

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR
BHUBANESWAR - 751 021**

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

Case No. 83/2020

Director (Regulatory Affairs), OERC	Designated Petitioner
Vrs.		
DoE, GoO & Others	Respondents

In the Matter of: **An Application for initiation of Suo Motu Proceeding under Regulation 9 (1) and (4) of OERC (Conduct of Business) Regulations, 2004 to issue suitable directions with respect to sale of utility of SOUTHCO under Section 20 of the Electricity Act 2003 for vesting of Utility (SOUTHCO) to the intending purchaser under Section 21 of the said Act.**

For Petitioner: Shri Priyabrata Patnaik, Director (RA), OERC.

For Respondent: Ms. Niharika Pattanayak, ALO, DoE, GoO, Shri Kulamani Biswal, Advocate and Shri P.K.Mohanty, Sr. Advocate on behalf of GRIDCO Ltd., Shri B.R.Mishra, Sr. GM, OPTCL, Shri Pradip Kumar Sahoo, AO, SOUTHCO Utility, Shri Anand Kumar Shrivastava, Advocate, Shri Tejab Patil, Advocate on behalf of M/s. TPCL, Shri Ramesh Satpathy, President of Upabhokta Mahasangha, Shri Ananda Mohapatra, Shri Ashutosh Mishra, Advocate on behalf of Hirakhanda Bidyut Karmachari Sangha, Sambalpur and National Secretary of Electricity Employees Federation of India (EEFI), BBSR, General Secretary of Western Orissa Bidyut Sramik Mahasangha, Secretary, OSE Employees Federation, BBSR, Nikhila Odisha Bidyut Sramika Mahasangha, BBSR, Shri Mahendra Kumar Mohapatro, Advocate on behalf of SOUTHCO Employees Engineers Officers Ekata Mancha (SEEOEM), Shri Matrugupta Mishra, Advocate and Shri S.K.Padhi, Sr. Advocate on behalf of Shri Bijay Kumar Mishra, Senior Journalist Activist, Indian Institute of Mass Communication.

ORDER

Date of hearing: 17.12.2020

Date of order: 28.12.2020

1. Southern Electricity Supply Company of Odisha Limited (the “SOUTHCO”) was incorporated on 19th November 1997 under the Companies Act, 1956. Pursuant to the Odisha Electricity Reforms Act 1995 and Odisha Electricity Reforms Rules

1998, all the assets of GRIDCO pertaining to the distribution business in the Southern Zone of GRIDCO comprising districts of Ganjam, Gajapati, Boudh, Kandhamal, Rayagarda, Koraput, Nabarangapur and Malkanagiri were transferred to SOUTHCO.

2. On 1st April 1999, 51% (fifty one percent) shares of GRIDCO in SOUTHCO were transferred to BSES Limited selected through competitive bidding process. SOUTHCO was continued to be managed by BSES Limited and later by its successor R-Infra Limited.
3. Under Section 19 of the Electricity Act, 2003 (the “**Act**”), the Commission revoked license of SOUTHCO with effect from Mar 2015 and appointed CMD, GRIDCO as the administrator under Section 20(d) of Act and vested the management and control of SOUTHCO Utility along with their assets, interests and rights with the CMD, GRIDCO Limited. The order on revocation of licenses by the Commission was upheld by the Hon’ble APTEL in Appeal No. 64 of 2015 and has also been confirmed by the Hon’ble Apex Court vide their Order dated 24.11.2017 in Civil Appeal No.18500 of 2017.
4. Thereafter, in terms of Section 20 of Act the Commission initiated a transparent and competitive bidding process for selection of an investor for sale of utility of SOUTHCO and had issued the updated Request for Proposal (the “**RFP**”) on 14.08.2020.
5. In response to the said RFP, two bids were received by the bid due date. After detailed evaluation by independent bid evaluation committee setup by Commission, The Tata Power Company Limited (the “**TPCL**”) was recommended as the successful bidder and Commission accepted the same under Section 20(1)(a) of the Act.
6. Thereafter, the Commission issued a Letter of Intent (the “**LoI**”) to TPCL vide Letter No. OERC/RA/SALE of SOUTHCO-34/2020/1386 dated 03.12.2020. TPCL communicated the acceptance of the LoI vide Letter No. T&D /BD/ DOM/ FY21/ OERC/ SOUTHCO/PPP/090 dated 06.12.2020.
7. That as per the terms of the RFP, upon completion of sale, SOUTHCO Utility shall

vest in a special purpose vehicle (the “**Project SPV**” or “**Operating Company**”) in which TPCL shall hold 51% (fifty one percent) equity shares and Government of Odisha (“GoO”) shall hold 49% (forty nine percent) equity shares through GRIDCO.

8. The Commission vide letter no. OERC/RA/SALE OF SOUTHCO-34/2020/1395 dated 04.12.2020 then directed GRIDCO to incorporate the SPV to which the utility of SOUTHCO shall be vested and license of SOUTHCO Utility shall be transferred. TP Southern Odisha Distribution Limited (the “**TPSODL**”) will be incorporated as a wholly owned subsidiary of GRIDCO with an authorized share capital of Rs. 1000 crores (Indian Rupee One thousand crores) only and paid-up capital of Rs. 5 lakhs (Indian Rupee Five lakhs only). TPSODL shall be the SPV in which TPCL and GRIDCO shall hold 51% (fifty one percent) and 49% (forty nine percent) equity shares respectively after the completion of sale.
9. The Commission vide letter no. OERC/RA/SALE OF SOUTHCO-34/2020/1395 dated 04.12.2020 provided GRIDCO/ OPTCL the RFP Documents namely – Share Acquisition Agreement, Shareholders Agreement, Bulk Supply Agreement and Bulk Power Transmission and SLDC Agreement for execution by concerned parties.
10. TPCL quoted a purchase price of Rs. 250 crores (Indian Rupee Two hundred fifty crores) in its financial Bid in response to the RFP for 100% (one hundred percent) equity in the SPV. TPCL is required to pay 51% (fifty one percent) of the purchase price of Rs. 250 crores (Indian Rupee Two hundred and fifty crores) quoted in its Bid. As per terms of RFP, this amount is required to be deposited by TPCL with the Commission.
11. The Commission vide letter No. OERC/RA/SALE of SOUTHCO-34/2020/1386 dated 03.12.2020 (LoI) had directed TPCL to submit the Performance Guarantee and deposit the amount equivalent to 51% (fifty one percent) of the purchase price of Rs 250 crores (Indian Rupee Two hundred and fifty crores) with the Commission.
12. TPCL vide letter no. T&D/BD/DOM/FY21/OERC/SOUTHCO/ PPP/093 dated 22.12.2020 communicated that the amount has been deposited with the Commission and the Performance Guarantee of Rs. 100 crores (Indian Rupee One hundred crores) has been submitted as per the directions of the Commission.

13. As per the proviso to Section 21(a) of the Act, the debt, mortgage or similar obligation shall attach to the purchase price in substitution for the utility of SOUTHCO.
14. The transaction related costs shall be deducted by the Commission from the purchase price deposited with the Commission by TPCL. The transaction related costs shall include the fees paid to transaction advisor and legal advisor engaged by the Commission for advising in sale of utility of SOUTHCO, the cost of incorporation of TPSODL, the fees of auditors for audit of the annual accounts for FY 2019-20 and accounts for the period from 01.04.2020 to 31.12.2020 of SOUTHCO Utility as provided in the para 55 of this Order and the cost of incorporation of a residual company in which the liabilities of SOUTHCO Utility shall remain, if decided by the Commission and any other cost as determined by the Commission (the “**Transaction Process Costs**”).
15. On 09.12.2020, the Director (Regulatory Affairs), OERC initiated the present suo-motu petition as the Designated Petitioner with the following prayers to the Commission:
 - (a) To issue suitable directions to give effect to the vesting of utility of SOUTHCO to TPSODL as per Section 21(a) of the Act.
 - (b) To issue suitable directions for attachment of purchase price to debt, mortgage or similar obligation of SOUTHCO Utility as per proviso to Section 21(a) of the Act.
 - (c) To issue suitable directions for transfer of rights, powers, authorities, duties and obligations of the license under the license of SOUTHCO Utility to TPSODL as per Section 21(b) of the Act.
16. The petition also stated that the following are required to be complied as per the provisions of the Act and the conditions of RFP:
 - (a) The paid-up share capital of TPSODL shall be Rs. 200 crores (Indian Rupee Two hundred crores) only. This is the reserve price for the utility as per the RFP.

- (b) TPCL shall hold 51% (fifty one percent) equity shares and GRIDCO shall hold 49% (forty nine percent) equity shares in TPSODL. Share Acquisition Agreement and Shareholders Agreement shall be executed to this effect between TPCL and GRIDCO.
 - (c) The Bulk Supply Agreement shall be executed between TPSODL and GRIDCO and the Bulk Power Transmission and SLDC Agreement shall be executed between TPSODL and Odisha Power Transmission Corporation Limited (the “OPTCL”).
 - (d) SOUTHCO Utility shall be sold to TPSODL and the purchase price shall be received by the Commission. The Transaction Process Costs shall be deducted by the Commission from the purchase price deposited with the Commission by TPCL. As per Section 21(a) of the Act, such purchase price shall attach to the debt, mortgage or similar obligation of utility of SOUTHCO. Remittance of this amount shall be as approved by the Commission.
 - (e) The Administrator of SOUTHCO Utility shall deliver the utility to TPSODL on 01.01.2021
 - (f) The Administrator of SOUTHCO Utility shall be required to make available its provisional balance sheet as on 31.12.2020.
 - (g) An opening balance sheet for TPSODL shall be carved out from the balance sheet of SOUTHCO Utility as on 31.12.2020 to effect the transfer of the utility to TPSODL. The carved out balance sheet shall be as per the broad principles laid out in Annexure - 1.
17. The Commission decided to dispose of the petition registered as case no. 83/2020 through a hearing of the concerned parties namely SOUTHCO Utility, TPCL, GRIDCO, OPTCL and the Government of Odisha and accordingly issued notice to the parties directing them to file written submissions to the suo-motu petition and appear for the hearing on 17.12.2020. Accordingly, the parties have filed their written responses.
18. The following parties requested the Commission to allow them as intervenors in the

present proceeding. They are Southco Employees Engineers Officer Ekta Mancha (SEEOEM), Nikhil Odisha Bidyut Sharamika Maha Sangha, OSEB Employee Federation, Odisha State Electricity Corporations Engineers and Hirakhanda Bidyut Karamchari Sangha/National Secretary of Electricity Employees Federation of India (EEFI), Mr. Bijaya Kumar Mishra and Upobhokta Mahasangha. The Commission allowed all the intervenors to take part in the proceedings.

