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

IN THE MATTER OF:

Case Nos. 116 & 118 of 2023

Rejoinder of the objection raised by objectors against ARR application for FY 24-25 vide case no. 116 of 2023 and Open Access Charges application for FY 24-25 vide case no. 118 of 2023.

AND

IN THE MATTER OF

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

Affidavit verifying the rejoinders to the application for the ARR and Tariff Application & Open Access Charges application for FY 24-25.

I, Kshirod Chandra Nanda, Son of Late Radhanath Nanda, aged about 54 years, residing at, Burla, Sambalpur, Odisha do hereby solemnly affirm, and state as follows: -

1. That, I am the General Manager (RA & Strategy) of TPWODL, Corporate Office-Burla, Sambalpur, Odisha-768017.

That, I am the authorized representative of TPWODL, the applicant in the aforesaid cases and competent to swear this affidavit for and on behalf of the licensee.

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

> No. ON 23/94 samhalpur

Dt. 25/01/2024

Reg. No. DN 23/94 Sambalpur Odisha

SI. No. 6

INDIA

Place: - Sambal pros The deponent/declarant Date: - 25 / 2024 solemnly affirmed before me to day at 7:05 A.M.

Ughirod of Monda. DEPONENT

GM (RA & Strategy)

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

Case No. 116 of 2023

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

AND

In the matter of: Shri Ramesh Ch. Satpathy, aged about 79 years, Plot No. 302(B), Beherasahi, Nayapally, Bhubaneswar - 751012, Dist. - Khurda, being the president of Upobhokta Mahasangha, Bhubaneswar & the Secretary of National Institute of Indian Labour.

Subject: Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Retail Supply tariff application of TPWODL for FY 2024-25 vide Case No. 116 of 2023.

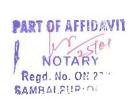
Point wise reply for the objection raised by objector are appended below: -

1. Respondent's view/objection: The Petitioner should produce division wise detail report on construction maintenance & renovation of lines & S/s are constructed /renovated for different approved CAPEX scheme for FY 2021-22, FY 2022-23 & FY 2023-24.

TPWODL Rejoinder: In accordance with the commitment and mandate outlined in the Vesting Order, TPWODL is obligated to invest Rs.1663 Cr in Capital Expenditure (CAPEX) to ensure a reliable power supply to its end customers. Subsequent to TPWODL's proposals for CAPEX requirements in FY 21-22, FY 22-23, and FY 23-24, the Hon'ble Commission, through 🥳 regulatory proceedings, approved the Capital Expenditure for the three years on 18.09.2021, 08.07.2022, and 21.06.2023, respectively. In line with the directives of Hon'ble OERC, TPWODL presented a CAPEX Plan for two consecutive years on 20.10.2023 i.e. for FY 25 & FY 26, which was subsequently approved by OERC in an order dated 12.12.2023. The table below provides an overview of the CAPEX approvals in comparison to the proposals submitted by TPWODL in the mentioned years:

S. No.	Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
1	CAPEX proposed by TPWODL (Rs. Cr.)	462.42	582.18	398.84	571.97	403.13
2	CAPEX approved by Hon'ble Commission (Rs. Cr.)	333.13	477.72	381.91	493.77	336.60

As regards to the division wise detail report on construction maintenance & renovation of lines & S/s are constructed /renovated for different approved CAPEX scheme for FY 2021-



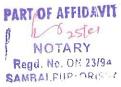
22, FY 2022-23 & FY 2023-24, the Licensee would like to submit that upon filing of ARR application for FY 24-25, the Hon'ble Commission on preliminary scrutiny of the application, noted a list of the information which are relevant for the purpose of the scrutiny of the ARR and Tariff Application. The Hon'ble Commission vide letter no.116/2023/1849 dt.18.12.2023 and letter no. 116/23/191 dated 29.12.2023 has directed to furnish the information by 08.01.2023. Wherein the details of Head wise Asset created out of CAPEX fund since inception of TPWODL has been already submitted to the Hon'ble Commission through affidavit dated 06.01.2024. The Licensee already produced the details of Fixed Asset Register (Asset register as on 30.11.2023) item wise before and after the vesting date both old and new asset. However, a summary of the FY wise and head wise expenditure incurred by the licensee is tabulated hereunder:

Particulars	2021	2022	2023	Grand Total
BLDG (Building)	5.57	26.31	10.24	42.12
IT Equipment/Computer for office	5.71	21.86	21.73	49.31
Furniture and Fixtures	0.55	2.57	3.68	6.80
Network, Lines & Components	-	65.17	148.08	213.25
Other Office Equipment	0.16	8.60	2.49	11.25
Other Civil works like Boundary Wall, DTR Fencing, Plinth, PSS/ DSS modernization works	0.01	31.54	32.11	63.66
Other Measuring & Testing Equipment	0.68	96.12	88.97	185.77
Licence & Software	16.02	27.99	23.95	67.95
Others	0.43	2.15	2.69	5.27
Grand Total (Rs. Cr.)	29.12	282.32	333.95	645.38

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

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

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



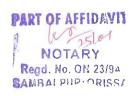
the requirement of new PSS for load management, new load addition, low voltage mitigation. Out of 50 Nos. identified PSS, 37 Nos. PSS are under execution in ODSSP, 5 Nos. PSS are already approved by Hon'ble OERC in previous CAPEX work is under progress.

3. Respondent's view/objection: Petitioner should produce the actual manpower in regular cadre of Executives, Non-executives now functioning in TPWODL under different divisions. TPWODL Rejoinder: The information desired by the objector has already been provided through ARR application FY 24-25. The details are provided in form F-12(C) of ARR filing. Before taken over, Erstwhile WESCO has on its rolls, 2,388 (Two thousand three hundred and eighty-eight) number of regular employees. The present employee strength with respect to consumer strength for FY 22-23, FY 23-24 (up to Nov-23) & projection for FY 24-25 is given here under. the Licensee is ensuring that the ratio of employee per 1000 consumers is well within the limit specified by the Hon'ble Commission i.e. 1.40.

S. No.	Additional Information (For Total Employee Strength)	FY 22-23	FY 23-24 (Up to Dec- 23)	FY 23-24 (Esmt.)	FY 24-25 (Proj.)
1	No. of employees as on 1st April of FY	2589	3043	3043	3405
2	No. of employees added during the year	784	487	511	330
3	Employees Retd./Expired/Resigned during the year	330	142	149	55.00
4	Total Manpower as on 31st March	3043	3388	3405	3680
5	Avg. no. of employees for the year	2816	3216	3224	3543
6	No. of MUs sold	10609.62	7082.55	10714.50	9614.10
7	No. of employees per MU sold	0.27	0.45	0.30	0.37
8	No. of consumers as on 1st April of FY	2257722	2279922	2279922	2058897
9	No. of PD Consumers	312473	393434	393434	459444
10	Total Consumer Base	2570195	2673356	2673356	2518341
11	No. of Ghost Consumers not included in SL 8				200423

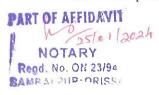
4. Respondent's view/objection: Petitioner should produce division wise details of nos. of poles & conductor of different sizes in Kms. that are changed & treated as scrap materials. The scrap being the non-tariff income, the management should produce the details before hearing the case.

TPWODL Rejoinder: TPWODL submits that details of scrap disposal/ identified for disposal are already being intimated to the Hon'ble Commission on a regular basis. However, the Hon'ble Commission vide letter no.116/2023/1849 dt.18.12.2023 and letter no.116/23/191 dated 29.12.2023 has directed to furnish the information related to month wise receipts (item wise with description of revenue and miscellaneous receipts) for FY 2022-23 and FY 23-24 (up to November 2023) separately. Accordingly, the Licensee submitted response vide affidavit dated 06.01.2024 as under:



Sr. No	Particulars	Total FY 22- 23 (Rs. Cr.)	Total FY 23-24 till Nov-23 (Rs. Cr.)
1	Meter Rent	27.28	24.71
2	Over Drawl Penalties	31.48	15.88
3	Incentive Earned on Arrear Collection	11.44	2.9
4	Application & Service Connection Charges	8.96	8.66
5	Supervision Charges	24.18	18.46
6	Reconnection Charges	0	0
7	Interest on Fixed Deposits & STDR	96.34	92.66
8	DPS collected	20.59	11.29
9	Sale of Scrap	4.89	4.4
10	Other Miscellaneous Receipts (Other Income+ Misc. Operating Income)	8.83	11.1
11	Open Access (CSS)	540.07	167.87
	Total	774.06	357.93

- **5. Respondent's view/objection:** Petitioner has to submit how much compensation the licensee has paid to the human beings faced in the fatal accident since 2003 to 2023.
 - **TPWODL Rejoinder:** TPWODL submits that the details w.r.t the electrical accidents are being submitted to the Hon'ble Commission on monthly basis (*by 15th of every succeeding month*) towards compliance of the Regulation-12 of OERC (Compensation to Victims of Electrical Accidents) Regulation, 2020. The monthly compliance report consists of the details of electrical accidents occurring within their respective jurisdiction and action taken in accordance with the above regulation. The licensee is disbursing compensation amounts in accordance with the directives/orders issued by various forums like NHRC (National Human Rights Commission) & OHRC (Odisha Human Rights Commission) on case-to-case basis.
- **6. Respondent's view/objection:** Petitioner have not paid equal pension benefit to the workers equally working in similar nature & similar cadres. All workers should get equal pension benefit & the Hon'ble commission has to direct the TPWODL for such inaction of TPWODL management as because law in force pensione is the right of the workers.
 - **TPWODL Rejoinder:** TPWODL affirms its commitment to being a responsible organization that complies with employment conditions in accordance with prevailing regulations. The company adheres to the principles of equal benefits for all employees based on their respective employment conditions. TPWODL recognizes the importance of providing fair and equitable benefits to workers in similar roles and cadres.
- **7. Respondent's view/objection:** TPWODL has to produce the amount collected from the workers for EPF & pension now deposited in any scheme till 31.03.2023.
 - **TPWODL Rejoinder:** This is to submit that TPWODL has not collected any amount from the workers. Any contribution in terms of employee contribution like pension /gratuity etc. under the provision of law & which is as per terms of Service /Employment is being



managed appropriately by the Licensee. The details of such investment position for different Trust as on 31.03.2023 & 30.11.2023 have already been submitted before Hon'ble Commission vide affidavit dated 06.01.2024.

The investment position for different Trust as on 31.03.2023 & 30.11.2023 is as under:

S. No.	Particulars	UoM	As on 31.03.2023	As on 30.11.2023
1	Pension Fund Trust	Rs. Cr.	198.51	201.01
2	Gratuity Fund Trust	Rs. Cr.	41.13	42.18
3	Rehabilitation Assistance Fund Trust	Rs. Cr.	0.15	0.15

8. Respondent's view/objection: TPWODL should produce total security deposit received from consumers from 2000 to 2023 & the detail of their deposit.

TPWODL Rejoinder: This is to submit that TPWODL has already submitted the details before Hon'ble Commission vide affidavit dated 06.01.2024.

The actual fund availability against Security Deposit as on 31.3.2023 and month wise additions of security deposit for FY 23-24 till Nov-23 along with mode of investment, pledged and free funds is appended below:

S. No.	S. No. Particulars	
1	Position as on Mar-23 (As per Audited A/c)	1076.49
2	Addition from Apr-23 to Nov-23	95.06
3	Less: Refund from Apr-23 to Nov-23	16.17
4	Balance as on 30th Nov 2023	1155.38

Physical Security Deposit in shape of investments Rs. 1265 Cr. including accrued interest.

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

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

For and on behalf of TPWODL

Place: BURLA

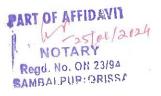
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GM (RA & Strategy)

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

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



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

Case No. 116 of 2023

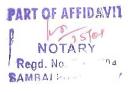
IN THE MATTER OF: TP Western Odisha Distribution Limited
Corporate Office Burla, Sambalpur, Odisha-768017
AND

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

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY2024-25 which has been registered as case No. 116 of 2023.

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

- Respondents View/ Objection: No remunerative benefit was extended to any of the
 consumers with clear violation of Regulation-13(1) and Appendix-l of OERC Distribution
 (Conditions of Supply) Code 2004 and Regulation 29 of OERC Distribution (Conditions of
 Supply) Code 2019 by TPWODL.
 - **TPWODL Rejoinder:** TPWODL is adhering to the guidelines as mentioned in Regulation. Specific observation if any remains unattended may please be intimated.
- 2. Respondents View/ Objection: The consumers less than 110 KVA are not being extended with demand charges as per different tariff orders by TPWODL. Tariff order should be implemented strictly by the Petitioner.
 - **TPWODL Rejoinder:** Billing to consumers having less than 110 KVA is strictly observed as per direction of Hon'ble Commission. Specific observation if any remains unattended may please be intimated.
- 3. Respondents View/ Objection: Govt. ED should be paid by TPWODL as per regulation-94(1) of OERC Code 2004 and Regulation 152(i) of OERC Code 2019 respectively. Arrear ED should be Collected first against payment made by the consumer. The Govt. of Odisha Energy Dept. should enforce such Regulations.



TPWODL Rejoinder: - It is to state that Hon'ble Commission's Supply Code Regulations, 2019, para 152 specifically addresses the manner of Recovery of arrears. The Licensee is adhering the same scrupulously. Specific observation if any remains unattended may please be intimated.

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

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

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

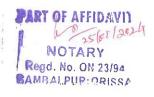
5. Respondents View/ Objection: Withdrawal of kVAh billing

TPWODL Rejoinder: That the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced in FY-14-15. Observation of Hon'ble Commission as rendered at Para-212 of the RST Order dated 23.03.2023 is quoted below:

"The Commission always aims for rationalisation of tariff structure by progressive introduction of a cost-based tariff and has set the Energy Charge at different voltage levels to reflect the cost of supply. The principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up has been adopted. The Commission has introduced kVAh tariff for HT and EHT consumers since FY 2021-22. This method of billing for energy charge captures both active and reactive energy consumed by the consumers and the same will continue for FY 2023-24."

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

In this regard, it would be prudent to submit that Hon'ble APTEL has dealt with the issue of kVAh billing on several occasions. In Prime Ispat Ltd. and Another vrs Chhattisgarh State Electricity Regulatory Commission and Others (Appeal No. 263 of 2014, decided on



10.04.2015), the issue of kVAh billing was discussed. Relevant observations of Hon'ble Tribunal are quoted here-in-below.

- "8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:
- (a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.
- (b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.
- (c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.
- (d) Increases the available transmission and distribution system capacity.
- (e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.
- 8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.
- 8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH/KVAH

If Power Factor is unity, then KWH =KVAH

In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."

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



TO COMBUNICIS	To	Consumers
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- 1. kVAh billing will ensure that the consumers who will utilize the power efficiently will be paying less energy charges as compared to others who are not using the power efficiently.
- 2. The new billing methodology will be much simpler to understand as number of parameters viz. PF, rkVAh (lead/lag), kWh units) will be reduced.

