee for the year FY 2025-26 is Rs 180.88 Cr. (Rs. 186.39 Cr. – Rs. 5.51 Cr." Interest Capitalized").

2.10. Return on Equity

The Licensee submits that ROE @ 16% has been claimed amounting to **Rs.161.46 Cr.** on equity base of Rs.1009.14 Cr. Provision towards Tax on equity has also been made at the rate of 25.17 % gross (Tax 22% + Surcharge 10% +Education cess 4%) amounting to Rs. 54.31 Cr. which may kindly be approved. The Licensee & the stake holder also eligible for ROE on creation of capital assets through equity infusion (30% of Capex) accordingly the equity base has been calculated.

Equity as on 31st March-24 (As per audited accounts)	Rs.647.98 Cr.
Estimated capitalization during FY 24-25 Rs.548.93 Cr. (30%)	Rs.164.68 Cr.
Proposed capitalization during FY 25-26 Rs.654.95Cr. (30%)	Rs.196.48 Cr.
Total Equity base on which ROE claimed (Normative)	Rs. 1009.14 Cr.

2.11. Carrying Cost on ASL

As per terms of Vesting Order, the Licensee has to ensure payment of past period liabilities transferred as ASL. Accordingly, the Licensee is making payment towards ASL periodically as and when claimed by the parties. As there was no such equivalent matching current assets the ASL amount paid through borrowing for which the related carrying cost on Additional serviceable liabilities (ASL) amounting to **Rs. 9.77 Cr.** for FY 24-25 & FY 25-26 which has been claimed by the Licensee as under:

Particulars	FY 24-25 (Rs. Cr.)	FY 25-26 (Rs. Cr.)
Opening ASL	123.07	123.07
Addition during the year	0	0
Closing ASL	123.07	123.07
Rate	7.94%	7.94%
Carrying Cost	**9.77**	**9.77**

3. Capital Expenditure Program

3.1. CAPEX for current year

As per commitment in the bid document and subsequent direction in the vesting order, TPWODL submitted it's CAPEX plan before Hon'ble Commission on 10.02.2021 for an amount of Rs.462 Cr. Hon'ble Commission has approved the CAPEX plan of the licensee vide order dt. 18.09.2021 in case no. 07 of 2021 for an amount of Rs.333 Cr. Subsequently for FY 22-23 & FY 23-24, Hon'ble Commission vide Orders dated 08.07.2022 & 21.06.2023 has approved for an amount of Rs. 477.72 Cr. & Rs. 381.91 Cr. respectively. Cumulatively till FY 23-24, total CAPEX approved is Rs. 1192 Cr. As per para 39 (b) of vesting order TPCL has capital investment plan for Rs.1663 Cr. in a span of 5 years in the following manner.

Rs. In Cr.

FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	TOTAL
306	500	333	322	202	1663

To allow flexibility Hon'ble Commission vide para 39(c) has permitted the cumulative capital expenditure plan in the following manner:

Up to 31st March-22	Up to 31st March-23	Up to 31st March-24	Up to 31st March-25	Up to 31st March-26
306	806	1139	1461	1663

In compliance with the above, the Licensee has further filed its CAPEX plan for FY 24-25 & FY 25-26 vide affidavit dated 27.10.2023 for an amount of Rs. 571.97 Cr. & Rs. 403.13 Cr. respectively. The Hon'ble Commission vide Order dated 12.12.2023 in Case No. 101 of 2023 had approved Rs. 493.77 Cr. & Rs. 336.60 Cr. for FY 24-25 & FY 25-26 respectively with a direction that TPWODL may approach the Commission on a later stage with sufficient justification for approval of such proposals if they desire so.

Further, it is submitted that Hon'ble Commission has already approved Rs. 2023 Cr. cumulatively for five years till FY 25-26 as per table below:

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total
Proposed	462	582.18	398.84	571.97	403.13	2418.12
Approved	333	477.72	381.91	493.77	336.60	2023
Cumulative Approval	333	810.72	1192.63	1686.4	2023	2023

Accordingly, TPWODL vide affidavit dated 12.07.2024 had submitted before the Hon'ble Commission an additional CAPEX of Rs. 175.93 Cr. (FY 24-25: Rs. 102.14 Cr. & FY 25-26: Rs. 73.79 Cr.). The same was registered as Case No. 50/ 2024.

The Hon'ble Commission, vide Interim Order dated 12.11.2024 directed the matter to be taken as public hearing along with the hearing of ARR for FY 25-26 and additionally has allowed an adhoc amount of Rs. 15 Cr. towards Civil Infrastructure out of the Heads under the Network Reliability (Rs.8 Cr.) and Load Growth (Rs.7 Cr.) after the submission of the DISCOM regarding the same.

The progress of CAPEX and the capitalization status for FY 2021-22, FY 2022-23, FY 2023-24, and FY 2024-25 as of Q2 of FY 2024-25 is summarized below for the kind perusal of the Hon'ble Commission.

FY 21-22

Particulars	Description	OERC Approved Budget	Adjustment (if any)	Allocated/ Actual Budget Used	Actual CAPEX	WIP	Balance	Capitalization
A	**B**	**C**	**D**	**E**	**F**	**G=F-I**	**H=E-F**	**I**
Statutory, Safety and Security	Earthing, Fencing and boundary wall	55.54	0.00	55.54	55.53	0.00	0.01	55.53
	Life enhancement of feeder network in respect of maintaining safe horizontal / vertical clearances	20.54	-0.08	20.46	20.40	0.24	0.06	20.16
	Meter Testing Lab	10.35	0.05	10.40	10.38	0.00	0.02	10.38
	Provision of Safety Equipment & PPEs to workforce	12.05	0.03	12.08	12.07	0.05	0.01	12.02
	TOTAL	**98.48**	**0.00**	**98.48**	**98.38**	**0.28**	**0.10**	**98.10**
Loss Reduction	Energy Meter replacement	4.08	0.00	4.08	4.08	0.11	0.00	3.97
	Refurbishment /augmentation of 33 kV/ 11 kV/ 0.415 kV network to reduce Losses	38.40	0.00	38.40	38.14	0.09	0.26	38.05
	TOTAL	**42.48**	**0.00**	**42.48**	**42.22**	**0.20**	**0.26**	**42.02**
Network Reliability	Augmentation of LV side protection System along with DT LA	12.45	0.01	12.46	12.46	0.03	0.00	12.43

Particulars	Description	OERC Approved Budget	Adjustment (if any)	Allocated/ Actual Budget Used	Actual CAPEX	WIP	Balance	Capitalization
A	B	C	D	E	F	G=F-I	H=E-F	I
	Installation of AB switches/ Isolators/Insulators on 33 kV and 11 kV Network	14.30	0.03	14.33	14.21	0.04	0.12	14.17
	Pilot Project for Installation of Fault Passage Indicator (FPI)	2.00	0.00	2.00	1.30	0.12	0.70	1.18
	Refurbishment/Life enhancement of 33/11 kV Primary Substation /Additional New Substations	20.16	-0.04	20.12	19.82	0.24	0.30	19.58
	TOTAL	**48.91**	**0.00**	**48.91**	**47.79**	**0.42**	**1.12**	**47.37**
Load Growth	Network enhancement / Unforeseen emergency Capex requirement	39.71	0.00	39.71	39.61	0.38	0.10	39.23
	TOTAL	**39.71**	**0.00**	**39.71**	**39.61**	**0.38**	**0.10**	**39.23**
Technology and Civil Infrastructure	Infrastructure for Customer Care, Call Centre, Payment Centre, and Section Offices	2.04	-2.04	0.00	0.00	0.00	0.00	0.00
	Admin	5.00	0.17	5.17	5.17	0.01	0.00	5.16
	CIVIL	23.62	-0.02	23.60	23.60	0.00	0.00	23.60
	GIS Implementation	5.00	1.44	6.44	6.44	0.00	0.00	6.44
	GSAS	9.52	-2.22	7.30	7.29	0.07	0.01	7.22
	IT & Technology for process efficiency	42.02	3.60	45.62	45.62	0.00	0.00	45.62
	SCADA Implementation	15.30	0.00	15.30	15.23	0.07	0.07	15.16
	Security system in Central stores	1.05	-0.04	1.01	1.01	0.00	0.00	1.01
	TOTAL	**103.55**	**0.89**	**104.44**	**104.36**	**0.15**	**0.08**	**104.21**
Grand Total		**333.13**	**0.89**	**334.02**	**332.36**	**1.43**	**1.66**	**330.93**

FY 2022-23

Particulars	Description	OERC Approved Budget	Adjustment (if any)	Allocated / Actual Budget Used	Actual	WIP	Balance	Capitalization
A	B	C	D	E	F	G=F-I	H=E-F	I
Statutory, Safety and Security	Boundary Wall & Infrastructure	17.50	0.00	17.50	17.50	0.01	0.00	17.49
	Earthing and Fencing	15.50	0.00	15.50	15.17	-0.02	0.33	15.19
	Life Enhancement of Network	15.09	-0.36	14.73	14.26	0.15	0.47	14.11
	Testing and Safety Equipment	4.31	0.36	4.67	4.60	0.43	0.07	4.17
	TOTAL	**52.40**	**0.00**	**52.40**	**51.53**	**0.56**	**0.87**	**50.97**
Load Growth	Network Enhancement/unforeseen Emergency	145.57	0.00	145.57	126.57	12.57	19.00	114.00
	TOTAL	**145.57**	**0.00**	**145.57**	**126.57**	**12.57**	**19.00**	**114.00**
Loss Reduction	Energy Audit & Meter Related	13.52	0.00	13.52	12.49	3.81	1.03	8.68
	Replace-LT Bare conductor/ AB cable	30.08	1.95	32.03	30.87	0.22	1.16	30.65
	Spot Billing	3.20	-1.95	1.25	1.24	0.00	0.01	1.24
	TOTAL	**46.80**	**0.00**	**46.80**	**44.60**	**4.03**	**2.20**	**40.57**
Reliability	Network Comp-33/11Kv -Dist-Substation	14.60	0.00	14.60	12.73	2.45	1.87	10.28
	Network Components-33/11Kv -Lines	52.00	0.17	52.17	50.05	4.84	2.12	45.21
	Network Components-33/11Kv -Substation	51.74	-0.17	51.57	44.85	2.32	6.72	42.53
	TOTAL	**118.34**	**0.00**	**118.34**	**107.63**	**9.61**	**10.71**	**98.02**
Technology & Infrastructure	Infrastructure - Admin	1.50	0.00	1.50	1.50	0.00	0.00	1.50
	Infrastructure - Civil	18.00	0.50	18.50	18.50	0.00	0.00	18.50
	Infrastructure - Customer Needs	2.78	-0.50	2.28	1.36	0.03	0.92	1.33
	Infrastructure - Stores	4.04	1.36	5.40	5.40	0.06	0.00	5.34
	IT & Technology	48.19	-0.91	47.28	44.89	0.63	2.39	44.26
	OT-GIS/SCADA	40.10	-0.45	39.65	36.42	3.75	3.23	32.67
	TOTAL	**114.61**	**0.00**	**114.61**	**108.07**	**4.48**	**6.54**	**103.59**
Grand Total		**477.72**	**0.00**	**477.72**	**438.40**	**31.25**	**39.32**	**407.15**

FY 2023-24

Particulars	Description	OERC Approved Budget	Adjustment (if any)	Allocated/ Actual Budget Used	Actual	WIP	Balance	Capitalization
A	B	C	D	E	F	G=F-I	H=E-F	I
Statutory, Safety and Security	Life enhancement of network and maintaining safe horizontal/ vertical clearances maintaining safe horizontal / vertical clearances	9.02	-0.74	8.28	5.93	0.34	2.35	5.59
	Provision of Testing Equipment & PPEs to workforce	3.79	0.74	4.53	4.37	0.31	0.16	4.06
	Fencing, Boundary wall and Infrastructure works at Primary & Distribution substation	21.31	0.00	21.31	21.22	-0.01	0.09	21.23
	TOTAL	**34.12**	**0.00**	**34.12**	**31.52**	**0.64**	**2.60**	**30.88**
Loss Reduction	Energy Audit & Meter related activity	27.04	0.00	27.04	21.41	3.97	5.63	17.44
	Replacement of LT Bare conductor with AB cable	31.96	0.00	31.96	28.41	1.28	3.55	27.13
	TOTAL	**59.00**	**0.00**	**59.00**	**49.82**	**5.25**	**9.18**	**44.57**
Network Reliability	Replacement/Addition of network component in 33/11KV Primary Substation	23.37	0.00	23.37	19.49	2.60	3.88	16.89
	Replacement/Addition of network component in 33KV & 11KV Line	36.08	0.00	36.08	26.70	3.89	9.38	22.81
	Replacement/ Addition of network component in Distribution Substation	10.03	0.00	10.03	8.37	1.27	1.66	7.10
	TOTAL	**69.48**	**0.00**	**69.48**	**54.56**	**7.76**	**14.92**	**46.80**
Load Growth	Network Enhancement/unforeseen Emergency	67.82	0.00	67.82	53.13	18.90	14.69	34.23
	TOTAL	**67.82**	**0.00**	**67.82**	**53.13**	**18.90**	**14.69**	**34.23**
Technology & Infrastructure	IT & Technology Intervention	67.48	-5.00	62.48	57.91	0.49	4.57	57.42
	OT-GIS Communication & Other	62.21	-10.50	51.71	38.43	1.95	13.28	36.48
	Improvement of Civil Infrastructure	15.65	14.36	30.01	29.78	1.55	0.23	28.23
	Infrastructure - Stores	4.35	0.00	4.35	2.68	0.22	1.67	2.46
	Infrastructure - Admin	1.80	1.14	2.94	2.94	0.00	0.00	2.94
	TOTAL	**151.49**	**0.00**	**151.49**	**131.74**	**4.21**	**19.75**	**127.53**
GRAND TOTAL		**381.91**	**0.00**	**381.91**	**320.77**	**36.76**	**61.14**	**284.01**

FY 2024-25

Particulars	Description	OERC Approved Budget	Adjustment (if any)	Allocated / Actual Budget Used	Actual CAPEX	WIP	Balance	Capitalization
A	B	C	D	E	F	G=F-I	H=E-F	I
Statutory, Safety & Security	Fencing, Boundary wall and Infrastructure	30.59	1.25	31.84	6.49	0.99	25.35	5.50
	Life Enhancement of Network	9.74	0.00	9.74	2.24	2.08	7.50	0.16
	Testing and Safety Equipment & PPE	11.20	-1.25	9.95	3.11	1.55	6.84	1.56
	TOTAL	**51.53**	**0.00**	**51.53**	**11.84**	**4.62**	**39.69**	**7.22**
Loss Reduction	Energy Audit & Meter Related	43.68	0.00	43.68	11.64	8.83	32.04	2.81
	Replace-LT Bare conductor/ AB cable	10.93	0.00	10.93	1.55	1.22	9.38	0.33
	TOTAL	**54.61**	**0.00**	**54.61**	**13.19**	**10.06**	**41.42**	**3.13**
Network Reliability	Network Comp-33/11Kv - Dist- Substation	12.97	0.00	12.97	0.11	0.10	12.86	0.01
	Network Components-33/11Kv -Lines	99.95	-2.50	97.45	30.89	25.28	66.56	5.61
	Network Components-33/11Kv -Substation	28.58	2.50	31.08	10.77	6.87	20.31	3.90
	TOTAL	**141.50**	**0.00**	**141.50**	**41.77**	**32.25**	**99.73**	**9.52**
Load Growth	Network Enhancement/unforeseen Emergency	208.27	0.00	208.27	70.99	62.40	137.28	8.59
	TOTAL	**208.27**	**0.00**	**208.27**	**70.99**	**62.40**	**137.28**	**8.59**
Technology and Civil Infrastructure	Improvement of Civil Infrastructure	10.00	10.00	20.00	5.66	1.95	14.34	3.71
	Infrastructure - Admin	1.47	0.00	1.47	0.43	0.07	1.04	0.36
	Infrastructure - Stores	5.26	1.15	6.41	1.48	0.37	4.93	1.11
	IT & Technology Intervention	16.63	0.00	16.63	12.14	1.26	4.49	10.88
	OT-GIS Communication & Other	4.50	0.00	4.50	0.15	0.15	4.35	0.00
	TOTAL	**37.86**	**11.15***	**49.01**	**19.86**	**3.80**	**29.15**	**16.06**
GRAND TOTAL		**493.77**	**11.15***	**504.92**	**157.65**	**113.14**	**347.27**	**44.51**

The Licensee had proposed the following under Additional CAPEX:

Sl. No.	Particulars	FY 24-25 (Rs. Cr.)	FY 25-26 (Rs. Cr.)
1	**Network Reliability**		
a	Replacement/ addition of network component in 33/ 11kV line	14.6	16.37
b	Replacement/ addition of network component in 33/ 11kV Primary Substation – DT Repair Workshop	19.8	19.8
2	**Reliability enhancement for Bolangir & Patnagarh Town areas**		
a	Construction of 33kV New/ Link line & 11kV New/ Link line	2.76	-

Sl. No.	Particulars	FY 24-25 (Rs. Cr.)	FY 25-26 (Rs. Cr.)
b	Refurbishment/ Augmentation Line of 11 kV along 100 sqmm	1.33	-
c	Addition/ augmentation of DTR of various ratings	8.06	-
d	New/ Augmentation of LT AB cable requirement	5.44	-
3	**Technology & Civil Infrastructure**		
a	***OT infrastructure*** Technology intervention-GIS, Communication & Other implementation	13.15	2.62
b	***Civil, Admin & Other Infrastructure*** Improvement of Civil Infrastructure	37	35
Sub-total		**102.14**	**73.79**
TOTAL		**175.93**	

TPWODL in its ARR application for FY 2024-25, proposed recovering meter costs through CAPEX instead of monthly meter rent, to which the Hon'ble Commission, in its Tariff Order dated 13.02.2024, highlighted the need for further analysis, citing complexities related to consumers who have already paid meter rent fully or partially. The Commission directed DISCOMs to submit a detailed proposal addressing meter rent adjustments, consumer categorization, legal implications and implementation plans. In compliance, TPCODL submitted a proposal on 18.03.2024 for the phased installation of Smart Meters and BLE Meters during FY 2024-25 to FY 2026-27, highlighting its impact on retail tariffs. Subsequently, recognizing the regulatory mandate for universal Smart Meter adoption, government initiatives like PM Suryaghar Muft Bijli Yojana and PM Kusum Schemes and the significant benefits to consumers—eliminating meter rent with minimal tariff impact through socializing CAPEX in the ARR—a consolidated Smart Meter installation plan for all DISCOMs was submitted on 12.08.2024, including a presentation to the Hon'ble Commission. Accordingly, the Licensee now seeks approval for a Capital Investment Plan of **Rs. 181.50 Cr.** in FY 25-26 to replace all existing Non-Smart Meters with Smart Meters and ensure all new connections are equipped with Smart Meters. For this, a separate CAPEX Petition is also being filed.