19. SOUTHCO Utility submitted its response with certain prayers related to framing of modalities for operation of Trusts, safeguarding the interest of employees and fixing modalities for utilization of Government grants.
20. GRIDCO submitted its response with prayers related to suitable addressal of past dues on account of power purchase, transfer scheme receivables, securitized dues CAPEX loans etc. GRIDCO has also submitted to frame an appropriate payment security mechanism for recovery of outstanding dues.
21. OPTCL submitted to make suitable provisions in the vesting order for realization of OPTCL's arrear relating to transmission charges and DPS accrued on the date of vesting of SOUTHCO Utility. OPTCL has requested that the DISCOMs be directed to prepare asset register of works completed under various Government funded projects that OPTCL is executing for distribution companies.
22. TPCL filed its response with prayers such as adjustment of AT&C loss trajectory for determination of tariff, revision in target commitments of AT&C loss by 3rd and 5th year of operations, revision of commitment of collection of past arrears as per arrear level on Effective Date, permission to allow charge on assets, treatment of past employee liabilities etc.
23. Representatives from Southco Employees Engineers Officer Ekta Mancha (SEEOEM), have submitted that interest of the utility employees should be protected in the vesting order.
24. Representations from Nikhil Odisha Bidyut Sharamika Maha Sangha, OSEB Employee Federation, Odisha State Electricity Corporations Engineers and Hirakhanda Bidyut Karamchari Sangha/National Secretary of Electricity Employees Federation of India (EEFI) include demand for addressal of issues related to PF,

regularization of outsource employees and other pending issues.

25. In his response, one of the respondent Mr. Bijaya Kumar Mishra has prayed to the Commission to examine whether all relevant criteria have been met before zeroing down upon TPCL.
26. Another respondent, Upobhokta Mahasangha has submitted that prior to finalizing the sale of SOUTHCO Utility, the Commission should examine the performance of TPCL (TPCODL), now the licensee of CESU, since June 2020.
27. The various Employee Unions and others have requested to protect and safeguard the service condition of employees and their entitled statutory dues. The unions have stated that the terminal benefit funds should be adequately maintained before the sale of the utility. The issue of continuity of service of employees of SOUTHCO Utility under TPSODL should also be taken into consideration before conclusion of sale process. While deciding the equity value of the Utility, the Commission should also take into account the capital investment by the State Government in SOUTHCO Utility.
28. The Commission conducted a hearing of the parties under suo-motu proceedings through video conference on 17.12.2020 in which the respondents as well as intervenors were heard by the Commission.
29. In the written submissions filed by the respondents, the Commission has observed that the respondents have agreed to enter into the following agreements:
 - (a) Share Acquisition Agreement shall be signed amongst GRIDCO, TPSODL and TPCL;
 - (b) Shareholders Agreement shall be signed between GRIDCO and TPCL;
 - (c) Bulk Supply Agreement shall be signed between GRIDCO and TPSODL; and
 - (d) Bulk Power Transmission and SLDC Agreement shall be signed between OPTCL and TPSODL.
30. The Commission further observed the following from the submissions made by the parties:

- (a) TPSODL has been incorporated with an authorised share capital of Rs. 1000 crore and a paid-up share capital of Rs. 5 lakhs (Indian Rupee Five lakhs) only.
- (b) The trade payables to GRIDCO (in the books of SOUTHCO Utility) amounting to Rs. 199.95 crores (Indian Rupee One hundred ninety nine crores and ninety five lakhs) shall be converted to equity share capital of TPSODL. With this, the equity share capital shall be Rs. 200 crores (Indian Rupee Two hundred crores) only as required for the transaction. SOUTHCO Utility has stated that it shall comply with the directions of the Commission in this regard. The Commission is concluding that the proposed transaction structure has been agreed among all the parties- GRIDCO, SOUTHCO Utility and TPCL.
- (c) As per the Share Acquisition Agreement, TPCL shall acquire 51% (fifty one percent) of the equity shares of TPSODL. Therefore, TPCL and GRIDCO shall hold 51% (fifty one percent) and 49% (forty nine percent) of the equity shares respectively in TPSODL with effect from 01.01.2021.
- (d) The utility and license of SOUTHCO Utility shall be transferred to TPSODL on 01.01.2021.
- (e) GRIDCO and TPSODL shall execute the Bulk Supply Agreement on or before 01.01.2021. This agreement incorporates the terms of RFP related to power procurement conditions and establishment of payment security mechanism(s).
- (f) OPTCL and TPSODL shall execute the Bulk Power Transmission and SLDC Agreement on or before 01.01.2021. This agreement incorporates the terms related to payment of transmission and SLDC charges and establishment of payment security mechanism(s).
- (g) The purchase price after deducting Transaction Process Costs determined by the Commission shall be remitted to GRIDCO for extinguishment of past liabilities of SOUTHCO and SOUTHCO Utility towards power purchase cost from GRIDCO. SOUTHCO Utility shall comply with the directions of the Commission in this regard.

- (h) From the provisional accounts of SOUTHCO Utility as of 31.12.2020, a provisional opening balance sheet for the utility transferred to TPSODL shall be prepared. This shall be done in accordance with the principles laid out in the Annexure - 1. Thereafter based on statutory audit of SOUTHCO Utility, the provisional accounts of SOUTHCO Utility as of 31.12.2020 shall be updated to prepare the final accounts. This shall be done on or before 30.06.2021 and shall be submitted to the Commission. From the final accounts of SOUTHCO Utility, the actual opening balance sheet of TPSODL shall be finalized based on the same principles as laid out in Annexure – 1 and shall be submitted to the Commission.
- (i) As per the Shareholders Agreement, TPCL and GRIDCO shall maintain 51% (fifty one percent) and 49% (forty nine percent) shareholding respectively at all times and any future equity investment from GRIDCO in TPSODL shall be either in form of cash, kind or any other consideration as decided by GRIDCO in accordance with the Shareholders Agreement.
- (j) The RFP provided the principles for carving out the balance sheet of TPSODL from the balance sheet of SOUTHCO Utility. Following these principles, an indicative opening balance sheet as of 01.04.2020 had been prepared based on the latest provisional accounts of SOUTHCO Utility as of 31.03.2020. The revised provisional opening balance sheet of the proposed Operating Company as of 01.04.2020 has been prepared and is provided at Annexure – 2.

31. The Commission has taken cognizance of the communications and submissions of all the parties till date and now issues this Vesting Order.

ORDER OF THE COMMISSION

- 32. As per Section 21(a) of the Act, the utility of SOUTHCO shall be vested in TPSODL with effect from 01.01.2021 (the “**Effective Date**”) subject to completion of sale and delivery of the utility to TPSODL.
- 33. The Commission approves the transaction structure proposed by the parties. TPSODL has been incorporated with a paid-up share capital of Rs. 5 lakhs (Indian Rupee Five lakhs). The trade payables to GRIDCO (in the books of SOUTHCO

Utility) amounting to Rs. 199.95 crores (Indian Rupees One hundred ninety nine crores and ninety five lacs) only shall be converted to equity share capital of TPSODL. With this, the equity share capital shall be Rs 200 crores (Indian Rupee Two hundred crores) only. TPCL shall purchase equity shares equivalent to 51% (fifty one percent) of the equity share capital in TPSODL from GRIDCO at the premium of Rs. 25.50 crores (Indian Rupee Twenty five crores and fifty lakhs) only by paying to GRIDCO an amount of Rs. 127.50 crores (Indian Rupee One hundred twenty seven crores and fifty lakhs) only.

34. The amount of Rs. 127.50 crores (Indian Rupee One hundred twenty seven crores and fifty lakhs) only is already deposited by TPCL with the Commission as per the requirement of RFP documents. The Commission shall, after vesting of utility of SOUTHCO with TPSODL, remit the amount after deducting the Transaction Process Costs incurred by the Commission for the sale process directly to GRIDCO. Suitable accounting adjustments may be made in the financial statements of SOUTHCO Utility and GRIDCO to this effect.
35. If the Administrator of SOUTHCO Utility delivers the utility to TPSODL but the sale does not get completed in its entirety by 01.01.2021, TPSODL shall, as per Section 20(4) of the Act, operate and maintain the utility for a maximum period of upto 7 (seven) days from 01.01.2021, pending completion of transaction. In case transaction is not completed in its entirety within such extended period, then the Commission may, at its discretion, either grant extension on day by day basis or cancel the LoI. The decision of the Commission shall be final in this regard.

TERMS OF VESTING

36. As per Section 21(a) of the Act, the utility shall vest in TPSODL free from any debt, mortgage and similar obligation of SOUTHCO and SOUTHCO Utility except for certain serviceable liabilities that are being transferred to TPSODL along with mechanism for funding of such liabilities as provided in para 56 of this Order.
37. As per Section 21(b) of the Act, the rights, powers, authorities, duties and obligations of the license under SOUTHCO Utility's license shall stand transferred to TPSODL on Effective Date upon delivery of utility on the same date. The amended license shall be issued by the Commission within 90 (ninety) days from the

Effective Date.