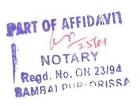
To DISCOM(s)

- 1. Good system stability, improved power quality, improved voltage profile and reduced capital expenditure.
- 2. Complete recovery of cost of active and reactive powers.
- 3. Zero/ minimal drawl of reactive power by consumers.
- 4. Reduction in power purchase cost
- 6. Respondents View/ Objection: That on MMFC/ Demand Charges for Consumers with Contract Demand < 110 kVA and demand charges for GP> 70 kVA< 110 kVA and HT Industrial (M) supply, it is to state that the DISCOMs are not extending such benefit as per different RST orders. Even though there is provision of recording of kVA demand, it has not been recorded in the bills. So MMFC/ Demand Charges are prepared at the mercy of the DISCOMs.</p>

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

- Respondents View/ Objection: Consideration of power on hour on actual basis for load factor in billing
 - **TPWODL Rejoinder:** TPWODL is following the direction of Hon'ble Commission while calculating power ON hours as per para no. 216 & 217 of RST order FY 23-24. Any changes or modification in tariff structure is Hon'ble Commission's prerogative, the licensee must adhere the same.
- 8. Respondents View/ Objection: That the consumers under category of Allied Agricultural Activities and Allied Agro-Industrial Activities are not being extended with benefit as per Regulations and Tariff Orders even though orders passed by GRF and Ombudsman

TPWODL Rejoinder: TPWODL is strictly adhering the direction given by Hon'ble Commission & also honouring the direction of GRF & OMBUDMAN scrupulously. However, wherever it appears that it is not in line with the spirit of law, DISCOM is challenging before appropriate forum for the interest of all stakeholders.



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

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

10. Respondents View/ Objection: Reduction in Cross Subsidy Surcharges.

TPWODL Rejoinder: DISCOMs serve close to 100 Lakh (appx) of consumers across the state among which around 10 Lakh (appx) are under BPL category, 2.5 lakh (appx) consumer under agriculture category and almost 80 lakhs under Domestic. The tariff of BPL is Rs.80 per month for 30 units, Agriculture tariff is Rs.1.50 per unit and Domestic tariff up to 50 units is Rs.3 per unit which is even less than the present highest BST in the state. They are subsidized through high end consumers.

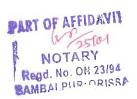
Simultaneously, to provide cheaper power to the industrial consumers, who are drawing power through open access or from CGP, Hon'ble Commission has introduced different rebates vide RST order FY 23-24, TPWODL has prayed to continue the same and also submitted few more proposals in its ARR application of FY 24-25. If approved intended industries may get more benefit out of it.

Apart from the above, the Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission has stated the provision to define CSS in para no. 88 of the RST order:

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

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

In table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.



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

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

11. Respondents View/ Objection: Supply up to 20 MVA through non-dedicated 33kV feeder

TPWODL Rejoinder: The concern regarding supply up to 20MVA through non-dedicated 33kV feeder requires an amendment in existing OERC Supply Code, 2019 which is under purview of the Hon'ble Commission.

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

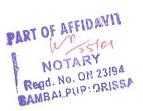
TPWODL Rejoinder: The learned objector by mistake mentioned that, the licensee in its present ARR filling proposed to extend the rebate to only steel industries who has CGP. Which in fact is opposite, the licensee has proposed to confine this benefit to industries those who are not having their own CGP.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

In its ARR application FY 23-24, the licensee has requested Hon'ble Commission for continuation of special tariff to steel industries at 33 kV level without having CGP. Accordingly, the intention of Hon'ble Commission is cleared under the provision of RST Order FY 23-24 vide Annexure - B(v). Because, for the industries having CGP and CD upto 20 MVA with DISCOM are eligible to draw power double their CD without levy of over drawl penalty for which a special rate of Rs. 5.00 per unit was approved as per Annexure-B(vi). At no instances both the benefits to the steel Industries having CGP can be extended.

Why is the difference required?

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

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



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

Presently, TPWODL purchase price is Rs. 4.14 per unit (including transmission charges) without factoring technical loss & approved distribution cost of the licensee. Considering all, the average cost of supply would be more than the realizable average price.

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

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

TPWODL Rejoinder: - As per direction of Hon'ble Commission in RST order of FY 22-23 in Annexure "B" Point No. ii "Power factor penalty/incentive & Reliability Surcharges are abolished". TPWODL is strictly adhering the direction given by Hon'ble Commission and shall adhere till any changes by the authority.

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

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

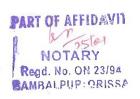
"Contract demand above 20 KW shall not be allowed to be reduced more than once within a period of thirty-six months from the date of initial supply or from the date of last reduction.

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

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

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

TPWODL Rejoinder: It is submitted that in exercise of the powers conferred by Section 50 r/w Section 181 (2) (t), (v), (w) and (x) r/w Part-VI of the Electricity Act, 2003, the Hon'ble Commission had notified the Supply Code, 2019 to govern supply of electricity by



the licensee/supplier to the consumers / end users and measures for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply of electricity and such other matters. The Code shall be applicable to all Distribution and Retail Supply licensee/suppliers including Deemed licensee/suppliers, all consumers, end users of electricity in the State of Odisha. Any amendment suggested to the said Regulations shall be dealt with by the Hon'ble Commission appropriately.

For and on behalf of TPWODL

Kehrmool of March.

GM (RA & Strategy)

Burla

Dated: 25/01/24

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

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

NOTARY
Regd. No. ON 23/94
BAMBALPUP: ORISSA

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

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

IN THE MATTER OF: M/s. D.D Iron & Steel Private Ltd having its Regd Office at H-4/5, Civil Township, Rourkela-769004. Email: ddironsteel@rediffmail.com, Mobile: +91-9776647958, 9437047958

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer 🛬 of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including



It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
0/E	4182.6
0&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M





in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. Respondents View/ Objection: The Respondent has provided the summary of A&G expense since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G 🗧 during pre-vesting period was negligible. However, post vesting the activities like meter $\stackrel{>}{\sim}$ reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



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

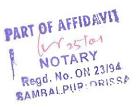
TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

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

TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent



method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it





appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

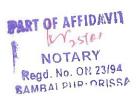
TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

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



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11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

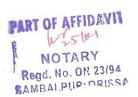
Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture of connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



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scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

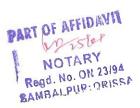
TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below: "5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and 🥳 average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages





for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Musafir Jaiswal, Director & Authorized Signatory of M/s. D.D Iron & Steel Private Ltd having its Regd Office at H-4/5, Civil Township, Rourkela-769004. Email: ddironsteel@rediffmail.com, Mobile: +91-9776647958, 9437047958

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

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

IN THE MATTER OF: M/s. Shree Salasar Castings Pvt Ltd having its Regd Office at at/Vill. Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha . Email: salasarcastings@gmail.com, Mobile: +91-6370809527

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

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Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M



in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
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IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. Respondents View/ Objection: The Respondent has provided the summary of A&G expense since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95,27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



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

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method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

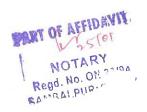
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TPWODL Rejoinder: The modification suggested by the respondent are as follows:

Modification suggested by the respondent	
An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.	
The industry has to start with lower load and should be allowed for CD reduction while starting.	
The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.	
Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.	

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it



appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

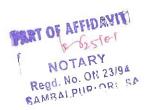
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TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

FY	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
FI	(Rs in Cr.)				
Committed	306	806	1139	1461	1663
Proposed	462,42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

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

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



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scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

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

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below: "5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From

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

the table it can be observed that the percentage is well within +_ 20% as advised in National

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages



Electricity & Tarif Policy.



for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

lightwood in Manoli.

GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Ashok Agarwal, Director and Authorized Signatory of M/s. Shree Salasar Castings Pvt Ltd having its Regd Office at at/Vill. Balanda, P0- Kalunga-770031, Dist-Sundergarh, Odisha . Email: salasarcastings@gmail.com, Mobile: +91-6370809527

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



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

Case No.116 of 2023

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

AND

IN THE MATTER OF: M/s. Maa Girija Pvt Ltd having its Regd Office at BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundergarh . Email: mgipl2002@gmail.com, Mobile: +91-9437042952

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this



recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and $\,{\it s}$ estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total



entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

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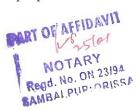
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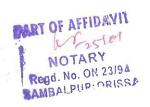
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Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
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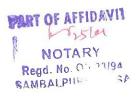
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TPWODL Rejoinder: As per vesting order and new tariff regulation, 2022, for determination of the ARR and consequent tariff, the Hon'ble Commission has already applying a "normative AT& C loss" and the trajectory for the same is fixed till FY 2030-31

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

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

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

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

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

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

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The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

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GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Birendra Kumar Sinha, Director & Authorized Signatory of M/s. Maa Girija Pvt Ltd having its Regd Office at BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundergarh. Email: mgipl2002@gmail.com, Mobile: +91-9437042952

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



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

Case No.116 of 2023

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

AND

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

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check. TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The

Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the



licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement 🕺 of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as



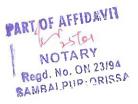
on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. Respondents View/ Objection: The Respondent has provided the summary of A&G expense since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement,



establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.

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

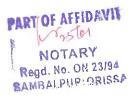
TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

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

TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-



adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. **Respondent's view/objection:** Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.



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

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

9. Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism 🦠 the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

The licensee places its CAPEX application in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC





quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a great extent.

11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
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FY 2027	14.50%
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Hence, it is submitted that the tariff of the consumers is not impacted by the actual distribution Loss of the licensee.

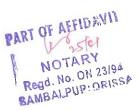
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TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

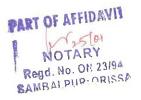
For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below:

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +... 20% as advised in National Electricity & Tarif Policy.

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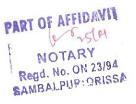
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Ankur Madaan, director and authorized signatory of M/s. Scan Steels Ltd. Unit-1 having its Regd Office at No. 104, 105, E-Square, Subhash Road, Opp Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at-Rambahal, Kesharmal, Rajgangpur, Dist-Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

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



BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Chunchun Ispat Pvt Ltd having its Regd Office At Plot No-11/3545 - Vill-Usra, P.O-Kuarmunda-770039, Dist-Sundergarh, Odisha . Email: Chunchun_rkl@rediffmail.com, Mobile: +91-9437000661

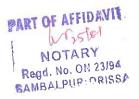
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It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

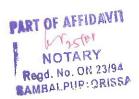
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Item	Value	
Opening Gross Block	(Rs. Lakh)	
Land	0	
Buildings	12206.02	
Network assets	180689.88	
Overhead lines 182530.		
F&F	982.09	
Vehicles	604.85	
O/E	4182.6	
O&E-Computer	6927.31	
Software	2566	
Total	390689.23	

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total





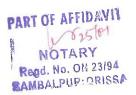
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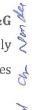
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4. Respondents View/ Objection: The Respondent has furnished the summary of depreciation cost for last twelve financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government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

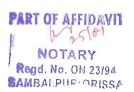
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method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it



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appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

9. Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

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

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



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scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

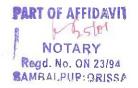
TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time. In this regard, Hon'ble Commission Tariff Regulations, 2022 may be referred:

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below: "5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National

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

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages



Electricity & Tarif Policy.



for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/ e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

Kehrrood Ch Monda.

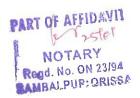
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Suresh Jaiswal, Director & Authorized Signatory of M/s. Chunchun Ispat Pvt Ltd having its Regd Office At -Vill-Usra, P.O-Kuarmunda-770039, Dist-Sundergarh, Odisha . Email: chunchun_rkl@rediffmail.com, Mobile: +91-9437000661

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



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

BHUBANESWAR-751021

Case No.116 of 2023

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

AND

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

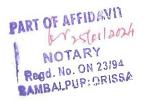
Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

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recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

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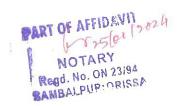
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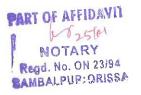
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Load Factor	CD upto 6 MVA	CD above 6 MVA	
65% and above up to 70%	10% on EC	-	
Above 70% up to 75%	12.5% on EC	-	
Above 75% up to 80%	15% on EC	8% on EC	
Above 80% up to 85%	17.5% on EC	8% on EC	
Above 85%	20% on EC	10% on EC	

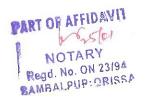
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Proposal submitted by TPWODL	Modification suggested by the respondent		
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.		
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.		
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.		
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.		

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it









appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

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



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AT&C Loss
20.40%
20.40%
18.90%
17.40%
15.90%
14.50%
13.00%
11.50%
10.00%
9.50%

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

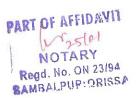
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- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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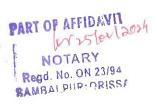
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For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below: "5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages



for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

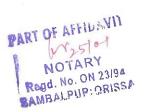
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GM (RA & Strategy)

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Dated: 25/01/24

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

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



BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN O 4 CHUNOKOLL SHAULASHREE VIHAR CHANDRASEKHAR

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

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

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. **Respondents View/ Objection:** The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive – 647 & Non-Executive – 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously



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increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-



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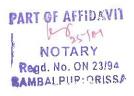
23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

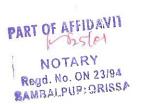
3. Respondents View/ Objection: The Respondent has provided the summary of A&G expense since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement,



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- 4. Respondents View/ Objection: The Respondent has furnished the summary of depreciation cost for last twelve financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.
 - **TPWODL Rejoinder:** As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.
- Respondents View/Objection: Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.
 - TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.
- 6. Respondents View/Objection: TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.
 - **TPWODL Rejoinder:** The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-



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adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

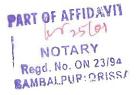
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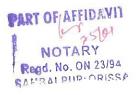
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Financial Year	AT&C Loss
FY 2022	20.40%
FY 2023	20.40%
FY 2024	18.90%
FY 2025	17.40%
FY 2026	15.90%
FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

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

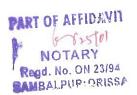
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For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity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

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due



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For and on behalf of TPWODL

Kshr-rod on Nanda.

GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Ankur Madaan, Director & Authorized Signatory of M/s. Scan Steels Ltd having its Regd Office at No. 104, 105, E-Square, Subhash Road, Opp Havmore Ice cream, Vile Parle (East), Mumbai-400057, works at- Bai Bai, Tudalaga Bargaon, Dist- Sundargarh (Odisha), Email:scansteels@scansteels.com, Mob: 7064104663

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



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

10

BHUBANESWAR-751021

Case No.116 of 2023

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

AND

IN THE MATTER OF: M/s. Shubh Ispat Pvt Ltd having its Regd Office at Vill-Jiabahal, Kalunga-770031, Dist-Sundargarh, Odisha. Email-shubhispatpvtltd@gmail.com, Mobile - 7873223721

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check. TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer 💸 of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including



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It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

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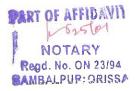
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DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise & break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25.5 During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G 💐 during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95,27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



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

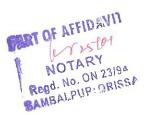
TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

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

TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.

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

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent



method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

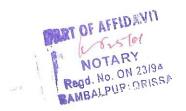
TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it





appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

 Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

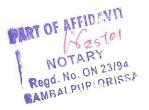
TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

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

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA. Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional





scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

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

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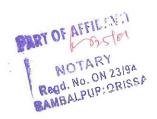
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Case No.116 of 2023

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

AND

IN THE MATTER OF: M/s. Puspanjana Alloys Pvt. Ltd., having its Regd Office at plot No. 1562/2565, Vill-Balanda, PO- Kalunga-770031, Dist-Sundergarh, Email: puspanjanaalloys@gmail.com, Mobile: +91-9437049884

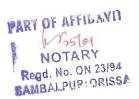
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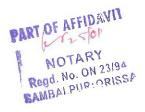
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Total	365382	435915

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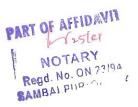


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method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

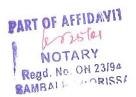
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Proposal submitted by TPWODL	Modification suggested by the respondent
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The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

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appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

9. **Respondent's view/objection:** Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

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TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

Pii-1 V	ATOCI
Financial Year	AT&C Loss
FY 2022	20.40%
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FY 2024	18.90%
FY 2025	17.40%
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FY 2027	14.50%
FY 2028	13.00%
FY 2029	11.50%
FY 2030	10.00%
FY 2031	9.50%

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

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

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year

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

has been made.