The quantum of Capital Investment proposed for each component is summarized below:

Rs. Cr.

SL. No	Meter Type	FY-26	FY-27	FY-28	FY-29	FY-30	FY-31	FY-32	Total
1	Smart Meters Replacement	115.76	129.93	99.83	99.83	99.83	99.83	74.56	720
2	Smart Meters- New Connection	36.49	36.49	48.47	48.47	48.47	48.47	48.47	315
3	BLE Meters	5	5	0	0	0	0	0	11
4	HES & MDM	23.95	0.00	0	0	0	0	0	24
5	**Total**	**181.50**	**171.73**	**148.30**	**148.30**	**148.30**	**148.30**	**123.04**	**1069**

3.2. Consumer Contribution Deposit Works

During the current year & ensuing year the Licensee is continuing & will undertake the various line augmentation, construction of new distribution S/s, etc. under consumer contribution scheme both private and Govt funded job. The estimated & projected amount towards consumer contribution and Govt. deposit fund for FY 2024-25 & FY 2025-26 are as follows:

Scheme details	FY-24-25 (Rs. in Cr.)	FY 25-26 (Rs. in Cr.)
Deposit Works fund including Govt	239.16	84.81
Elephant Corridor (Phase IV)	141.71	50.00
School Anganwadi	21.39	13.00
Mega Lift	2.00	2.00
Total	**404.26**	**149.81**

3.3. Govt Grant Assets

The Licensee has considered Govt. grant assets in accordance with the Minutes of Meeting of 1st meeting of committee for development of protocol for asset management of GoI/GoO funded schemes held on 12.10.2023 at GRIDCO Conference Hall chaired by ACS, Dept. of Energy wherein details of such assets used by DISCOMs as on 31-03-2023 has been provided and OPTCL statement dated 07.06.2024 is also shared**.** Further, schemes related to CMPDP (ODSSP Phase-V) & BGJY have been considered for computation of total govt. assets. The assets created under Central & State Govt assistance not in the books of the Licensee are as under.

Sl. No	Name of Scheme	Assets as on 31st March-24 (Rs. Cr.)	Assets as on 31st March-25 (Rs. Cr.)
1	ODSSP (I, II & III)	1083.92	1083.92
2	ODSSP (IV)	216.92	457.94

Sl. No	Name of Scheme	Assets as on 31st March-24 (Rs. Cr.)	Assets as on 31st March-25 (Rs. Cr.)
3	DDUGJY New	373.42	373.42
4	IPDS	244.65	244.65
5	DDUGJY (PGCIL)	685.37	685.37
6	DDUGJY (NTPC)	1442.63	1442.63
8	RGGVY	26.94	26.94
9	BGJY OPTCL DTR	41.08	41.08
10	IPDS IT PH-II	54.20	54.20
12	CMPDP (ODSSP PH-V)	76.55	220.00
13	BGJY	10.17	63.67
16	Megalift for past period	84.54	84.54
17	**TOTAL**	**4340.39**	**4778.36**

3.4. Strengthening of Infrastructures in Elephant Corridor

The State Govt. has formulated a scheme named as Strengthening of Electrical Infrastructure inside Elephant Corridor in order to avoid elephant electrocution and to provide safe movement of elephants without any hazards from the existing electrical infrastructures in and around the defined Elephant movement corridors. State Govt. is releasing the funds in shape of grants to the DISCOMs for execution of works. The scope of works includes erecting of interposing poles, use of Spikes in Poles, Cooping, Fencing AB cabling of LT lines etc. The technical specification of materials is as per CAPEX. The qualities of execution are supervised by the Dist. Administration.

There were three phases of work under this scheme has been executed by the Wesco utility earlier. The incomplete job of the third phase will be carried out along with 4th phase.

In 4th phase Govt of Odisha has proposed to spend around Rs.241 Cr. towards strengthening of Elephant Corridor work across the different areas of the utility. Accordingly, the work has been assigned through the tendering process to various contractors for 84 packages. During the current year the utility expects to spend around Rs.142 Cr. During the ensuing year the balance amount of Rs.50 Cr. is expected to be utilized towards Elephant Corridor and the project will be completed.

Infrastructure of all electrical feeders passing through Elephant Movement area are strengthened through multiple interventions like installation of interposing poles, Replacement of bare conductors with insulated / Aerial Bunched conductors and strengthening the walls of distribution transformers.

Financial Details (In Rs. Cr.):

Sanctioned Amt.	Fund Received	Expenditure Done	UC Submitted to Govt
268.00	240.00	167.65	96.00

Scope & Physical Progress:

Milestone	UoM	Scope	Completed
HT-Intermediate Pole	**Nos**	36702	33679
LT-Intermediate Pole	**Nos**	6628	5486
11 KV Covered Conductor	**kM**	2366.9	1385.43
LT AB Cable	**kM**	474.21	329.93

3.5. Megalift Point by Govt. of Odisha

As per the Govt Megalift irrigation scheme all the house hold would be facilitated with drinking water across the state. Accordingly, clusters have been defined under Licensee area. Under the scheme mostly separate bay extension work from the Existing 33/11 kV s/s or from ongoing ODSSP project 33/11 kV s/s is required to be made. There are 26 locations under the utility has been selected. For the current year Rs.2.00 Cr. and during the ensuing year only one project amounting Rs.2.00 Cr. has been estimated under deposit head.

3.6. SACE (Special Assistance for Capital Expenditure)

Govt. of Odisha has sanctioned towards Strengthening of existing 11KV/33KV lines by augmentation of conductor to higher size, construction of new 11KV/33KV lines, Conversion of LT bare network to Aerial Bunched (AB) Cabling and considering safety measure stringing of insulated covered conductor in HT lines.

Benefits- 24x7 Reliable and Quality power supply, safety enhancement in network & mitigate Low voltage in TPWODL.

Financial Details (In Rs. Cr.):

Sanctioned Amt	Fund Received	Expenditure Done	UC Submitted to Govt
311.00	100.00	93.50	100.00

Scope & Physical Progress:

Milestone	UoM	Scope	Completed
33 kV New Lines (OH)	ckM	21.81	21.81
11 kV New Lines	ckM	114.25	114.25
Intermediate Pole	Nos.	5600	5105
11 kV Covered Conductor	ckM	25	15.00
LT AB Cable	kM	252.18	195.00

Balance works are in progress and expected to complete by Mar-25.

3.7. CMPDP (ODSSP Ph-V)

Govt. of Odisha has sanctioned towards Strengthening of existing 11 kV/33 kV lines by augmentation of conductor to higher size, construction of new 11 kV/33 kV lines, Conversion of LT bare network to Aerial Bunched (AB) Cabling. Considering to consumer growth- upgradation of Distribution transformers, Replacement of old/damaged conductors in HT&LT lines. And installation of 11 kV Voltage Regulator Transformer, 11 kV Capacitor Bank, and Installation of Battery Storage system for network stability under CMPDP (ODSSP Ph-V).

Benefits- Mitigation of Low Voltage Pockets and Improvement of 24x7 uninterrupted reliable and Quality power supply to the consumers.

Financial Details (In Rs. Cr.):

Sanctioned Amt.	Fund Received	Expenditure Done	UC Submitted to Govt
303.06	231.00	117.34	150.00

Scope & Physical Progress:

Milestone	UoM	Scope	Completed
33KV New Lines (OH)	**ckM**	58	52
33KV Aug Lines(OH)	**ckM**	24	10
11KV New Lines	**ckM**	46.4	46.4
11KV Aug Lines	**ckM**	114	100.2
LT AB Cable	**kM**	990	706
LT AB-AB	**kM**	68	32
DTR	**Nos.**	299	253

4. Revenue and Current year GAP

4.1. Non-Tariff Income

The Utility has proposed **Rs. 395.62 Cr.** as Non-Tariff Income for the ensuing year FY 25-26. The details of Non-tariff income are as under :

Particulars	FY 25-26 (Rs. Cr.)
Power Purchase Rebate	46.62
Overdrawal Penalty	10.00
Supervision Charges	3.00
Miscellaneous Income	17.00
Interest on FD	120.00
Delayed Payment Surcharge	12.00
Other Income including Scrap	7.00
Open Access Charges (CSS & Wheeling)	180.00
Total NTI	**395.62**

4.2. Current year FY 2024-25 GAP/Surplus

Further based on the actual sales, revenue and expenses for the first half of the current year 2024-25 and based on estimates for next half of current year, the revenue gap/ surplus for FY 2024-25 considering surplus from the past period true ups is Rs.0.01 Crore as against surplus of Rs.6.32 Crore approved by Hon'ble Commission.

Statement of Current's Year GAP/SURPLUS

Parameters	Approved FY 24-25 (Rs. Cr.)	Estimated FY 24-25 (Rs. Cr.)
Power Purchase	11940 MU	11511 MU
Power Purchase Cost excl. BSP Surcharge	4844.84	4703.57
BSP Surcharge/ (Redn. In BSP)		381.11
Total Power Purchase Cost (A)	4844.84	**5084.68**
Distribution Costs (B)		
a) Employees cost	543.75	561.59
b) Repair and Maintenance cost	244.24	297.10
c) Admin. & General Expenses	169.19	196.13
d) Provision for bad and doubtful debts	57.39	57.39
e) Depreciation	82.35	117.52
f) Interest on CAPEX loans	55.95	41.73
g) Interest on Working capital	50.40	21.98
h) Interest on Security Deposits	83.70	81.43
i) RoE Net of Tax	94.87	130.03
j) Tax on ROE	26.09	43.74
k) Carrying Cost on ASL	-	9.77
l) Less Expenses capitalized (Emp + Int)	33.62	28.68
Total Distribution cost	**1374.31**	**1529.73**
TOTAL (A+B)	**6219.15**	**6614.40**

Parameters	Approved FY 24-25 (Rs. Cr.)	Estimated FY 24-25 (Rs. Cr.)
Less: Miscellaneous receipts	386.02	409.22
Less: True up/ Special Appropriation	**100.85**	**466.20**
Total Revenue Requirement	**5732.27**	**5738.98**
Revenue from tariffs (full year)	**5738.59**	**5739.00**
Revenue Gap (+) / surplus (-)	**(-) 6.32**	**(-) 0.01**

The Licensee has submitted that Hon'ble Commission may kindly to acknowledge the above factor accordingly.

4.3. Revenue at Existing Tariffs

The Licensee has estimated the revenue from sale of power considering the sales projected for FY 2024-25 and by applying the various components of existing tariffs. As detailed out in previous sections, the Utility has adopted the approach considered by the Commission and estimated the revenue from sale of power on accrual basis. The total revenue based on the existing tariffs applicable for the projected sales is estimated at **Rs 5891.35 Cr.**

The details of estimated revenue from different categories of consumers at existing tariffs are provided in Form T-7 & T- 8. The Licensee humbly requests the Hon'ble Commission to estimate the revenue for estimated sales at existing tariff by duly considering the category-wise and slab wise in the format prescribed by the Hon'ble Commission with the applicable tariffs in each category.

4.4. Summary of Annual Revenue Requirement and Revenue Gap(+)/Surplus(-)

Basing upon estimated Revenue Requirement and Revenue at existing tariff, the revenue Gap/Surplus for current year FY 2024-25 is Rs. 0.01Cr. considering surplus carried over from past true-ups.

Revenue Gap with AT&C (17.83%)-Current Year FY 24-25	
Parameters	**Estimated (Rs. Cr.)**
Power Purchase Cost excl. BSP surcharge	4703.57
BSP surcharge	381.11
Total Power Purchase Cost	***5084.68***
Distribution Cost incl. tax on ROE	1389.93
Reasonable return on ROE after tax	130.03

Revenue Gap with AT&C (17.83%)-Current Year FY 24-25	
Parameters	**Estimated (Rs. Cr.)**
Carrying cost on ASL	9.77
Use of Surplus carried over from past True ups	466.20
Sub Total	**6148.20**
Revenue from sale of power at existing tariffs	**5739.00**
Non-Tariff Income	409.22
Revenue GAP(+)/Surplus (-)	**0.01**

Similarly, the Licensee has proposed the revenue gap/surplus for FY 25-26 considering the proposed AT&C loss of 15.90%. There is no revenue gap proposed in ensuing year considering surplus from past true-ups.

Revenue Gap with AT&C (15.90%) FY 25-26	
Parameters	**Rs Cr**
Power Purchase Cost (BSP @ Rs. 3.80/ u)	4663.90
Distribution Cost incl. tax on ROE	1570.28
Reasonable return on ROE after tax	161.46
Carrying cost on ASL	9.77
Use of Surplus carried over from past True ups	118.44
Sub Total	**6286.97**
Revenue from sale of power at existing tariffs	**5891.35**
Non-Tariff Income	395.62
Revenue GAP(+)/Surplus (-)	**0**

Considering the surplus from past true ups, the gap for FY 24-25 & FY 25-26 can be reduced but the DISCOM requests the Hon'ble Commission for not considering the BSP surcharge for FY 25-26 as the same may lead to financial instability of the Licensee.

That, in the above background it is worth mentioning that as of now, at existing tariffs, the company through additional sale if available & proposed tariff rational measures along with use of surplus from past period true ups will meet the required ARR without any tariff hike. However, Govt. support and subsidy if any shall be an additional help & will be passed on to the consumer.

5. Compliance to Directives of Hon'ble Commission

5.1 Compliance to the directions under RST Order:

Hon'ble Commission has given certain direction in the Retail Supply Tariff (RST) Order dt. 13.02.2024 and compliance to same is as under:

1) **Para 260 (a)-** To provide the norms for engaging the outsourcing personnel through Business associates, details of number of outsourcing personnel at each division & circle level and works/ responsibilities assigned to them.

   Compliance: The details have already been furnished vide letter no. TPWODL/RA&S/2024/069 dated 10.07.2024.

2) **Para No. 264 -** All four DISCOMs are directed to provide following information at all PSS level:

   a. Nominal Voltage at PSS level for 33kV system and range of voltage variation.
   b. Nominal Voltage at PSS level for 11 kV system and range of voltage variation.
   c. Remedial measures taken to improve the Voltage profile at PSS level to keep the HT (33 kV & 11 kV) voltage within permissible limit so that desirable Voltage is achieved at Consumer end.

   Compliance:

   Details of voltage at PSS level for 33kV & 11 kV system and the voltage variation have already been furnished vide letter no. TPWODL/RA&S/2024/069 dated 10.07.2024.

   To improve the voltage profile at PSS level and mitigate the issues, the Licensee had conducted a Load flow study to identify the requirement of new PSS for load management, new load addition, low voltage mitigation.

   It is submitted that out of low voltage PSS around (50 nos.):

   a) 37 Nos. PSS are under execution in ODSSP,
   b) 5 Nos. PSS are already approved in FY 23-24 by Hon'ble Commission in CAPEX Order dated 21.06.2023,
   c) 2 Nos. new PSS were approved for Sambalpur City & Bhatli in FY 24-25 vide CAPEX Order dated 12.12.2023 and
   d) Balance 6 Nos. PSS shall be taken care of in FY 26-27.

