



Case No: _____ of 2022

File No TPSODL/Regulatory /2023/3/_____

IN THE MATTER OF: Application(Revised) for determination of Open Access Charges for FY 2023-24 for consumers availing Open Access under Section 42 of the Electricity Act 2003

And

IN THE MATTER OF: TP Southern Odisha Distribution Ltd. (Formerly Southco Utility), Corporate Office, represented by its Chief - Regulatory Affairs Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004

Petitioner

And

IN THE MATTER OF: All Stake Holders. *...Respondents*

Application under Section 42 of the Electricity Act 2003 read with OERC (Terms and Conditions of Intra-State Open Access) Regulations 2020 for approval of Wheeling Charges , Cross Subsidy Surcharge and Additional Surcharge for FY 2023-24

TP Southern Odisha Distribution Ltd (TPSODL) is required to submit proposal for approval of Open Access charges before the Hon'ble Commission for the FY 2023-24 as per the provisions of OERC (Terms and Conditions of Intra-State Open Access) Regulations 2020. Any customer under the licensee area of TPSODL intending to avail one MW or more power from any other Utility or generator by open access facility of distribution network of the Licensee may do so, by paying Open Access Charges applicable from time to time. This application is for approval of Open Access charges for FY 2023-24.

For determination of Open Access Charges for the Financial Year 2023-24, the Licensee considered estimated figures as presented in its ARR application for FY 2023-24. TPSODL on 30th November 2022 had submitted a petition in this regard. However, the Hon'ble Commission vide its notification had directed TPSODL to submit revised



ARR for FY 2023-24 on the basis of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2022 (“New Tariff Regulations”). TPSODL has filed a separate petition (“Revised Application”) with the Hon’ble Commission with regards to the ARR workings for FY 2023-24 on the basis of the New Tariff Regulations. Based on such Revised Application, the Wheeling Charges have been reworked and presented as below

1. Wheeling charge for Open Access:

In the petition for determination of ARR for FY 2023-24, TPSODL had submitted the following for wheeling business for FY 2023-24.

TPSODL is an entity formed with effect from 1st January 2021 and has inherited the systems as existing at the time of Effective date from Southco Utility. As per the Tariff Regulations 2022, the ARR needs to be worked out for Wheeling and Retail Supply business separately. However, such segregation requires tracking of expenses Capital in nature separately for Wires and Retail Supply business. In addition, the O&M expenditure also needs to be segregated separately. At this point of time, TPSODL has not achieved separation of the two. Further, even the Hon'ble Commission has approved the expenditure under various heads for both the businesses together and has provided the segregation under pre-defined ratio.

Accordingly, in this submission, for the purpose of working out the Wheeling Charges, we have segregated the expenditure on the basis of the ratios used by the Hon'ble Commission in New Tariff Regulations. Based on the same, the Wheeling and Retail Supply ARR would be as follows:

Table 1: Wheeling Business ARR



Sr No	Particulars	Total (Rs Cr)	Wheeling Business Share	Retail Supply Business Share	Wheeling Business ARR (Rs Cr)	Retail Supply ARR (Rs Cr)
1	Cost of Normative power Purchase (including Transmission Charge and SLDC Charges)	1219.9	0%	100%	0.00	1219.93
2	Employee Costs	608.90	60%	40%	365.34	243.56
3	Repairs and Maintenance	155.40	90%	10%	139.86	15.54
4	Admin and General	137.59	40%	60%	55.04	82.56
5	Bad and Doubtful Debt including Rebate	19.86	0%	100%	0.00	19.86
6	Depreciation	62.09	90%	10%	55.88	6.21
7	Interest for Capital Loan	28.34	90%	10%	25.51	2.83
8	Interest for Working Capital	20.27	10%	90%	2.03	18.25
9	Interest on Security Deposits	18.130	0%	100%	0.00	18.13
10	Income Tax	20.80	90%	10%	18.72	2.08
10	Return on Equity	54.14	90%	10%	48.72	5.41
13	Non Tariff Income-Wheeling	-11.07			-11.07	
14	Non Tariff Retail Income	-44.50				-44.50
	Total	2289.89			700.03	1589.86

The Sales estimated in the petition are as follows

Table 2: Sales Estimate for FY 2023-24(MUs)

Sr No	Particulars	FY 2023-24
1	Total LT Sales	2553
2	HT Sales	391
3	EHT Sales	642
4	Total Sales	3586

Based on the above submissions, the Wheeling Charges for TPSODL work out to a) **Rs 40593 per MW per Day** for Long Term and Medium Term Open Access and b) **Rs 1.69 per Kwh** for Short Term Open Access as given in the table below:



Table 3: Wheeling Charges computation

Sr No	Particulars	Unit	Value
1	Wheeling ARR	Rs Cr	700
2	Energy Input to TPSODL	Mus	4781
3	Less EHT Sales	MUs	-642
4	Energy input for wheeling computation	MUs	4139
5	Average Load served by the Distribution Licensee	MW	472.47
6	Wheeling Charges for Medium Term and Long Term	Rs/MW/Day	40593
7	Wheeling Charges for Short Term	Rs/Kwh	1.69

2. Cross subsidy surcharge for HT and EHT Consumers:

The Cross Subsidy Surcharge proposed is based on the formula given in the Tariff Policy of 2016. The extracts of the Tariff Policy with regards to the CSS formula is given as under

Extracts :CSS formula from Tariff Policy

Surcharge formula:

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

Where

S is the surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets.

Based on the same, and converting the Demand Charges (Rs/kVA/Month) for 100 % Load Factor (LF), the CSS for EHT and HT category of consumers is as follows:



Table 4: Computation of Cross Subsidy Surcharge (CSS)

Sr No	Particulars	Units	EHT	HT
1	Average Energy Charge Considered	Rs/Kwh	5.65	5.98
2	Demand Charges	Rs/KVA/Month	250	250
3	PF Considered		0.99	0.92
4	Average Hours in a month	Hrs	730	730
5	Demand Charges converted with 100 % LF	Rs/Kwh	0.346	0.374
6	Total Tariff for CSS considered (1+5)	Rs/Kwh	6.00	6.35
7	Cost of Power Purchase (incld Tran Charge)	Rs/Kwh	2.55	2.55
8	Applicable Losses	%		8%
9	Wheeling Charge	Rs/Kwh	0	1.69
10	CSS	Rs/KWh	3.45	1.89

3. Additional Surcharge:

As per Regulation 24 (2) of the OERC Terms and Conditions of Intra-State Open Access Regulations 2020, the condition for applicability of Additional Surcharge is as follows:

(2) This additional surcharge shall become applicable only if the obligation of the licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. Note: Fixed costs related to network assets would be recovered through wheeling charges.

Presently, TPSODL procures power from Gridco alone and is paying a Bulk Supply Tariff of **Rs 2.27 per Kwh** for the same under the Bulk Supply Agreement signed between Gridco and TPSODL. In addition, TPSODL also pays a Transmission Tariff of **Rs 0.28 per Kwh** to OPTCL. Since in the present arrangement of power purchase, there is no obligation to bear any fixed costs for purchase even after reduction of sales on account of Open Access, no Additional Surcharge has been proposed.

4. Prayers

TPSODL prays that the Hon'ble Commission may kindly pleased to;

1. Accept this Open Access Charges application of the applicant.
2. Approve the Open Access Charges of the Utility for FY 2023-24.



3. Permit making additional submission required in this matter.
4. Grant any other relief as deemed fit & proper in the facts and circumstances of the case.