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

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

5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers. the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages



for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

Kyhrrod Ch Nonda. GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Abhishek Mittal, Director & Authorized Signatory of M/s. Puspanjana Alloys Pvt. Ltd., having its Regd Office at plot No. 1562/2565, Vill- Balanda, PO- Kalunga-770031, Dist-Sundergarh, Odisha. Email: puspanjanaalloys@gmail.com, Mobile: +91-9437049884

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



12

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

Case No.116 of 2023

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

AND

IN THE MATTER OF: M/s. Refulgent Ispat Pvt. Ltd., having its Regd Office at Vill- Chikatmati, P.O Beldihi-770031, Dist-Sundargarh, Odisha, Email: refulgentispat@gmail.com, Mob: 9437041152

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check. TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including



terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

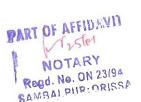
Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M



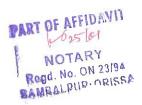
in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
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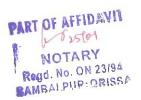


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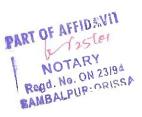
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Electricity & Tarif Policy.

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For and on behalf of TPWODL

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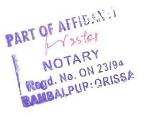
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Ramesh Jalan, Director of M/s. Refulgent Ispat Pvt. Ltd., having its Regd Office at Vill-Chikatmati, P.O Beldihi-770031, Dist- Sundargarh, Odisha, Email: refulgentispat@gmail.com, Mob: 9437041152

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



BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN NO 4 CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARI

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

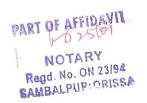
IN THE MATTER OF: M/s. Shri Radha Raman Alloys Private Ltd having its Regd Office at T-16 Civil Township, Rourkela, Works- Jharbeda, Kutra-770070 Dist Sundargarh, Odisha, Email: srral08@gmail.com, Mobile: +91-9437102890

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check. TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this



recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

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

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
0&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total



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entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.

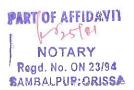


4. Respondents View/ Objection: The Respondent has furnished the summary of depreciation cost for last twelve financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding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

TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

- 5. Respondents View/Objection: Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.
 - TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their 🦼 products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.
- 6. Respondents View/Objection: TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time nonadherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent



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

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

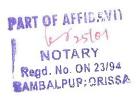
TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it









appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

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

9. Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

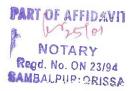
TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

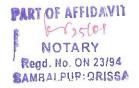
Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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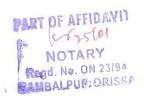
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For and on behalf of TPWODL

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GM (RA & Strategy)

Burla

Dated: 25/61/24

C.C. Mr. Aseem Garg, Director & Authorized Signatory of M/s. Shri Radha Raman Alloys Private Ltd having its Regd Office at T-16 Civil Township, Rourkela, Works-Jharbeda, Kutra-770070 Dist Sundargarh, Odisha, Email: srrai08@gmail.com, Mobile: +91-9437102890

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



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

Case No. 116 of 2023

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

IN THE MATTER OF: Shri Priyabrata Sahu, aged about 50 years, S/o Late Adikanda Sahu, At: Bijaya Bihar, 3rd Lane, PO: Berhampur, Dist.: Ganjam, Pin: 760004.

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as case No. 116 of 2023.

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

1. Respondents View/ Objection: ARR of all DISCOMs proposes an unnatural hike in expenditure in employees' cost, repair & maintenance cost and A&G expenditure which is double than the last year approved expenditure. Further, power outages have gone up after TATA power taken over the company. If the gap proposed by all DISCOMs is allowed it will increase the cost of unit by Rs. 1.00 per unit.

TPWODL Rejoinder: - As regards Employee Expenses, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive - 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners family pensioners and for proposed recruitment



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during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 24-25 may please be approved. It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

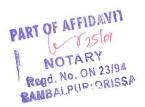
As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the Licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112



Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

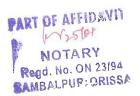
As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs.' 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.

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

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

In case of non-functional energy meters and meters which are obsolete technologically, burnt, defect and faulty energy meters etc., in such case 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.

Further w.r.t Rebate, TPWODL would like to submit that the Hon'ble Commission has pleased to enhance the % of digital rebate from 3% to 4% for LT Domestic and GP single phase customers in FY 23-24 apart from other rebates as otherwise available to them.



Consumers are moving towards online mode and availing the rebate. To improve the reach to the consumers, the licensee has engaged various service providers for easy payment option to the consumers for payment of Energy Bills through offline/online mode. The purpose of such engagement of the service providers is to accelerate the revenue collection and to reduce the door-to-door collection by the Company. On introduction of 4% from FY 23-24 onwards digital receipts have also increased. Also, in addition to the above the following rebates are applicable to the Odisha consumers:

- a) LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) consumers will get 10 paise/unit rebate for prompt payment of the bill within due date.
- b) The rural LT domestic consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.
- c) 2% rebate shall be allowed to all pre-paid consumers on pre-paid amount.
- d) A Special rebate to the LT single phase consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate of the month of March for timely payment of bill.

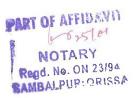
It is submitted that TPWODL, being a DISCOM of Odisha State, is strictly bound by the Regulations/Guidelines framed by the State Commission in line with the Electricity Act, 2003 and is well within the ambit of the same. Therefore, on non-payment of Licensee's 💆 dues, TPWODL issues disconnection notice in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

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

TPWODL Rejoinder: - It is submitted that for FY 24-25, TPWODL has submitted CAPEX plan of Rs. 571.97 Cr. separately to the Hon'ble Commission on 31.10.2023. To carry out the CAPEX, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions for an amount of Rs. 350 Cr. with the debt-to-equity ratio of 70:30. The proposed rate of interest has been considered at 11.60% p.a. (10.10% +1.50%).

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

TPWODL Rejoinder: It is submitted that TPWODL in its CAPEX plan for FY 24-25 submitted to the Hon'ble Commission on 31.10.2023 had provided a detailed cost benefit



analysis providing annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies which may lead to tariff reduction in future years.

5. Respondents View/Objection: Intention of regulation is to keep security deposit as per consumption of the consumer and return the balance security deposit to the consumer thereby safeguarding both consumer as well as interest of the company in the interest of justice. So, the security deposit may be calculated on actual load instead of normative load in case of existing consumer.

TPWODL Rejoinder: - In this context it is to submit that initial SD is being calculated as per normative mechanism in line with extant Regulation. However, each year, preferably after March the licensee is reviewing the requirement of SD considering past years consumption. If the amount of available SD is sufficient enough then no additional SD is asked for. However, considering past years consumption the requirement is more, then the consumer has to pay ASD. Similarly, in case of available SD is more than the requirement, in such case refund is being made through subsequent billing months. TPWODL also submits that it is strictly guided by and follows the appropriate Codes and Appendix of OERC (Conditions of Supply) Code, 2019.

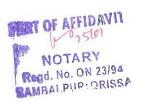
6. Respondents View/ Objection: Appropriate directions to DISCOM authorities for of consideration of energy consumption in kWh for HT IND consumers till the DTRs of power of utilities are standardized as per BEE and request for fund of excess revenue already collected by adjusting in their respective ECh bills.

TPWODL Rejoinder: That the Hon'ble Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced in FY 14-15. Observation of Hon'ble Commission as rendered at Para-202 of the present RST Order is quoted below:

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

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

In this regard it would be prudent to submit that Hon'ble APTEL has dealt with the issue of kVAh billing on several occasions. In Prime Ispat Ltd. and Another vrs Chhattisgarh State Electricity Regulatory Commission and Others (A.No.263 of 2014, decided on



10.04.2015), the issue of kVAh billing was discussed. Relevant observations of Hon'ble Tribunal are quoted here-in-below.

- "8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under: (a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. I^2R losses will be reduced considerably.
- (b) Due to increase of Power Factor (nearer to one), the consumer's demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.
- (c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.
- (d) Increases the available transmission and distribution system capacity.
- (e) The improvement in Power Factor will reduce the licensee's expenditure on Power Purchase and thereby the consumers will be benefited with lower tariff.

 8.10. In view of the above, most of the States are changing their billing system from
- $\it 8.10.$ In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.
- 8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH

If Power Factor is unity, then KWH =KVAH

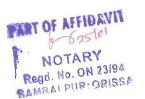
In the instant case, the Power Factor is less than unity and hence the consumption recorded in respect of kVAh is high compared to KWH consumption. Further, the power factor surcharge/rebate will not be there in kVAh billing. Thus, the kVAh based billing will drive the consumers to reach unity power factor and thereby the system performance will be improved and also reactive power drawl from the system will be minimised and thereby better system voltages for the tail end consumers also."

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

Advantages of kVAh billing system: -

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

7. Respondents View/ Objection: Tax on return on equity may not be considered as it has to be paid out of licensee's return on capital. Passing the same to the consumer is not



acceptable. Further, DERC has fixed RoE as 10% which is much below the RoE fixed as per regulation. NTI such as rebate to consumer, supervision charges, over drawl penalty and DPS should be passed on to consumers in full instead of 1/3rd proposed by DISCOMs.

TPWODL Rejoinder: The Hon'ble Commission at Regulation 3.6.3 (c) of the OERC Tariff Regulation, 2022 has provided as under:

"3.6.3 Return on equity on the assets put to use under instant Regulations:

c. The tax only to the extent of the tax on return is provided as pass through." It is submitted that the Licensee strictly follows the applicable regulations and is well within the ambit of the same. The same is also in line with regulations of other states and well recognized by Hon'ble APTEL.

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

"20. RATE OF RETURN ON EQUITY

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

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

With regards to NTI, the Licensee submits that the Hon'ble Commission while approving the provisional truing up for FY 20-21 (3 months) in ARR for FY 22-23 has set a principle that Meter rent, Delayed Payment Surcharge and Over drawl penalty are to be excluded from miscellaneous receipt. However, the Licensee has offered 1/3rd of DPS, ODP and supervision charges to be passed on in accordance with the regulation.

For and on behalf of TPWODL

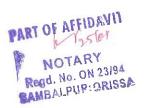
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Burla

Dated: 25/01/24

C.C. Shri Priyabrata Sahu, aged about 50 years, S/o Late Adikanda Sahu, At: Bijaya Bihar, 3rd Lane, PO: Berhampur, Dist.: Ganjam, Pin: 760004.



BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 116 of 2023

In the matter of: TP Western Odisha Distribution Limited

Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Odisha Power Transmission Corporation Limited,

Janpath, Bhubaneswar, Odisha - 751022

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

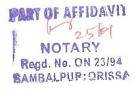
1. Respondent's view/objection: OPTCL has proposed to recover ARR amount of Rs. 1380.69 Cr. from LTOA customers including DISCOMs. It is proposed that Rs. 1352.41 Cr. to be recovered from DISCOMs for transmission of 35892 MU energy @37.68 paise/unit as transmission charges.

TPWODL Rejoinder: The proposed Transmission tariff is abnormally very high. This will adversely affect the RST of the DISCOMs and will be huge burden on the consumers of Odisha.

2. Respondent's view/objection: It is observed that while projecting the ARR, TPWODL has calculated transmission charges @ 24 paisa/kWh without considering the proposal of OPTCL. Therefore, Hon'ble Commission is requested to consider 37.68 paisa/kWh as transmission charges while approving ARR of DISCOMs.

TPWODL Rejoinder: The Licensee is of the view that the respondent has proposed it's Annual Aggregate Revenue for FY 24-25 is about 54% more than the approved for FY 23-24. The comparative figures of components of ARR are given in the below table:

	OERC Approval		Increase in approved FY	Proposal for OPTCL	Increase in proposed FY
ITEMS	FY 2023- 24	FY 2022- 23	23-24 over approved FY 22 - 23	FY 2024-25	24-25 over approved FY 23 - 24
A) FIXED COST	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
1. O&M Expenses	624.71	625.77	-0.17%	802.84	29%



	OERC A	OERC Approval		Proposal for OPTCL	Increase in proposed FY
ITEMS	FY 2023- 24	FY 2022- 23	23-24 over approved FY 22 - 23	FY 2024-25	24-25 over approved FY 23 - 24
(i) Employees Cost including Terminal Benefits	449.08	477.19	-6.26%	582.06	30%
(ii) A&G Cost	40.28	37.73	7%	51.13	27%
(iii) R&M Cost	135	110.5	22%	169.3	25%
(iv) Expenses related to auxiliary energy consumption	0	0		0	
(v) Other misc. expenses, statutory levies and taxes (GCC)	0.35	0.35	0%	0.35	0%
2. Interest & Financial Charges	129.75	126.93	2%	176.56	36%
(i) Interest on Loan Capital	111.83	110.29	1%	148.95	33%
(ii) Interest on Working Capital	0	0		0	
(iii) Rebate	17.92	16.64	8%	27.61	54%
3. Depreciation & amortization expense	269.54	233.57	15%	320.03	19%
4. Return on Equity	140.42	141.67	-1%	273.09	94%
5. Income Tax	27.21	2.16	1160%	36.69	35%
Sub-Total (A)	1,191.63	1,130.10	5%	1,609.21	35%
B) Others		_			
Incentive for system availability	5	5	0%	12.42	148%
Total Trans. Cost (A+B)	1,196.63	1,135.10	5%	1,621.63	36%
C) Less Misc. Receipts	300.45	303.15	-1%	240.94	-20%
D) ARR to be recovered from LTOA Customers i.e. OPTCL's Aggregate Revenue Requirement	896.18	831.95	8%	1,380.69	54%

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

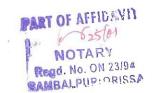
For and on behalf of TPWODL

Ushwood an Mende. GM (RA & Strategy)

Place: BURLA

25/01/2M Date:

C.C. Sri. Soumendra Kumar Mohanty, Sr. General Manager (Regulation, Tariff & Commercial) Odisha Power Transmission Corporation Limited, Janpath, Bhubaneswar, Odisha - 751022 Note- This is also available at the Licensee's website - https://www.tpwesternodisha.com



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

Case No. 116 of 2023

In the matter of: TP Western Odisha Distribution Limited

Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

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

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

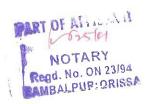
Point wise rejoinder for the objection raised by objector are appended below: -

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

TPWODL Rejoinder: The Licensee do respect the respondent view towards harnessing RE Power in the consumption mix. At the same time, the Licensee has also its obligation to enhance RE composition in toto power purchase. Presently, upon pronouncement of RE policy, 2022 here in Odisha, emphasis has been given to enhance RE generation inside the state wherein cross subsidy surcharge have been waived and wheeling charges and transmission charges is leviable only 25%. Therefore, the decision of Hon'ble Commission for levy of CSS on procurement of RE power outside Odisha will promote RE generation in Odisha itself. In such a scenario, the respondent is requested to procure RE power from the projects available in Odisha only.

2. Respondent's view/objection: Hon'ble OERC is requested to further reduce the green power tariff premium for FY 2024-25.

TPWODL Rejoinder: During FY 2022-23 the Green Tariff Premium was 50 paisa. However, Hon'ble Commission was pleased enough to reduce it to 25 paisa in FY 23-24. If Hon'ble Commission is of the opinion to reduce it further, the Licensee has no objection to it.





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

charges for all types of users is well to protect risk of tariff enhancement.

4. Respondent's view/objection: Hon'ble OERC is requested not to consider the proposal of

Minimum Offtake of 25% for the industries having CGP.