   In addition to the above, to improve the voltage profile in some of the PSS levels, there is a requirement for new GSS & transmission lines. Details of the proposed sub-stations as well as transmission lines were submitted vide letter dated 10.07.2024 for the kind consideration of the Hon'ble Commission.

3) **Para No. 267-** All DISCOMs are directed to submit their actual HT loss based on energy audit, so that the Commission can use actual HT loss in the ARR for DISCOMs. The DISCOMs are also directed to intimate the status of metering of Distribution Transformers (DTRs) of capacity 100 kVA & above.

Compliance: -

HT Loss (11 kV) – The details of the same have been already submitted before the Hon'ble Commission vide letter no. TPWODL/RA&S/2024/069 dated 10.07.2024. It was submitted that the Licensee has audited 121 nos. (out of 1205 nos.) 11 kV feeders in May 2024 on sample basis. The average loss for the 11 kV feeder came as 15.40% (Input Energy – 46.1897 MU & Billed Energy – 39.0776 MU). In the subsequent time i.e. as on 30th Sep 2024 the Licensee has completed audit of 976 nos. (out of 1215 nos.) 11 kV feeders. Actual HT Loss at 11kV level is not calculated due to 100% DTs not being metered. However, 11kV Feeder loss has been calculated based on GIS tagging of Consumers.

HT Loss (33 kV) – The details of the same have been already submitted before the Hon'ble Commission vide letter no. TPWODL/RA&S/2024/069 dated 10.07.2024. The actual HT Loss at 33kV level is calculated on available meter reading. The 33kV Loss has been calculated for 159 nos. of feeders out of 199 nos. of feeders as on June 2024. It was submitted that out of 159 nos. of feeders, in 25 nos. of feeders, the loss level is more than 3% and in 134 nos. of feeders the loss level is less than 3%. However, on an average, the HT loss is well within 8%, as approved by the Hon'ble Commission.

Metering status of DTs – Out of total 56798 nos. of DTR having capacity more than 25kVA and above, 6976 nos. are metered as on 30th September 2024.

5.2 Vesting order Compliances:

Hon'ble Commission has given certain directions in the Vesting order dt.28.12.2020 and compliance to the same is as under:

1) **Para No. 39 (d)-** DISCOM has to obtain prior approval of Hon'ble Commission on the detailed Capital Expenditure plan in line with regulation.

Compliance: -

Sl. No.	Financial Year	Case Number	Date of Approval
1	**FY 21-22**	07/2021	18.09.2021
2	**FY 23-24**	101/2021	08.07.2022
3	**FY 23-24**	97/2022	21.06.2023
4	**FY 24-25 & FY 25-26**	101/2023	12.12.2023
5	**Addl. CAPEX for FY 24-25 & FY 25-26**	50/2024	Addl. CAPEX application submitted on 12.07.2024

2) **Para 43 (d) –** Past arrear collection.

Compliance: As per terms of bid, TPCL has committed past arrear recovery of total Rs. 300 Cr. till FY 2026. The company is complying periodically as per the mandate. Till September 2024, Rs. 337.33 Crore has been remitted to GRIDCO.

5.3 Compliance to OERC (Licensee's Standard of Performance) Regulation, 2004:

1) **Para No. 6(2) & 6 (3) –** Submission of Guaranteed Standard of Performance (GSoP) report on monthly (within 15 days of the close of the month) and annual (within 30 days of the close of the year) basis. In parallel, submission of Overall Standard of Performance (OSOP) report in every quarter and a consolidated annual report.

Compliance: -

The compliance details are as follows:

Sl. No.	Compliance	Letter No. & date of compliance
1.	Monthly GSOP for Mar-24 & OSOP Q4-FY-24	TPWODL/RA&S/2022/042 dt 12.04.2024.
2.	Monthly GSOP Submission for Apr-2024	TPWODL/RA&S/2024/053 dt. 14.05.2024
3.	Monthly GSOP Submission for May-2024	TPWODL/RA&S/2024/61 dt. 13.06.2024
4.	Monthly GSOP for June-24 & OSOP for Q1 FY-25	TPWODL/RA&S/2024/70 dt. 11.07.2024
5.	Monthly GSOP Submission for July-2024	TPWODL/RA&S/2024/85 dt. 13.08.2024
6.	Monthly GSOP Compliance for the month Aug-24	TPWODL/RA&S/2024/95 dt. 17.09.2024
7.	Monthly GSOP for Sept-24 & OSOP for Q2 FY-25	TPWODL/RA&S/2024/107 dt. 14.10.2024
8.	Monthly GSOP Submission for Oct-2024	TPWODL/RA&S/2024/125 dt. 13.11.2024

2) **Para No. 8-** Third party audit in order to monitor the compliance of the Standards by Licensees annually.

Compliance: - Following the Hon'ble Commission's directive, TPWODL has engaged Four third party auditors from the empanelled list of Commission for conducting the audit for FY 2023-24 abiding by all the directions of Hon'ble Commission vide regulation 8 of OERC (License's Standard of Performance) Regulation,2004 and letter no. OERC/Engg.-7/2018/171 dated 22.02.2022. The audit is completed by 2 auditors covering 4 divisions namely – Nuapada, Bargarh West, Sambalpur East and Titlagarh and the report is also submitted to OERC. Rest 2 audit is ongoing and after receiving audit report, the Licensee will submit before Hon'ble Commission.

5.4 Segregation/ Carve out order compliance:

The licensee is to update the compliance status half yearly and annually basis to the Hon'ble Commission as mandated in the Segregation/ Carve out order dt.23.11.2021. The series of intimation in this regard are provided below:

S. No.	Letter No.	Date	Compliance period
1	TPWODL/RA&S/2022/058	07.04.2022	Till March 2022
2	TPWODL/RA&S/2022/129	18.10.2022	Till September 2022
3	TPWODL/RA&S/2023/053	15.05.2023	Till March 2023
4	TPWODL/RA&S/2023/143	12.10.2023	Till September 2023
5	TPWODL/RA&S/2022/043	12.04.2024	Till March 2024
6	TPWODL/RA&S/2022/103	03.10.2024	Till September 2024

Para wise details of updated compliance status are as under:

1) **Para No. 6 (i)-** Security deposit from consumers amounting to Rs. 752.94 Cr. was transferred to TPWODL. As per the auditor's report, amount outstanding as per consumer ledger is Rs. 760.35 Cr. and balance Rs. 7.41 Cr. is unreconciled. TPWODL was directed to reconcile the balance Rs. 7.41 Cr. through independent auditor and submit the report to the Commission.

   Compliance: As per the above direction Audit has been completed & Report has been shared with Hon'ble OERC vide letter No. TPWODL/RA&S/2024/055 dated 20.05.2024. As per the report the unreconciled balance is Rs. 1.06 Cr.

2) **Para No. 9 -** TPWODL to provide a quarterly account of the amount of grants spent/returned and balance with banks along with interest accrued thereon maintained against grants audited by an independent auditor.

Compliance: The Audit Reports and Financial details as above are being communicated to the Hon'ble Commission. Initially, the audit report for Jan-21 to Mar-22 was submitted to the Hon'ble Commission via letter No. TPWODL/RA&S/2022/104 dated 23-08-2022. However, a subsequent update conveyed through letter dated 18-10-2022 highlighted a closing balance of Rs. 226.46 Cr as of 30-09-2022 (Sep'22). Following this, the audit report for the period of Apr-22 to Sep-22 was submitted to the Hon'ble Commission via letter TPWODL/RA&S/2023/40 dated 24-04-2023. Additionally, Independent Auditor's report regarding Government Grants for Oct-22 to Mar-23 was submitted to OERC through letter no. TPWODL/RA&S/2023/061 dated 09-06-2023. Vide communication dated 12-10-2023, the Hon'ble Commission was informed about the ongoing audit progress for the period of Apr-23 – Sep-23. Independent auditor report on Govt. Grant for the period for H1 & H2 (FY 23-24, till Mar'24) has been submitted vide letter no. TPWODL/RA&S/2024/029 dated 28.03.2024 & TPWODL/RA&S/2024/087 dated 16.08.2024.

3) **Para No. 14 -** Interest payable on security deposit of Rs. 27.79 Cr. was transferred to TPWODL. TPWODL shall be required to submit proof of actual payment as and when this liability is discharged.

   Compliance: TPWODL had already complied with the above direction vide letter TPWODL/RA&S/2022/058 dated 07.04.2022.

4) **Para No. 15 -** Liabilities of Rs.1.60 Cr. towards electricity duty collected and not remitted as on 31.12.2020 has been transferred to TPWODL. TPWODL shall be required to submit proofs of actual payments.

   Compliance: As a continuity of business, the rollover balance is always being deposited in subsequent months.

5) **Para No. 17 -** Rs.5.97 Cr. transferred to TPWODL. TPWODL needs to submit proof of actual payment.

   Compliance: TPWODL has already complied vide letter no. TPWODL/RA&S/2022/058 dated 07.04.2022 to the extent of Rs. 5.05 Cr. The balance amount has also been paid on 07.03.2024.

6) **Para No. 20 (Capital Work in Progress)-** Rs.118.15 Cr. has been transferred to TPWODL. TPWODL has to provide details of CWIP created out of Govt grants and Consumer contribution. Scheme-wise register shall be submitted by 31.12.21.

   Compliance: TPWODL vide letter TPWODL/RA&S/2022/058 dated 07.04.2022 provided scheme-wise register amounting to Rs. 118.15 Cr. to the Hon'ble Commission.

7) **Para No. 23 (iii) -** Rs.141.65 Cr. towards unspent grants transferred to TPWODL. TPWODL shall provide quarterly account of balance along with interest accrued.

   Compliance: Audit Report for Apr'23-Sep'23 & for Oct-23 to Mar-24 has been submitted to the Hon'ble Commission vide Letter No - TPWODL/RA&S/2024/029 dated 28.03.2024 & TPWODL/RA&S/2024/087 dated 16.08.2024.

8) **Para No. 23 (vii) -** TPWODL to submit quarterly details of the amount of liabilities which are outstanding as on 31.12.2020 and subsequently settled by TPWODL.

   Compliance: Audit Report on ASL has already been shared with the Hon'ble OERC vide letter No. TPWODL/RA&S/2024/100 dated 24.09.2024.

9) **Para No. 27 -** TPWODL to maintain separate records for arrear collections from consumers pertaining to the period prior to 31.12 20. The amount after deducting the incentive, shall be dealt with as per para 43(h) of the vesting order. The amount shall be paid to GRIDCO on monthly basis towards settlement of outstanding BSP dues. Suitable MIS report shall also be submitted by TPWODL to GRIDCO showing detailed month wise revenue collections and past arrear collections. The same shall be audited by an independent auditor on a half yearly basis and report shall be submitted to the Commission and GRIDCO within 90 days from the end of the half year.

   Compliance: Past Arrear Collection statement & Audit Report for H1 & H2, for FY 23-24 has already been submitted vide Lt. No: TPWODL/RA&S/2024/03 dated 01.01.2024 & TPWODL/RA&S/2024/67 dated 06.07.2024. As regard to MIS of past arrear collection and remittance pattern to GRIDCO, up to Oct'2024 has been communicated to GRIDCO vide letter dated 02.11.2024.

10) **Para No. 28 -** TPWODL shall obtain Commission's approval for liabilities pertaining to period before 31.12.20 as and when settled. TPWODL shall obtain post facto approval if not obtained.

Compliance: TPWODL is seeking approval on case-to-case basis for the payment being made after declaration of segregation / carve out order.

11) **Pre-takeover period payment**: In compliance to the provisions under clause 52 of the Vesting Order dated 28.12.2020, to ensure continuity of operation of the utility as a going concern, TPWODL is meeting liabilities pertaining to employees, consumers, suppliers and statutory payments, etc. which have been transferred to it. Further, as per clause 52(d) (iii) of the Vesting order, from effective date, TPWODL is responsible to receive /pay amounts pertaining to assets and liabilities transferred to TPWODL as Additional Serviceable Liabilities.

It is also submitted that the Hon'ble Commission had segregated the Balance sheet vide Order dated 23.11.2021 considering different payment particulars till September 2021. TPWODL has been consistently making payments to numerous stakeholders for the past liabilities. Furthermore, the licensee has represented before the Hon'ble Commission on various occasions requesting approval for the refund/ payment of outstanding bills owed to WESCO utility for the specified period. However, the Hon'ble Commission vide Memo No. 1126 dated 03.10.2024, was pleased to further extend the submission of ASL proposal up to 31.12.2024 considering the difficulties faced by the DISCOMs in gathering information of their past liabilities and incidental processing time. But additional liabilities arising out of legal pronouncement would be approved as usual for the past period even after closure of the date of submission i.e. 31.12.2024. Therefore, the Licensee requests the Hon'ble Commission that considering the difficulties faced by the DISCOM, if any ASL proposal is received after the due date, then the same would be duly certified by statutory auditors and submitted to the Hon'ble Commission for approval, which would be over & above the ARR of the DISCOM.

Major Achievement of DISCOM in past 3 years:

Over the past three years of operation through different prioritized initiatives across commercial, technical, financial, safety, IT&OT, HR, IR and CSR, etc. the key performance indicators (KPIs) has improved substantially as compared to pre-vesting period. Few of the glimpses are provided hereunder.

Addition of network assets:

Network Parameters	FY 21-22	FY 22-23	FY 23-24	Improvement (%)
33/11 kV PSS (Nos.)	298	307	314	5.36
PTR (Nos.)	655	684	689	5.19
DTR (nos.)	71402	75485	77020	7.87
33 kV Line (kM)	5051	5358	5632	11.5
11 kV Line (kM)	48425	50249	51708	6.78
LT Line (kM)	62858	65141	68558	9.07
33 kV Feeders (Nos.)	172	186	199	15.69
11 kV Feeders (Nos.)	1134	1160	1205	6.26
Working Meter (Nos.)	1750198	1891773	1905116	8.85

Improvement in Performance KPI:

Key Indicator	FY 21-22	FY 22-23	FY 23-24	Improvement(%)
T&D Loss (%)	21	18	17	4
AT & C Loss (%)	26.80	18.28	15.50	11
SAIDI (Hours)	424	330	309	27
SAIFI (Nos.)	600	468	404	33
Billing Efficiency (%)	79	82	84	5
Collection Efficiency (%)	92	100	101	9
Provisional Billing (%)	29	9	4	25
Consumer Metering (%)	84	85	92	8
No of Consumer Interactive Program (Nos.)	196	237	480	59

Capacity building & Infrastructure Development:

TPWODL has upgraded and modernized the distribution infrastructure, including the replacement of aging transformers, installation of smart meters and strengthening of substation capacity to handle growing demand.

Establishment of 24*7 Operational Power System Control Centre (PSCC), consumer asset mapping through GIS, Automation of Sub-stations through SCADA, Rolled out a pilot Advanced Distribution Management System (ADMS) for 1 division thereby improving monitoring, fault detection and power restoration efficiency.

Established unified Integrated Call Center across 4 DISCOMs and developed a meter testing lab at Burla.

Improvement in Network Reliability:

Reduced technical losses by implementing energy-efficient equipment and re-engineering overloaded feeders with N-1 availability.

Achieved a consistent reduction in Aggregate Technical and Commercial (AT&C) losses, from 27% three years ago to 15.5% in the latest Financial year.

Improved System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI), recording 1/4th reduction in outage duration and frequency.

Renewable Energy Integration:

Enhanced grid readiness and solarizing 26 Nos. of PSS with Roof Top Solar in FY 23-24.

Installed rooftop solar systems and promoted net metering programs, resulting in 455 consumers charged having total 7405 kW installed solar capacity with an increased growth of 36%.

Digital Transformation:

Deployed Supervisory Control and Data Acquisition (SCADA) systems in urban and semi-urban areas to optimize load management.

Implemented Geographic Information System (GIS)-based asset mapping to enhance preventive maintenance and reduce fault response time by 20%.

Installation of Auto-Reclosure and Sectionalizer communicated through SCADA.

Revenue Protection Measures:

Launched a comprehensive revenue protection program to curb power theft and enhance billing accuracy, leveraging smart meters and data analytics.

Introduced pre-paid and time-of-use metering, resulting in a 15% improvement in revenue realization.

Improvement in Billing and Collection Efficiency:

Improved billing efficiency to 84% and collection efficiency to 101%, driving a significant reduction in the gap between cost and revenue per unit.

Organized KHOJ Survey in FY 23-24 to identify the actual load of Streetlights and regularization of unauthorized connections. (2386 Street lights, 2768 LI/OLI, 7177 Saubhagya and 202 others were regularized, and 22632 kW has been added in FY 24).

Detection and billing of Suppressed reading through OCR helped in improvement of OCR reading from 31% to 89%.