38. With the transfer of utility of SOUTHCO and license, the rights and responsibilities of SOUTHCO utility shall transfer to TPSODL with effect from 01.01.2021.
39. Performance Guarantee
 - (a) As per the terms of RFP, TPCL has provided to the Commission Performance Guarantee of Rs. 100 crores (Indian Rupee One hundred crores) with following details:
 - (i) Bank Guarantee (PBG) No. 0665720BG0000150 for an amount of Rs 50 crores (Indian Rupee Fifty crores) from SBI Commercial Branch, Bhubaneswar with expiry date of 15.12.2023 and claim date of 15.12.2024.
 - (ii) Bank Guarantee (PBG) No. 200126IBGP00912 for an amount of Rs 50 crores (Indian Rupee Fifty crores) from IDBI Bank, Bhubaneswar with expiry date of 15.12.2023 and claim date of 15.12.2024.
 - (b) As per the terms of the RFP, the Performance Guarantee(s) shall be renewed till the completion of 15 (fifteen) years from the Effective Date by TPCL at least 30 (thirty) days before the expiry date of such Performance Guarantee.
 - (c) Upon satisfactory performance of TPSODL for a period of 5 (five) years from the Effective Date, and TPSODL having met all its obligations in regard to the performance and commitments made as part of its Bid in response to the RFP as determined by the Commission in performance review as per para 61 of this Order, the value of the Performance Guarantee shall be reduced to half of the original amount in para 39(a) above i.e. Rs. 50 crores (Indian Rupee Fifty crores).
 - (d) The existing bank guarantee as per clause 39(a) shall be returned to TPCL on submission of a revised Performance Guarantee of Rs. 50 crores (Indian Rupee Fifty crores) by TPCL which shall initially be valid for 3 (three) years and thereafter renewed every year by TPCL till the end of the 10th (tenth) year from the Effective Date.

- (e) Further, the Commission, on satisfactory performance of TPSODL between the 6th (sixth) and the 10th (tenth) year of operations, may further reduce the Performance Guarantee to 25% (twenty five percent) of the original amount in para 39(a) above i.e. to Rs 25 crores (Indian Rupee Twenty five crores). The same shall be required to be maintained by TPCL till the end of the 15th (fifteenth) year from the Effective Date.
- (f) The reduced Performance Guarantee shall be refunded to TPCL at the end of the 15th (fifteenth) year from the Effective Date.
- (g) TPCL shall restore the Performance Guarantee to its original amount within 30 (thirty) days of its being encashed. Failure to restore the Performance Guarantee to its original value shall result in non-compliance of the license conditions and the Commission shall then act as per the relevant provisions provided under the Act.
- (h) The Performance Guarantee may be encashed for any reasons as follows:
 - (i) Failure to meet loss reduction target as specified in para 44(b);
 - (ii) Failure to collect Past Arrears as per para 47(e);
 - (iii) Failure to pay the Bulk Supply Price and Transmission Charges as per para 41 and 42; or
 - (iv) Any other reason as mentioned in the RFP and required under the license conditions.

40. Power Procurement conditions

- (a) GRIDCO, a wholly owned company of the State Government, is engaged in the business of purchase of electricity in bulk from various Generators located inside and outside Odisha and the State share of power from the Central Generators for supply in bulk to the four distribution utilities in the State. Pursuant to the Government of Odisha notification No. PPD-II-2/05 (pt) 7947, Bhubaneswar dated 17.08.2006, GRIDCO is notified as the “State Designated Entity” to sign the Power Purchase Agreements (PPA) for procurement of all

forms of power from different Generators. The terms of sale of power by GRIDCO to TPSODL shall be governed under the Bulk Supply Agreement.

- (b) In order to fulfil its obligation as the bulk supplier in the State, GRIDCO has signed PPAs to meet the existing as well as future demand of power for the retail supply licensees in the State. As of 24.06.2020, the list of PPAs tied up by GRIDCO along with details, such as quantum, supply start date and supply end date are as provided in Annexure - 4.
- (c) If in the opinion of GRIDCO, at any time during the term of license of TPSODL, the PPAs provided in Annexure – 4 are insufficient to meet the power purchase requirement of the retail supply licensees, then GRIDCO may sign additional PPAs with prior consultation with TPSODL, other retail supply licensees in the State and prior approval of the Commission. Such consultation shall also be required in case GRIDCO signs any PPAs to procure power from renewable energy sources to fulfil its Renewable Purchase Obligation targets set under the regulations and orders of the Commission.
- (d) Till the time GRIDCO expresses its ability to meet the power purchase requirement of TPSODL from the PPAs provided in Annexure - 4 and any additional PPAs signed as per para 40(c) above, TPSODL shall be obligated to meet the full extent of its power purchase requirement from such PPAs from GRIDCO.
- (e) In case GRIDCO conveys, in writing, its inability to make available any quantum of power requisitioned by TPSODL, such incremental quantum may be procured directly by TPSODL from alternative source, provided that such alternative source is selected through a transparent and competitive process and with the prior approval of the Commission.

41. Payment security mechanism for payment of BSP bills

- (a) In order to ensure security to GRIDCO for payment of its Bulk Supply Price (BSP) bills in full, TPSODL would need to provide GRIDCO with a revolving letter of credit facility backed by necessary security including Corporate Guarantee, if required, by the TPCL for an amount equivalent to the average

BSP bills of 2 (two) months as a primary payment security mechanism. This Letter of Credit would be opened and maintained as per the provisions laid out in the Bulk Supply Agreement.

- (b) In case of failure of GRIDCO to recover its dues through this letter of credit mechanism, it can approach the Commission with a request to encash the Performance Guarantee to the extent of the shortfall in the payment of BSP bills. Encashment of the Performance Guarantee would be at the sole discretion of the Commission. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 39(g) of this Order. The Commission shall provide TPSODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.

42. Payment security mechanism for payment of transmission and SLDC charges

- (a) In order to ensure security to OPTCL for payment of transmission and SLDC charges in full, TPSODL would need to provide OPTCL with 2 (two) separate revolving letters of credit facilities backed by necessary security including Corporate Guarantee, if required, by the TPCL as payment security for transmission charges and SLDC charges. The amount of letters of credit shall be equivalent to the average transmission charges and average SLDC charges of 2 (two) months respectively. These letters of credit would be opened and maintained as per the provisions laid out in the Bulk Power Transmission and SLDC Agreement.
- (b) In case of failure of OPTCL to recover its dues through this letter of credit mechanism, it can approach the Commission with a request to encash the Performance Guarantee to the extent of the shortfall in the payment of transmission charges and SLDC charges. Encashment of the Performance Guarantee would be at the sole discretion of the Commission. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 39(g) of this Order. The Commission shall provide TPSODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.

43. Capital investment plan

- (a) The RFP required the bidders to provide a capital expenditure plan for first 5 (five) years of licensed operations as part of their bid.
- (b) In its Bid submitted in response to the RFP, TPCL committed capital expenditure of Rs. 1,166 crores (Indian Rupee One thousand one hundred and sixty six crores) only for period FY 2021-22 to FY 2025-26 as follows:

Table 1: Capital Expenditure Commitment by TPCL

Capex Commitment (INR Cr)					
FY22	FY23	FY24	FY25	FY26	Total
227	316	241	233	150	1,166

- (c) To allow flexibility in the capital expenditure planning, the Commission stipulates that, in the capital expenditure plan to be submitted by TPSODL as per the license conditions, the capital expenditure commitment for each year of the period FY 2021-22 to FY 2025-26 must be such that capital expenditure proposed up to a year shall be at least equal to the cumulative capital expenditure committed up to that year in the Bid submitted by TPCL. For avoidance of doubt, the minimum cumulative capital expenditure to be proposed by TPSODL for the period FY 2021-22 to FY 2025-26 must be as provided in the table below:

Table 2: TPCL Cumulative Capital Expenditure for 5 years

Cumulative Capex Expenditure (INR Cr)				
Upto 31-Mar-2022	Upto 31-Mar-2023	Upto 31-Mar-2024	Upto 31-Mar-2025	Upto 31-Mar-2026
227	543	783	1,016	1,166

- (d) TPSODL would be required to seek the Commission's approval on the detailed capital expenditure plan in line with the regulations. TPSODL shall satisfy the Commission that the capital expenditure plan submitted in line with regulations adheres to the capital expenditure plan submitted as part of the Bid.

- (e) The Commission will evaluate the performance of TPSODL at the end of 3rd (third) and 5th (fifth) financial year of operation. Failure to incur cumulative committed capex or meet the timelines committed as part of Bid may lead to imposition of a penalty which may be in the form of encashment of Performance Guarantee. However, before encashment of Performance Guarantee, the Commission will notify TPCL and will allow TPCL to wire transfer the penalty amount within notified timelines. Failure to transfer the amount within the timelines will lead to encashment of Performance Guarantee. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 39(g) of this Order. The Commission shall provide TPSODL and/ or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.
- (f) The penalty amount from wire transfer or encashment of TPCL's Performance Guarantee shall be transferred to the TPSODL and the same shall be deducted by the Commission during the true-up process or future Aggregate Revenue Requirement so that the benefit of the penalty amount, so collected, is passed on to consumers.
- (g) The capital investments made by TPSODL shall be allowed recovery of depreciation in line with the rates prescribed in Annexure – 3 till the time applicable regulation is notified by the Commission. The depreciation rates specified in regulations shall prevail over the rates specified in Annexure – 3 as and when applicable regulation is notified by the Commission.
- (h) Depreciation on all existing assets transferred to TPSODL shall be determined based on the existing methodology being followed by the Commission.
- (i) The funding on account of the various ongoing schemes of the Government of Odisha will be made available to TPSODL as and when available and applicable.

44. AT&C loss targets

- (a) As per terms of the RFP, the bidders were required to provide AT&C loss

trajectory for first 10 years of operations i.e. FY 2021-22 to FY 2030-31 with the condition that the AT&C loss level in FY 2023-24 and FY 2025-26 shall not be higher than 33% and 27% respectively. As part of its Bid, TPCL has provided the AT&C loss reduction trajectory shown in the following table:

Table 3: AT&C Loss Trajectory Commitment by TPCL

AT&C Loss Trajectory (%)									
FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
35.29	34.29	32.80	30.00	26.75	22.00	20.00	18.00	16.25	14.80

- (b) As stated in the RFP, the Commission shall review the performance of TPSODL at the end of FY 2023-24 and FY 2025-26 to ascertain whether the committed AT&C loss targets have been achieved. In case of failure to achieve the targets, the Commission shall have the right to recover the penalty amount by encashing the Performance Guarantee for any shortfall in meeting the AT&C loss targets committed by TPCL in its Bid and/or revoke the license of TPSODL. TPCL shall be liable to pay a penalty of Rs. 30 crores (Indian Rupee Thirty crores) for every 1% (one percent) shortfall in meeting the committed AT&C loss targets, or proportionately for a part thereof, found as a result of the Commission's review at the end of the FY 2023-24 and FY 2025-26. For the purpose of clarity, for example, if at the end of FY 2023-24, TPSODL has achieved an AT&C loss of 34.00%, vis-à-vis the committed target of 32.80% (being the committed AT&C loss for FY 2023-24 provided in Table 3), an amount of Rs. 36 crores, being [Rs. 30 crores x (34.00 – 32.80)], shall be recovered by the Commission by way of encashment of the Performance Guarantee. However, before encashment of Performance Guarantee, the Commission will notify TPCL and will allow TPCL to wire transfer the penalty amount within notified timelines. Failure to transfer the amount within the timelines will lead to encashment of Performance Guarantee. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 39(g) of this Order. The Commission shall provide TPSODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.