TPWODL Rejoinder: The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to during peak period. As result, GRIDCO is facing difficulty in arranging power for them as they are drawing without prior intimation or scheduling in the imploration of fixed demand charges. With Demand charges of Rs.250 per kVA and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD. Therefore, the proposal is well justified and

Hon'ble Commission may take a suitable decision in this regard.

5. Respondent's view/objection: To continue the proposal of Special Provision for additional rebate on energy charges beyond 60% load factor for Aluminium Industries/Power

Intensive Industries.

TPWODL Rejoinder: It is submitted that the existing rebate mechanism on energy charges is adequate enough which is less than Rs. 1. So, additional rebate is not required. Accordingly, the Hon'ble Commission may take a decision in this regard.

For and on behalf of TPWODL

Kornood on Menda

GM (RA & Strategy)

Place: BURLA

Date: 25/01/24

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

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



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

Case No.118 of 2023

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

AND

IN THE MATTER OF: M/S Vedanta Ltd., 1st Floor, C2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar, Odisha-751023

Subject:

Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Determination of Open Access charges application vide case No. 118 of 2023 of TPWODL for the FY 2024-25.

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

1. **Respondent's view/objection:** Cross Subsidy Surcharge & reduction thereof:

TPWODL Rejoinder: The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. Hon'ble Commission while approving the cross-subsidy surcharge follows the formula as prescribed in Para 8.5.1 of the Tariff Policy.

Also, Clause 8.2 of the National Tariff Policy provides for the Commission to balance the revenue with expenditure is such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply. The Hon'ble Commission while approving the cross-subsidy surcharge payable every year allowing certain percentage of computed value. Therefore, recovery of cross subsidy has been reducing. It may be appreciated that, the CSS as applicable in previous year has already been reduced substantially. Now, CSS of TPWODL as low as Rs.1.10 per unit and CSS for HT consumers it is only 23 paise per unit.

2. **Respondent's view/objection:** Odisha's CSS is higher, No consumer under TPWODL can afford Open Access:



1 | Page

TPWODL Rejoinder: From the open access charges schedule applicable for FY 23-24 is very cheaper as compared to other DISCOM of Odisha.

The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2023.

Surcharge, Wheeling Charge & Transmission Charge for Open Access consumer

		THE	1 of above	
Name of the	applicable to		Transmission Charges for Open Access Customer (applicable for	
liceusee	EHT	HI	HI consumers only	HT & EHT consumers)
TPCODL	170.03	85.12	99.67	The Open Access customer
TPNODL	149.03	33.31	141.09	availing Open Access shall pay
TPWODL	110.53	23.35	95.53	Rs.5760 MW-day (Rs.240 MWh)
TPSODL	236,53	130.78	137.71	as transmission charges.

Therefore, the quantum of power drawn by industries through short term open access under TPWODL area in FY 23-24 till Dec-23 is 1993.82 Mus (includes Non-RE, RE & CGP power). It indicates that Industries are interested to purchase under open access because of lower CSS. The licensee has proposed the estimated loss of margin i.e Rs.2.38 per unit as CSS for ensuing year. However, Hon'ble Commission is allowing only certain % out of the above margin and hence, the approved CSS may be lower as proposed for the ensuing year as compared to proposed. Therefore, the CSS is higher in Odisha is higher as claimed by the applicant objector appears to be not true. Furthermore, the Hon'ble Commission has graciously introduced the Green Certificate Mechanism, with a competitive premium charge of Rs. 25 paisa per unit. Short-Term Open Access (STOA) consumers expressing a preference for Renewable Energy (RE) power, covering both Solar and Non-Solar sources, by harnessing the benefits of the Green Energy Certification Mechanism. Notably, this rate is deemed as the most competitive and represents the minimum price in the country for such services.

3. Respondent's view/objection: Erroneous calculation of CSS in Open Access Application by TPWODL

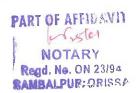
TPWODL Rejoinder: The methodology prescribed by Hon'ble Commission in line with NTP is as under:

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

Accordingly, the Licensee has computed the cross-subsidy surcharge following the formula provided by the Commission.

For EHT category, the cross-subsidy surcharge has been calculated considering the average EHT Tariff derived from proposed EHT sale in MU and value for FY 2023-24.

For HT category of consumers Wheeling charge @ 143 paise per unit and System loss at HT supply has been considered at 8%. The Cross-subsidy surcharge has been calculated



considering the average HT tariff derived from proposed HT sales in MU and value for FY 2023-24.

The Power Purchase cost is the combination of Bulk Supply price of 390 paise per unit, Transmission charge 24 paise per unit, SLDC charge 0.002 paise per unit as per prevailing tariff w.e.f. 23.04.2023 for transmission and SLDC charges & BST has been considered.

The Licensee has not erred in calculating the CSS beyond any regulatory provision. Hon'ble Commission has already cleared in all the previous RST order that cross subsidy and cross subsidy surcharge payable are two different aspects. While Cross subsidy is applicable in deciding the retail supply tariff applicable to different category of consumers keeping the NTP guidelines of (+/-)20%, however, CSS payable is the recovery of CSS due to loss of margin in certain %, which is in reducing trend. In the last RST order dt.23.03.2023 Hon'ble Commission vide para no. 90 has clearly mentioned that,

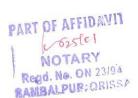
"The above cross subsidy is meant only for Retail Supply Tariff fixation in the state and is applicable to all consumers (except BPL and agriculture) and should not be confused with cross subsidy surcharge payable by open access consumers to the DISCOM(s)."

4. Respondent's view/objection: No precise and clear formula approved by the Commission for determination of CSS. CSS can never be a source of revenue for the distribution company.

TPWODL Rejoinder: The learned objector states that the CSS is collected to compensate the loss of a distribution company for losing a consumer for open access and can not be a source of revenue. In this aspect it to submit that, the loss of margin due to open access drawal is more than Rs.2 per unit. However, Hon'ble Commission is approving certain % of the same as a result it is only Rs.1.10 p/unit. Hence, the CSS has never been treated as a source of revenue of the DISCOM and the entire amount is pass through in the ARR under non-tariff income.

5. Respondent's view/objection: The respondent has proposed that the concessional charges be retained for Renewable Energy

TPWODL Rejoinder: The Commission had provided concession to encourage the growth of RE sources when the renewable sector was at the initial stage of development. However, at present, substantial growth of Renewable Sources is taking place in the country and moreover, the cost of renewable sources particularly solar and wind has come down substantially. In light of the same, it is also necessary to revisit the concessions provided to the Renewable Sources and balance the interest of DISCOMs and the consumers who source power on open access.



6. Respondent's view/objection: CSS for peak & off-peak hours

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

As regards to applicability of CSS charges for peak & off peak period, the difference may be to the tune of TOD benefit.

7. **Respondent's view/objection:** Short-term OA consumers should not be asked to submit annual plan

TPWODL Rejoinder: The licensee is planning its Aggregate Revenue Requirement (ARR) where in power purchase & sales are based on the CD and drawl pattern of the consumers. Hence, deviation if any due to open access drawl is affecting the revenue of the licensee as well as power purchase price. Therefore, a tentative annual plan would facilitate the licensee to plan its Bulk power requirement in the ARR.

8. Respondent's view/objection: Open Access beyond CD

TPWODI. Rejoinder: The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets has its own capacity and limit, continuous stress would affect the network assets adversely for which needs to be compensated. Further, the licensee is forced to create adequate provision in the system of at the cost of the other genuine customer.

9. **Respondent's view/objection**: Non-applicability of a Wheeling charges for Wheeling of **3** Power by industries having CGP.

TPWODL Rejoinder: In this regard it is to mentioned that as per Section 9 & 10 of Electricity Act 2003 an industry can carry its own power to destination for its own use under open access mechanism. As regards to non-levy of wheeling charges is concerned it is permissible if the CGP is operating in isolated manner i.e, without having GRID connectivity. Once it is grid connected failure in generation unit if any does not prevent the flow of GRID power to the destination where it is used.

Hence wheeling charges is a must when the CGP is grid connected and intend to carry the power to its destination for own use. However, CSS is not applicable for use of own CGP power.



10. Respondent's view/objection: Additional Surcharge/Recovery of stranded cost:

TPWODL Rejoinder: In line with National Tariff Policy, additional surcharge is leviable to recover the fixed cost of generation power capacity stranded due to open access. Here, the DISCOM is entirely sourcing it's power from GRIDCO and GRIDCO is procuring from different generator as per PPA. A consumer having contract demand with the DISCOM is reserving it's capacity to draw on it's need. Based on the CD of the industry and pattern of use, DISCOM is projecting it's sale in the ARR. Considering the projected sale, the Hon'ble Commission is fixing BSP for the DISCOM. So, when a consumer opting for open access is denying the DISCOM power & in turn drawl from GRIDCO reduces and fixed cost incurred by GRIDCO for generator cannot be prevented

11. Respondent's view/objection: Levy of CSS and Wheeling Charges on RE Power:

TPWODL Rejoinder: As per para 23.5 of RE Policy,2022, no CSS shall be applicable to industries on harnessing RE power through GRIDCO, which appears to be a different mechanism than prevailing Open Access.

On other hand, MoP, GoI has amended its Open Access Green Energy Rules, 2022 vide notification dated 27.01.2023 where in it has been mentioned that

- "(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -
- (a) transmission charges; (b) wheeling charges; (c) cross subsidy Surcharge; (d) standby charges wherever applicable; (e) banking Charge; and (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission."

However, as per RE policy of Govt of Odisha, availing RE power generated in Odisha is exempted from levy of CSS and the wheeling charges is only 25%. So, in promotion of RE generation here in Odisha levy of CSS and transmission/wheeling charges for open access RE power from outside (other than Odisha) should be made mandatory.

For and on behalf of TPWODL

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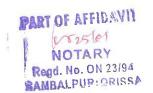
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C.: M/S Vedanta Ltd., 1st Floor, C2, Fortune Tower, Chandrasekharpur, Nandan Kanan Road, Bhubaneswar, Odisha-751023

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



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

Case No. 116 of 2023

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

IN THE MATTER OF: Shri Soumya Ranjan Patnaik, MLA, Khandapada, S/o Late Brajabandhu Patnaik, Plot No. – 185, VIP Colony, Nayapalli, Bhubaneswar, Odisha - 751015, Email – soumyapatnaik.sambad@gmail.com

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as case No. 116 of 2023.

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

 Respondents View/ Objection: Laxities of tariff proceedings by the Hon'ble Commission and illegal RST schedule.

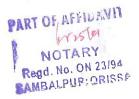
TPWODL Rejoinder: - The Hon'ble Commission, being a quasi-judicial body, had notified and introduced the OERC (Terms & Conditions for determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 on 20.12.2022 superseding the old Regulation of 2014 coming into effect from the date of their publication in the Official Gazette i.e. 23.12.2022. It is further submitted that SERCs all over India are guided by the principles laid down u/s 61 of the Electricity Act, 2003. Further Section 62(3) of the Electricity Act, 2003 clearly states as under:

"Section 62. (Determination of tariff): ---

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

However, determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.

In view of the above provision of law, tariff determination as done by the Hon'ble Commission which is in force is justified and correct.



2. Respondents View/ Objection: Excess Tariff collected by DISCOMs over approved Average Tariff and refund of excess tariff collected by DISCOMs to Consumers with interest.

TPWODL Rejoinder: - It is submitted that the Licensee, being a regulated business, is guided by the Regulations/ Guidelines/ Orders of the Hon'ble Commission and is well within the ambit of the same. The Hon'ble Commission, vide its RST Order for the DISCOMs, determines the tariff to be charged from different consumer categories in accordance with Sections 62 & 86 of the Electricity Act, 2003. In order to bring transparency to the tariff proceedings, the Hon'ble Commission conducts Public Hearing process to hear the public on their views on the ARR petitions filed. Accordingly, consolidating the comments provided by the Public along with proper prudence checks on the data/ information submitted by the DISCOMs, the Hon'ble Commission determines the Retail Supply Tariff to be charged from different consumer categories.

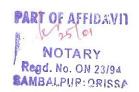
The Licensee, hence, submits that it levies and collects the determined and approved tariff from different consumer categories and there is no such deviation from the Approved Tariff Schedule.

With respect to the Cost of Supply (CoS), the Hon'ble Commission in its RST Order has held as under:

"The Cost of Supply is the cost incurred by the utility to supply one unit of electricity at its consumer's metering point and is a crucial part of the tariff setting process. The purpose of computation of Cost of Supply (CoS) is to apportion all costs required to serve consumers of different categories in a fair and an equitable manner giving developing an appropriate policy and a regulatory way forward. Tariff setting is a revenue balancing method. The revenue requirement of DISCOM is met through tariff recovered from the consumers. The revenue can be of two categories i.e. revenue recovered from the consumer for sale of power and miscellaneous receipt from other activities of DISCOMs. The revenue requirement to be earned through tariff will be less if miscellaneous receipt is given credit as a part of the revenue earned. This in turn will reduce tariff to be charged to the consumers. The cost of supply is not necessarily equal to average tariff. This is because of miscellaneous receipt shall be utilised to meet the revenue requirement which would have otherwise been recovered from the consumer through tariff." (Emphasis added)

Considering the above and in line with Clause 8.3(2) of Tariff Policy 2016, the average tariff is well within (+/- 20%) of ACoS.

3. Respondents View/ Objection: Direction of Hon'ble Supreme Court of India to SERCs vide Judgment dated 23.11.2022 in Civil Appeal No. 1933 of 2022. SERCs are not determining tariff as per guiding principles. Violation of MYT Principle as ARR petitions filed without Business Plan by DISCOMs.





TPWODL Rejoinder: - Upon vesting of the License to the TP DISCOMs, the existing Regulation was supposed to be amended in line with terms of the Vesting Order. Hence, the Hon'ble Commission had sought public opinion/view on Determination of (Wheeling & Retail supply Tariff) Regulation 2022 through draft consultative paper dated 14.10.2022. Accordingly, 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 which in turn coincided with the Hon'ble Supreme Court of India's Judgment. It is further submitted that SERCs all over India are guided by the principles laid down u/s 61 of the Electricity Act, 2003. However, determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.

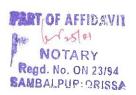
As per the new Regulation the DISCOMs were directed to submit the different filings as per the following Timelines (as mentioned under Annexure-l of Gazette Notification).

Accordingly, the DISCOMs had filed their Business Plan for FY 23-24 to FY 27-28 i.e. the 1st Control Period and the Hon'ble Commission vide it's order dated 14.09.23 had accorded in principle approval to the Business Plan of all 4 DISCOMs.

4. Respondents View/Objection: Open Access charges earned by DISCOMs.

TPWODL Rejoinder: TPWODL has taken over the distribution business from the erstwhile Wesco utility as per terms of vesting order. Open Access charges majorly comprises of Cross subsidy surcharge, Additional surcharge, Wheeling Charge, & Standby charges which are liable to be paid by the consumer opting for Open Access. The same is in line with the OERC (Terms & conditions of Intra-state Open Access) Regulations, 2020. Cross subsidy surcharge is a surcharge which is levied if open access facility is availed of by a subsidising consumer of a distribution licensee of the State. Also, the Hon'ble Commission vide its RST Order decided the CSS and wheeling charges to be levied from such consumers. The Licensee charges the consumer in accordance with the approved Open Access charges. Furthermore, the revenue earned on account of CSS is passed on to the consumers by way of Non-tariff Income.

Also, as the objector has submitted that the CSS is a compensatory surcharge levied to recover the cost of lost demand is incorrect. It is the Additional surcharge that is levied on Open Access consumers 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. However, the Hon'ble



Commission in its RST order considers no additional surcharge over and above the Cross-Subsidy Surcharge.