Enforcement activity through energy audit (Data analysis) 134MW. Leads generated through Meter readers: 3000 cases/9.94 MW/Rs.3.28Cr.

Customer Engagement:

Upgraded customer relationship management systems to provide a seamless experience, including mobile apps for bill payment, outage reporting and grievance redressal.

Achieved a 80% customer satisfaction score, a 20% improvement over three years, through proactive communication and faster resolution of complaints.

Others:

Various Employee Centric and CSR initiatives were also undertaken in the span of 3 years. With all such above initiatives undertaken, TPWODL achieved A+ rating for successive 2 years positioning as Top 10 DISCOMs in India. TPWODL is now ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified Company. TPWODL received credit rating of AA- from ICRA & Indian rating & Research Institutions. TPWODL Burla Meter Testing Lab has been recommended for NABL Accreditation.

6. Allocation of Wheeling and Retail supply cost

As per the Tariff Regulation, 2022 of Hon'ble Commission, vide following clause has directed for allocation of Wheeling and Retail Supply Cost:

> "2.5.1 *The Distribution Licensee shall segregate the accounts of the Licensed business into Wheeling Business and Retail Supply Business within one year of notification of these Regulations as per the guidelines to be issued by the Commission.*
>
> *2.5.2. The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of segregated accounts of Wheeling Business:"*

Till the time the Distribution Licensee submits audited and certified separate accounts for Wheeling Business and Retail Supply Business, a Allocation Matrix as provided shall be applicable, accordingly the licensee has bifurcated the wheeling cost and retail supply cost as per table appended below considering proposed parameters.

Cost/Income Component	ARR for FY 2025-26 (Rs. Cr.)	Assumption Ratio for consideration in Wheeling Business	Assumption Ratio for consideration in Retail Supply Business	Wheeling cost for FY 2025-26 (Rs. Cr.)	Retail supply Cost for FY 25-26 (Rs. Cr.)
Cost of Power	4384.73	0%	100%	231.84	4152.89
Transmission Charges	276.84	0%	100%	18.03	258.81
SLDC Charges	2.34	0%	100%	2.34	0.00
Total power purchase cost *	**4663.90**	0%	100%	**252.21**	**4411.69**
O&M					
Employee Cost	560.94	60%	40%	336.56	224.38
Repair & Maintenance Cost	326.79	90%	10%	294.11	32.68
Administrative & General Expenses	232.99	50%	50%	116.49	116.49
Bad & Doubtful Debt including Rebate	58.91	0%	100%	0.00	58.91
Depreciation	155.45	90%	10%	139.90	15.54
Interest on Loans					
For Term Loan CAPEX	74.73	90%	10%	67.25	7.47
for Working capital	20.84	10%	90%	2.08	18.76
Interest on Security Deposits	85.32	0%	100%	0.00	85.32
Return on Equity	161.46	90%	10%	145.32	16.15
Tax on ROE	54.31	90%	10%	48.88	5.43
Carrying cost on Regulatory Assets/Liabilities	0.00	10%	90%	0.00	0.00
Special Appropriation					
Amortization of Regulatory Assets	0.00	25%	75%	0.00	0.00
True Up of Past years	-118.44	25%	75%	-29.61	-88.83
Carrying cost towards ASL	9.77	10%	90%	0.98	8.79
Grand Total	**6286.97**			**1374.18**	**4912.79**
Miscellaneous Receipt					
Non-Tariff Income	395.62	10%	90%	39.56	356.06

* Allocation of power purchase cost towards wheeling has been made considering 8% Loss on input after effecting EHT sale.

7. Truing Up of FY 22-23 (Revised Submission) & Truing Up for FY 23-24

As per the existing regulation, the licensee is mandated to file it's truing up petition before 30th Nov of each year for the previous year. Furthermore, the Hon'ble Commission in Order dated 13.02.2024 had finalized the truing-up of FY 20-21 (3 months) & FY 21-22 and had provisionally trued up FY 22-23. However, there are certain errors in the said truing up of FY 22-23, which needs to be revisited. Accordingly, revised truing up for FY 22-23 has been filed with Hon'ble Commission separately along with Truing up for FY 23-24. An abstract is depicted below for kind reference:

Revised FY 2022-23:

Statement of Truing up calculation for FY 2022-23					Rs. In Cr.
Particulars	**Approved in the ARR FY 22-23**	**Audited (OERC Format) FY 22- 23**	**Proposed FY 22-23**	**Allowed in true up (provisional)**	**Revised Submission FY 22-23**
Expenditure					
Cost of Power Purchase	3610.07	5094.80	5169.93	5164.26	5164.27
Employee costs (cash out go)	474.83	447.62	474.40	425.83	447.62*
R&M Expenses	156.03	242.08	237.56	201.03	242.08*
A&G Expenses	110.39	148.94	146.45	110.39	148.94*
Provision for Bad & Doubtful Debts	27.87	129.41	61.81	61.81	61.81
Depreciation	46.52	44.27	44.27	45.95	45.95
Interest on Working capital	7.00	4.45	53.42	27.03	36.65*
Interest on Consumer Security Deposit	37.50	63.94	63.94	38.42	63.94*
Interest on long term loan		16.70	14.13	17.07	21.68*
Efficiency Gain to be shared:					
A-1/3rd to be declared as Dividend /Equity				**6.66**	**10.73**
B-1/3rd to be passed on to consumer as rebate				**6.66**	**10.73**
C-1/3rd to be kept as tariff balancing reserve				**6.66**	**10.73**
Sub-Total	**4470.21**	**6192.21**	**6265.91**	**6111.77**	**6232.93**
Less: Employee cost capitalised	21.18	15.23	15.23	15.23	15.23
Less: Interest capitalised		3.64	3.64	3.63	3.63
(A) Total expenses	**4449.03**	**6173.34**	**6247.04**	**6092.91**	**6214.07**
Add: Income Tax		31.94	22.61	22.61	22.28*
Add: Return on Equity	48.00		67.21	64.11	66.26*
Add: Carrying cost on ASL					4.27*
(B) Sub-Total	**48.00**	**31.94**	**89.82**	**86.72**	**92.82**
TOTAL (A+B)	**4497.03**	**6205.28**	**6336.86**	**6179.63**	**6306.89**
Less: Non-Tariff Income	267.69	233.99	218.33	195.26	208.23*
Net Movement in Regulatory Deferral Balances		-638.78			
Receipt on account of CSS		540.07	540.07	540.07	540.07
Revenue Requirement	**4229.34**	**6070.00**	**5578.46**	**5444.30**	**5558.59**
Less: Provisional Surplus considered	150.00				
Total Revenue Requirement	**4079.34**	**6070.00**	**5578.46**	**5444.30**	**5558.59**
Revenue from Sale of Power	**4119.48**	**6180.86**	**6180.86**	**6180.86**	**6180.86**
GAP (+/-)	**-109.86**	**110.87**	**602.40**	**736.56**	**622.26**
Adjustment towards					

Statement of Truing up calculation for FY 2022-23					Rs. In Cr.
Particulars	**Approved in the ARR FY 22-23**	**Audited (OERC Format) FY 22- 23**	**Proposed FY 22-23**	**Allowed in true up (provisional)**	**Revised Submission FY 22-23**
Power purchase Cost					
Approved AT &C loss	%	A	20.40%	20.40%	20.40%
Normative collection efficiency	%	B	99%	99%	99%
Calculated distribution loss	%	C=1-(1-A)/B	19.60%	19.60%	19.60%
Actual sales	MU	D	10609.62	10609.62	10609.62
Actual power purchase	MU	E	13002.41	13002.41	13002.41
Normative power purchase	MU	F=D/(1-C)	13196.04	13195.38	13195.38
Additional power purchase	MU	G=E-F	-193.63	-192.97	-192.97
Approved BSP	Paise/ Unit	H	388	360	360
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	I=G*H/1000	-75.13	-69.47	-69.47
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	J	-75.13	-69.47	-69.47

** Considered for revised truing up*

Truing up FY 2023-24:

Statement of Truing up calculation for FY 23-24			Rs. In Cr.
Expenditure	**Approved in ARR FY 23-24**	**Actual FY 23-24 (Audited)**	**Considered for True-up FY 23-24**
Cost of Power Purchase (net of Rebate)	5207.54	5031.55	5132.58
Transmission Cost	318.86	299.62	299.62
SLDC Cost	2.06	2.06	2.06
BSP Surcharge	-	329.76	329.76
Total Power Purchase, Transmission & SLDC Cost (A)	**5528.46**	**5662.99**	**5764.02**
Employee Cost (cash out go)	580.57	586.14	528.31
Repair & Maintenance	281.99	244.35	244.35
Administrative and General Expenses	158.12	168.64	168.63
Provision for Bad & Doubtful Debts	62.52	238.86	62.38
Depreciation (net of CC & Grants Assets)	72.93	106.08	106.08
Interest Chargeable to Revenue (Interest on S.D)	72.06	74.73	74.73
Interest on Working Capital	53.87	0.32	44.04
Interest on long term loan	45.57	27.51	52.95
Efficiency Gain to be shared:			
A-1/3rd to be declared as Dividend /Equity			14.57
B-1/3rd to be passed on to consumer as rebate			14.57
C-1/3rd to be kept as tariff balancing reserve			14.57
Total Operation & Maintenance and Other Cost	**1327.63**	**1446.61**	**1281.47**
Less: Employee Cost Capitalised	25.67	25.66	25.66
Less: Interest Capitalised	17.58	2.77	2.77
Add: Return on Equity	57.59	91.93	91.93

Statement of Truing up calculation for FY 23-24			Rs. In Cr.
Expenditure	**Approved in ARR FY 23-24**	**Actual FY 23-24 (Audited)**	**Considered for True-up FY 23-24**
Add: Tax Income	-	25.94	30.92
Carrying cost on ASL			9.50
Total Distribution Cost	**1341.97**	**1536.04**	**1385.39**
Less: Non-Tariff Income	400.33	287.78	258.31
Less: Cross Subsidy/ Open Access Charges		197.47	197.47
Net Distribution Cost (B)	**941.64**	**1050.80**	**929.61**
Less: Provisional Surplus considered	**277.38**		
Total Special Appropriation (C)	**-277.38**		
Total Revenue Requirement (A+B+C)	**6192.72**	**6713.79**	**6693.63**
Total Revenue (Full year) on accrual basis	**6251.99**	**6238.17**	**6238.17**
GAP at existing (+/-) on accrual basis	**59.27**	**-475.61**	**-455.45**
(GAP)/ Surplus carried forward from past years:			
FY 2020-21 (Jan'21 to Mar'21) (OERC Approved)			94.86
FY 2021-22 (OERC Approved)			609.96
FY 2022-23 (Revised submission)			622.26
FY 2023-24			-455.45
Cumulative (GAP)/ Surplus till FY 23-24			**871.63**

8. Tariff Proposals and Rationalization Measures

The Hon’ble Commission has taken immense steps in introducing a number of new schemes through which all the consumers across all the licensees could be able to avail reliable power supply at affordable rate. Specifically, for industries a competitive tariff in compared to industrial tariff of adjacent States. The licensee again proposes the continuity of this scheme along with other schemes in the coming years with certain modifications wherever required. The required modification has been suggested in the foregoing paragraphs.

During the ensuing year the licensee is proposing certain tariff rationalization measures in the following paragraph and also request Hon’ble Commission for continuation of existing benefits as the consumer is otherwise eligible.

The Licensee requests Hon’ble Commission for Continuation:

1. Digital rebate to 4% for LT Domestic, LT GP single phase & Single-phase irrigation consumers

2. Discount of 10 paise to Domestic Rural Consumers if consumed on actual meter reading

3. Levy of CSS on RE power

4. Special tariff to steel industries at 33 kV level without having CGP

5. Continuity of Special tariff for industries having CGP with CD up to 20 MW to avail up to double the CD without levy of over drawal penalty. But the licensee shall have to operate within the approved SMD in such cases.

   In addition to this an industry availing this benefit shall not be permitted to avail the benefit of another scheme.

6. Special tariff for Existing industries having CGP with CD >20 MW with minimum offtake 80% of existing CD with TPA among GRIDCO, DISCOM & Consumer with certain modifications as suggested in the proposal considering business requirement.

7. Continuation Green Tariff Premium (GTP) mechanism.

Tariff Rationalization Measures (New Proposals as well as modification of existing where it is essential)

8.1. Additional Rebate of Rs. 10/- p.m. if opted E-bill: (Modification required)

Hon'ble Commission has introduced additional rebate of Rs.10/- p.m. for the consumers who opted E-bill in the RST order dt.13.02.2024. While implementing the order some practical challenges arises, hence TPWODL has requested Hon'ble Commission for clarification. Hon'ble Commission has also pleased enough to clarify vide their letter dt.03.04.2024

Regarding additional rebate of Rs.10.00 per month to Consumers, reference is made to Para 93 of the tariff order which mentions that *"This will be applicable for the Consumers who are not provided with the Smart Meters. This rebate will be in addition to all other rebates the Consumer is otherwise eligible."* Similarly, at Annexure-B of the Tariff order it is mentioned that *"Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill"*. From the harmonious reading of para 93 and Annexure-B of the tariff order it is evident that the consumers who only opt for e-bills shall avail this benefit. Therefore, the consumers having smart meters whose bills are generated electronically are automatically/ by default excluded from this benefit.

This if for your information and necessary action.

Yours faithfully,

3.4.24

SECRETARY

Through the above clarification Hon'ble Commission has viewed that smart meters are having inbuild facility for generation of e-bill and hence by default excluded from this benefit.

In the above context it is humbly submitted that the purpose of extending E-bill rebate will not suffice through the above mechanism. Because the licensee will have to ensure serving the bill to the consumer as per the mandate of the Supply Code as quoted below, which will be definitely more costly. As per Regulation 147(i) where smart meters are available the licensee may not require go for spot billing. But as regards to serving of bill under the regulation the supply engineer has to made sufficient provision to ensure serving the bill. As per the present Distribution (Conditions of Supply) Code, 2109 vide regulation 147(i) licensees are directed serve the bill in the following manner;

> *"(i) It would be the duty of the engineer or his authorized agent to ensure that the bills are dispatched within ten days from the end of billing cycle and records of such dispatch are duly maintained. The licensee/supplier shall send the bills to the consumers either by post or by courier or through the messenger well before the due date to avoid any inconvenience to the consumer not covered under spot billing. The licensee/supplier may* ***<u>send the information on billed amount and due date of payment to the consumers through registered E-mail ID/Mobile numbers/smart meters</u>****.* ***<u>The mobile number of each consumer shall be collected /recorded for sending billing SMS</u>."*** ***(Emphasis added)***

Even though, information to the extent of billed amount and due date of payment to the consumer has been mandated to send through registered E-mail Id/Mobile numbers/Smart meters etc but serving of bill to the consumer physically through courier/special messenger/spot billing has been strictly mandated. Further, the Hon'ble Commission has also directed to connect with the consumer through registered post/courier service/registered E-mail/personal service with proper acknowledgement in case of load reduction (Regulation 123) and Load Enhancement (Regulation 130). Therefore, considering the present lifestyle and technological advancement, the most powerful communication are email and mobile phone.

At present, all the licensees are spending a substantial amount on Meter Reading and Bill Distribution. In Dec-2020, the Ministry of Power (MoP) has also brought guidelines for replacement static/old meters with Smart meters in phased manner. Accordingly, across the country demand for Smart meters has been increased substantially and the licensee has also started installation of Smart meters. We have already installed/replaced around 350000 with smart meters and all the new 3-phase/1-phase connections are being provided with Smart Meters. So, consumers with smart meters can be served with E-bill without any additional cost. Going forward, all the consumers will be covered under Smart Meter fold. So, to promote installation of smart meters and reduction in Meter Reading and Bill Distribution Expenses, the licensee proposes **Rs.10/ p.m**. additional Rebate over and above all other rebate as the consumer is otherwise eligible may please be approved where a consumer desires/opt for E-bill instead of physical bill. If this is permitted, our MRBD cost will be zero where consumer is having smart meter.

Further, if provision of E-mail ID **will be mandated** the consumer can also get many information/communication from the licensee and the benefits are as under:

- Consumer will be able to get the estimate and all timely updates in her/his mail.
- No involvement of hard copy, no use of paper, system will become more Eco friendly, less carbon footprint.
- Fear of loss of physical copy shall be ruled out.
- Consumer can fetch the e-Bill details via his/her mail.
- No need of physical movement for customer which will enhance customer satisfaction.

Considering the above the licensee once again request before Hon'ble Commission to consider the e- bill rebate to both the consumer who are opting it as well as consumer having smart meter also.