- (c) The penalty amount from wire transfer or encashment of TPCL’s Performance Guarantee shall be transferred to the TPSODL and the same shall be deducted by OERC during the true-up process or future Aggregate Revenue Requirement so that the benefit of the penalty amount, so collected, is passed on to consumers.
- (d) The penalty for non-achievement of AT&C loss targets may be relaxed by the Commission under conditions of Force Majeure, including acts of God, acts of GoO or the Government of India (de jure or de facto) or regulatory body or public enemy, war, riots, embargoes, industry-wide strikes, thereby, hindering the performance by TPSODL or any of its obligations hereunder. The Commission’s decision in this regard shall be final and binding on all parties.

45. AT&C Loss Trajectory for tariff determination

- (a) As part of the RFP, the Commission provided the following 10-year AT&C loss trajectory to be adopted for determination of tariff for period FY 2021-22 to FY 2030-31:

Table 4: 10-year AT&C Loss Trajectory for Tariff Determination

AT&C Loss Trajectory for Tariff Determination (%)									
FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
25.75	25.75	25.75	25.35	25.00	22.57	20.38	18.40	16.61	15.00

- (b) TPSODL would be entitled to retain any gains resulting from its meeting and surpassing the AT&C loss trajectory for tariff determination. Such gains would be over and above the return on equity allowed by the Commission as part of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2014 (the “**Tariff Regulations**”) and shall not be adjusted as other income or in any way appropriated through any truing up process or future Aggregate Revenue Requirement process.

46. Collection of revenue against bills raised from Apr-2020 to Dec-2020

- (a) As per RFP, TPSODL shall be liable and entitled to collect from consumers

entire revenue billed from Apr-2020 to Dec-2020 that has remained outstanding on the Effective Date. Such collection amount by the TPSODL shall be treated in the following priority for meeting the liabilities outstanding as on Effective Date pertaining to FY 2020-21:

- (i) Payment of employee cost and other dues including terminal liabilities;
 - (ii) Payment of outstanding Bulk Supply Price bills to GRIDCO on account of the power procured by SOUTHCO Utility from GRIDCO;
 - (iii) Payment of transmission charges and SLDC charges to OPTCL;
 - (iv) Payment to suppliers, sub-contractors, vendors, DF and such similar dues;
 - (v) Any excess collection made by TPSODL shall be utilized as mentioned in para 56;
 - (vi) Any balance amount shall be considered towards meeting approved Aggregate Revenue Requirement in true-up order(s).
- (b) The collections against the bills from Apr-2020 to Dec-2020 shall not be considered of the nature of Past Arrears for which the RFP envisaged an incentive for the selected bidder. These collections shall not be counted towards the Past Arrears recovery commitment of TPCL provided in para 47 of this Order.
- (c) Past Arrears for the purpose of para 47 shall however refer to the accumulated arrears on amount billed prior to 31.03.2020. The incentive sharing mechanism of retention of 20% (twenty percent) of arrear collected from live consumers and retention of 30% (thirty percent) of arrear collected from permanently disconnected consumers as mentioned in para 47(b) of this Order shall not be applicable on the collections against the bills from Apr-2020 to Dec-2020.
- (d) From the amount collected by SOUTHCO Utility from consumers during Apr-2020 to Dec-2020, some BSP payments have been made to GRIDCO. Although, GRIDCO may have adjusted this payment against past outstanding

dues from SOUTHCO Utility, the same amount paid by SOUTHCO Utility will be considered as payment against BSP bills of FY 2020-21 for computation of balance BSP dues for the period Apr-20 to Dec-20.

- (e) An indicative computation of the amount that could be collected by TPSODL and the indicative BSP amount outstanding as on Effective Date is provided in the following table. TPSODL shall pay the outstanding BSP amount pertaining to the period Apr-2020 to Dec-2020 in 12 (twelve) equated monthly instalments by 31.12.2021. GRIDCO shall not apply any DPS charges on the outstanding BSP amount pertaining to the period Apr-2020 to Dec-2020 in case payments are made in time as prescribed in this sub-para.

Table 5: Indicative computation on treatment of collection of revenue against bills raised from Apr-2020 to Dec-2020

Particulars	Formulas	Amount (Rs Cr)
Revenue Billed (Apr'20 to Dec'20)	a	954
Collection Efficiency for FY 2019-20	b	84.34%
Revenue that can be reasonably collected assuming Collection Efficiency at the rate same as that for FY 2019-20	$c = a * b$	805
Revenue already collected (Apr'20 to Dec'20)	d	667
Revenue that can be reasonably collected further by TPSODL	$e = c - d$	138
Employee related cost (including terminal liabilities) that is overdue	f	Being finalized
BSP Bills with bill date between 1-Apr-20 to 31-Dec-20	g	519
Payment made to GRIDCO from 1-Apr-20 till date of this Order	h	405
Transmission and SLDC charges payable for bills with bill date between 1-Apr-20 to 31-Dec-20	i	-
Total Payable	$k = f+(g-h)+i+j$	114
Excess Collection (to be treated as per para 46(a) (iv), (v) and (vi))	$l = e-k$	24

NOTE: The amounts indicated herein shall be updated as on the Effective Date i.e.

01.01.2021 as per the audited balances which shall be available on or before 30.06.2021. The audited values shall be considered as the final values for all purposes.

47. Recovery of Past Arrears and incentives thereon

- (a) As part of the RFP, bidders were required to provide a commitment to recover Past Arrears from live as well permanently disconnected consumers in the first 5 (five) years of operations. This was one of the criteria for evaluation of bids.
- (b) As per the incentive mechanism for sharing of Past Arrears collection provided in the RFP, TPSODL shall be eligible for an incentive of 20% (twenty percent) on Past Arrears collected from live consumers and 30% (thirty percent) on Past Arrears collected from permanently disconnected consumers. Such incentive would be on the amount of Past Arrears collected from the consumers, net of all taxes and duties recovered from consumers. However, collections from current live consumers may first be appropriated towards current bill and then towards Past Arrears. The cost incurred by TPSODL for such recovery of Past Arrears will not form a part of Aggregate Revenue Requirement of TPSODL.
- (c) TPCL has committed to the recovery of following quantum of Past Arrears in its bid:

Table 6: TPCL Past Arrear Recovery Commitment

Commitment of Collection of Past Arrears (INR Cr)					
FY22	FY23	FY24	FY25	FY26	Total
10	30	30	20	10	100

- (d) As stated in the RFP, the Commission shall review the performance of TPSODL vis-à-vis its commitment to collect Past Arrears, at the end of FY 2025-26, on an aggregate cumulative basis, by when TPSODL is required to meet the commitment of Past Arrears collection for the entire period of 5 (five) years.
- (e) Failure to meet the committed Past Arrears collection target at the end of FY

2025-26 shall lead to encashment of Performance Guarantee, to the extent of 10% (ten percent) of such shortfall, as computed at the end of FY 2025-26. For the purpose of clarity, for example, if at the end of the FY 2025-26, TPSODL has achieved Past Arrears collection of Rs. 70 crores (Indian Rupees Seventy crores) only vis-à-vis the committed target of Rs. 100 crores (Indian Rupees One hundred crores) only, an amount of Rs. 3 crores (Indian Rupee Three Crores) only, being $[10\% \times (\text{Rs.}100 \text{ crores} - \text{Rs.} 70 \text{ crores})]$, shall be recovered by the Commission by way of encashment of the Performance Guarantee. The Commission's decision in this regard shall be final and binding on all parties. However, before encashment of Performance Guarantee, the Commission will notify TPCL and will allow TPCL to wire transfer the penalty amount within notified timelines. Failure to transfer the amount within the timelines will lead to encashment of Performance Guarantee. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 39(g) of this Order.

- (f) The penalty amount from wire transfer or encashment of Performance Guarantee shall be transferred to TPSODL and the same quantum shall be deducted by OERC during the true-up process or future Aggregate Revenue Requirement so that the benefit of the penalty amount, so collected, is passed on to consumers.
- (g) The Past Arrears recovered from consumers, after deducting the incentive of TPSODL, shall be dealt with in manner specified in para 56 of this Order. In case the Additional Serviceable Liabilities stated in para 56 of this Order are extinguished, then the Past Arrears recovered after deducting the incentive shall be paid to GRIDCO. After the past liabilities of GRIDCO are extinguished, the Past Arrears recovered after deducting the incentive shall be paid to OPTCL for outstanding transmission and SLDC charges of SOUTHCO Utility.
- (h) Incentive on recovery of Past Arrears will be allowed to be retained by TPSODL in full and shall be over and above the return on equity allowed by the Commission from time to time. Such incentive earned by TPSODL in any year shall not be adjusted by the Commission in the truing up of the Aggregate

Revenue Requirement or for adjustment in the Aggregate Revenue Requirement in future years.

- (i) TPSODL shall put its best efforts for collecting Past Arrears beyond the numbers committed in the Bid.

48. Depreciation on assets transferred to TPSODL

- (a) As stated in the RFP, all existing assets (being transferred to TPSODL on the Effective Date) shall continue to earn depreciation as per existing depreciation rates approved by the Commission in Tariff Regulations. Since, the depreciation relates to existing assets against which no loan has been availed by TPSODL, the depreciation allowed to be recovered from tariff shall be utilised in the following manner:

- (i) For the purpose of determination of Aggregate Revenue Requirement, the depreciation on the opening Gross Fixed Assets of TPSODL, as determined by the Commission subject to prudence check, shall be utilized as per the following priority order:

- a) Liquidation of Additional Serviceable Liabilities, if any as per para 56 of this Order
- b) Capital Investment
- c) Working Capital requirement computed as per Tariff Regulations

- (ii) The remaining depreciation amount, if any, shall be transferred to a depreciation reserve account and shall be utilized as per the directions of the Commission.