Respondents View/ Objection: Ld. OERC is the Regulator of State electricity and not an Arbitrator.

TPWODL Rejoinder: - Prior to Electricity Act, 2003, Odisha Electricity Regulatory Commission has been established as an independent autonomous Regulator of the Odisha State and became functional on 01.08.1996 for achievement of objectives enshrined in the Odisha Electricity Reform Act, 1995. Upon pronouncement of the Electricity Act, 2003, Section 82 empowers all the States to create Regulatory Commissions and Section 86 also states about the functions of the Regulatory Commissions.

6. Respondents View/Objection: Power cut during peak demand.

TPWODL Rejoinder: TPWODL never intends to regulate power to our esteemed consumers. Rather always emphasizes upon reliable power supply with affordable rates. It is submitted that TPWODL has initiated nos. of activity for reduction of interruption, breakdown etc. during last two years. On implementation of various measures the power supply position has improved. Through continuous patrolling, network augmentation, periodic maintenance etc., the number of tripping has been gradually reducing. Since FY 21-22, TPWODL has attained many achievements such as establishment of 24*7 & Operational Power System Control Centre (PSCC) and provided mobile applications to all 33/11KV Primary Sub-Station to collect the operational information, Planned Outages monitoring and information pass on to consumers regarding the outages in their area before 48 hrs. every major breakdown and planned outages informed to centralized Call Centre and consumers benefits through it.

7. Respondents View/ Objection: SMD projected by DISCOMs.

TPWODL Rejoinder: The Objector has made an attempt to analyse the SMD position of the State and submitted in its objection at Table No. 4. From the above table, it is envisaged that SMD of the DISCOMs, GRIDCO & SLDC have been placed for comparison. It is of the view of the Objector that the recorded SMD of DISCOMs matches with GRIDCO. However, the same does not have relevance with SLDC's data. In this regard, the Licensee would like to submit that the SMD of SLDC includes Open Access drawal by different industries which is not finding a place either in GRIDCO's or DISCOMs SMD.

 Respondents View/ Objection: The Input energy (MUs) as per TPWODL during FY 23-24 (till Sep'23) is 6370 MU, however, GRIDCO has considered Input energy (MUs) of 5836 MU.



TPWODL Rejoinder: It is submitted that GRIDCO in its BSP bills computes Input energy considering TPA power up to 80% CD, however, the Licensee considers the total TPA power including up to 80% CD and > 80% CD for computation of Input Energy.

Details of the same is tabulated as under:

S. No.	Month	Total Input Energy as per GRIDCO (MU)	TPA Sale (>80% CD) (MU)	Total Input Energy as per TPWODL (MU)
Α	В	С	D	E=C+D
1	Apr-23	949	62	1011
2	May-23	1012	119	1131
3	Jun-23	970	55	1025
4	Jul-23	972	123	1095
5	Aug-23	972	75	1047
6	Sep-23	961	100	1061
7	Total	5836	534	6370

The Licensee would further like to state that the Objector may not be aware of the various special agreements made by the Licensee's consumers with the Licensee which has been approved by the Hon'ble Commission. Accordingly, the Licensee considers the total energy input considering all the special agreements which may seem different however, the same is reconciled with GRIDCO during due course of time.

9. Respondents View/ Objection: Misappropriation of Govt. grant investment.

TPWODL Rejoinder: TPWODL submits that as per Segregation Order dated 25.11.2021, unspent grant of Rs. 136.06 Cr. as on 31.12.2020 had been transferred to the licensee. TPWODL is required to maintain the bank balance in separate bank accounts and this amount to be used for which the grant is received. As per terms of Vesting Order & Segregation Order, TPWODL is mandated to comply with the directions. Accordingly, a third party audit is being conducted and the report is submitted to the Hon'ble Commission periodically.

For and on behalf of TPWODL

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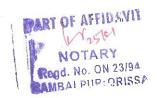
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Shri Soumya Ranjan Patnaik, MLA, Khandapada, S/o Late Brajabandhu Patnaik, Plot No. – 185, VIP Colony, Nayapalli, Bhubaneswar, Odisha - 751015, Email – soumyapatnaik.sambad@gmail.com

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



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

Case No. 116 of 2023

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

IN THE MATTER OF: Shri Prabhakar Dora, 3rd Lane, Vidya Nagar, Po/Dist. Rayagada - 755001. Email - doraprabhakar1965@gmail.com, Mob: 9437103756

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as case No. 116 of 2023.

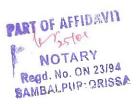
That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

 Respondents View/ Objection: More the consumption, less the price for LT(GP) & MSME industry up to 22 kVA.

TPWODL Rejoinder: - The Hon'ble Commission in its RST Order dated 23.03.2023 had approved the tariffs to be charged from different consumer categories. The energy charges for LT GP consumers as approved is placed as under:

S. No.	Category of Consumers	Energy Charge (P/kWh)
A	General Purpose < 110 KVA	
1	Consumption <= 100 units/month	590.00
2	Consumption >100, <=300 units/month	700.00
3	Consumption >300 units/month	760.00

It is submitted that majority of LT GP consumers fall within the consumption of <=100 units/ month. Considering the suggestion of the Objector, if the energy charges are reversed i.e. Consumption <=100 units/ month are to pay energy charge of 760 p/ kWh, then the burden on the GP consumers will increase. Similarly in case of domestic consumption, it is impossible to charge 620 p/ kWh from a domestic consumer consuming <=50 units/ month while decreasing the energy charges for higher consumption. This will create unnecessary hue and cry amongst the consumers. Further, for HT & EHT consumers, energy charges is lower if the load factor >60% whereas it is higher if load factor =<60%.



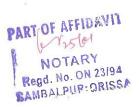


However, determination of tariff (slab-wise) to be charged from a certain category of consumers is the prerogative of the Hon'ble Commission u/s 62 & 86 of the Electricity Act, 2003.

2. Respondents View/ Objection: The projections under Employee Expenses, A&G and R&M Expenses appears to be high and unrealistic. There is a need to follow austerity measures and strict third-party audit of technical and finance is required before allowing any extra provisions.

TPWODL Rejoinder: - As regards Employee Expenses, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive - 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 24-25 may please be approved. It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the





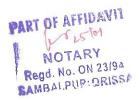
entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24. So, the Licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different



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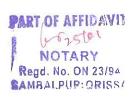
office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.

3. Respondents View/ Objection: Disconnection notice is being printed on the current bills which is an incorrect practice, whereas the Applicant is required to give a separate notice to the consumer for a specific amount on default of the payment of bill by the consumers which is categorically specified the procedure for disconnection and its confirmation. No Licensee is in practice of taking acknowledgement or confirmation of disconnection with amount of claim/ reason/ and date & time of disconnection.

TPWODL Rejoinder: - It is submitted that TPWODL, being a DISCOM of Odisha State, is strictly bound by the Regulations/ Guidelines framed by the State Commission in line with the Electricity Act, 2003 and is well within the ambit of the same. Therefore, on non-payment of Licensee's dues, TPWODL issues disconnection notice in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

4. Respondents View/ Objection: DISCOMs prefer to challenge the orders of Ombudsman only to bring stay and create litigation. Consumers have neither knowledge nor finance to fight the Licensee in the higher courts to interpret the Regulation framed by OERC for their cause. Regulator has pivotal role in this matter and shall come up with Specific Guidelines.

TPWODL Rejoinder: TPWODL has taken over the distribution business from the erstwhile Wesco utility as per terms of vesting order. As per terms of the vesting order past outstanding with the consumer has not been transferred along with some liability. Therefore, for redressal, the Licensee must act according to vesting order para 49 (b). As per the said para, TPWODL shall make all diligent efforts to contest the litigation, suits, claims etc. and satisfy the Commission in this regard. Accordingly, being a regulated business, the Licensee, if founds necessary, challenges the orders of the GRF/Ombudsman



in Higher Courts as per procedure and when a higher forum has given stay of the order of GRF, TPWODL cannot take unilateral decision. During the whole process, the Licensee does not intend its customer to suffer.

5. Respondents View/ Objection: The Applicant/ Licensee cannot take advantage of the Regulations/ tariff gains without meeting his share of investment for creation of infrastructure hitherto made by consumers while getting HT supply. The present Licensees are also following erstwhile habit of framing estimates and advising consumers to deposit the entire cost for giving supply where extension of lines/ creation of infra is required without absorbing any cost in violation of Regulation 27 of the code.

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

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

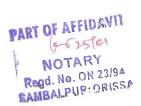
Furthermore, Para 63 of the Codes provides:

"63. The entire service line, notwithstanding that whole or portion thereof has been paid for by the consumer, shall be the property of the licensee/supplier and shall be maintained by the licensee/supplier who shall always have the right to use it for the supply of energy to any other person unless the line has been provided for the exclusive use of the consumer through any arrangement agreed to in writing."

It would be pertinent to mention here that the Hon'ble Supreme Court of India vide its judgment dated 25.04.2014 in C.A. No. 5479 of 2013 has upheld the matter in favour of the Licensees.

Respondents View/ Objection: Non acceptability of revision of reconnection charges with penalty clause.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behavior cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time-to-time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.



Respondents View/ Objection: Application for power supply as per Condition of Supply Code 2019. The details may be called for.

TPWODL Rejoinder: TPWODL would like to state that the details as claimed by the Objector in his submissions is being done online and the same is also available on the website of the Licensee. Further, the Licensee submits that it is strictly guided by and follows the appropriate Codes of the OERC (Conditions of Supply) Code, 2019 and is well within the ambit of the same.

Respondents View/ Objection: Continuation of provisional billing prohibited by the Regulation.

TPWODL Rejoinder: The Licensee submits that it is continuing with actual billing in more than 90% of the consumers. However, in some exceptional cases, provisional billing is being done which is being revised within 2 billing cycles.

In case of non-functional energy meters and meters which are obsolete technologically, burnt, defect and faulty energy meters etc., in such case 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.

Respondents View/ Objection: The Licensee should act upon automatic compensation to make benchmark of his own performance.

TPWODL Rejoinder: It is submitted that the Licensee furnishes GSOP (month-wise), OSOP (quarter-wise & annually) to the Hon'ble Commission. However, the Licensee, being a regulated entity, acts in accordance with the Regulations specified by the Hon'ble Commission. Regulation 5(3) of the OERC (Licensees' Standards of Performance) Regulations, 2004 specifies that the liability of compensation shall be applicable to the supply of electricity from such date the Commission may direct by order issued for the purpose.

10. Respondents View/ Objection: Rent is to be fixed on the type of meter but not depending on class of consumer.

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

Apart from rent, the expenditure towards the meter provided by the Licensee includes the cost of associated accessories, finance cost on capital borrowed for purchase of meter, set up of back-end IT infrastructure, installation cost, site visit and periodical meter



testing as per OERC Supply Code 2019. So, the present level of recovery of meter rent to the extent of 60 months and 96 months (single phase smart meter) is justified as fixed by the Hon'ble Commission.

For and on behalf of TPWODL

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GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Shri Prabhakar Dora, 3rd Lane, Vidya Nagar, Po/Dist. Rayagada - 755001. Email - doraprabhakar1965@gmail.com, Mob: 9437103756

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

NOTARY
Regd. No. ON 23/94
RAMBALPUP: ORISSA

BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN NO 4 CHUNOKOLI SHAILASHREE VIHAR CHANDRASEKHARP

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: M/s. Aurn Steel Industries Pvt Ltd having its Regd Office at Jiabahal, Kalunga-770031, Dist-Sundergarh . Email: aurnsteel16@rediffmail.com, Mobile: +91-9437045634

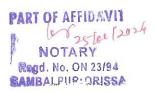
Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

 Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive – 647 & Non-Executive – 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/1000 consumers, this



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recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

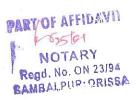
Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. **Respondents View/ Objection:** The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total



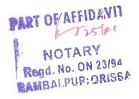
entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



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

TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

- Respondents View/Objection: Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.
 - TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.
- 6. Respondents View/Objection: TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of consumers.

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent



method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

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

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

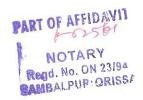
TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it



appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be ieopardised.

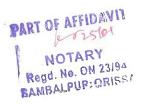
The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

- Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25
 - **TPWODL Rejoinder:** The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.
- 10. Respondent's view/objection: Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

T257	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
FY	(Rs in Cr.)				
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

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



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11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

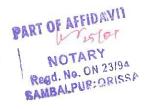
Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

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

For determination of Tariff vide Clause 5.15 of OERC (Terms and Conditions of Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of National Electricity Policy. This is reproduced below: "5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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

TPWODL Rejoinder To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed consumers should pay DPS, rather encourages



for payment within due date and avail rebate. Also, charging of DPS is in line with neighboring states and acts as a deterrent for non-payment of bills in time. Alternatively, to improve customer friendly communication e-copy of bills is served immediately after generation of bill through WhatsApp, e-mail and SMS mode to the registered mobile number/e-mail ID. Considering the above aspects, the Licensee has put a realistic proposal which may kindly be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

For and on behalf of TPWODL

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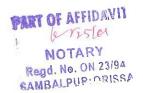
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Mr. Satish Kumar Garg, Director & Authorized Signatory of M/s. Aurn Steel Industries Pvt Ltd having its Regd Office at Jiabahal, Kalunga-770031, Dist-Sundergarh . Email: aurnsteel16@rediffmail.com, Mobile: +91-9437045634

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



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

Case No.116 of 2023

BHUBANESWAR-751021

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

IN THE MATTER OF: Ms. Shailaza Muduli, D/o Mr. G.C Muduli, Director (Project) of M/s. Grinity Power Tech Pvt. Ltd. having its Regd Office at K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, Email: gpwrtch@gmail.com, Mob: +91-6742954256

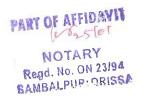
Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

 Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive – 647 & Non-Executive – 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including



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terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 2024-25 may please be approved.

It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

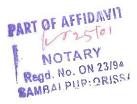
Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M



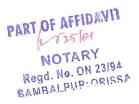
in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

3. Respondents View/ Objection: The Respondent has provided the summary of A&G expense since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

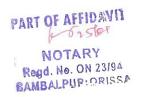
TPWODL Rejoinder: The licensee has already provided detailed justification and head wise 🧒 break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



- 4. Respondents View/ Objection: The Respondent has furnished the summary of depreciation cost for last twelve financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.
 - TPWODL Rejoinder: As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.
- 5. Respondents View/Objection: Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.
 - TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to 🔊 steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.
- 6. Respondents View/ Objection: The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above up to 70%	10% on EC	40
Above 70% up to 75%	12.5% on EC	-
Above 75% up to 80%	15% on EC	8% on EC
Above 80% up to 85%	17.5% on EC	8% on EC
Above 85%	20% on EC	10% on EC

TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the



approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

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

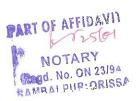
TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time nonadherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.

TPWODL has submitted this proposal for the benefit of both the industries as well as the DISCOM(s)/other stakeholders. But as per the modifications suggested by the respondent, it



appears to be only consumer centric which will create dissatisfaction among other industries those who are running/operating. If the closed industry is permitted to reopens with a lower load to avail this benefit, then moto/purpose to improve/promote industrial growth will be jeopardised.

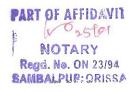
The licensee is offering cheaper power to maximise utilisation of state's power, so if open access would be permitted after availing this benefit the entire purpose of the scheme would be futile.

- Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25
 - **TPWODL Rejoinder:** The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.
- 10. Respondent's view/objection: Hon'ble commission is requested to approve CAPEX considering the likely interest burden on consumer, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out and Hon'ble OERC may pass appropriate order on the same.