8.2. Continuation of TPA with modified terms and conditions:

Hon'ble Commission has allowed the CGP industries having CD more than 20 MVA to draw power assuring 80% drawal with flat rate of Rs.5 per unit. For which they must enter into an agreement with DISCOM & GRIDCO. This mechanism was fruitful for all the stake holders for which a sustainability was created in RST structure for couple of years. Initially it was introduced in FY 21-22 but continued for only 4 months. Hon'ble Commission brought minor modification for which the year FY 22-23 yield a good result. Subsequently in FY 23-24, anticipating risk of continuation another provision i.e permission of RE power to CGP industries was allowed. Hence for FY 23-24, even though approved quantum was not materialized, but sale under TPA was possible to be retained for maximum extent. However, in FY 24-25 Hon'ble Commission did not permit RE power CGP industries. Which ultimately affects the power sector. Hence, considering the present scenario there is a necessity of modification in the existing version .Therefore, the licensee proposes the following mechanism for the ensuing year which may kindly be approved

GRIDCO is allocating RE power to the DISCOMs considering their monthly drawal, so DISCOM may be permitted to allocate such power to CGP industries if draws power under TPA under the same,

(i) The industry must ensure drawal minimum 80% of the CD.

(ii) Drawal beyond 80% of the CD may be permitted for RE power to the extent of allocated monthly quantum by GRIDCO. If any DISCOM is not able to utilize it's share may be reallocated to the DISCOM who is needing.

(iii) The industry has to pay at a flat rate of Rs.5 per unit for the drawal more than 80% of CD without additional levy of GTP.

(iv) If the industry desires to avail non RE power under this mechanism then in such case the flat rate of Rs.5 per unit may be fixed at Rs.4.80 per unit. Even the Industry can avail both power (RE and Non-RE) with the above-mentioned rate i.e Rs.5 per unit for RE and Rs.4.80 per unit for non-RE.

8.3. Load factor rebate to HT & EHT industries

Load factor rebate to HT & EHT industries are continuing since long time. As per the present mechanism the following benefit is being extended

Load Factor %	HT	EHT
=<60%	5.85	5.80
>60%	4.75	4.70

Presently, due to increases in average power purchase cost of the industries, they are pleading for enhancement of load factor incentive. Therefore, to protect the industries as well as improve industrial sales to bring equilibrium in sales mix, the licensee proposes a load factor incentive if the industry consumes more than 80% LF.

As per the prevailing tariff, EHT industries are eligible to get benefits of 10 paise per unit. **To Enhance consumption under EHT category the rebate may be increased to 20 paise per unit for the consumption beyond 80% LF.**

8.4. Enhancement of ToD benefit in solar hour

The Commercial & Industrial Consumers and Consumers provided with smart meters having MD >10KW, are eligible to get a ToD rebate of 10 paise/unit in Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 20 paise/unit during Peak Hours. The ToD rebate and surcharge shall not be applicable during Normal Hours. For this purpose the hours in a day have been defined as follows:

8.00 AM to 4.00 PM - Solar Hours

After 4.00 PM upto 6.00 PM - Normal Hours

After 6.00 PM upto 12.00 Midnight - Peak Hours

After 12.00 Midnight upto 8.00 AM next day - Normal Hours

Further, overdrawal up to 120% of the CD is permitted during Normal hours only. As explained above during solar hour power is available in GRIDCO pool which can be consumed by industries if drawal beyond CD upto 120% is permitted. Hon'ble Commission may consider this aspect in the ensuing year.

8.5. Digital rebate if paid through jan seva kendra

Hon'ble Commission has permitted 4% rebate on the bill to the LT domestic and single-phase general-purpose category of Consumers only over and above all other rebates, if such

Consumer pays the entire amount through digital mode before the due date. However, some rural, under privileged and less educated consumers are not able to pay through digital mode and always prefers to pay through cash only and some are paying through CSC, OCAC, Janseva kendra etc. In this regard licensee have already requested Hon'ble Commission for extension of rebate if they are paying through Jansevakendra, CSC,OCAC etc. While approving the same through below letter Hon'ble commission has directed DISCOMs for wide publicity.

Wide publicity will only arise if the same would be mentioned in the RST order. Therefore, Hon'ble Commission is requested to kindly consider this and may be mentioned in the RST order.

Sub: Applicability of digital rebate to Consumers paying through CSC and OCAC centers.

Sir,

With reference to the subject cited above, the direction of the Commission at Para 251, clause (d) of RST Order for FY 2024-25 is self-explanatory. The intention behind this rebate is toreduce the burden of Distribution Company for bill collection as well as rewarding the Consumer for bill payment through digital mode.

It is hereby clarified that if the eligible Consumer pays its entire bill amount, on or before due date through any mode/medium of digital payment and the amount is credited directly to the Distribution Licensee without the involvement of the Licensee, the consumer is entitled for the benefit of 4% specialrebate. The Distribution Licensee is directed to take action for wide publicity of various benefits offered to the consumers.

This is for your information and necessary action.

Yours faithfully,

SECRETARY

12.08.24

8.6. kVAh Billing to LT category of consumers with CD>110 kVA

Hon'ble Commission introduced kVAh billing system first time in FY 21-22 for HT & EHT consumers. However, in Para 482 of RST Order FY 21-22, Hon'ble Commission held that "***Three Part Tariff - LT consumers with connected load 110 kVA and above shall be billed with the following charges:***

(a) Demand Charge (Rs./kVA)

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

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

Similarly, In FY 22-23, the applicable charges were revised as follows:

"***Para 181: Three Part Tariff - LT consumers with connected load 110 kVA and above***
(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Rs./kVAh)
(c) Customer Service Charge (Rs./Month)"

Again, In FY 23-24, the applicable charges defined as follows:

"Para 192: Three Part Tariff - LT consumers with connected load 110 kVA and above
(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Rs./kVAh)
(c) Customer Service Charge (Rs./Month)"

Now, in FY 24-25, the current applicable charges defined for LT consumers with CD >110 kVA is as follows:

"***Para 209: Three Part Tariff - LT Consumers with connected load 110 kVA and above***
(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Rs./kVAh)
(c) Customer Service Charge (Rs./Month)"

At the same time, in all the aforementioned Tariff years Hon'ble Commission has notified through Annexure-B, that Energy Charges for LT consumers with CD>110 kVA should be paid in Paise/kWh. Similarly, in all the Tariff years from FY-22 to FY-25 vide Para Nos. 494, 193,204 and 222 respectively Hon'ble Commission has defined Energy Charges for other LT category of Consumers (where **PWWS >=110 kVA, GP >= 110 kVA and Large Industries >= 110 kVA** are included) has to pay EC on the basis of per unit.

However, as per Paras 524 (FY 21-22),226 (FY 22-23),236 (FY 23-24) and 253 (FY 24-25) of the respective Tariff Orders, Hon'ble Commission has stated that in case of any ambiguity or discrepancy, the tariff reflected in Annexure-B will be considered final.

This has created confusion for the Licensees whether to bill with **kWh or kVAh** especially the Energy Charges applicable to **LT consumers with a CD greater than 110 kVA.**

Therefore, the Licensee requests Hon'ble Commission for a suitable clarification in this regard.

8.7. Allocation of Green Power to industries having CGP

Previously in RST order RE power was permitted to CGP industries with GTP of 25 paise per unit. During FY 23-24 the DISCOM has created additional revenue of around Rs.30 crs out of the same through allocating RE power.

Now during current year Hon'ble vide para 241 has disallowed RE power to CGP industries. But, at the same time the Hon'ble Commission in the Bulk Supply Tariff Order for FY 24-25 vide para 328 has permitted GRIDCO to allocate RE Power to the DISCOMs in proportion to their estimated total energy requirement for FY 24-25. For FY 24-25, Renewable Energy of 3580.62 MU is available to GRIDCO, out of total power 37540 MU which is within 10%. Also, as per RST Order, 1138.85 MU RE Power has been allocated to TPWODL against its total approved input of 11940 MU. Accordingly, GRIDCO is allocating RE Power monthly to the DISCOMs on actual basis.

Hon'ble Commission in the RST Order FY 24-25 has directed that Consumers desiring to avail 100% RE Power has to pay Green Tariff Premium (GTP) of 20 paise/unit. However, this facility is not permitted to CGP Industries. Now, some of the Consumers/Industries are requesting the DISCOM to certify the quantum of RE Power included in their monthly consumption within their Contract Demand.

In view of the above, the Licensee humbly submits before Hon'ble Commission to permit the DISCOM to intimate the quantum of RE Power included in the monthly consumption of Consumer/Industries (incl. CGP) considering the actual allocation as received from GRIDCO. However, in the case of CGP Industries, the RE Power consumed monthly from DISCOM shall not be permitted for their Renewable Purchase Obligation (RPO).

The present GTP is 20 paise per unit for those who are consuming 100% green power. But, in the case of CGP industries as we are not allowing to claim RPO, we may allocate RE power as available with DISCOM on month-to-month basis as per actual allocation by GRIDCO with GTP of 10 paise per unit. If the green power of any

DISCOM remains unsold it may be permitted to be re-allocated to the desiring DISCOM.

8.8. Special tariff for industries those who have closed their units if reopen/starts

TPWODL has made a wide study in its area of operation and found that there are a number of industries who have closed their units since long. This may be due to different reason, but resources are getting wasted because of non-operational. To start a business creating all the infrastructure is always a challenge, however, having a set up an industry can start with minimum expenditure. Specifically, with the present market condition, which is moving at a much faster pace. If a suitable tariff structure for the closed units can be introduced, we hope some more industry can restart their units. Further, when industries run, it will create employment opportunities, GST & Income Tax also contributes towards national GDP. Further operationalization of industries will help in growth of industrialization, create employment opportunity, improvement in national GDP etc.

a. The proposal is for industries those who have closed their units in complete shape prior to take over.
b. Industries those who have arrear outstanding even after adjustment of SD has to clear it’s dues before availing the benefit.
c. The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25-26.
d. The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.
e. Closed Industry may be permitted at 11kV or 33kV level with minimum CD of 500 kW.
f. As this is a special scheme for the revival of the closed units it will be for the year 2025-26 only.
g. Because of closure of units no one benefits, including the Government of Odisha who will get electricity duty @8% on energy charges. So, this will offset the incentive largely so offered.
h. This incentive will be over and above all other existing rebate in the tariff
i. Industries opting this benefit shall not be eligible for open access.

j. Industry availing this benefit shall not be permitted to avail benefit of another scheme.

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

Upon the announcement of benefit to the extent of double the CD to the consumers who are having CGP, few of the other industries those who do not have CGP has started approaching for similar type of scheme for them so that they can utilize their existing installed capacity in full, beyond CD or may add capacity in the existing premises beyond CD if permitted. In line with special tariff for industry having CGP, a special tariff for non CGP industries connected in 33 KV level or above may kindly be considered. The scheme may be as follows:

a. The agreement shall be between the industry & concerned DISCOM.
b. Under 33 KV level the permissible limit of drawl is 15000 KVA, but licensee has the discretion to allow beyond the limit of 15 MVA on special ground considering the adequacy of system availability. If system does not permit then the opting industry has to augment the system of supply to higher level to avail this benefit.
c. Industry interested for this scheme has to ensure minimum offtake of 85% L.F. of existing CD
d. Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.
e. The power so consumed under this agreement may be treated as surplus power of GRIDCO and this quantum shall be over and above the approved quantum in ARR including SMD.
f. Interested industry has to pay a flat rate for the additional energy so consumed beyond 85% of CD.
g. Consumption upto 85% LF shall be billed as per existing RST
h. No demand charges for the additional quantum beyond existing CD.
i. Open access shall not be permitted during this special arrangement.
j. As this is a special agreement adequate Payment security mechanism shall be in place before power transaction as well as there will be no rebate on

additional power. However, DPS shall be applicable if payment is not made within due date.

k. Industry availing of this benefit shall not be permitted to avail benefit of another scheme.

8.10. Special tariff for Industries for temporary business requirements

Hon'ble Commission in the RST order dt.13.02.24 vide para 93 has addressed this issue in the following manner

- "*Issue of Special Tariff for Industries for Temporary Business Requirement*

  The DISCOMs have suggested for temporary increase in CD of Industries having CGP when some of the units of such CGP undergoes maintenance. This suggestion cannot be accepted in view of the codal provision for enhancement of Contract Demand under Regulation 127 of the Supply Code, 2019. Over and above, this will affect the ***power purchase planning of DISCOMs and GRIDCO.***"

However, considering the present dynamic nature of power sector power purchase planning is not a big challenge, which can be managed with proper co-ordination between DISCOM and GRIDCO as well as with the intending consumer. Therefore, it is once again submitted before Hon'ble Commission to think upon and consideration with suitable terms and conditions.

Why it is suggested is being mentioned below:

Under TPWODL area there are around 26 industries having their own CGP. Some of them has single unit of generation and some are having multiple units with different capacity. To maintain the generating unit's annual maintenance is inevitable. Similarly, some of the other industries need power intermittently to meet seasonal requirements. For such temporary outages of their CGP and short-term business need, they approach DISCOM for power for couple of months, sometimes even for less than 15 days. They are also not willing to increase their load for such short-term need as reduction of load has certain restrictions as per the prevalent regulation.

In view of the above TPWODL submits before Hon'ble Commission to approve/permit such temporary additional load beyond CD for a short period maximum up to 3 months. In that event the industry has to **bear 10% higher charges on both normal Demand and energy component**. Such additional consumption will contribute towards revenue enhancement and will help to protect risk of tariff enhancement. The above temporary arrangement shall be accommodated by the licensee well within its approved/permitted SMD, without additional burden to GRIDCO.

It is relevant to mention that presently there are around 80 nos. of CGPs across 4 DISCOMs (excluding NALCO and IMFA) and their installed capacity is around (5808 MW+2609 MW+166.38 MW+934.5 MW) 9517.88 MW. Therefore, the requirement of power during annual maintenance of their units may be needed from DISCOM. If some type of arrangement in the tariff is created it will be a win-win situation for all the stakeholders. The licensee is once again submitting herewith before Hon'ble Commission to consider the above proposal in the ensuing year ARR.

8.11. Minimum Contract Demand for the industries having CGP

It is to submit that there are more than 80 CGPs across the states are connected with the Transmission & Distribution network those who are primarily dependent on their own generation for their captive need. They only reserve the CD with DISCOMs and uses occasionally and some are using some extent. Most of the industries are self-dependent. Even, those who are self-dependent & drawing in case of need, in such time DISCOMs SMD shoots up and sourcing of power also became immediate challenge to GRIDCO. As they are reserving a CD and hence exercising their right of drawal without any prior intimation as well as without advance planning. DISCOMs are also facing difficulties in projecting their annual input requirement properly. Comprehensively, it is now a great challenge to attend/ face their intermittent drawal behavior with present market condition.

Further, the demand charges here in Odisha is very less i.e 250 per kVA per month as compared to other neighboring states like Jharkhand, Chhattisgarh, Maharashtra, Andhra Pradesh, DVC etc where it is more than Rs.350 per kVA per month. Further, it is not a choice but rather it is on installed capacity.

Now, with humble submission it is submitted that the reason for minimum offtake is necessitated for survival of the subsidized segment of consumer's whose tariff are being cross subsidized through others. Unless a suitable step is being introduced, tariff sustainability will be difficult.

Presently there are more than 80 industries across Odisha, those who have CGP. They have established their CGP considering their load and business requirement; while doing so they are also keeping CD with DISCOM for additional requirements or occasional requirement. As the power market is moving towards different dimensions on year to basis with generation mix and has business impact commensurate with changed law, DISCOM has to equip itself to satisfy the customer as per their requirement with sustainable and affordable tariff. In this process, now it is observed that to protect the interest of industrial consumers, particularly industries, having CGP is affecting the other subsidized consumers of the State.

As they are synchronized with the STU or DISCOMs network keeping a CD as per their choice and drawing power as and when required particularly in peak house or when market cost is higher. Which is not only affecting DISCOM but posing an adverse impact on the power procurement plan of GRIDCO. Because of such behavior of the industry high-cost power is being sourced which could have been better procured with competitive tariff. Similarly, commensurate with their CD and drawal behavior DISCOM is planning power requirement in its ARR and load forecasting proposal, but when it comes to the actual the scenario is just reverse. Therefore, the DISCOMs input as approved by Hon'ble Commission is not maturing. In FY 23-24 Hon'ble Commission approved 13286 MU, whereas the actual became 12752 MU i.e more than 500 MU did not mature. Similarly, in the current year Hon'ble Commission has approved input of 11940 MU out of which approval of TPA power was 1250 MU however, the actual drawal till Oct-24 only 623 MU and for balance period the opting consumer has denied continuance. Under this mechanism, the industry was ensuring minimum drawal of 80% which also ceases from Nov-24 onwards. For the sake of more clarity the DISCOM is placing the drawal pattern of a few of the CGP industries drawal behavior those who have kept CD and consuming very less in the following table:

Sl No.	Name of the Industry	CD (kVA)	Total Drawal in FY 23-24(MU)	LF	Drawal in current year (MU) (H1)	LF
1	Aditya Aluminum	55557	10.014	2%	7.791	3%
2	Vedanta-Budhipadar	66667	56.579	10%	4.377	2%
3	JSW (Bhusan)	200000	474.535	27%	203.782	24%
4	Vedanta-Lanjigarh	15000	16.531	13%	23.561*	36%
5	Aditya Alu-Hirakud (HINDALCO)	40000	22.218	6%	10.645	6%
6	RSP	170000	234.792	16%	21.491	3%
7	SMC-I	4000	0.146	0.4%	1.402	8%
8	SMC-II	7500	5.240	8%	0.063	0.2%
9	Vedanta (SEZ)	300000	In case of Vedanta (SEZ) who was availing power under TPA with minimum off take of 80% of the CD. However, in normal conditions the scenario is worse, not even 20% LF in an average			
10	**Total CD (kVA)**	**858724**	**820.056**	**11%**	**273.111**	**7%**
	DISCOM approved SMD (MVA)	1893				

**Vedanta lanjigarh has drawn under Bi-partite agreement for couple of months hence L.F. appears on the higher side.*

There are another 16 more such industries who are having CD of 20 MVA and less under the licensee area. Baring few others drawal pattern is also as like of industries depicted in the aforementioned table.