- (iii) No depreciation shall be allowed to be recovered on assets created out of Government grants/ capital subsidy/ capital contribution from consumers irrespective of whether the corresponding grant is transferred to TPSODL or not.

49. Management structure of TPSODL

- (a) As part of the Bid, TPCL has provided profiles of Senior Management Team comprising of following:
 - (i) Chief Executive Officer
 - (ii) Chief Commercial Officer
 - (iii) Chief Operations Officer
 - (iv) Chief - Technology
 - (v) Chief – Finance & Regulatory
 - (vi) Chief – Technical Services
 - (vii) Chief HR Officer
- (b) TPCL is directed to submit the names and profiles of Senior Management Team proposed to be deployed in TPSODL on or before 31.12.2020. TPCL should satisfy the Commission that the profiles submitted are in line with the profiles committed in the Bid.
- (c) As per the RFP provisions, the proposed personnel shall be deployed full time at TPSODL.
- (d) TPSODL shall be required to inform the Commission during recruitment or replacement of the resources forming part of Senior Management Team. The deployment of such resources will be subject to the satisfaction of the Commission.
- (e) Within 45 (forty five) days of the Effective Date, TPSODL shall submit a detailed management structure and staff deployment plan.
- (f) TPSODL shall be required to seek Commission's approval on the staff deployment plan from time to time as per the directions of the Commission.

50. Treatment of existing employees

- (a) As per the terms of RFP, all existing staff/employees on the payroll of

SOUTHCO Utility as on the Effective Date shall be transferred to TPSODL excluding personnel on deputation. All the personnel who are working in SOUTHCO utility under deputation from State Government or any other organization, shall stand reverted on the Effective Date and all such personnel shall be deployed back to their parent organization.

- (b) SOUTHCO Utility had 2,113 (Two thousand one hundred and thirteen) regular employees and 14 (Fourteen) number of contractual employees on its payroll as of 31.03.2020.
- (c) All employees shall be governed by the terms of their appointment. The terms and conditions of employment of these employees in TPSODL shall not be made inferior to their existing service conditions in any manner. TPSODL shall have the operational flexibility to design the organization structure to ensure efficiency in operations and staff deployment.

51. Treatment of employee liabilities

- (a) All the existing staff or employees of SOUTHCO Utility shall be transferred to TPSODL as mentioned in para 50 above. The corresponding liabilities towards pension, gratuity, leave encashment and provident fund of existing and past employees (the **“Employees’ Liabilities”**) shall also be transferred to TPSODL.
- (b) SOUTHCO Employees Pension Trust, SOUTHCO Employees Gratuity Trust, SOUTHCO Employees Provident Fund Trust and SOUTHCO Rehabilitation Trust (the **“Trusts”**) are managing funds against pension, gratuity, provident fund and rehabilitation liabilities respectively.
- (c) The investments made by these Trusts as of 31st March 2020 are as follows:

Table 7: Investments on Trusts

Name of Employee Trust	Investments (Rs. Crores)
SOUTHCO Employees’ Pension Trust	35.14
SOUTHCO Employees Gratuity Trust	6.50

Name of Employee Trust	Investments (Rs. Crores)
SOUTHCO Employees Provident Fund Trust	65.63
SOUTHCO Rehabilitation Trust	1.39
Total	108.66

NOTE: The amounts indicated herein shall be updated as on the Effective Date i.e.01.01.2021 as per the audited balances which shall be available on or before 30.06.2021. The audited values shall be considered as the final values for all purposes.

- (d) All the Trusts shall continue to exist, and investments made by the Trusts shall not be liquidated without prior approval of the Commission.
- (e) In SOUTHCO Utility, the prevailing mechanisms of contributions towards various terminal liabilities of employees are:
- (i) ***SOUTHCO Employees Gratuity Fund Trust:*** The contribution towards gratuity and rehabilitation liabilities is remitted by SOUTHCO Utility as per the requisition raised by SOUTHCO Employees Gratuity Fund Trust.
 - (ii) ***SOUTHCO Employees Rehabilitation Fund Trust:*** The contribution towards rehabilitation liabilities is remitted by SOUTHCO Utility as per the requisition raised by SOUTHCO Employees Rehabilitation Fund Trust.
 - (iii) ***SOUTHCO Employees Provident Fund Trust:*** The contribution towards provident fund is remitted by SOUTHCO Utility on a monthly basis without the requirement of any requisition from the SOUTHCO Employees Provident Fund Trust.
 - (iv) ***SOUTHCO Employees Pension Fund Trust:*** Monthly pension and arrear pension, if any, are disbursed on monthly basis directly to the pension holders by SOUTHCO Utility. The direct disbursement of monthly pension and arrear pension by SOUTHCO Utility are treated as contribution to the SOUTHCO Employee Pension Trust and necessary journal entries are passed in the books of SOUTHCO

Employees Pension Fund Trust as well as in the books of SOUTHCO Utility at the end of the financial year. SOUTHCO Utility also remits funds directly to the Pension Fund Trust as and when surplus fund is available.

- (f) From the Effective Date, by the end of each month, respective Trusts except SOUTHCO Employees Provident Fund Trust will raise a requisition to TPSODL to disburse the balance amount required towards their terminal liabilities for such month after deducting the interest earned by the respective Trusts on their investments. Contributions towards provident fund shall be remitted by TPSODL without the requirement of any requisition from the SOUTHCO Employees Provident Fund Trust. TPSODL shall remit such amount to the respective Trusts for disbursal to the beneficiaries covered under the Trusts.
- (g) Actual cash outgo incurred by TPSODL in relation to servicing of terminal liabilities other than provident fund liabilities of existing as well as retired employees of SOUTHCO Utility will be allowed for a pass through in Aggregate Revenue Requirement and tariff determination process.
- (h) For provident fund liabilities, only the employer's contribution towards provident fund made to SOUTHCO Provident Fund Trust shall be allowed as part of the Aggregate Revenue Requirement and tariff determination process.
- (i) Except as provided in 51(g) and (h) above, no amount shall be allowed in Aggregate Revenue Requirement or tariff determination process of TPSODL for contribution to the Trusts for increasing their corpus fund or investments.
- (j) Investments made by the Trust shall be appropriately disclosed in the accounts of TPSODL as per the applicable accounting standards.

52. Treatment of deposits of SOUTHCO Utility

- (a) As per the provisional opening balance sheet provided in RFP, the liabilities related to security deposit from consumers, deposits from suppliers/contractors and deposits for electrification/service connection shall be transferred to

TPSODL. Consequently, the corresponding fixed deposits created against such liabilities shall be transferred to TPSODL as part of the current assets.

- (b) Further, entire Consumer Security Deposits received by TPSODL in each month after the Effective Date shall be converted into fixed deposits within a maximum period of 30 (thirty) days from the last day of the month of collection and shall be held in the name of TPSODL. TPSODL shall submit details of the Consumer Security Deposits to the Commission on annual basis.
- (c) TPSODL shall not liquidate any existing fixed deposit as per the opening balance sheet and new fixed deposits except for the reasons for which it was collected and after seeking explicit approval from the Commission. TPSODL shall also provide an annual account of fixed deposits with banks along with interest accrued thereon as part of the Aggregate Revenue Requirement petition.

53. Treatment of past litigations

- (a) The liabilities or gains arising out of litigation, suits, claims, etc. pending on, and/or arising due to events prior to the Effective Date, shall be allowed by the Commission in the Aggregate Revenue Requirement subject to prudence check.
- (b) TPSODL shall make all diligent efforts to contest the litigation, suits, claims etc. as if it is a party to such litigation, suits, claims etc. and satisfy the Commission in this regard.

54. Treatment of Past Period True-up

- (a) Treatment of true-up of past period i.e. for period prior to taking-over or Effective Date of TPSODL, if any, shall be done by the Commission in a manner that will not cause any financial gain or losses to TPSODL.

55. Accounts and audit

- (a) The RFP provided an indicative opening balance sheet of TPSODL based on SOUTHCO Utility's accounts as of 31.03.2019.

- (b) Based on the provisional balances of SOUTHCO Utility as of 31.03.2020, the provisional opening balance sheet of TPSODL as of 01.04.2020 based on the principles of segregation outlined in the RFP is provided in Annexure-2.
- (c) As stated in the RFP, the actual opening balances to be transferred to TPSODL shall be as on the Effective Date and shall be finalized based on the audited accounts of SOUTHCO Utility, which shall be prepared within a period of 6 (six) months from Effective Date i.e. on or before 30.06.2021. SOUTHCO Utility is directed to undertake all necessary steps to ensure completion of statutory audit of its balance sheet as on 31.03.2020 and 31.12.2020 and make the same available to the Commission on or before 31.03.2021 and 30.06.2021, respectively.
- (d) Costs incurred for such statutory audit shall form part of the Transaction Process Costs specified in para 14 of this Order.
- (e) It is to be noted that all the account balances and information related to SOUTHCO Utility finances specified in this Order are based on provisional accounts of SOUTHCO Utility as of 31.03.2020 and shall be considered as indicative. The actual opening balance sheet of TPSODL as on 01.01.2021 shall be prepared from the audited balances of SOUTHCO Utility as of 31.12.2020. The audited balances of SOUTHCO Utility as of 31.03.2020 and 31.12.2020 shall be determined only after the statutory audit is completed on or before 31.03.2021 and 30.06.2021 respectively. For determination of Additional Serviceable Liabilities (para 56) and investments of the Trusts (para 51(c)), the Commission shall consider the audited balances as of 31.12.2020.
- (f) All the accounting books shall transfer from SOUTHCO Utility to TPSODL from the Effective Date.