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

E287	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
FY	(Rs in Cr.)				
Committed	306	806	1139	1461	1663
Proposed	462.42	582.18	398.84	571.97	403.13
Approved	333.13	477.72	381.91	493.77	336.60

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



11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

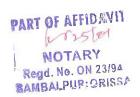
Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional



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scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As envisaged by the respondent regarding higher sale in HT/EHT category appears to be more optimistic because in the recently concluded Make in Odisha Conclave, there was hardly any industrial participation for investment in Western Odisha which indicates scope of increase in HT/EHT sale.

As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

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

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

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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

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



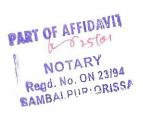
TPWODL Rejoinder: To avoid the tendency of certain consumers among the consumer categories of domestic and commercial who are negligent towards bill payment once the due date is over, the Hon'ble Commission had introduce Delayed Payment Surcharge Mechanism. The Licensee never intends that its esteemed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

- 15. Respondent's view/objection: Processing fee for each services as per Regulation
 - **TPWODL Rejoinder:** The processing fee is a must to avail different services across the globe and is also followed in all other organizations. The licensee has proposed a very nominal amount of processing fee for different services. The services are occasional in nature and may be availed who is in need. The detailed justification is provided vide page no. 124 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.
- **16. Respondent's view/objection:** Proposal of TPWODL to **levy the CSS on RE Power** may be straightaway rejected

TPWODL Rejoinder: As per para 23.5 of Odisha RE Policy,2022, no CSS shall be applicable to industries on harnessing RE power through GRIDCO, which appears to be a different mechanism than prevailing Open Access. Further, as per RE policy the benefit is being extended only when it is generated inside the state of Odisha during the policy period. On other hand, MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023, where in it has been mentioned that "(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -(a) transmission charges; (b) wheeling charges; (c) cross subsidy Surcharge; (d) standby charges wherever applicable; (e) banking Charge; and (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission. However, the Commission may take a judicious decision in this regard.

17. Respondent's view/objection: Minimum offtake for the Industries having CGP

TPWODL Rejoinder: The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to during peak period. As result, GRIDCO is facing difficulty in arranging power for them as they are drawing without prior intimation or scheduling in the imploration of fixed demand charges. With Demand charges of Rs.250 per kVA and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off



take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD. Therefore, the proposal is well justified and Hon'ble Commission may take a suitable decision in this regard.

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

TPWODL Rejoinder: This proposal is limited to the consumers who are indulging with theft activity. Unless a heavy penalty is imposed the behavior of the consumer will not change. Further, the Licensee intends not a single consumer indulges in theft of energy. The ratio of unauthorized use/theft as compared to total consumer strength is not even 1% to 2%. But, this segment of people causes non-paying attitudes among other bonafide consumers. Hence, the suggestion is justified and may be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

20. Respondent's view/objection: Reduction in Contract Demand

TPWODL Rejoinder: The proposal of load enhancement and reduction in contract demand has been processed by the Licensee diligently as per norms of prescribed regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. Respondent's view/objection: Hon'ble Commission is requested to clarify/consider that the categorization of seed processing units under "Allied Agro-Industrial Activities" as per the OERC Distribution (Conditions of Supply) Code, 2019 regulation 138 (g).

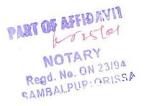
TPWODL Rejoinder: The issues related to categorization of seed processing units under "Allied Agro-Industrial Activities" is neither covered under OERC Distribution (Conditions of Supply) Code, 2019 regulations nor under Tariff Order. Hence, requires amendment of Regulation. Hon'ble Commission may take a judicious decision in this regard.





- **22. Respondent's view/objection:** The State Government should provide subsidy to MSME industries operating at higher Load. As Tata Company is providing electricity throughout the state, appropriate measures may be taken so that it should not have monopoly. More numbers of GRF/Ombudsman Offices can be set up. Adequate compensation should be given to the persons on whose land distribution infrastructure is erected.
 - **TPWODL Rejoinder:** As regards to set up of GRF & Ombudsman offices, the Licensee has set up 2 more GRF Offices at Kalahandi & Bargarh in the current financial year making it a total of 5 GRF offices at each circle for customers to voice concerns and find solutions. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.
- 23. Respondent's view/objection: Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural activity. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.
 - TPWODL Rejoinder: Determination of tariff is the sole prerogative of Hon'ble Commission, hence may take judicious decision in this regard.
- 24. Respondent's view/objection: All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve. Further, awareness programme should be organized in this regard to sensitize the consumers.
 - **TPWODL Rejoinder:** Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. Determination of tariff is the sole prerogative of Hon'ble Commission, hence may take judicious decision in this regard.
- **25. Respondent's view/objection:** DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the licensees, if allowed. Government should give subsidy to LT consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.

TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days is religiously followed by the licensee. The HT Loss varies from 8% to 12% on actual basis. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is the authorized body to take judicious decision in this regard.



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

TPWODL Rejoinder: The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 23 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is used for billing but soon digital mode will be adopted for eco-friendly and sustainable moto. The licensee has recently set up 2 more GRF offices at Kalahandi and Bargarh to address consumer grievances and find solutions.

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

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

For and on behalf of TPWODL

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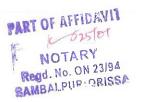
GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Ms. Shailaza Muduli, D/o Mr. G.C Muduli, Director (Project) of M/s. Grinity Power Tech Pvt. Ltd. having its Regd Office at K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, Email: gpwrtch@gmail.com, Mob: +91-6742954256

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



BEFORE THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN

PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No. 116 of 2023

In the matter of: TP Western Odisha Distribution Limited

Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

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

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

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

	States	Demand Charges	Energy Charge	S
1	Chhattisgarh	Rs.375 /-per kVA per month	Rs.4.55 per kV	Ah
2	Andhra Pradesh	Rs.350/-per kVA per month	Rs.5.50 per kV	Ah
3	Jharkhand	Rs.350/-per kVA per month	Rs.5.25 per kV	Ah
4	Madhya Pradesh*	Rs.310/-per kVA per month	Rs. 5.90 per kWh	
*Gua	aranteed minimum ann	ual consumption of 1500 unit(in kWh) per k	VA of Contract de	mand.
5	Maharashtra	Rs.454/-per kVA per month	Rs.6.86 per kVAh	
6	Bihar	Rs.280/per kVA per month	Rs.6.70 per kV	Αh
7	Odisha	Rs.250/-per kVA per month	HT(kVAh)	EHT(kVAh)
		(Upto 60% L.F)	5.85	5.80
		(> 60% L.F)	4.75	4.70

So, request of Railway for reduction of railway tariff as compared to other HT & EHT category will affect the revenue of the utility. Railway is also being separately categorized under HT & EHT as "Railway Traction", there is no such requirement of creation of another specialized category.



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

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

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

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

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

GV	0	,
Load Factor (%)	HT	CHIT
= < 60%	585.00	580.00
> 60%	475.00	470.00

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

- 4. Respondent's view/objection: Hon'ble OERC is requested to charge Railway at the unit rate which is actual cost of supply of power to EHT category of consumers.
 - TPWODL Rejoinder: Presently Railway is being charged well within the limits of +/- 20% of the average cost of supply. This is evident from the fact that the Average cost of supply for the state is Rs. 6.04 per unit. As per RST Order FY 23-24, the average revenue realization for the category as a whole is Rs. 7.01 per unit including demand charges. Hence, the same is equal to 16% above the average cost of supply.
- 5. Respondent's view/objection: Hon'ble OERC is requested to adopt uniform system of Traction energy billing for all DISCOMs in Odisha state basing on the kWh & kVARh (Lag) from 'Q1' quadrant only or else Hon'ble OERC to advise all DISCOMs to provide Lag Only energy meters for all RTSSs.



TPWODL Rejoinder: The Licensee is adhering Hon'ble Commission's uniform billing mechanism wherein Lag only is being considered while taking kVARh reading. So, there is no abnormality.

6. Respondent's view/objection: Hon'ble OERC is requested to advise the DISCOMs suitably to ignore the MD rise/overshoot of both side RTSSs of same or other DISCOMs during their feed extension over the RTSS where incoming supply fails due to OPTCL reason. DISCOMs may be advised to ignore the MD rise/overshoot in the same month as some DISCOMs are taking months together to resolve the case.

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

For and on behalf of TPWODL

GM (RA & Strategy)

Reproved as Norder.

Place: BURLA
Date: 25/01/24

C.C. Shri Somnath Sahu, Principal Chief Electrical Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar, Odisha - 751017

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

NOTARY
Regd. No. ON 23194
SAMBALPHP: ORISSA

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

Case No. 116 of 2023

In the matter of: TP Western Odisha Distribution Limited

Corporate Office – Burla, Sambalpur, Odisha – 768017

AND

In the matter of: Sri Ritesh Kumar Babu, Director – Microcosm Reframin Private Limited, Arya Residency, Flat No -104, Block 'C', Sarbahal, Po/Dist – Jharsuguda, Odisha – 768201.

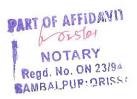
Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondent's view/objection: Hon'ble OERC is requested to extend the benefit of special rebate on Energy Charges to all Industrial Consumers (Steel Plants) to all HT Industrial Consumers without CGP having a contract demand of 1 MW and above so that Alumina processing unit will be viable for more production.

TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of extending the benefit to Alumina Processing units which operate with electric arc furnaces where they can achieve the load factor within an hour. In case of induction furnace, achievement of load factor will take time and hence the special rebate proposal was allowed by Hon'ble Commission only to Steel Industries. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.



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For and on behalf of TPWODL

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GM (RA & Strategy)

Place: BURLA

Date: 25/01/29

C.C. Sri Ritesh Kumar Babu, Director – Microcosm Reframin Private Limited, Arya Residency, Flat No -104, Block 'C', Sarbahal, Po/Dist – Jharsuguda, Odisha – 768201

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

NOTARY Regd. No. ON 23/94 SAMBALPUR: ORISSA

ODISHA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAWAN PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751023

Case No. 116 of 2023

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

IN THE MATTER OF: Er. (Dr.) P.K. Pradhan, B-4, Jayadurga Nagar, P.O.- Budheswari Colony, Bhubaneswar — 751006

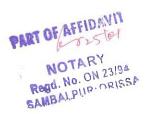
Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as case No. 116 of 2023.

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

1. Respondent's view/objection: TPWODL may please inform the actual Distribution Loss in FY 2022-23 and the measure to be taken to reduce the Distribution Loss by 7.67% TPWODL Rejoinder: The actual LT distribution loss for FY 22-23 of TPWODL was 41.37%. the Licensee has estimated LT distribution loss as 33.90% during the current Financial Year i.e. FY 23-24. In ensuing year, the proposed LT distribution loss is 26.33% which is a reduction of 7.58% over FY 23-24.

The loss reduction measures are as under:

- a) Augmentation of 33 KV & 11 KV Line along with DTR & PTR upgradation and replacement of bare conductor with LT AB cable.
- b) Development of various IT/OT Mobile Applications vis-à-vis SCADA/GIS/MANAK/SAMADHAN/MUDRA/MANTHAN.
- c) Daily monitoring of LT collection agents and Elimination of manual money receipt (MR) – mobile App for MR and multiple payment avenues- POS Machine, NEFT, IMPS, UPI etc.
- d) Dedicated contract for Billing & Collection Activity and setting of enforcement camps.
- e) Installation of smart meters & reduction of faulty meters.
- f) Conversion of Unmetered connection to metered connection.
- g) End to end online new connection system etc.

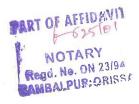


- 2. Respondent's view/objection: Outsourcing employees for different verticals like metering, billing, collection, 11kV lines & S/S, 33 kV grid, lines and substation maintenance will increase the overhead cost and reduce the efficiency.
 - TPWODL Rejoinder: The Licensee submits that there are around 500 legacy outsourced manpower who were transferred from the erstwhile company. Further, with respect to the outsourced manpower under TPWODL, it is submitted that the Licensee has appointed various agencies who in turn employ outsourced manpower for the Licensee's works. Outsourcing employees are continuing since long & not introduced by TPWODL. During WESCO tenure, line, grid and S/S maintenance was carried out through short term outsourcing of manpower only on breakdown occurrence. TPWODL has outsourced the overall maintenance job (preventive maintenance, breakdown maintenance, attending no current complaints) of both 33kV & 11 kV network assets to ensure 24 X 7 uninterrupted quality power to all its consumers.
- 3. Respondent's view/objection: Requested Whether the total no. of newly recruited persons along with deputed personals are within the approval of the Board/Commission. TPWODL to please inform the objector so that it can be deliberated at the time of public hearing.

TPWODL Rejoinder: The total no of recruitment including deputed personals is well within the approval of the Board /Hon'ble Commission. Details of the same is appended below:

Particulars	Previous Year	Current Year	Ensuing Year
No. of employees as on:	2589	3043	3405.00
No. of employees added during the year:	784	511	330.00
Employees Retd./Expired/Resigned during the year:	330	149	55.00
Total Manpower:	3043	3405	3680
Avg. no. of employees for the year:	2816	3224	3543
No. of MUs sold:	10609.62	10714.50	9614.10
No. of employees per MU sold:	0.27	0.30	0.37
No. of consumers as on FY:	2257722	2279922	2058897
No. of PD Consumers	312473	393434	459444
No. of Ghost Consumers			200423

4. Respondent's view/objection: TPWODL speaks a lot on safety in the deliberation in different meetings before the commission. TPWODL may kindly inform whether the maintenance staff and the staff of the Control Room engaged for 33KV grid, 33KV & 11KV line and Sub-Station are having the necessary qualification eligibility as required by the electricity Rules.



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TPWODL Rejoinder: TPWODL awarded work to various business associates (BA) duly verifying the criteria like electrical license, qualification and expertise of the people who are going to be engaged etc.

TPWODL always conducts safety induction before joining of concerned staffs. Capacity building program, training on cutting edge technologies are often taken by TPWODL authorities. The details of safety measurements taken by TPWODL is already mentioned in the ARR application for FY 24-25. It is worthwhile to mention that CEA has recently come up with an advisory to 32 States and Union Territories to implement "One Nation, One License" method for Electrical Contractor. This mechanism aims towards avoiding long drawn process of obtaining the separate license in the respective State, where they intend to work. In view of the above TPWODL already requested to the Hon'ble Commission to issue a practice direction to the Principle Chief Electrical Inspector (PCEI), Bhubaneswar outlining the necessary measures to be taken for seamless implementation of "One Nation, One License" in Odisha.

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

TPWODL Rejoinder: The proposed mechanism seems to be complicated, in absence of proper demonstration. However, Hon'ble Commission may take a judicious decision in this regard.

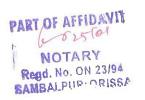
Respondent's view/objection: Information regarding arrear amount collected and remitted to GRIDCO.

TPWODL Rejoinder: The licensee is collecting the arrear amount prior to takeover period as per the vesting order commitment and the same is being remitted to GRIDCO following the guideline as per vesting order which in turn had mandated a target collection of Rs. 300 Cr. till FY 25-26. Till November 2023, the Licensee has remitted Rs. 312 Cr. to GRIDCO. A monthly MIS on same is also being sent to GRIDCO.

Regarding procedure of penalty imposition, no such specific query/ objection has been raised. However, TPWODL is strictly adhering the regulations of OERC Distribution (Conditions of Supply) Code, 2019.

7. Respondent's view/objection: Average Billing procedure, Metering Status and Meter Rent collection

TPWODL Rejoinder: TPWODL is abiding the regulations of OERC Distribution (Conditions of Supply) Code, 2019



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Regarding metering status P-13 of the ARR filing may please be referred wherein the % of working meters is 93%. Monthly meter rent is being collected as per RST order FY 23-24.