When all the DISCOMs are serving more than 95 lakhs of other category of consumers who are being under subsidized segment it is becoming unviable to sustain with higher BSP. Therefore, Hon'be Commission is requested to think upon and adopt suitable mechanism in the tariff structure for such industries to protect the power sector distribution segment in the interest of such domestic and irrigation consumers.

Therefore, the licensee proposes the following proposal for consideration of Hon'ble Commission:

The Contract demand (CD) should not be at their choice rather it has to be minimum to the tune of highest installed capacity of the generating plant. In case of multiple generation units, the highest capacity should be considered.

8.12. Revision of Reconnection Charges with penalty clause

It is submitted that the reconnection charges w.e.f. 01.04.2024 is continuing since last 12 years even though BST and RST of DISCOMs have increased no of times.

Category of Consumers & Applicable Rates

Particulars	Prior to 1st April 2012	Continuing since 1st April 2012	Proposed Reconnection charges
LT Single Phase Domestic Consumer	Rs.75/-	Rs.150/-	Rs.500/-
LT Single Phase other consumer	Rs.200/-	Rs.400/-	Rs.1000/-
LT 3 Phase consumers	Rs.300/-	Rs.600/-	Rs.1200/-
All HT & EHT consumers	Rs.1500/-	Rs.3000/-	Rs.6000/-

Now, the biggest challenge in the field even after disconnection, consumers are not willing to reconnect power supply formally but found to be reconnected again through their own means and ways. This is not only affecting business of the licensee, at the same time risk of fatal accident cannot be ruled out. It is not possible to monitor post disconnection by 24 X 7 with the available resources as well as it is not cost effective. Therefore, it is the humble submission of the licensee to put a separate stringent punishment, a separate penalty clause may be approved to create fear among such segment of consumers. **In the event of consumer found reconnected without paying formal reconnection charges shall be imposed with 10 times of the reconnection charges, apart from other action as per law**.

In addition to above, upon reconnection if the consumer fails to clear its dues regularly and the licensee is disconnecting the consumers, in such case the consumer has to pay 5 times of the reconnection charges for each subsequent reconnection so made.

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

The licensee is having a consumer under mega lift with CD of 13500 kVA and availing power supply with 132kV level. As there is no such tariff category under EHT for such supply, TPWODL is billing it under HT irrigation as per applicable tariff. The Hon'ble Commission in the RST order dt.13.02.2024 has notified tariff for Mega lift points in the following manner:

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

(Emphasis Added)

It is respectfully submitted that extending rebate of Rs.2 per unit on Energy charges may be permitted but waiver of Demand charges is a discrimination with other consumers and the licensee is heavily affected. So, it requested to kindly create separate category under EHT with demand charges of Rs.250 per kVA and energy charges under graded slab method for Mega lift points connected at HT & EHT level.

8.14. Proposal for simplification of fixed charges i.e MMFC

As per existing RST structure across the state, it is mainly 3 Part like (i) Energy Charges/unit (ii) (a) Monthly Minimum fixed charges/kW for LT consumer and (b)Demand charges/kW/KVA/Month for HT & EHT consumer and (iii) Customer service charges per month per consumer those who are paying Demand charges. It is not applicable to those who are paying MMFC.

Further, monthly minimum fixed charges in LT category for irrigation pumping and agriculture, allied agriculture activities, allied Agro industrial activities, public lighting, LT industrial [Small] & LT industrial [Medium] is charged on different rates i.e. for 1st kW @ Rs. 20-100 and subsequent additional kW/KVA or part thereof @ Rs. 10-80 depending upon the category of consumer. This seems to be complex design of levying fixed charges and needs simplification.

On overall basis, Odisha DISCOMs are recovering approximately 10% of their total revenue excluding rebate and electricity duty through demand charges/monthly minimum fixed charges. Whereas in other states these percentile is between 15-20%.

It is pertinent to mention here that the entire operating cost of DISCOMs such as R&M, A&G, Employee cost, depreciation, financing cost, ROE are fixed almost fixed in naturet. In ideal scenario, fixed cost of distribution company should be generally recovered through demand charges/monthly minimum fixed charges levied based on sanctioned load/contract demand or maximum demand of the consumer whichever is higher. Whereas in the current tariff structure the DISCOMs are recovering hardly within 10-15% of their total fixed cost through fixed charges.

This design of tariff is leading to loading of all incremental costs on energy-related components of consumers and has increased the risk of any change in the sales mix.

In view of above, Hon'ble Commission is requested to consider a simplification of current design for levying monthly fixed charges and rationalize the rates appropriately so that risk of change in sales mix is addressed to the extent possible. Rationalization of demand charges and monthly minimum fixed charges would also disincentives consumers who found indulging in theft of electricity at the cost of regular paying consumers.

Other Proposals

8.15. Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply:

Presently few of the consumer are covered under LT & HT for Tariff purposes considering their Voltage of Supply, which creates many confusions and disparity. They are as follows:

Category of Consumer	Voltage of Supply (LT)	Voltage of Supply (HT)
General Purpose >= 110 kVA	Energy Charges Rs.6.20 p/u, Demand Charges Rs.200/kW & Customer Service Charges Rs.30/month	EC of Rs.5.85 p/u (up to 60% LF and Rs.4.85 p/u for >60% LF consumption), DC Rs.250/kVA & CS Charges Rs.250/month
General Purpose>70 kVA <= 110 kVA	No such Tariff Category	-do-
Irrigation Pumping and Agriculture	Rs.1.50 p/u for EC and Rs.20 p/m (1 kW) & Rs. 10 p/m (2nd kW above) MMFC	Rs.1.40 p/u for EC, Demand Charges Rs. 30/ kVA & CS Rs.250/-pm
Allied Agricultural Activities	Rs.1.60 p/u for EC and Rs.20 p/m (1 kW) & Rs. 10 p/m (2nd kW above) MMFC	Rs.1.50 p/u for EC, Demand Charges Rs.30/ kVA & CS Rs.250/-pm
Allied Agro-Industrial Activities	Rs.3.10 p/u for EC and Rs.80 p/m (1 kW) & Rs. 50 p/m (2nd kW above) MMFC	Rs.3.00 p/u for EC, Demand Charges Rs.50/kVA & CS Rs.250/-pm
PWWS<110 kVA	Rs.6.20 p/u EC and MMFC Rs.50/kW	-
PWWS>110 kVA	Rs.6.20 p/u EC, Demand charges of Rs.200/kW and CS Rs.30/pm	EC of Rs.5.85 p/u (upto 60% LF and Rs.4.85 p/u for >60% LF

Category of Consumer	Voltage of Supply (LT)	Voltage of Supply (HT)
		consumption), DC Rs.250/kVA & CS Charges Rs.250/month
Medium Industry >=22 kVA <110 kVA	Rs.6.20 p/u EC and MMFC Rs.100/kW (1 kW) & Rs. 80 p/m (2nd kW above)	-
Medium Industry*	-	EC of Rs.5.85 p/u (up to 60% LF and Rs.4.85 p/u for >60% LF consumption), DC Rs.150/kVA & CS Charges Rs.250/month

**No such limitation of load has been defined under HT.*

Even though as per existing RST, irrespective of voltage of Supply, considering type of metering (LT or HT) tariff is applicable, but in practical implementation and acceptability to consumers it is becoming more cumbersome and confusing. Therefore, to avoid confusion the DISCOM proposes that upon the consumer's contract demand/connected load and metering type (LT or HT) tariff may be fixed instead of voltage of supply. The benefits to both licensee and consumer would be as follows:

- Transformer loss can be recovered for all consumers if the meter side is HT and HT tariff for load >=70 kVA.
- LT consumers (Load <70 kVA) to be billed as per slab rate and transformer Loss will not be levied.
- There may be uniformity in tariff category and Metering side.

8.16. Billing with Defective Meter

As per existing regulation the licensee is permitted to raise provisional bill for maximum up to three months and during this time the defective meter has to be replaced with new meter. Thereafter, the provisional bill so raised shall be revised considering actual meter reading for consecutive six billing cycle. The extant regulation of OERC Distribution (Conditions of Supply) Code, 2019 is appended below:

"155. For the period the meter remained defective or was lost, the billing shall be done on the basis of average meter reading of the past three billing cycles immediately preceding the meter being found/reported defective. These provisional charges shall be leviable for a maximum period of three months during which time the licensee/supplier/consumer is expected to have replaced the defective meter. The provisional bill shall be revised as per the average of

six consecutive billing after a new meter is installed. In no case the previous bill can be revised for more than two (2) years prior to the installation of new meter."

With the above mechanism the licensee is facing the following difficulties in implementing the provision

a. Consumers are not paying even the actual bill after replacement of defective meter unless the bill is revised. The licensee is helpless even collecting the actual bill from the consumer & has to wait for six consecutive billing cycle.
b. In many cases consumers are desiring to revise the bill considering past actual consumption in corresponding period, but DISCOM can not violate the provision of law.
c. Some are insisting for bill revision considering actual metering after one month's consumption.
d. Most of the consumers are trying to control the consumption and tempted to use through other means with an intention to reduce the billing even though they have actually used during meter defective period.

With the above ground reality, the DISCOM is not able to improve the collection efficiency and has to wait for six months till bill is rectified. Even after lapse of six-month when the bill is revised with upward assessment the consumer is not willing to pay such huge amount.

The DISCOM understands the provision of prevailing regulation, however, Hon'ble Commission has the power to issue practice direction for proper billing and collection thereof till the supply code, 2019 is being amended.

Therefore, the Licensee humbly submits that, a practice direction may kindly be given in the RST order FY 25-26 for revision of the provisional bill in case of defective meter, on the following alternatives:

a) The consumer shall be billed on the basis of actual average consumption recorded during the corresponding period in the preceding year, excluding the provisional billing:

b) If actual consumption recorded during the corresponding period in the preceding year is either not available or partially available, the actual average consumption of past 6 (six) billing cycles immediately preceding the date of meter being detected or reported defective, excluding the provisional billing, shall be used for billing purpose:

c) If the actual average consumption of past 6 (six) months is either not available or partially available, the average consumption for the next 3 (three) billing cycles excluding provisional billing after the installation of new meter shall be used for billing purpose.

Further, bill revision of past period beyond 2 years is not permitted due to which pre-vesting period dues are held up and consumer dissatisfaction continues. Therefore, for benefit of all the stake holders a relaxation in bill revision may kindly be extended for one more year.

Billing in case of defective or damaged meter:- (1) The consumer shall be billed on the basis of actual average consumption recorded during the corresponding period in the preceding year, excluding the provisional billing: Provided that if actual consumption recorded during the corresponding period in the preceding year is either not available or partially available, the actual average consumption of past 6 (six) billing cycles immediately preceding the date of meter being detected or reported defective, excluding the provisional billing, shall be used for billing purpose: Provided further that if the actual average consumption of past 6 (six) months is either not available or partially available, the average consumption for the next 3 (three) billing cycles excluding provisional billing after the installation of new meter shall be used for billing purpose.

8.17. Combined Application form replacing Form-I & Form-II

Presently, as per Regulation 3, Domestic & GP consumer is opting Form-I for New Service Connection / Load enhancement/ Load reduction/ Reconnection /Change of Name/ Shifting/ Temporary Supply/ Conversion of Service/ Change of consumer category and Form-II is applicable to other category of consumers to the extent of New Connection/Load Reduction/Load Enhancement/Change of Name.

With this, consumers are confused about the Application form for GP Consumers having Contract Demand more than 70 KVA and supply at HT/EHT which one they will choose (Form I or Form II). The Licensee is also unable to capture the detailed information about the consumer in case they submit Form-1. Hence, TPWODL proposes to continue existing application form with little modification (Form-1 for 1 Ph and Form-2 for 3 Phase) which is beneficial for both consumers and the licensee. Even though it requires amendment of Regulation, Hon'ble Commission with discretionary power may direct/allow through practice direction to adopt a common Application Form till Regulation is amended.

8.18. DPS on Electricity Bills

The Hon'ble Commission had discontinued the practice of levy of DPS on the Electricity Bills in the Tariff Order for FY 2023-24. The Extracts of the Tariff Order is as follows:

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

The DISCOMs have also requested in ARR of 24-25, wherein Hon'ble Commission in para 93 has addressed in following manner;

- *"Issue of Levy of Delay Payment Surcharge (DPS) on Electricity Bills*

  On the issue of levy of DPS on LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers, it is clarified that, since FY 2023-24, this has been abolished. It is not out of place to mention here that, levy of DPS is a deterrent for defaulting Consumers who pay the bill after lapse of one month of the due date. However, from the performance of DISCOM, it is seen that the overall collection efficiency has improved significantly. The Act empowers the DISCOMs to disconnect the supply of electricity in case of non-payment of Bills. ***Therefore, it will not be prudent to reinforce the DPS."***

However, rescinding the levy of DPS has resulted in willful delay in payment as there is no deterrent now available. The DPS was acting as the required deterrent and the consumers will have to pay in time. In this regard, it is assured that DPS would be applicable only on the undisputed portion. Hence when the Bill gets revised due to Disputes, the DPS would be once again computed on the Un Disputed amount. Further we also note that the consumers at times are required to pay DPS as the bill delivery is delayed. Such situation arises as the Due Date is very short of 7 days. Hence in order to address this grievance of the consumer, it may be appropriate to increase the Due Date of such consumers to 30 days. In this regard, the stand of the Hon'ble Commission in Tariff Order for FY 2022-23 is relevant and presented below:

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

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

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

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

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

8.19. Pro rata Billing

The attention of the Hon'ble Commission is drawn towards importance of pro-rata billing for Tariff Slab applicability in case of billing being in deviation to the monthly billing cycle. The relevant Regulation for Billing Cycle is reproduced below:

> *"109(i) The meter shall normally be read* ***on fixed date ± 3 working days for monthly billing cycle****. The licensee/supplier shall issue proper photo identity cards to all meter readers and meter readers shall carry the photo identity card during the course of meter reading. (****Emphasis Supplied****)"*

While the Discoms are working towards achieving the above norm under normal conditions, the Hon'ble Commission is cognizant of the uncontrollable climatic conditions such as Kalbaisakhi, monsoons and extremely high temperature during summer months which beset Odisha regularly, that effect normal meter reading billing cycles. While occurrence of such events result in extension of billing period beyond the + 3 working days for monthly billing cycle, processes are being put in place to ensure that subsequent month's billing is done earlier than 30 + 3 days so as to ensure that over two billing cycles, the billing period is largely restored as per norms. The relevant Regulation with respect to pro-rata monthly billing is reproduced below:

> *"148. The charges payable by a consumer for supply of electrical power and other sums payable to the licensee/supplier shall be billed* ***on pro-rata***

monthly basis *indicating the period for which charges have been levied.* ***When supply to a new consumer is commenced or an agreement is terminated on a day other than the first day of a month****, demand charges and other charges as applicable under tariff notification shall be levied pro-rata for the number of days during the month for which supply shall have been given or agreement shall have been in force."*

*(****Emphasis Supplied****)*

The issue of Pro-rata Billing in case of deviation of billing from 30 days billing cycle was clarified by the Hon'ble Commission vide letter dated 06.06.2022, wherein pro-rata billing was denied in all cases other than in cases of commencement or termination of supply on a day other than the first day of a month. The Discoms were further directed to follow Regulation 109 (on billing cycle period).

Hon'ble Commission has also addressed this issue in RST order FY 24-25 vide para 93 as under;

- *"Introduction of pro-rata Billing*

  The issue of introduction of pro-rata billing has been specifically clarified by the Commission in their letter No.619 dated 06.06.2022 addressed to all the DISCOMs. The Supply Code, 2019 is very specific on this matter. Unless Supply Code is amended with new procedures, pro-rata billing cannot be imposed."