56. Treatment of Additional Serviceable Liabilities

- (a) Section 21(a) of the Act states that “the utility shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the utility”

- (b) The indicative opening balance sheet provided in the RFP was prepared in compliance with Section 21(a) of the Act, which requires that the utility of SOUTHCO must be transferred free from any debt, mortgage or similar obligation.
- (c) In the interest of the employees, consumers, suppliers of SOUTHCO Utility and to ensure continuity of operation of the utility as a going concern, current assets and liabilities pertaining to employees, consumers, suppliers and statutory payments, etc. as per the existing books of account of SOUTHCO Utility shall be transferred to the TPSODL and SOUTHCO Utility will not have any revenue to fund the liabilities.
- (d) The details of such additional serviceable liabilities based on the provisional balance sheet as on 31.03.2020 is provided in the following table:

Table 8: Details of Additional Serviceable Liabilities

Particulars	Amount (Rs Cr)	Description
Liabilities		
Short-term borrowings	139	Secured overdraft from bank
Current Liabilities	285	Sundry liabilities relating to TDS, CST, VAT; electricity duty received from consumers but not remitted; deposits and retention from suppliers/ contractors; advance payment/ deposits from consumers; other dues etc.
Consumer Security Deposit	256	Consumer security deposits of consumers
Capital Subsidy/ Grants	302	To the extent it is not capitalized (CWIP: Rs 215 Cr; Cash and Bank Balances: Rs 96 Cr; Short-term loan and advances: Rs 7 Cr; Current Liabilities: Rs 16 Cr)
Consumer Contribution	6	To the extent it is not capitalized (Cash and Bank Balances: Rs 6 Cr)
Total (A)	988	
Assets		
Inventories	6	All the inventories at various stores
Cash and Bank Balances	427	All the current account balances with banks

Particulars	Amount (Rs Cr)	Description
Short-term loan and Advance	47	All the loans and advances to Staff and others
CWIP	248	Corresponding to Capital Subsidy/ Grants (not yet capitalized) and capital goods.
Assets Total (B)	728	
Additional Serviceable Liabilities (A) - (B)	260	

NOTE: The amounts indicated herein shall be updated as on the Effective Date i.e.01.01.2021 as per the audited balances which shall be available on or before 30.06.2021. The audited values shall be considered as the final values for all purposes.

- (e) The Commission further states that the shortfall, if any, in meeting the current liabilities after using the proceeds of the current assets (the “**Additional Serviceable Liabilities**”), transferred to TPSODL, shall be dealt within the following manner, so that TPSODL is not adversely impacted:
- (i) The final amount of Additional Serviceable Liabilities shall be determined when the audited financial statements as on 31.12.2020 are made available.
 - (ii) Within 1 (one) month from date mentioned in point (i) above, TPSODL shall file a petition to the Commission claiming the Additional Serviceable Liabilities based on such financial statements required to be serviced. The Commission after prudence check will allow the additional serviceable liabilities, if any.
 - (iii) From the Effective Date, TPSODL shall be responsible to receive/ pay amounts pertaining to assets and liabilities transferred to TPSODL as Additional Serviceable Liabilities.
 - (iv) To fund the Additional Serviceable Liabilities, TPSODL shall be allowed to avail of a separate appropriate financial instrument including but not limited to short-term loan/ overdraft facility.

- (v) The financing cost of appropriate financial instruments shall be dealt with in the manner as specified in point (vi) and (vii) till the time such financial instrument is discharged in full.
- (vi) Interest payable on appropriate financial instruments shall be allowed in Aggregate Revenue Requirement by the Commission, subject to prudence check.
- (vii) Principal repayments of such financial instruments shall be allowed by Commission to be made from the following amounts in the same order:
 - a) Excess recovery net of payments to be made as per para 46 of this Order
 - b) Recovery of Past Arrears by TPSODL after deducting incentives as specified in para 47 of this Order
 - c) Annual Depreciation on assets as on 31.12.2020 (existing assets recognized in Tariff Order) allowed in Aggregate Revenue Requirement.
- (viii) In case above amounts fall short to fund principal repayments of appropriate financial instrument, the shortfall shall be considered by the Commission in Aggregate Revenue Requirement in the same year or over a period as the Commission may decide, subject to prudence check.
- (ix) TPSODL shall maintain separate account for receipt/payment of amounts pertaining to Additional Serviceable Liabilities and the receipts as allowed in point (vii) above.
- (x) TPSODL shall submit annual reconciliation statements to the Commission relating to the receipts/ payments with respect to Additional Serviceable Liabilities transferred to TPSODL, till such liabilities are liquidated in full.
- (xi) Any write-off or write-on of Additional Serviceable Liabilities or assets

has to be done with prior permission of the Commission.

- (f) At any point of time if any additional liability pertaining to the period prior to the Effective Date accrues to TPSODL irrespective of whether it is reflected in the audited financial statements available on or before 30.06.2021, the same shall also be dealt with in the manner provided herein subject to prudence check by the Commission.

57. Operation and Maintenance Expenses

- (a) The O&M expenses comprise of three components as given below:
 - (i) Salaries, wages, pension contribution and other employee costs
 - (ii) Administrative and General (A&G) expenses
 - (iii) Repair and Maintenance (R&M) expenses
- (b) Within 45 (forty five) days of Effective Date, TPSODL shall submit a detailed plan of the O&M (Employee, A&G and R&M) expenses to be incurred in the 1st (first) year of operations along with detailed justification for any deviation from the O&M expenses approved by the Commission in the Aggregate Revenue Requirement of the SOUTHCO Utility for such year. The Commission shall undertake a prudence check of the plan submitted before approving the same.
- (c) For the subsequent years, TPSODL shall include the estimated expense for each component of O&M expense in the Aggregate Revenue Requirement petition submitted to the Commission as per the Tariff Regulations. The Commission shall undertake a prudence check of the submission made by TPSODL before allowing the same in Aggregate Revenue Requirement. Provided that the actual expenses allowed shall be subject to true-up as per the Tariff Regulations.

58. Return on equity:

- (a) As per the terms of the RFP, the Commission shall allow return on equity, as per the Tariff Regulations, to TPSODL on the equity capital of Rs. 200 crores

(Indian Rupee Two hundred crores) only which was the reserve price of the utility of SOUTHCO.

- (b) Return on equity shall be allowed on the reserve price of the utility as per para 58(a) above and also on the capital investments made by the TPSODL, as per the Tariff Regulations.

59. Treatment of existing DF agreements:

As per the RFP, the rights and obligations of SOUTHCO Utility under the respective franchisee agreements, if any, as on the Effective Date will be transferred to TPSODL.

60. Right to use the land instead of transfer

As per the RFP provisions, the Commission allows TPSODL the right to use the land at nominal rate (at a license fee of Re 1/ year) for the distribution business instead of transfer of land and land rights. TPSODL, TPCL and GRIDCO shall procure necessary approvals and undertake necessary steps for implementation of this para.

61. Performance Review vis-à-vis commitments provided in the Bid:

- (a) As part of the RFP, the bidders were required to submit a business plan for the first 5 (five) years of operations (i.e. FY 2021-22 to FY 2025-26) covering the following aspects to achieve successful turnaround of utility of SOUTHCO

- (i) AT&C Loss Reduction

- (ii) Capex and Technology deployment Plan

- (iii) Plan for recovery of Past Arrears

- (iv) Plan for Senior Management deployment

- (v) Any other Commitments – CSR, Customer Engagement etc.

Accordingly, TPCL in its Bid has made commitments on all the above aspects.

- (b) The Commission shall review the performance of TPSODL vis-à-vis its commitments every year for the first 5 (five) years of operations at the time of filing of Aggregate Revenue Requirement petition by TPSODL. The commitments related to capital expenditure, AT&C Loss reduction and recovery of Past Arrears shall be dealt with in a manner as provided in paras 43, 44 and 47 of this Order respectively.
- (c) TPSODL shall be required to furnish required information in this regard for each completed year in the Aggregate Revenue Requirement petition filed in the subsequent year.
- (d) The Commission while evaluating the performance of TPSODL for reduction in Performance Guarantee amount at the end of 5th (fifth) year and 10th (tenth) as per para 39 of this Order shall, inter alia, take into consideration the performance of TPSODL vis-à-vis its commitments in the Bid.
- (e) The Commission shall also continue to undertake a quarterly performance review of TPSODL as per the prevalent practice followed for all the retail supply licensees in the State. TPSODL shall comply with the directions of the Commission in this regard.

62. Terms of revocation of license:

- (a) In addition to the provisions related to revocation of license u/s 19 of the Act and the license conditions applicable to TPSODL, the Commission may revoke the license of TPSODL under the following conditions as specified in the RFP:
 - (i) Change in legal standing of TPSODL by way of merger/ acquisition/ sale/ divestment/ demerger unless duly approved by the Commission;
 - (ii) Any alteration in equity shareholding, as specified in para 30, of TPSODL without the explicit and prior written approval of the Commission;
 - (iii) Failure to make payment of Bulk Supply Price, transmission charges and SLDC charges in terms of the Bulk Supply Agreement and the Bulk

Power Transmission and SLDC Agreement ;

- (iv) Failure to meet AT&C Loss as per para 44;
- (v) Failure to restore the Performance Guarantee as per para 39(g); or
- (vi) Failure to meet the cumulative capital investment commitment at the end of 5th (fifth) year as per para 43.

TRANSFER OF LICENSE

- 63. As per Section 21(b) of the Act, the rights, powers, authorities, duties and obligations of the SOUTHCO Utility under its license dated 27.10.2006 issued by the Commission shall stand transferred to TPSODL upon completion of sale.
- 64. TPSODL shall be the licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles of City, Berhampur, Aska, Bhanjanagar, Jeypore and Rayagada in the state of Odisha for a period of 25 (twenty five) years from 01.01.2021 unless the LoI is cancelled or this Order is withdrawn pursuant to para 35 of this Order.
- 65. Under Section 16 of the Act, the Commission has powers to lay down the license conditions of TPSODL. To incorporate the terms of the sale process and commitments made by TPCL in its Bid, the Commission shall through a separate order, amend the license conditions applicable to TPSODL.
- 66. The order amending license conditions shall be issued within 90 (ninety) days from the Effective Date. Till the time amended license is granted, the provisions of this Order and the rights, powers, authorities, duties and obligations specified in the existing license of SOUTHCO Utility shall apply to TPSODL.

RELAXATION OF CONDITIONS RELATED TO PROFIT SHARING

- 67. As per the RFP, the gains accruing to TPSODL on account of better performance in reducing AT&C loss upto FY 2030-31 and incentive on recovery of Past Arrears shall be allowed to be retained in full by TPSODL. This would be over and above the return on equity allowed by the Commission as part of Tariff Regulations and shall not be adjusted as other income or in any way appropriated through any truing

up process or future Aggregate Revenue Requirement process.