8. Respondent's view/objection: Hon'ble Commission is requested to check the components like A&G expense, R&M expense, Provision of bad & doubtful debt.

TPWODL Rejoinder: Hon'ble Commission has always approved every component of the ARR application after prudence check. Hence, it is evident to do the same this year as well.

9. Respondent's view/objection: Domestic Consumer having Electronic Meter with Demand recording facility, meter reader not taking demand recorded. However, Demand Charges Levied as per Contract Demand

TPWODL Rejoinder: As per OERC Distribution (Conditions of Supply) Code, 2019 Contract Demand for a connected load below 110 kVA shall be the same as connected load. In case of Meter having provision of recording demand, billing is done on the recorded demand. As regards to non-taking up demand recorded by the meter reader may be an exceptional case.

10. Respondent's view/objection: The Hon'ble Commission while approving the RST for FY 3023-24 has fixed the meter rent for different consumer category with a condition that 30 DISCOM will recover by instalment. The DISCOM must declare the landed cost of the 30 meter and recover its cost through meter rent only but not for 60 months.

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

Apart from rent, the expenditure towards the meter provided by the Licensee includes the cost of associated accessories, finance cost on capital borrowed for purchase of meter, set up of back-end IT infrastructure, installation cost, site visit and periodical meter testing as per OERC Supply Code 2019. So, the present level of recovery of meter rent to the extent of 60 months and 96 months (single phase smart meter) is justified as fixed by the Hon'ble Commission.

11. Respondent's view/objection: The tariff of temple is on the higher side even more than the commercial category tariff. A rebate of Rs. 3.00/- per unit has been proposed by the Ld Objector.

TPWODL Rejoinder: The determination of tariff to be charged from different consumer categories is the prerogative of the Hon'ble Commission as per section 62 & 86 of the



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Electricity Act 2003. However, Hon'ble Commission may take a judicious decision in this regard.

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

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

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

TPWODL Rejoinder:

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

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

Furthermore, Para 63 of the Codes provides:

"63. The entire service line, notwithstanding that whole or portion thereof has been paid for by the consumer, shall be the property of the licensee/supplier and shall be maintained by the licensee/supplier who shall always have the right to use it for the supply of energy to any other person unless the line has been provided for the exclusive use of the consumer through any arrangement agreed to in writing."

It would be pertinent to mention here that the Hon'ble Supreme Court of India vide its judgment dated 25.04.2014 in C.A. No. 5479 of 2013 has upheld the matter in favour of the Licensees.

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



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

15. Respondent's view/objection: TPWODL is collecting money from existing & non existing consumers.

TPWODL Rejoinder: The licensee is collecting from the bonafide consumers only. However, those who are using electricity unauthorizedly without becoming a consumer, action as per relevant provisions of OERC Distribution (Condition of Supply) Code, 2019 and Electricity Act, 2003 is being taken.

For and on behalf of TPWODL

GM (RA & Strategy)

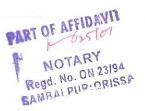
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Burla

Dated: 15/01/24

C.C. Er. (Dr.) P.K. Pradhan, B-4, Jayadurga Nagar, P.O.- Budheswari Colony, Bhubaneswar - 751006

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



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

Case No.116 of 2023

IN THE MATTER OF: TP Western Odisha Distribution Limited

Corporate Office Burla, Sambalpur, Odisha-768017

AND

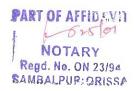
IN THE MATTER OF: The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar – 751015, Email: pwrtch@gmail.com, contactus@utkalchamber.in, Mobile: +91-9437155337

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as Case No. 116 of 2023.

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

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

1. Respondents View/ Objection: The Respondent has provided proposed and approved employee expense data since FY 2010-11 to FY 24-25 and requested Hon'ble Commission to approve the employee expense of TPWODL for FY 24-25 through prudence check. TPWODL Rejoinder: It is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01,2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive - 647 & Non-Executive -114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/ 1000 consumers, this



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It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified.

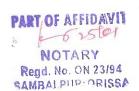
Hon'ble commission has always approved the components wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

2. Respondents View/ Objection: The Respondent has provided the summary of R&M expenses since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to approve the R&M expense of TPWODL for FY 24-25 through prudence check.

TPWODL Rejoinder: The licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 🕺 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total



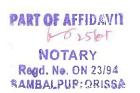
entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

So, the licensee has proposed a total of Rs. 336.86 Cr. for the ensuing year including additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)	
ODSSP (I, II & III)	89945	114353	
ODSSP (IV)	2987	49112	
DDUGJY New	29339	29339	
IPDS	22311	22311	
DDUGJY (PGCIL)	68537	68537	
DDUGJY (NTPC)	144263	144263	
RLTAP	8000	8000	
Total	365382	435915	

3. **Respondents View/ Objection:** The Respondent has provided the **summary of A&G expense** since FY 2010-11 to FY 24-25 and has requested Hon'ble Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2023-24 or actual A&G expenses or whichever is lower for FY 2024-25.

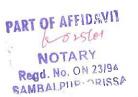
TPWODL Rejoinder: The licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY 23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.



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- 4. Respondents View/ Objection: The Respondent has furnished the summary of depreciation cost for last twelve financial years and has requested Hon'ble Commission that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.
 - **TPWODL Rejoinder:** As per Tariff Regulations, 2022 vide clause 3.8 depreciation on assets transferred under segregation order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated @rates prescribed in the Annexure-2 of the New Regulations, 2022. Accordingly, the Licensee has computed depreciation for the ensuing year FY 2024-25 based on depreciation rate applicable for TPWODL created assets as per Tariff Regulations, 2022. The licensee has already provided detailed justification regarding the depreciation cost vide para 2.8 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.
- 5. **Respondents View/Objection:** Hon'ble Commission is requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace.
 - TPWODL Rejoinder: The Hon'ble Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with Induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Hon'ble Commission and it may take a suitable decision in this regard.
- 6. Respondents View/ Objection: The respondent conveys its gratitude towards Hon'ble Commission for extending special rebate to the steel industries and Proposes a change in the allowed rebate:

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



TPWODL Rejoinder: TPWODL has submitted the proposal to continue the special rebate with more clarity on applicability of it. However, the respondent states that to operate at the approved LF rebate is difficult and has proposed a change in LF rebate mechanism as described in the above para. Hon'ble Commission may take a suitable decision in this regard.

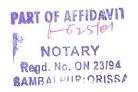
7. Respondents View/Objection: TPWODL has proposed to revise the reconnection charges with a penalty clause. In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal of TPWODL to revise the reconnection charges cannot be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

TPWODL Rejoinder: The disconnection & reconnection activity cannot be monitored remotely due to non-availability of smart meters in entirety. Even with 100% smart metering, consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting consumers. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Hon'ble Commission.

8. Respondent's view/objection: Respondent has welcomed the proposal of Special tariff for industries those who have closed their units if reopen/starts submitted by TPWODL in its ARR FY 2022-23 with few modifications in the proposal.

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

Proposal submitted by TPWODL	Modification suggested by the respondent
The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.	An additional discount of 50 p/unit on entire energy charges may be provided for the unit who will start their operation in FY 2024-25.
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 24-25.	The industry has to start with lower load and should be allowed for CD reduction while starting.
Double incentive not to be given	The closed industries availing this revival discount should be eligible for additional discount and load factor incentive as submitted above and other tariff structure related to the operating industries.
Industries opting this benefit shall not be eligible for open access.	Industries opting this benefit shall also be eligible for open access as provided in Electricity Act 2003 and Open Access Regulations.



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

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

 Respondent's view/objection: Hon'ble commission is requested to re-introduce the 3-slab based graded incentive tariff in the FY 2024-25

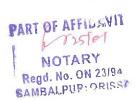
TPWODL Rejoinder: The 3-slab based graded incentive tariff mechanism is not actually beneficial indeed even it complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by Hon'ble Commission to extend more benefit to consumers.

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

TPWODL Rejoinder: As per the vesting order of TPWODL the licensee is committed for capital investment of Rs.1663 crs in span of 5 years. In line with the same Hon'ble Commission has already approved Rs.333 crs for FY 21-22 and Rs.478 crs for FY 22-23. The Licensee's five year CAPEX Proposal and OERC approved details are appended below:

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

The licensee places its CAPEX application in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. Hon'ble Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. The licensee is providing the information on CAPEX progress to Hon'ble OERC



quarterly interval for better monitoring. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a great extent.

11. Respondent's view/objection: The respondent has submitted that the Distribution Loss & AT & C loss should be approved at a lower level

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

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

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

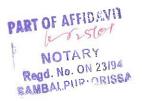
Few of the steps taken by TPWODL to reduce AT&C loss are as follows:

- Installation of Smart Meters for all 3ph consumers including agriculture connections.
- Installation of Smart Meter for 1Ph connections, Consumers with high consumption.
- All defective meters to be replaced with smart/new meters by Mar-24.
- Installation of 1 Ph blue-tooth enabled meters to reduce manual intervention in billing system.
- Strengthening of Energy audit for all 33kV,11kV & DTR up to 250kVA.
 Identification of loss pocket and action to be taken for loss reduction.

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

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

TPWODL Rejoinder: The licensee has already submitted its sales projection in details vide para 2.2 of ARR application. However, for clarification in brief it is to appraise that considering the past trend & actual of FY 2022-23 along with 1st six month of current year sales projection for the ensuing year has been made. The sale projection under EHT category



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includes the projection of sale under TPA. The intermittent power has been sold with regulatory approval and will be done in ensuing year if approved. Further, concessional scheme with flat rate of Rs.5.00 per kVAh for drawl 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. Considering all these facts the EHT sale projection for ensuing year has been made.

As regards to LT sales, the reason for taking higher projection due to improved billing/sale of LT category as multiple initiatives has been taken up by the licensee. TPWODL has strived to bring all the consumers into billing fold and installing new meters against defective meter, smart meter installation to all three phase consumers. In case of irrigation pumping & agriculture category, it is due to additional load, proper metering of unmetered consumers and implementation of PM KUSUM-C scheme. As envisaged by the respondent regarding higher sale in HT/EHT category appears to be more optimistic because in the recently concluded Make in Odisha Conclave, there was hardly any industrial participation for investment in Western Odisha which indicates scope of increase in HT/EHT sale.

As like the instant ARR application for FY 2024-25, the licensee has well justified its sale projection every year in its ARR filling.

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

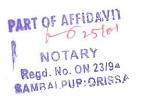
Respondent's view/objection: Cross subsidy and its surcharge

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

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

"5.15.3 For the purpose of computing Cross-subsidy payable by a certain category of consumers, the difference between average cost of supply to all consumers of the State taken together and average voltage-wise tariff applicable to such consumers shall be considered." and in table no. 23 of the RST order, the Hon'ble Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2017-18 to current year. From the table it can be observed that the percentage is well within +_ 20% as advised in National Electricity & Tarif Policy.

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



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

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

TPWODL Rejoinder: The processing fee is a must to avail different services across the globe and is also followed in all other organizations. The licensee has proposed a very nominal

15. Respondent's view/objection: Processing fee for each services as per Regulation

amount of processing fee for different services. The services are occasional in nature and may be availed who is in need. The detailed justification is provided vide page no. 124 in its ARR application for FY 24-25 and request Hon'ble Commission to consider the same.

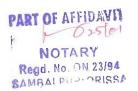
16. Respondent's view/objection: Proposal of TPWODL to levy the CSS on RE Power may be

straightaway rejected

TPWODL Rejoinder: As per para 23.5 of Odisha RE Policy,2022, no CSS shall be applicable to industries on harnessing RE power through GRIDCO, which appears to be a different mechanism than prevailing Open Access. Further, as per RE policy the benefit is being extended only when it is generated inside the state of Odisha during the policy period. On other hand, MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023, where in it has been mentioned that "(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -(a) transmission charges; (b) wheeling charges; (c) cross subsidy Surcharge; (d) standby charges wherever applicable; (e) banking Charge; and (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission. However, the Commission may take a judicious decision in this regard.

17. Respondent's view/objection: Minimum offtake for the Industries having CGP

TPWODL Rejoinder: The major impact is due to the CGP industries who are keeping their CD, but not using the DISCOM energy. Wherever, they use only on occasional requirement that to during peak period. As result, GRIDCO is facing difficulty in arranging power for them



as they are drawing without prior intimation or scheduling in the imploration of fixed demand charges. With Demand charges of Rs.250 per kVA and occasional drawing has major impact on DISCOM. Therefore, the DISCOM proposes that for Industry having CGP has to off take minimum 25% of the requirement commensurate with their CD or Demand charges has to be on installed capacity instead of CD. Therefore, the proposal is well justified and Hon'ble Commission may take a suitable decision in this regard.

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

TPWODL Rejoinder: This proposal is limited to the consumers who are indulging with theft activity. Unless a heavy penalty is imposed the behavior of the consumer will not change. Further, the Licensee intends not a single consumer indulges in theft of energy. The ratio of unauthorized use/theft as compared to total consumer strength is not even 1% to 2%. But, this segment of people causes non-paying attitudes among other bonafide consumers. Hence, the suggestion is justified and may be approved.

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

TPWODL Rejoinder: Hon'ble Commission has increased the ToD hour from 8 hrs to 10 hrs. As a result, substantial benefit is being availed by the eligible consumers. The comparative table is reproduced below wherein impact due to increase of TOD hours is clearly visible.

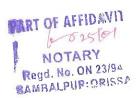
Financial Year	Amount in Rs. Cr.
FY 20-21	11.58
FY 21-22	17.01
FY 22-23	24.33
FY 23-24 (up to Sep-23)	20.28

The load curve behaviour/ consumption pattern has been changed, even in the night time or designated off peak hours the demand appears to be high, which forces GRIDCO to source high cost power. Any further increase in TOD benefit will affect revenue of the DISCOMs. However, Hon'ble Commission may take a suitable decision in this regard.

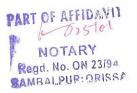
20. Respondent's view/objection: Reduction in Contract Demand

TPWODL Rejoinder: The proposal of load enhancement and reduction in contract demand has been processed by the Licensee diligently as per norms of prescribed regulations. In exceptional cases, the delay may be due to incomplete application and non-submission of requisite documents.

21. Respondent's view/objection: Hon'ble Commission is requested to clarify/consider that the categorization of seed processing units under "Allied Agro-Industrial Activities" as per the OERC Distribution (Conditions of Supply) Code, 2019 regulation 138 (g).



- **TPWODL Rejoinder:** The issues related to categorization of seed processing units under "Allied Agro-Industrial Activities" is neither covered under OERC Distribution (Conditions of Supply) Code, 2019 regulations nor under Tariff Order. Hence, requires amendment of Regulation. Hon'ble Commission may take a judicious decision in this regard.
- **22. Respondent's view/objection:** The State Government should provide subsidy to MSME industries operating at higher Load. As Tata Company is providing electricity throughout the state, appropriate measures may be taken so that it should not have monopoly. More numbers of GRF/Ombudsman Offices can be set up. Adequate compensation should be given to the persons on whose land distribution infrastructure is erected.
 - TPWODL Rejoinder: As regards to set up of GRF & Ombudsman offices, the Licensee has set up 2 more GRF Offices at Kalahandi & Bargarh in the current financial year making it a total of 5 GRF offices at each circle for customers to voice concerns and find solutions. Regarding compensation, the licensee is following as per directives of Hon'ble Commission and appropriate regulations.
- 23. Respondent's view/objection: Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural activity. Consumers should be given two options either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.
 - **TPWODL Rejoinder:** Determination of tariff is the sole prerogative of Hon'ble Commission, hence may take judicious decision in this regard.
- **24. Respondent's view/objection:** All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those consumers. There should be introduction of three types i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve. Further, awareness programme should be organized in this regard to sensitize the consumers.
 - **TPWODL Rejoinder:** Replacement of smart meters is carried out on priority basis as per the directions of Hon'ble Commission. Determination of tariff is the sole prerogative of Hon'ble Commission, hence may take judicious decision in this regard.
- 25. Respondent's view/objection: DISCOMs are not following the billing cycle of thirty days and sometimes the consumers are even billed in less than thirty days, which is gross violation of the Regulations in force. The HT loss which is considered as 8% should not be allowed and should be justified by the licensees, if allowed. Government should give subsidy to LT consumers as it is not possible to cross-subsidize all the categories of consumers. The industrial consumers will opt for open access and DISCOMs will get less revenue if industrial tariff is not reduced.