It is once again to submit that the clarification, however has not addressed the situation where the billing, for various reasons , cannot be carried within the stipulated norms as per regulation 109 of the Supply Code,2019.The relevant extract from the above referred letter is reproduced below:

> *"A harmonious reading of the Regulation 148 of the OERC Distribution (Conditions of Supply) Code, 2019 reveals that the prorata billing should be adopted only in cases when supply to a new consumer commenced or an agreement is terminated on a day other than first day of a month.* ***Prorata billing should not be adopted in other cases including the case of spot billing*** *as provided under Regulation 147 of the OERC Distribution (Conditions of Supply) Code, 2019.* ***Regulation 109 of the OERC Distribution (Conditions of Supply) Code, 2019 shall be strictly followed by DISCOMs without any deviation****."*

Considering that Billing on the fixed date every month (+ 3 days) may not be feasible for reasons as explained above, it is submitted that the Hon'ble Commission may kindly consider permitting pro-rata adjustment of Slabs limits based on actual days of billing vis a vis the standard norm of 30 days (365 Days/ 12) to ensure that the Consumers get the full slab benefit under all actual billing period scenarios (vis a vis the norm).

An illustration to demonstrate the impact on Consumer Bill, of the tariffs applied for 'Fixed Slabs' irrespective of the number of days of billing vis-à-vis the same tariff being applied to 'Pro-rata Slab' based on actual no. of days billing' is provided below:

Sr No.	Particular	UoM	Scenario-1	Scenario-2	Scenario-3
1	Actual Billing Days	Days	33	27	30
2	Standard Monthly Billing Days (365/12)	Days	30	30	30
3 = (1/2)	Pro-Rata Factor	No	1.1	0.9	1
4	Total Billed Unit for the Month	kWh	500	500	500

Scenario -1 Actual Days of Billing: 33 days, Pro-Rata Factor: 1.1 (33/30)						
Slabs for Domestic Consumers	Energy Charges for Slab (Rs./kwh)	Standard Slab (Existing Practice) in kwh	Adjusted Slab on Pro-rata basis (Proposed Method) in kwh	Energy Charges as per existing method of Billing (Rs.)	Energy Charges as per proposed method of Billing (Rs.)	Difference (Rs.)
	A	B	C = B X Pro-Rata factor	D = A x B	E = A X C	F = D-E
0-50	2.9	50	55	145	160	-15
50-200	4.7	150	165	705	776	-71
200-400	5.7	200	220	1140	1254	-114
>400	6.1	100	60	610	366	244
Total		**500**	**500**	**2600**	**2555**	**45**

Scenario -2 Actual Days of Billing: 27 days, Pro-Rata Factor: 0.9 (27/30)						
Slabs for Domestic Consumers	Energy Charges for Slab (Rs./kwh)	Standard Slab (Existing Practice) in kwh	Adjusted Slab on Pro-rata basis (Proposed Method) in kwh	Energy Charges as per existing method of Billing (Rs.)	Energy Charges as per proposed method of Billing (Rs.)	Difference (Rs.)
	A	B	C = B X Pro-Rata factor	D = A x B	E = A X C	F = D-E
0-50	2.9	50	45	145	131	14.5
50-200	4.7	150	135	705	635	70.5
200-400	5.7	200	180	1140	1026	114
>400	6.1	100	140	610	854	-244
Total		**500**	**500**	**2600**	**2645**	**-45**

Scenario -3 Actual Days of Billing: 30 days, Pro-Rata Factor: 1 (30/30)						
Slabs for Domestic Consumers	Energy Charges for Slab (Rs./kwh)	Standard Slab (Existing Practice) in kwh	Adjusted Slab on Pro-rata basis (Proposed Method) in kwh	Energy Charges as per existing method of Billing (Rs.)	Energy Charges as per proposed method of Billing (Rs.)	Difference (Rs.)
	A	B	C = B X Pro-Rata factor	D = A x B	E = A X C	F = D-E
0-50	2.9	50	50	145	145	0
50-200	4.7	150	150	705	705	0
200-400	5.7	200	200	1140	1140	0
>400	6.1	100	100	610	610	0
Total		**500**	**500**	**2600**	**2600**	**0**

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

It is further submitted that similar methodology of pro-rata Slab adjustment is adopted by various States.

In view of the above explained difficulties in ensuring billing all the time within the stipulated norms, the Hon'ble Commission is requested to permit pro-rata billing for any deviation from the billing cycle of 30 days as explained above.

8.20. Installation of Smart Meter under Capex and abolition of meter rent

The existing arrangement of meter cost recovery through monthly meter rent is a major impediment in installing smart meters. Even consumers who are having mechanical meters are resisting for replacement of meters because of meter rent as they conceived that replacement of meter is to get meter rent which is not the correct understanding. Through awareness events we are trying our level best but issue is not getting solved.

Whereas various regulatory framework mandating that every consumer should have smart meter so that they can get information about their electricity consumption on real time basis besides the other following benefits.

a) Smart meters will make the integration easier, thereby giving thrust to Solar Generation Initiatives of Govt. (PM-Kusum, PM-Surya Ghar, Rooftop Top Solar etc.)
b) With availability of real time data on energy usages, the consumers will be able to find areas of inefficiency and excess consumption thereby taking prompt action to reduce unwanted consumption for optimization of energy consumption.
c) Smart meters are much more accurate than traditional meters and without any human intervention, which means consumer will receive more accurate bills and less complaints related to billing errors.

d) With availability of real time data, the Discoms will be able to plan their power purchase more efficiently thereby reducing burden of excess power purchase on the consumers.
e) The State will be able to the meet the target set by the Central Government in the area of Smart Meter Installation.
f) Through IT and OT integration the interruption duration can be more accurately captured resulting in better measurement of Reliability Indices.

So, to ensure that the all consumers can avail the benefit of smart meters, the only feasible option is to install smart meter under Capex route and abolishing the existing method of recovering meter cost through meter rent. This will accrue dual benefit to the consumer. They will be relaxed from the burden of monthly meter rent at the same time enjoy the benefit of smart meters. It is estimated that the impact of above changes in tariff would be negligible.

It is pertinent to mentioned here that most of the state utilities performing well in our country like in the states of Maharashtra, Gujarat, Delhi, Madhya Pradesh, Karnataka, Andhra Pradesh and Tamil Nadu has abolished meter rent concept way back and switched to capex mode for meter cost recovery. So it is good case to consider abolishing meter rent model in Odisha state as well.

The Hon'ble Commission has notified the OERC Distribution (Conditions of Supply) Code, 2019 in August 2019. Under regulation 97 (iv) (3), the Licensee/supplier is permitted to move on gradually towards installation/replacement of prepaid/smart/pre-paid smart meters preferably within three years. Ministry of Power, Govt. of India have issued timelines for replacement of existing meters with smart meters for all consumers as per above mentioned notification dated 17th Aug-21.

Further, Regulation113 (v) of OERC Distributions (Conditions of Supply) Code, 2019, provides as follows:

> *"In case the licensee/supplier replaces the meter due to technological up-gradation, the cost of the old correct meter already recovered through meter rent shall be deducted from the cost of new meter and the balanced amount may be recovered through meter rent on pro-rata basis "*

In the RST order FY 24-25, Hon'ble Commission has taken a view vide para 93

- *"Meter Cost to be recovered under CAPEX*

  The Commission thoughtfully analysed the proposal. Though the proposal appears to be plausible, still it requires thorough analysis. There will be no issue as far as inclusion of meter cost in CAPEX, where the new meters will be installed. But there may be many Consumers who have already paid the meter rent in full and there may be other Consumers those who have paid the meter rent in part. In those cases, abolishing meter rent may create problem in financial adjustment. Therefore, the DISCOMs are required to file a fresh proposal by giving all the details related to meter rent, number of Consumers in different metering categories, legal implications, if any, and detail plan for implementation etc. Accordingly, the Commission will examine the proposal for recovery under CAPEX."

Thereafter, DISCOMs have requested through common letter and presented before Hon'ble Commission for consideration. As advised a separate application is being filed for consideration of the meter cost under CAPEX mode which may kindly be heard along with ARR.

TPWODL have started installation of Smart Meter phase wise, beginning with 3 Ph category from July, 2022 and till Oct-24 more than 3.40 lakhs of smart meters has been installed. All the new connection applications under 3 Ph category are being provided with Smart Meter only.

Furthermore, due to technological obsolescence, the old meters are required to be replaced with smart meters. While doing so, the consumers are reluctant to allow the replacement because they have paid the meter rent fully or partially and in some cases they have purchased the meters. In such scenarios, recovery of meter rent through installation of smart meters is becoming more challenging now-a-days.

It is also submitted that, the entire new connection as well as replacement of defective meter may be permitted through Smart Meters only. The Hon'ble Commission is, therefore, requested to allow the replacement of smart meters under CAPEX instead of meter rent.

8.21. Creation of Contingency Reserves for Assets that are not insured by Insurance Companies

The Discoms, as a mandatory risk mitigation measure, have been taking various insurances for fixed assets, inventory, cash, personnel, Directors & Officers Liability, Third Party etc. The insurance covers are obtained in a manner to optimize on the Insurance Premium while ensuring adequate risk coverage considering the probability (i.e. likelihood) and severity (i.e. consequential impact) of a Risk event. The Hon'ble Commission has been allowing the insurance premium as part of A&G Costs.

It is submitted that one of the most risk prone fixed asset, viz. overhead LT / HT/ EHT Lines, remaining uninsured due to Insurance Companies not providing insurance coverage in line with the general practice followed by Insurance companies. Discussions with various insurance companies has not elicited any positive response, with the result that the Lines remain uninsured. The issue of non-availability of insurance coverage for such assets was taken up in Board meeting/ Audit Committee meeting wherein it was advised to check what alternative practices are available / followed in Power Sector.

The Utility submits that the Distribution system is more prone to natural calamities like cyclone, flood etc., which have become an annual feature given the Phailin, Hud Hud, DAYE, Titili, FANI, AMPHAN in quick succession, for which contingency provisions should be made.

The Utility seeks reference to the National Tariff Policy, vide Clause 8.2.1 Para '6' which states that, the contingency reserve should be drawn upon the prior approval of the State Commission only in the event of contingency conditions specified through the Regulations by the State Commission. Accordingly, taking into consideration that, the State of Odisha is prone to natural calamities at regular intervals having witnessed in the last 100 years, 49 floods, 39 droughts and 11 cyclones, and taking into consideration the massive damage to the electrical infrastructure, it is prayed that Contingency Reserve be allowed for the Utility along with the guidelines/practice directions for use of such Contingency Reserve Fund.

Accordingly, DISCOMs have also discussed this issue with M/s. Powergrid Corporation of India Ltd. the Central Transmission Utility who had also faced similar issue and came to know that CERC has kept a provision in allowing A&G expenses where 0.9% of Gross Fixed asset is allowed to create self-insurance reserve to cover the risk of uninsured lines and cables. That reserve is allowed as a part of ARR and is solely at the disposal of the CERC.

In line with the above provision, PGCIL has been creating a "Self-Insurance Reserve" to cover the risk of uninsured lines and cables for any adverse eventuality and same is accounted for by the Hon'ble Central Electricity Regulatory Commission while approving the normative O&M Cost Allowance.

In view of the above critical issue of overhead lines being left uninsured, we are submitting this petition seeking approval of the Hon'ble Commission for creation of Self-Insurance Reserve or Contingency Reserve for such assets which the Insurance Companies have not agreed to insure .

Also, the erstwhile DISCOMs namely NESCO Utility, WESCO Utility and SOUTHCO Utility have kept on proposing provision for contingency reserve @ 0.375% of Gross Fixed Assets at the beginning of the Financial Year in the ARRs for FY 2012-13 to FY 2020-21 as Investment towards Contingency Reserve relates to an emergency fund to meet the expenses towards unforeseen calamities.

Further, the Hon'ble APTEL in Judgment dated November 08, 2010 in Appeal Nos. 55, 56 & 57 of 2007 has held as under:

> *"23 (iii) In regard to allowing the claim in respect of larger Contingency Reserve, it has to be stated that* ***State like Orissa which is highly prone to natural calamities like cyclone and floods every now and then, the provision of Contingency Reserve to meet such contingency is quite desirable and reasonable****. It may not be correct to contend that the Contingency Reserve can be allowed only when the Regulations were framed with regard to that. This contention in this regard urged by the learned Counsel for the Appellant has been rejected by this Tribunal in the earlier Judgment dated 13.12.2006 holding that* ***it is not a condition precedent to frame Regulations in this respect while allowing the claim for Contingency Reserve****."* [**Emphasis added**]

Though the above Judgment was in favour of Transmission Network, similar instances can be drawn with the Distribution Licensees who maintain its fixed assets during the times of natural calamities including Cyclone, Kalbaisakhi, floods etc. & any other unforeseen incidents.

Considering the uncovered risk, more so due to Odisha being a Coastal State and prone to natural calamities, the Audit Committee of DISCOMs has advised to explore the possibility of Self Insurance by creating an appropriate & adequate reserve. Creation of such reserve basis certain norms become more relevant & essential because vide Letter No. 11896 dated 03.12.2022, the Department of Energy, Govt. of Odisha, has mentioned that NDRF/ SDRF funds are not available for repair/ replacement of Assets at 33 kV level. Further, Government funds may not be available for restoration of assets owned by the Private DISCOMs.

In case of any catastrophic event requiring replacement of LT/HT network in mass, if sufficient funding not available with DISCOMs and no support from Govt. of Odisha as mentioned in above letter, the DISCOMs will not be able to replace and restore the damaged network resulting major disruption in power supply to consumers.

In view of the above, DISCOMs propose be allowed to create a Self-Insurance Reserve for such Assets which Insurance Companies are refusing to insure (viz. overhead LT, HT, EHT Lines). The contribution to the Self-Insurance reserve would be allowed as an expenditure in ARR in lieu of Insurance Premium on such Self - Insured Assets. The accumulated fund in the Self Insurance Reserve would be utilized by the Discom only for mitigating financial impact of a Force Majeure event requiring repair/ replacement of such Self-Insured Assets, with post facto approval from the Hon’ble Commission for cost incurred.

It is requested that the Hon’ble Commission may kindly allow a gradual buildup of the Self –Insurance Reserve for about 5 years. The Reserve build –up may be reviewed at the end of initial period, unless the Government finances such Force Majeure eventualities, in which case the review could be done on an annual basis.

In case of any loss due to non-availability of insurance for lines and cables, creation of self-insurance reserve will avoid tariff shocks to consumer, service availability at war footing basis and avoidance of built-up Regulatory Assets.

Regulatory Framework and practice followed by other States

Recognizing the above difficulty in insuring certain Assets, the Hon'ble Central Electricity Regulatory Commission (herein referred as CERC) is considering contribution to Self-Insurance Reserve as a legitimate O&M expenditure while allowing Normative O&M Expenditure.

The relevant extract of the Statement of Reasons for the CERC Tariff Regulations, 2019 in this regard, is reproduced below.

> *"10.7.11 Further, the Commission has excluded the impact of self-insurance reserve and security expenses from O&M expenses norms for transmission system in the draft 2019 Tariff Regulations. Based on the submissions of the stakeholders,* ***it is observed that self-insurance reserve is an efficient mechanism of self-funding of the asset replacement in case of any damage to transmission assets. further, there is sufficient check and balance mechanism for preventing use of such self-insurance funds for any other purpose. Therefore, the Commission has considered self-insurance reserve at 0.9% of the gross fixed asset value of AC transmission system for the purpose of arriving at the base value of O&M expenses for AC transmission system.*** *The insurance expenses for HVDC systems, which is taken from external insurance companies has already been included while computing the O&M expenses for HVDC stations."* **(Emphasis Supplied).**

The Hon'ble Maharashtra Electricity Regulatory Commission is also allowing contribution to Contingency Reserve for meeting any such eventualities as part of Discoms ARR. The relevant extract of the MYT Regulations, 2019 is reproduced below :

"***35 Contribution to Contingency Reserves***

> *35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:*

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year:

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities for two consecutive Years, then the contribution to Contingency Reserves shall not be allowed in the calculation of Aggregate Revenue Requirement from the subsequent Year onwards.

35.2 The Contingency Reserve shall not be drawn upon during the term of the License except to meet such charges on account of:

(a) Expenses or loss of profits arising out of accidents, strikes or circumstances which the management could not have prevented;

(b) Expenses on replacement or removal of plant or works other than expenses requisite for normal maintenance or renewal;
(c) Compensation payable under any law for the time being in force and for which no other provision is made:

Provided that the Distribution Licensee shall obtain the Commission's post-facto approval for drawal of Contingency Reserve by submitting the necessary justification for the drawal of Contingency Reserve along with documentary evidence.

35.3 No diminution in the value of Contingency Reserve as mentioned above shall be allowed to be adjusted as a part of Tariff.

The relevant extract from the 'Bihar Electricity Regulatory Commission (Multiyear Distribution Tariff) Regulations 2018' is produced below in this regard.

24. Contribution to Contingency Reserve

24.1 If the Distribution Licensee has made an appropriation to the Contingency Reserve, a sum not less than 0.25 percent and not more than 0.5 percent of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of ARR.