68. The above RFP provision is not in conformity with clause 7.66 of Tariff Regulations which provides for sharing of profits on account of improved performance.
69. In the RFP, the incentive to retain all gains arising from better performance was balanced through a penalty in the form of encashment of Performance Guarantee, in case of underperformance. Such incentive-penalty mechanism was envisaged as part of the RFP to encourage private sector participation with an objective to achieve successful turnaround of SOUTHCO Utility.
70. For the reason mentioned above, the Commission, exercising the Power to Relax under clause 9.4 of the Tariff Regulations, hereby relaxes the application of clause 7.66 of Tariff Regulations in respect of TPSODL up to FY 2030-31.

RELAXATION OF CONDITIONS RELATED TO RETURN ON EQUITY

71. As provided in para 58 of this Order, the Commission shall allow to TPSODL return on equity, as per the regulations, on the equity capital of Rs. 200 crores (Indian Rupee Two hundred crores) only which was the reserve price of the utility of SOUTHCO specified in the RFP.
72. The above provision of the RFP is not in conformity with clause 7.51 of the Tariff Regulations.
73. In the RFP, a return on equity on the reserve price of Rs. 200 crores (Indian Rupee Two hundred crores) only is assured in order to encourage investor participation by providing certainty on returns.
74. For the reason mentioned above, the Commission, exercising the Power to Relax under clause 9.4 of the Tariff Regulations, hereby relaxes the application of clause 7.51 of the Tariff Regulations to TPSODL.

TREATMENT OF EQUITY INVESTMENT FROM GRIDCO FOR FUTURE CAPITAL INVESTMENT

75. Pursuant to Clause 3.6 of the Shareholder's Agreement, the Commission orders that in the event that assets are transferred to TPSODL in lieu of equity investment by

GRIDCO, the same shall be allowed in fixed asset base for determination of tariff, after prudence check, provided that the assets transferred are distribution assets. The Commission, exercising powers conferred to it u/s 86(2) of the Act, advises the State Government to consider providing a one-time approval on transfer of its assets to TPSODL through GRIDCO in lieu of equity investment from GRIDCO as and when such transfer is necessitated.

PROVISION FOR OPERATIONS OF SOUTHCO UTILITY

76. With the vesting of utility of SOUTHCO to TPSODL, a part of assets and liabilities of SOUTHCO Utility shall get transferred to TPSODL whereas remaining assets and liabilities shall remain in the balance sheet of SOUTHCO utility. To manage the residual assets and liabilities of SOUTHCO utility post vesting of utility to TPSODL, SOUTHCO utility shall continue to hold residual assets and liabilities till further orders of the Commission in this regard.
77. The Commission may decide to form a new residual company separate from the existing SOUTHCO utility for the purpose of managing the residual assets and liabilities of SOUTHCO utility. The Commission shall direct GRIDCO to form such a residual company at an appropriate time. Till such time, SOUTHCO utility shall continue to be operated under the extant administrative mechanism.
78. For discharging the responsibilities mentioned in the above para, TPSODL and GRIDCO shall depute 2 (two) personnel each, on part time basis, in SOUTHCO utility and also provide required supporting staff and infrastructure to manage the residual assets and liabilities of SOUTHCO utility.
79. Considering that all the electronic as well as paper records of SOUTHCO utility shall be transferred to TPSODL on an as-is-where-is basis, it shall be the responsibility of TPSODL to facilitate the residual company in all accounting, secretarial and other operational matters required by the residual company for discharge of its statutory duties. GRIDCO shall provide necessary supervision in this regard. Any costs incurred for this purpose shall be allowed in Annual Revenue Requirement of TPSODL.

COMMISSION'S OBSERVATIONS ON INTERVENOR – RESPONDENTS' SUBMISSIONS

80. Now, we deal with the issues raised by the intervenors in their written submissions:

Protection of service conditions and employee liabilities

Several intervenors have raised concerns on the protection of service conditions and treatment of employee liabilities such as pension, gratuity, provident fund etc. The Commission reiterates that these aspects have been already addressed in the RFP, the LoI and also in Para 50 and 51 of this Order. Para 50 of this Order states that the employees shall be governed by the terms of their appointment and that their service conditions cannot be made inferior to the existing service conditions in any manner. Para 51 of this Order specifies that the liabilities towards pension, gratuity, leave encashment and provident fund of existing as well as past employees shall also be transferred to TPSODL. The existing mechanism of discharging employee liabilities from SOUTHCO Employees Pension Trust, SOUTHCO Employees Gratuity Trust, SOUTHCO Employees Provident Fund Trust and SOUTHCO Rehabilitation Trust shall continue even after the Effective Date. TPSODL shall be responsible to remit the amounts to the Trusts towards Employees' Liabilities.

Concerns on account of a single entity operating as licensee in three utilities

The intervenors have submitted that a single entity operating as the distribution licensee for three utilities in Odisha would distort competition and there would be no comparative parameter to assess the efficiency or performance across the licensees. The Commission in this regard emphasizes that the RFP stipulates different performance parameters for the three utilities. The commitments of the successful bidder are also different for the three utilities. Performance review of the licensees as per paras 61 and 62 of this Order shall be on the basis of performance of the licensees vis-à-vis the performance parameters set in the RFP as well as the commitments made in the bid. The utilities are separate legal entities under the Act and accordingly the Commission has treated them separately while discharging its function under Section 21 of the said Act. The coincidence cannot override the statute. On the concern regarding single bidder, the Commission points out that 2 (two) bids were received which were evaluated by an independent Bid Evaluation

Committee. The successful bidder has been selected on the basis of evaluation of both technical and financial bids by that independent Bid Evaluation Committee.

Concerns arising out of TPCL's review petition on vesting of TPCODL

The intervenors have submitted that the review petition filed by TPCL in the matter of vesting of TPCODL raises doubts in the matter of vesting of SOUTHCO utility also to the same entity TPCL. The review petition referred concerns a different utility and the Commission has dealt with that matter in a separate order.

Consideration to public interest

Some of the intervenors have highlighted that public interest has not been given due regard in this sale process. Public hearing has also not been conducted. The Commission emphasizes that it functions within the ambit of the Act 2003 under which public interest is paramount. The Commission has discharged its functions in a transparent manner strictly in letter and spirit under Section 20 and 21 of the said Act.

Other concerns

The intervenors have raised concerns on several other matters such as providing jobs to kin of deceased, compensation to humans and animals involved in fatal and non-fatal accidents, filling up vacant positions, payment of all pending medical and other bills, regularization of NMR/ Contractual/ Outsourced employees, giving equal benefits to workers in non-executive technical categories, provision of cash collector and assistant store keeper to all section and selection of a proper entity to run the SOUTHCO Utility etc.

The Commission has taken all submissions into consideration and emphasizes that this Order is being issued considering the best interest of all stakeholders – consumers, employees and public at large. The matter regarding service conditions of employees of SOUTHCO Utility has been dealt with in para 50 of this Order.

OTHER ORDERS OF THE COMMISSION

81. The ongoing government schemes under capital work in progress are being transferred to TPSODL. TPSODL is not allowed to use this capital amount for any

other purpose.

82. The Commission notes that some amount of grants provided by the GoO in the past for various works is lying unspent in SOUTHCO Utility at present. TPSODL shall ensure that any funds provided for specific purposes by GoO to SOUTHCO Utility in the past which remains unutilized as on the Effective Date, along with interest earned on such funds, must be accounted for separately and utilized for those purposes as specified in the sanctioned order from time to time. Such schemes shall be jointly monitored by GoO, GRIDCO, OPTCL and TPSODL. In this regard, the Commission directs that TPSODL shall agree to the terms and condition for utilization of such grants through an agreement with GRIDCO/ GoO/ OPTCL. For new schemes formulated by the GoO, if TPSODL wishes to avail funding under such scheme, an agreement shall be signed between GoO/ GRIDCO/ OPTCL and TPSODL for utilization of such grants.

83. TPSODL or TPCL shall not be allowed to create any charge or encumbrance on the following throughout the term of the License:

- (a) Fixed assets transferred to TPSODL as part of this Order; and
- (b) Financial assets corresponding to Consumer Security Deposits.

Further, TPSODL or TPCL shall free the above listed assets from any encumbrances/ charges that may exist on these assets as per the opening balance sheet of TPSODL as on Effective Date within a fixed time frame, not later than full 5 (five) Financial Years of operations from the Effective Date, as may be approved by the Commission.

84. In addition to para 83, TPSODL shall not create any charge or encumbrance over other assets of TPSODL, including but not limited to receivables of TPSODL, without prior approval of the Commission.

85. TPCL in its submission has made certain prayers for redressal. Such prayers include postponement of takeover date, revision of AT&C loss trajectory for tariff and AT&C targets for 3rd/ 5th year, revision of targets for past arrear recovery, collection of revenue billed in the financial year of takeover, one time permission to create charge on assets, removal of corporate guarantee, treatment of employee liabilities, mitigation of tax impact on account of transfer of assets by GRIDCO and

indemnification from any third party claim on acquisition of stake in TPSODL. The Commission is not inclined to provide any concessions/ further clarifications in this regard as the conditions of the RFP and RFP Documents namely Share Acquisition Agreement, Shareholders Agreement, Bulk Supply Agreement and Bulk Power Transmission and SLDC Agreement provided with the RFP are amply clear.

86. With regards to the prayer of GRIDCO for continuance of Escrow that had not been envisaged in the RFP, the Commission observes that GRIDCO's concerns mainly pertain to (i) timely payment of BSP bills and (ii) recovery of past receivables. Regarding payment of BSP bills, adequate payment security mechanism in the form of Letter of Credit for an amount equivalent to 2 (two) months' BSP bills has been provided in para 41 of this Order. Once the LC as mentioned above is made available there is no need for continuation of Escrow mechanism that was an arrangement with the earlier distribution licensee, when LC was not being provided. Binding down the cash flow of the Operating Company through an Escrow mechanism even after the LC for 2 (two) months' BSP bill is made available will severely constrain the operational flexibility of the Operating Company for meeting its expenses approved in the ARR and affect its efficient functioning. Regarding GRIDCO's concern for collection of its past receivables from the DISCOM, the Operating Company is not liable to pay those dues except as provided for in this Order. The purchase consideration is being remitted to GRIDCO against its past dues as per Section 21(a) of the Act. In addition, para 47 of this Order provides an additional mechanism for recovery of the past receivables of GRIDCO. The contention of GRIDCO for continuance of Escrow to secure its past receivable is not in conformity with Section 21 (a) of the Act since the successor DISCOM cannot be forced to discharge the liabilities of the predecessor DISCOM. With adequate measures in conformity with the Act provided in this Order, there exists no sufficient ground for continuing with the Escrow arrangement that had been made with the earlier Licensee. The Commission therefore directs that within 7 (seven) days of opening of Letter of Credit by TPSODL, the escrow arrangement shall be discontinued and any lien/charge created on the bank account/Escrow account of TPSODL shall be vacated.
87. In case of any conflict between this Order and the provisions of RFP or RFP Documents namely Share Acquisition Agreement, Shareholders Agreement, Bulk

Supply Agreement and Bulk Power Transmission and SLDC Agreement, the decision of the Commission shall be final.