TPWODL Rejoinder: TPWODL is abided by the regulations of Hon'ble OERC and the billing cycle of thirty days is religiously followed by the licensee. The HT Loss varies from 8% to 12% on actual basis. Regarding subsidy to LT consumers and reduction in industrial tariff, Hon'ble Commission is the authorized body to take judicious decision in this regard.

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

TPWODL Rejoinder: The Licensee is adopting generation of digital bills to save paper as the consumer base of more than 23 Lakhs will require voluminous amount of paper if all the consumers will be billed using A4 paper. However, currently for HT & EHT A4 paper is used for billing but soon digital mode will be adopted for eco-friendly and sustainable moto. The licensee has recently set up 2 more GRF offices at Kalahandi and Bargarh to address consumer grievances and find solutions.

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

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

For and on behalf of TPWODL

Cohrosed as Moroles GM (RA & Strategy)

Burla

Dated: 25/01/24

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

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



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

Case No. 116 of 2023

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

IN THE MATTER OF: Shri Panchanana Jena, Working President Bijuli Karmachari Sangh, Berhampur, S/o Late Bairagi Jena, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur -760010

Subject: Rejoinder to objections submitted before Hon'ble Commission against ARR & Retail Supply tariff application of the Licensee for the FY 2024-25 which has been registered as case No. 116 of 2023.

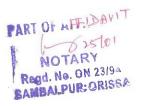
That, the licensee appreciates the learned objector for the support and constructive suggestions made through this reply.

- 1. Respondents View/ Objection: All DICOMs are recruiting officers with outside people from Odisha who are inadequate capability in understanding Odia consumers. All the DISCOMS are requested to provide following data for public Knowledge:
 - No. of people recruited from date of vesting
 - Executive, Non-Executive workers
 - Odia speaking in both the level

TPWODL Rejoinder: - The information desired by the objector has already been provided through ARR application FY 24-25.

Before taking over, Erstwhile WESCO had on its rolls, 2,388 (Two thousand three hundred and eighty-eight) number of regular employees. TPWODL has added 784 nos. during March-23 and during current year estimated to be added another 511 nos. For the ensuing year, the company has projected for 330 nos. Considering retirement, resignation, separation/death etc the no. estimated to be as on March-24 is 3680. The details are provided in form F-12(c) of ARR filing. The company has given preference to Odia speaking people while hiring and as on date we are having 88% of employees who are from Odisha.

2. Respondent's view/objection: Detail category wise and component wise may be furnished for analysis.



TPWODL Rejoinder: It is submitted that the Licensee in Form F-(12) to the ARR application have furnished the detailed category wise and component wise Employee expenses details for both CTC & Erstwhile employees.

3. Respondent's view/objection: This wasteful expenditure in R&M and A&G needs to be curtailed so that the burden to the poor consumers of Odisha may be avoided. TPWODL Rejoinder: - As regards Employee Expenses, it is a fact that recruitment was prohibited by Hon'ble Commission in the past for which no recruitment was made by erstwhile Wesco Utility. However, on transfer of utility to TPCL as per terms of vesting order staff deployment plan has been duly approved. Accordingly, as per para 45 of the vesting order TPWODL is permitted to deploy 4209 nos. of staff under different category. Considering the existing WESCO employees strength Hon'ble commission has already approved 508 (336 + 172) nos. of recruitment for FY 21-22 in case no. 37/2021 & letter dated 17.01.2022. Subsequently, for FY 22-23, Hon'ble Commission has allowed recruitment of total 645 nos. of employees vide letter dated 15.10.2022. For FY 23-24, the licensee has proposed recruitment of 761 nos. (Executive – 647 & Non-Executive – 114) employees to which the Commission has approved recruitment of 725 employees. The Licensee has recruited 461 employees in FY 23-24 (till Nov-23). As regards to FY 24-25, 💆 the licensee has considered recruitment plan of 330 nos. employees. With a continuously increasing consumer base and to maintain the ratio of 1.40 employees/1000 consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost as proposed, i.e Rs. 626.59 Cr. for FY 24-25 may please be approved. It is worthwhile to mention that during FY 19-20 the actual employee cost was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the employee cost as proposed for FY 24-25 is justified. The Hon'ble Commission has always approved the component-wise ARR of DISCOMS with prudence check and proper justification, so it is evident to do the same this year.

As regards R&M Expenses, the Licensee has already provided detailed justification regarding the R&M expense vide page no. 78 - 89 in its ARR application for FY 24-25. After pronouncement of new Tariff Regulation, 2022, the base year has been fixed as 2023-24 wherein permissible R&M is 4.5% on own assets and 3% on Govt. funded assets. Accordingly, Hon'ble Commission's approval of Rs. 281 Cr. was hold good. Similarly, the entitlement of R&M for FY 24-25 is 4.2% on own assets and 3% on Govt. funded assets. As per, audited accounts and estimated capitalization during the current year the opening



GFA of TPWODL owned assets as on 01.04.2024 would be Rs. 3906.89 Cr. Accordingly, R&M of 4.2% on the same is amounting to Rs. 164.09 Cr.

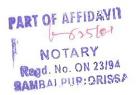
Item	Value
Opening Gross Block	(Rs. Lakh)
Land	0
Buildings	12206.02
Network assets	180689.88
Overhead lines	182530.47
F&F	982.09
Vehicles	604.85
O/E	4182.6
O&E-Computer	6927.31
Software	2566
Total	390689.23

Similarly, the Licensee is also responsible to maintain all the assets without any discrimination which includes Govt. funded assets also. The amount of Govt. funded assets as on 01.04.2024 is estimated as Rs. 4359.15 Cr. considering actual of Rs. 3653.82 Cr. as on Mar-23. Therefore, the R&M expenses @3% on Govt. funded assets is Rs. 130.77 Cr. The total entitlement is Rs. 294.86 Cr. However, considering vast geographical area and special R&M in elephant corridor an additional amount of Rs. 42 Cr. has been proposed. Hon'ble Commission has approved Rs. 60 Cr. as an additional R&M for FY 23-24.

additional R&M of Rs. 42 Cr. and request Hon'ble Commission to kindly approve the same.

Name of Scheme	Mar-23 (Rs. Lakh)	Mar-24 (Rs. Lakh)
ODSSP (I, II & III)	89945	114353
ODSSP (IV)	2987	49112
DDUGJY New	29339	29339
IPDS	22311	22311
DDUGJY (PGCIL)	68537	68537
DDUGJY (NTPC)	144263	144263
RLTAP	8000	8000
Total	365382	435915

As regards A&G Expenses, the Licensee has already provided detailed justification and head wise break up regarding the A&G expense vide para 2.5.4 in its ARR application for FY 24-25. During pre-vesting period, the erstwhile utility A&G expenses was unable to spend towards A&G due to different reason where escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Therefore, Hon'ble Commission has approved Rs. 158.12 Cr. during FY



23-24. However, due to some special initiatives like replacement of meters, shifting of meters, energy audit, IT intervention, Collection cost, the actual A&G upto Sep-23 is Rs. 95.27 Cr. The Licensee estimates another Rs. 96 Cr. for the remaining six months in FY 23-24. With 7% escalation the estimated A&G for FY 24-25 will be Rs. 204.46 Cr. Further to this, the Licensee has requested for certain additional A&G expenditure of Rs. 41.40 Cr under the head Energy Audit, IT, enforcement, establishment of Energy Police Station, etc and request Hon'ble Commission to consider the same for approval.

For and on behalf of TPWODL

Westmand of Nanda.

GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C. Shri Panchanana Jena, Working President Bijuli Karmachari Sangh, Berhampur, S/o Late Bairagi Jena, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur - 760010

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

PART OF AFFIDAVI

25(c)

NOTARY

Regd. No. ON 23/94

SAMBALPUP: ORISSA

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PLOT NO.4, CHUNOKOLI, SHAILASHREE VIHAR, CHANDRASEKHARPUR, BHUBANESWAR-751021

Case No.118 of 2023

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

AND

IN THE MATTER OF: M/S BR Steel & Power Pvt. Ltd., at Potapali/Sikiridi, PO Katapali Sambalpur

Subject:

Rejoinder to objections received by The Secretary, Odisha Electricity Regulatory Commission against the Determination of Open Access charges application vide case No. 118 of 2023 of TPWODL for the FY 2024-25.

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

1. **Respondent's view/objection:** Cross Subsidy Surcharge, Wheeling Charges & reduction thereof:

TPWODL Rejoinder:

The Hon'ble Commission has been reducing the applicable CSS for tariff fixation for the various categories viz. EHT and HT over the period of time. The Commission has been of following the formula for computing the OA charges and cross subsidy charges as prescribed in tariff policy notified by MoP. Hon'ble Commission while approving the cross-subsidy surcharge follows the formula as prescribed in Para 8.5.1 of the Tariff Policy.

Also, Clause 8.2 of the National Tariff Policy provides for the Commission to balance the revenue with expenditure is such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ±20% of the average cost of supply. The Hon'ble Commission while approving the cross-subsidy surcharge payable every year allowing certain percentage of computed value. Therefore, recovery of cross subsidy has been reducing. It may be appreciated that, the CSS as applicable in previous year has already been reduced substantially. Now, CSS of TPWODL as low as Rs.1.10 per unit and CSS for HT consumers it is only 23 paise per unit.

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2. **Respondent's view/objection:** Aggregate of transmission, distribution, and commercial losses to be considered below 3%.

TPWODL Rejoinder: The Hon'ble Commission in its Tariff Order has approved the HT loss to the tune of 8% which is justified in the current situation. Due to large geographical area and long lines the HT loss in some feeders are more than 8% and in some feeders it is less than 8%. So considering the above aspect Hon'ble Commission has fixed the HT loss of 8% in ARR for all the DISCOMs in Odisha. TPWODL is promised in system strengthening, network augmentation, setting up 33/11 kV substations in order to increase the power situation and reach to consumers. The Licensee hopes that in future years the T&D loss will be reduced.

3. **Respondent's view/objection:** No cross-subsidy charges should be payable by consumer availing RE power through Open Access

TPWODL Rejoinder: The Commission had introduced levy of CSS on RE power with effect from FY 2022-23. Accordingly, the consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to consumers availing conventional power.

Further, the Electricity (Promoting Renewable Energy Through Green Energy Open & Access) Rules, 2022 was notified by the Ministry of Power, Govt. of India dated 06.06.2022. The MoP, GoI has amended its Open Access Green Energy Rules, 2022, vide notification dated 27.01.2023, wherein it has been mentioned that

- "(1) The charges to be levied on Green Energy Open Access consumers shall be as follows, namely: -
- (a) transmission charges;
- (b) wheeling charges;
- (c) cross subsidy Surcharge;
- (d) standby charges wherever applicable;
- (e) banking Charge; and
- (f) other fees and charges such as Load Despatch Centre fees and scheduling charges, deviation settlement charges as per the relevant regulations of the Commission."

However, as per RE policy of Govt of Odisha, availing RE power generated in Odisha is exempted from levy of CSS and the wheeling charges is only 25%. So, in promotion of RE generation here in Odisha levy of CSS and transmission/wheeling charges for open access RE power from outside (other than Odisha) should be made mandatory.

4. Respondent's view/objection: Determination of wheeling charges at HT, the applicable cost at HT should be considered instead of all cost of th Distribution System TPWODL Rejoinder: It may be appreciated that, sourcing of power by the DISCOM from OPTCL network at different voltage for which the loss and related cost recovered by OPTCL. So, for DISCOM the power availed by EHT consumers the wheeling charges is nil.



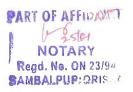
The balance power flows in HT system, therefore the distribution cost as per extant regulation for determination of wheeling charges is correct as followed by Hon'ble Commission.

Respondent's view/objection: There should not be any reservation of Distribution Capacity under STOA

TPWODL Rejoinder: Capacity reservation is subject to the limitations and conditions outlined by the system operator or the entity managing the transmission/distribution system. It essentially defines the extent to which a short-term customer can transfer power within the system, considering the available capacity at any given time.

The reservation of Distribution Capacity under Short-Term Open Access (STOA) is vital for ensuring adequate corridor to the existing consumers those who are dependant on DISCOM power for better operational efficiency and reliability of electricity distribution systems. While open access is crucial for promoting competition, capacity reservation allows for effective management of resources, congestion prevention, and fair access to the distribution network, at the same time existing other consumers should not be suffered. It enables grid operators to plan for and mitigate potential challenges, optimizing resource utilization and enhancing overall system performance. Striking a balance between open access and capacity reservation is essential for maintaining a reliable and efficient distribution system that meets the needs of various short-term customers while avoiding congestion and ensuring grid stability.

6. **Respondent's view/objection:** No CSS will be payable by OA consumer during period of Statutory power cut or restriction due to major breakdown in the transmission system. **TPWODL Rejoinder:** Presently, the imposition of Cross-Subsidy Surcharge (CSS) is levied by the licensee on the actual drawal quantum of power, even though the consumer is purchasing power on schedule basis. The CSS is a mechanism designed to recover costs associated with cross-subsidization and promote a fair distribution of charges among consumers, which is also certain % of actual loss. Even during periods of power cuts or transmission breakdowns, the actual drawal of power by the Open Access (OA) consumer contributes to the overall system costs. Therefore, the applicability of CSS aligns with the underlying principle of cost recovery based on the real-time consumption patterns rather than adhering to a predefined schedule, ensuring a more equitable sharing of the financial burden across consumers.





7. Respondent's view/objection: Cross Subsidy Surcharge should not be levied on the consumers once they exceed the forecasted consumption. Cross Subsidy Surcharge should not be charged on those block periods when consumption is more than contract

demand due to Open Access.

TPWODL Rejoinder: The licensee is of the similar view that if a consumer desires to avail open access for any ensuing year prior to approval of ARR may submit in advance, in such scenario levy of CSS and its quantum can be decided by Hon'ble commission suitably. So, if the applicant objector desires to avail outside power other than DISCOM may submit in

writing in advance. At the same time drawal from DISCOM if any should be at emergency

rate apart from demand charges.

electricity distribution system.

In addition to above the Hon'ble Commission to suitably decide the Cross-Subsidy Surcharge keeping in mind the National Tariff Policy and the trajectory to be followed for reduction of CSS over the period. The intention of restricting open access to the extent of CD is to protect the system for which it is being paid for. Network assets has its own capacity and limit, continuous stress would affect the network assets adversely for which needs to be compensated. Further, the licensee is forced to create adequate provision in the system at the cost of the other genuine customer. The decision to apply CSS should be guided by regulatory policies and a balance between facilitating Open Access and maintaining the financial viability and reliability of the distribution network. It is within the regulatory framework to determine the appropriate conditions for CSS application, considering the broader interests of both consumers and the overall health of the

For and on behalf of TPWODL

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GM (RA & Strategy)

Burla

Dated: 25/01/24

C.C.: M/S BR Steel & Power Pvt. Ltd., at Potapali/Sikiridi, PO Katapali Sambalpur

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