Provided that where the amount of such Contingency Reserves exceeds five (5) percent of the original cost of fixed assets, no further contribution shall be allowed.

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.

24.2 The Contingency Reserve shall not be drawn upon during the term of the license except to meet such charges as may be approved by the Commission, such as following:

(a) Expenses or loss of profits arising out of accidents, strikes or circumstances which the management could not have prevented;
(b) Expenses on replacement or removal of plant or works other than expenses required for normal maintenance or renewal;
(c) Compensation payable under any law for the time being in force and for which no other provision is made:

Provided that such drawal from contingency reserve shall be computed after making due adjustment for any other compensation that may have been received by the Licensee as part of an insurance cover.

24.3 No diminution in the value of contingency reserve as mentioned above shall be allowed to be adjusted as a part of tariff.

The relevant extract from the 'West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2011' is produced below in this regard.

5.11 Reserve for Unforeseen Exigencies

5.11.1 The generating companies and the licensees may provide and maintain a reserve for dealing with unforeseen exigencies up to 0.25% of the value of gross fixed assets at the beginning of the year annually and the provision made for the year will be allowed in their Aggregate Revenue Requirement subject to an overall ceiling of 5% of the value of gross fixed assets at the beginning of the year. The existing amount of contingency reserve in the books of accounts of the generating companies / licensees, if any, will be considered while arriving at the overall ceiling as stated herein.

5.11.2 For failure to comply with the provisions of the regulation 5.11.1 and 5.24.1, double the amount allowed under the head reserve for unforeseen exigencies in any tariff order of a year shall be withheld from the re-determined ARR during APR of any year.

Furthermore, in the Transmission Tariff Order for FY 24-25 dated 13.02.2024, vide Para 152, the Hon'ble Commission has recorded the views/ suggestions of the Government of Odisha which is appended as under:

> *"**Damage to Power Distribution infrastructure due to natural calamities are not covered under Insurance Schemes**. **Therefore, a "Contingency Reserve Fund", preferably one fund for all DISCOMs need to be created to have a self-insurance fund to insure against probable damage to Distribution Network**. The Commission may create provisions in the ARR of DISCOMs in this regard including the administration of the "Contingency Reserve Fund" under the Commission."* [**Emphasis Supplied**]

Referring to the above practices being followed by States like Maharashtra, Bihar and West Bengal having similar probability of Natural Calamities what is prevailing in Odisha requires similar arrangement for creation of Contingency Reserve so that in case of heavy damage to uninsured network, all four Odisha Discoms can replace such damaged network without huge Tariff shock to consumers.

Submission

Considering the uncovered risk, more so due to Odisha being a Coastal State and prone to natural calamities, our Board of Directors / Audit Committee has advised to approach this Hon'ble Commission for devising an systematic modalities for creation of Contingency Reserve or Disaster Resilient Fund

Creation of such reserve basis certain norms become more relevant, pruduent & essential because vide Letter No. 11896 dated 03.12.2022, the Department of Energy, Govt. of Odisha, has mentioned that NDRF/ SDRF funds are not available for repair/ replacement of Assets at 33 kV level. Further, Government funds may not be available for restoration of assets owned by the Private Discoms.

In case of any catastrophic event requiring replacement of LT/HT network in mass if sufficient funding not available with Discom and no support from Govt. of Odisha as mentioned in above letter, the Discoms will not be able to replace and restore the damaged network resulting major disruption in power supply to consumers.

In view of the above, we propose that the Discoms may be allowed to create a Contingency Reserve for such Assets which Insurance Companies are refusing to insure (viz. overhead LT, HT, and EHT Lines). The contribution to the Contingency reserve needs to be allowed as an additional expenditure in ARR. The accumulated fund in the Contingency Reserve would be utilized by the Discom only for mitigating financial impact of a Force Majeure event requiring major repair/ replacement of damaged assets on mass basis with post facto approval from the Hon'ble Commission for cost incurred.

It is requested that the Hon'ble Commission may kindly allow a gradual buildup of the Contingency Reserve for about 5 years. The Reserve build –up may be reviewed at the end of initial period ,unless the Government finances such Force Majeure eventualities, in which case the review could be done on an annual basis .

In case such contingency reserves are not created and any catastrophic event happen and Govt. funding are not provided then there will be huge tariff shock to the Consumers on account of cost of loss on retirement of assets and cost of new Assets. Creation of such contingency reserve will not only help in avoiding tariff shock and buildup of Regulatory Assets will also ensure quick restoration of supply in the event of natural calamity.

Modalities for administration of Contingency Reserve may be decided by this Hon'ble Commission keeping in view the practices followed by other State Regulatory Commissions as referred above.

The Hon'ble Commission is requested to allow a suitable quantum towards Self Insurance/Contingency Reserves in the ARR of the Distribution Licensees in Odisha. The quantum of amount may be decided at 0.25 % of the GFA subject to a limit of 5% as stipulated in case of provisions made by the Hon'ble Commissions of Bihar and West Bengal. On the basis of the GFA as on 31st March 2024 for the four Distribution Licensee, the estimated amount to be approved in ARR is as worked out in the table below:

(Rs. Cr.)

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

1.

In the humble submission of the DISCOM, the reserves would gradually build up and the same can be utilized to meet the expenses required to take care of the risks faced by the Distribution Licensee as such risks are not insured by the Insurance Company.

8.22. Approval for utilization of Consumer Security Deposit (SD) for Consumer benefit through reduction of Financing Costs allowed in Tariffs

As part of transfer of Assets & Liabilities to the TP Discoms from the erstwhile Utilities of CESU, WESCO, SOUTHCO and NESCO, entire cash and bank balance, including Fixed Deposits, as on the Effective Date have been transferred to the respective TP Discoms.

The Fixed Deposits towards Consumer Security Deposits (CSD) and the liabilities towards such deposits as transferred in the respective Discoms Opening Balance Sheets as per on the respective Segregation Orders are as follows:

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

In compliance to the directions of the Hon'ble Commission in the Vesting Order which have been basically reiterated in the Segregation Order, are being fully complied by the TP Discoms as is evident from the Table below:

Status of SD of all DISCOMs as on 31.03.2024

					in Rs. Crores
Particulars	**TPCODL**	**TPWODL**	**TPSODL**	**TPNODL**	**Total**
Consumer Security Deposit as on 31.03.2024	1078.70	1206.43	366.26	883.47	3534.86
Fixed Deposit as on 31.03.2024 (Including interest)	1028.27	1334.68	359.18	928.02	3650.15

While the Vesting Order and the Segregation Order, as mentioned in Para 3 above, stipulate that the TP Discoms shall not be allowed to liquidate the Fixed Deposits other than for the reasons they collected, we wish to make the following submissions, with respect to the same.

Any Utility's consumers are generally sticky to it, especially in a geography where there are no competing Utilities. Cases of refund of security deposit happen generally when consumers request for voluntary disconnection (migration to another location etc.), and in any case new consumers keep getting added who provide fresh Consumer Security Deposit, with the result the CSD Balance generally keeps growing, which is the case in all the TP Discoms as is evident from the CSD Balance as at 31.03.23 vis-à-vis the Balance as on the Discoms' respective Vesting Dates (Please refer the Balance in the Tables above).

Regulation 3.7.11 of the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 (hereby referred as Tariff Regulations, 2022), specify the following with respect to Interest on Consumer Security Deposit

3.7.11 The Distribution Licensee(s) shall adjust interest on the amount held as security deposit (held in cash or cash equivalent) from Distribution System Users and Retail consumers at the Bank Rate as on 1stApril of the Financial Year in which the Petition is filed in their monthly bills.

Provided that Interest on security deposits, in excess of the above rate specified by the Commission shall be considered as non-Tariff income of the Licensees.
Provided further that Interest on security deposits, in deficit of the above rate specified by the Commission shall be considered as Uncontrollable Cost of the Licensees and shall accordingly be allowed in their ARR.

As can be seen from above, the Interest on Security Deposit paid/ adjusted to the Consumers, as well as the Interest earned on the CSD held in Fixed Deposits, is a mere pass-thru for the Discoms.

The security deposit received from consumer is put a sub-optimal use at present.

- Utility borrows towards capex and working capital requirement at commercially negotiated rates (~8%) from the scheduled commercial banks
- Utility parks the SDs with the same banks at a lower FD rate (~4-6%)
- Impact for Utility: Neutral.
- All interest cost (on Loans and SDs) are pass through in ARR
- Impact for Consumer: Negative.

  Consumer receives interest rate at the OERC notified interest rates (6.75% for FY 2022-23) while the Utility earns an Interest Rate of 4-6% on FDs made out of the CSD received from Consumers. The difference is a pass through in ARR which adversely impacts consumer tariffs.

  Interest payment on term loans by Utility at around 8% is a pass through in ARR.

  As can be seen from the above, while the Utility is earning interest at 4-6% on its FDs, it is borrowing at around 8%, thereby clearly causing an additional cost burden of 2-4%.
- Impact for banks: Positive.

  As is evident, only the Banks are the eventual beneficiaries as they raise deposits at 4-6% and lend the same money back to the Utilities at around 8%, which is loaded on consumer as interest cost in tariff.

<u>Proposal</u>

Considering the significant interest rate arbitrage which is presently being borne by the Consumers through the ARR/ Tariff mechanism, it is proposed that the Utilities be permitted to utilise the Consumer Security Amount available with them in form of Fixed Deposits, in lieu of Debt for the purpose of financing planned capital expenditure / working capital. **It is worthwhile to point out that with roll out of Pre-paid Smart Meters, the CSD of consumers with Smart Pre-paid meters, will in any case be liquidated and treated as advance payment towards energy bills.**

Benefits

The above proposal, in case accepted by the Hon'ble Commission, shall enable a reduction of the overall interest cost for the Utility, which in turn reduces the tariff for the end consumer.

In-line with the Regulation 2.14.2 of the Tariff Regulations, 2022 relating to sharing of Gains on Refinancing of Loans, the savings in the financing/ interest costs shall be shared, 1/3rd with Consumer as reduction in his Energy Bill, 1/3rd retained as tariff balancing reserve with the residual 1/3rd retained by the Discom as its incentive for reducing financing costs for the consumers.

SOP for utilization of Security Deposits

We appreciate the sensitivity around utilisation of Consumer Security Deposits rather than maintaining the same as Fixed Deposits.

It is submitted that our Proposal, incorporating sufficient checks and balances, is a win-win for the Consumers of the Utilities. While ensuring continuity in terms of returns to Consumers (as per Rate of Return as notified by the Commission based on prevailing Bank Rates) on their Security Deposit, the proposal would not result in any enhanced risk relating to refund of CSD while allowing in a significant savings (lowering) of interest costs as part of Utilities ARR.

The CSD utilisation methodology along-with checks for prudent utilisation of the same while ensuring there is no liquidity mismatch to meet any Refund requirements, is as follows:

- 80-90% of the outstanding SDs can be utilised for funding capital expenditure. The balance 10%- 20% liquid funds to be maintained as FDs to meet any repayment requirement on termination of electricity connection.

- Only capital schemes approved by OERC at the beginning of the year can be funded by SDs
- Annual Business Plan of the respective utility, approved by Board of Directors, shall factor in funding of capital expenditure by SDs; to that extent no return / interest cost to be allowed in ARR
- Following is the Schedule of Authority proposed by the Utility for use of SDs

Level 1	Approval by CFO
Level 2	Approval by CEO
Level 3	Approval by Committee of Directors constituted by the Board (comprising of Tata Power and GRIDCO directors)
Level 4	Approval by OERC

- Half yearly statement of utilisation of SDs towards funding of capital expenditure, certified by statutory auditor, to be submitted to the Hon'ble Commission at the end of September and March quarters
- Depreciation claimed on these assets to the extent not used in loan repayment will be used in refurbishing the SDs used

8.23. Realistic Assessment of Load in case of theft of electricity

Even though Hon'ble Commission has provided separate guideline for assessment of unauthorized use in the regulation, however as per field condition while doing the assessment it is not practically feasible/ possible to adhere the provision. So, to lucidity the process it is the humble submission of the license, if a consumer found using electricity unauthorizedly, in such case the assessment must be made with LDF basis. In case of Domestic LF of 30%, for GP may be kept as 60% and in case of continuous process industries, assessment may be done with 100% LF. However, while doing the assessment, due procedure as per Electricity Act and Regulation shall be strictly observed.

8.24. Standard Service Connection charges

Regulation 22 (vi) of the Supply Code,2019 read with the Clause No. 256 of Tariff Order dtd. 13/02/2024, standard service connection charges are prescribed for connection up to 5 KW. Above this limit, an estimate is required to be prepared for each case followed by various procedural activities to be done by discom and applicant consumer. This is a major inconvenience to the applicant consumers, often this activity delays the process of getting electricity connection.

Ministry of Power, Govt. of India, while prescribing Electricity (Rights of Consumers) Rules 2020 vide Rule No. 4 (13) has recognized the difficulties as said in above para and notified that :-

> *"For electrified areas up to 150 kW or such higher load as the Commission may specify the connection charges for new connection shall be fixed on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection."*

Vide Letter No. TPCODL/Regulatory/2024/79/4613 dtd. 6th July'2024 a proposal for standardization of service connection charges upto 150 KW 3 phase under LT category as per the following details was submitted to Hon'ble Commission by TPCODL:

Proposed service Connection Charges

Contract Demand	Service Connection Charges (excluding GST) in Rs.
Upto 10 kW	4500
11-20 kW	7000
21-40 kW	10000
41-50 kW	19500
51-100 kW	33000
101-150 kW	60000
Note: The above charges are calculated based on average 25 meters service length and use of armoured cable	

In order to ensure ease of living and ease of doing business, we humble request Hon'ble Commission to kindly issue necessary directions in the Tariff order for standardization of service connection charges so that we can be better placed in terms of service delivery to consumer for new connection and shall be at par with the Electricity (Rights of Consumer) Rules,2020.

8.25. Processing fee for each services as per Regulation

Presently, the licensees are directed to serve the consumer for their different requirement apart from Billing and collection activities. Consumers also needs, Load Change (Reduction/Enhancement), attribute changes (like Change of name, Category Change, name correction, address correction /Change etc.)

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

Proposed Standard Application Processing Fees

Sl. No.	Purpose of Application	Application Processing charges	
		LT Single Phase	LT-3 Phase, HT & EHT
1	Change of Category	Rs. 100/-	Rs. 1000/-
2	Load Change	Rs. 100/-	Rs. 1000/-
3	Change/correction of Name or address, Ownership change/modification excluding e-mail ID and Mobile No.	Rs. 100/-	Rs. 1000/-

9. Formats

The following filled in formats will form a part of the revised ARR and Tariff Application for FY 2025-26 as annexures.

9.1. Commercial/Technical Formats T1-T9

9.2. Financial Formats F1-F27

9.3. Details Performance Formats (P1-P17) in Vol- II

10. Prayer

In the aforesaid facts and circumstances, the utility prays that the Hon'ble Commission may be pleased to:

- Take the revised ARR application and Tariff Petition on record.
- Approve the Aggregate Revenue Requirement for FY 2025-26.
  Allow additional R&M and additional A&G cost for special drive for the ensuing year FY 2025-26 out of surplus revenue generated from earlier years along with efficiency gain and additional sale though proposed tariff rationalisation measures without burdening the consumer of the state assuming no increase in BST & Transmission charges.

  Allow the following Tariff rationalisation measures as proposed w.r.t consumer benefit schemes:

  - Additional Rebate of Rs. 10/- p.m. if opted E-bill for consumers having Smart Meter also
  - Continuation of TPA with modified terms and conditions
  - Load factor rebate to HT & EHT industries
  - Enhancement of ToD benefit in solar hour
  - Digital rebate if paid through Jan Seva Kendra/OCAC/CSC Centres, etc
  - kVAh Billing to LT category of consumers with CD>110 kVA
  - Allocation of Green Power to industries having CGP
  - Special tariff for industries those who have closed their units if reopen/start
  - Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA

- Special tariff for Industries for temporary business requirements
- Minimum Contract Demand for the industries having CGP
- Revision of Reconnection Charges with penalty clause
- Creation of Category for Mega lift points under EHT and applicability of Demand Charges
- Proposal for simplification of fixed charges i.e MMFC
- Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply
- Billing with Defective Meter
- Combined Application form replacing Form-I & Form-II
- DPS on Electricity Bills
- Pro rata Billing
- Installation of Smart Meter under Capex and abolition of meter rent
- Creation of Contingency Reserves for Assets that are not insured by Insurance Companies
- Approval for utilization of Consumer Security Deposit (SD) for Consumer benefit through reduction of Financing Costs allowed in Tariffs
- Realistic Assessment of Load in case of theft of electricity
- Standard Service Connection charges
- Processing fee for each services as per Regulation

Any other relief, order or direction which the Hon'ble Commission deems fit.

By the Applicant

Through its Authorized representative.

Dated:

Place: