



APPLICATION FOR OPEN ACCESS CHARGES (FY25)

NOVEMBER-2023

TP **SOUTHERN** ODISHA DISTRIBUTION LIMITED
(A Joint Venture of Tata Power and Government of Odisha)
Regd./Corp Office: Kamapalli, Courtpeta, Berhampur, Ganjam, Odisha – 760 004



November 11, 2023

File No TPSODL/Regulatory /2023/93/10169

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

Dear Sir

Sub: Application for determination of Open Access Charges for FY 2024-25 for consumers availing Open Access under Section 42 of the Electricity Act 2003.

We are submitting the above application as attached.

We trust our request is in order.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Bijay Kumar Mohanty', is written over a faint, illegible stamp or watermark.

(Bijay Kumar Mohanty)
Chief Financial Officer



BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
BIDYUT NIYAMAK BHAWAN.
PLOT No-4, CHUNOKOLI, SHAILASHREE VIHAR, BHUBANESWAR-751021

File No TPSODL/Regulatory /2023/93/ 10169

In the Matter of Petition for determination of Open Access Charges for FY 2024-25 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, Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004

.... Petitioner

In the Matter of All Stake Holders

... Respondents

AFFIDAVIT

I Bijay Kumar Mohanty, aged about 55 years, s/o Gobinda Charan Mohanty, working as the Chief Financial Officer, do hereby solemnly affirm and state as follows:

- a) That, I am an authorized representative of the TPSODL, the Petitioner in the instant case and competent to swear this affidavit for and on behalf of the licensee.
- b) That, I have gone through the contentions in this application and understood the contents thereof.
- c) That, the facts stated in the application are true to the best of my knowledge and behalf.

IDENTIFIED BY
[Signature]
ADVOCATE

ASWIN K.A. Mahapatra
M.A. - B
NOTARY, BERHAMPUR (GANJAM)
Sl. No. *22192*
Date *29-11-2023*
Place *[Signature]*

[Signature]
Deponent

Verified that the contents of above affidavit are true and correct, no part it is false and nothing material has been concealed there-form.

Verified at *29-11-2023* day of 2023

The deponent having been identified by
Sri *S.R. Mahapatra* Advocate
Berhampur affirms before me this the *29-11-2023*
before the Notary *[Signature]*
Read over & explained the deponent who
seems perfectly to have understood the
contents & affidavit
[Signature]
ASWIN K.A. Mahapatra
NOTARY, BERHAMPUR (GANJAM)

[Signature]
Deponent



Case No: _____ of 2023

File No TPSODL/Regulatory /2023/ 93/ 10169

IN THE MATTER Petition for determination of Open Access Charges for FY
OF: 2024-25 for consumers availing Open Access under Section 42
of the Electricity Act 2003

And

IN THE MATTER TP Southern Odisha Distribution Ltd. (Formerly Southco
OF: Utility), Corporate Office, Regd./Corp Office: Kamapally,
Courtpetta, Berhampur, Ganjam, Odisha- 760004

Petitioner

And

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

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 2024-25

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 2024-25 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 2024-25.

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Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com

Corporate Identity Number (CIN)- U40109OR2020PLC035195



For determination of Open Access Charges for the Financial Year 2024-25, the Licensee considered estimated figures as presented in its ARR application for FY 2024-25. TPSODL. Based on such Application, the Wheeling Charges and Cross Subsidy Surcharge (CSS) have been reworked and presented as below

A. Wheeling charge for Open Access:

1. In the petition for determination of ARR for FY 2024-25, TPSODL had submitted the following for wheeling business for FY 2024-25.
2. 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. 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 under the Tariff Regulation 2022 as follows:

Extracts from Tariff Regulations 2022

Allocation matrix for segregation of expenses between Wheeling Business and Retail Supply Business

Particulars	Wheeling Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0%	100%
Intra-State Transmission Charges	0%	100%
Employee Expenses	60%	40%
Administrative and General Expenses	50%	50%
Repair and Maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%
Interest on Working Capital	10%	90%
Provision for Bad Debts	0%	100%
Income Tax	90%	10%
Contribution to contingency reserves, if any	100%	0%
Return on Equity	90%	10%
Non-Taxable Income	10%	90%

3. 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 Tariff Regulations. Based on the same, the Wheeling and Retail Supply ARR would be as follows:

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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)	1151.5	0%	100%	0.00	1151.46
2	Employee Costs	419.49	60%	40%	251.69	167.80
3	Repairs and Maintenance	254.00	90%	10%	228.60	25.40
4	Admin and General	191.41	40%	60%	76.56	114.84
5	Bad and Doubtful Debt including Rebate	20.77	0%	100%	0.00	20.77
6	Depreciation	99.03	90%	10%	89.12	9.90
7	Interest for Capital Loan	59.49	90%	10%	53.54	5.95
8	Interest for Working Capital	19.98	10%	90%	2.00	17.98
9	Interest on Security Deposits	21.030	0%	100%	0.00	21.03
10	Income Tax	30.36	90%	10%	27.32	3.04
10	Return on Equity	90.26	90%	10%	81.24	9.03
13	Non Tariff Income-Wheeling				-30.66	
14	Non Tariff Retail Income					-23.96
	Total	2302.65			779.42	1523.23

4. The Sales estimated in the petition are as follows

Table 2: Sales Estimate for FY 2024-25 (MUs)

Sr No	Particulars	FY 24-25
1	Total LT Sales	2545
2	HT Sales	436
3	EHT Sales	727
4	Total Sales	3708

5. Based on the above submissions, the Wheeling Charges for TPSODL work out to a) Rs 44639 per MW per Day for Long Term and Medium Term Open Access and b) Rs1.86 per Kwh for Short Term Open Access as given in the table below:

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Table 3: Wheeling Charges computation

Sr No	Particulars	Unit	Value
1	Wheeling ARR	Rs Cr	779
2	Energy Input to TPSODL	Mus	4918
3	Less EHT Sales	MUs	-727
4	Energy input for wheeling computation	MUs	4191
5	Average Load served by the Distribution Licensee	MW	478.37
6	Wheeling Charges for Medium Term and Long Term	Rs/MW/Day	44639
7	Wheeling Charges for Short Term	Rs/Kwh	1.86

B. Cross subsidy surcharge for HT and EHT Consumers:

6. 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.

7. 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 for FY 2024-25 is as follows:

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Table 4: Computation of Cross Subsidy Surcharge (CSS)

Sr No	Particulars	Units	EHT	HT
1	Energy Charge Considered	Rs/Kwh	5.80	5.85
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	6.15	6.22
7	Cost of Power Purchase (incld Tran Charge)	Rs/Kwh	2.34	2.34
8	Applicable Losses	%	3%	8%
9	Wheeling Charge	Rs/Kwh	0	1.86
10	CSS	Rs/KWh	3.73	1.82

C. Additional Surcharge:

8. 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.

9. Presently, TPSODL procures power from Gridco alone and is paying a Bulk Supply Tariff of **Rs 2.10 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 0.24 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.

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D. Prayers

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

- a) Accept this Open Access Charges application of the applicant.
- b) Approve the Open Access Charges of the Utility for FY 2024-25.
- c) Permit making additional submission required in this matter.
- d) Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

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