88. The Commission shall not allow recovery or true up of costs owing to tax implications or any other costs arising out of this transaction in any manner except stamp duty on transfer of asset. The Commission directs TPCL and GRIDCO to ensure that necessary steps be taken while executing the transaction so as to not burden the consumers due to taxes and duties arising out of this transaction.
89. The terms of this Vesting Order shall be final and binding on the parties. The parties shall not be allowed to make any further submissions with regard to the matters dealt with in this Vesting Order.
90. The suo-motu proceeding is accordingly disposed of.

Sd/-

(G. Mohapatra)
Member

Sd/-

(S.K. Parhi)
Member

Sd/-

(U.N. Behera)
Chairperson

Annexure - 1: Note on Principles of transfer of assets and liabilities of SOUTHCO Utility to TPSODL

Particulars	Amount transferred to TPSODL	Amount remaining with SOUTHCO Utility	Note No.
ASSETS			
Fixed Assets			
<i>Gross Block</i>	FULL (except land)	-	
<i>Less : Accumulated Depreciation</i>	FULL	-	
<i>Net Block</i>	FULL	-	1
<i>Capital Work in Progress</i>	FULL	-	2
Sundry Debtors	-	FULL	
Inventories	FULL	-	3
Cash and Bank Balances	FULL	-	4
Loans and Advances			
<i>Loans and advances to employees</i>	PARTIAL	PARTIAL	5
<i>Receivables from WESCO</i>	FULL	-	6
<i>Capital subsidy/ Grant Receivable</i>	FULL	-	7
<i>Advances recoverable in cash or in kind or for value to be received</i>	PARTIAL	PARTIAL	8
<i>Other Deposits (considered good)</i>	PARTIAL	PARTIAL	8
<i>Income tax refund receivable</i>	-	FULL	
<i>Interest accrued on Fixed Deposits</i>	FULL	-	9
TOTAL ASSETS			
EQUITY & LIABILITIES			
Equity Share Capital	200.00	-	10
Capital Funds			
<i>Capital Fund</i>	-	FULL	
<i>Contingencies reserves</i>	-	FULL	
<i>Other Reserves/ Capital Subsidy/ Grants</i>	PARTIAL	PARTIAL	11
<i>Profit and Loss Account Debit Balance</i>	-	FULL	
Loan Funds			

Particulars	Amount transferred to TPSODL	Amount remaining with SOUTHCO Utility	Note No.
<i>Long Term Borrowings</i>	-	FULL	
Other Funds			
<i>Consumers' Security Deposit</i>	FULL	-	12
<i>Capital Contribution from Consumers</i>	PARTIAL	PARTIAL	13
Current Liabilities			
<i>Short Term Loans</i>	FULL	-	14
<i>Sundry Creditors – Power Purchase</i>	-	FULL	
<i>Sundry Creditors - Others</i>	FULL	-	15
<i>Deposits and Retention from suppliers/ contractors</i>	PARTIAL	PARTIAL	16
<i>Advance payment/ Deposits from consumers</i>	PARTIAL	PARTIAL	16
<i>Creditors on capital accounts</i>	FULL		17
<i>Payable to NESCO</i>	FULL		18
<i>Interest accrued and due</i>	PARTIAL	PARTIAL	19
<i>Interest accrued but not due</i>	-	FULL	
<i>Electricity Duty Payable (Subject to realization from consumer)</i>	-	FULL	
<i>Electricity Duty Payable</i>	FULL	-	20
<i>Payable to REC Limited</i>	FULL	-	21
<i>Other Liabilities</i>	PARTIAL	PARTIAL	22
Provisions			
<i>Payable to Trusts</i>	-	FULL	
<i>Provision for Disputed Matters</i>	-	FULL	
TOTAL EQUITIES & LIABILITIES			

Principles of segregation of balance sheet:

1. Net Block:

All the Net Fixed Assets (excluding land) shall be transferred to TPSODL since the Utility shall be transferred to TPSODL

2. Capital Work-in-Progress:

This shall also be transferred along with Net Fixed Assets to TPSODL

3. Inventory:

Inventories shall be transferred to TPSODL.

4. Cash and Bank Balance:

Cash and bank balance shall be transferred to TPSODL

5. Loan and Advances to employees:

Since all the SOUTHCO Utility employees are transferred to TPSODL, the corresponding loans and advances provided to employees shall also be transferred to TPSODL. However, select items which are very old and belong to SOUTHCO Limited period shall not be transferred.

6. Receivable from WESCO:

Receivables from WESCO shall be transferred to TPSODL

7. Capital Subsidy/ Grant Receivables:

Since Net Block and Other Reserves are being transferred to TPSODL, Capital Subsidy/ Grant Receivables shall be transferred to TPSODL

8. Advances recoverable in cash or in kind or for value to be received; Other Deposits (Considered Good):

All amount under these heads shall be transferred to TPSODL except for select items which are very old and belong to SOUTHCO Limited period.

9. Interest accrued on Fixed Deposits:

Since Fixed Deposits are being transferred, interest accrued on fixed deposits shall be transferred to TPSODL.

10. Equity Share Capital:

Equity share capital of TPSODL shall be maintained at Reserve Price of Rs. 200 Crores (Indian Rupee Two hundred crores) only as per RFP.

11. Other Reserves (Capital Subsidy/ Grants):

Other Reserves (Capital Subsidy/ Grants) shall be transferred to the extent not capitalized.

12. Consumer Security Deposits:

Consumer Security Deposits shall be transferred to TPSODL.

13. Capital Contribution from Consumers:

Capital Contributions from Consumer may be transferred to TPSODL to the extent required to match balance sheet of TPSODL.

14. Short-term Loans:

Secured overdraft from bank along with FDs pledged to Banks, shall be transferred to TPSODL.

15. Sundry Creditors - Others:

Sundry Creditors for goods and services shall be transferred to TPSODL.

16. Deposits and Retention from suppliers/ contractors; Advance payment/ Deposits from consumers:

All amount under these heads shall be transferred to TPSODL except for select items which are very old and belong to SOUTHCO Limited period.

17. Creditors on Capital Accounts:

Since this relates to fixed assets and CWIP transferred, the same shall be transferred to TPSODL.

18. Payable to NESCO:

Payable to NESCO shall be transferred to TPSODL.

19. Interest accrued and due:

Interest accrued and due related to short term loans shall be transferred to TPSODL

20. Electricity Duty Payable:

Current liabilities relating to Electricity duty collected but not remitted, shall be transferred to TPSODL

21. Payable to REC Limited:

Payable to REC Limited shall be transferred to TPSODL.

22. Other Liabilities:

Other liabilities including staff related liabilities, TDS, GST, various taxes, etc. shall be transferred to TPSODL except for select items which are very old and belong to SOUTHCO Limited period.

**Annexure – 2: Opening Balance Sheet (provisional) of Operating Company as at
01.04.2020 based on provisional financial statements as at 31.03.2020**

Particulars	Rs Crores
ASSETS	
Fixed Assets	
<i>Gross Block</i>	773
<i>Less : Accumulated Depreciation</i>	329
<i>Net Block</i>	444
<i>Capital Work in Progress</i>	306
Inventories	6
Cash and Bank Balances	
<i>Cash on Hand</i>	5
<i>Stamps in hand</i>	0
<i>Balances with scheduled Bank- Current Account</i>	145
<i>Balances with scheduled Bank- Fixed Deposit</i>	277
<i>Remittances in Transit</i>	0
Loans and Advances	
<i>Loans and advances to employees</i>	6
<i>Receivables from WESCO</i>	5
<i>Advances recoverable in cash or in kind or for value to be received</i>	0
<i>Capital subsidy/ Grant Receivable</i>	22
<i>Other Deposits (considered good)</i>	5
<i>Interest accrued on Fixed Deposits</i>	9
TOTAL ASSETS	1,229
LIABILITIES	
Equity	200
Capital Subsidy	302
Other Funds	
<i>Consumers' Security Deposit</i>	256
<i>Capital Contribution from Consumers</i>	47
Current Liabilities	
<i>Short Term Loans</i>	139

Particulars	Rs Crores
<i>Sundry Creditors – Others</i>	12
<i>Deposits and Retention from suppliers/ contractors</i>	51
<i>Advance payment/ Deposits from consumers</i>	122
<i>Creditors on capital accounts</i>	24
<i>Payable to NESCO</i>	17
<i>Interest accrued and due</i>	4
<i>Electricity Duty Payable</i>	0
<i>Payable to REC Limited</i>	0
<i>Other Liabilities</i>	54
TOTAL LIABILITIES	1,229

NOTE: The amounts indicated herein shall be updated as of the Effective Date i.e. 01.01.2021 as per the audited balances which shall be available on or before 30.06.2021. The audited values shall be considered as the final values for all purposes.

Annexure - 3: Depreciation Schedule

Sl.	Asset Particulars	Depreciation Rate (Salvage Value = 10%)
A.	Land under full ownership	0.00%
B.	Land under lease	
i.	for investment in the land	3.34%
ii.	For cost of clearing the site	3.34%
C.	Assets purchased new	
A	Building & Civil Engineering works of	
i.	Offices and showrooms	3.34%
ii.	Temporary erections such as wooden structures	100.00%
iii.	Roads other than Kutcha roads	3.34%
iv.	Others	3.34%
b	Transformers, Kiosk, sub-station equipment & other fixed apparatus (including plant foundation)	
i.	Transformers including foundations having rating of 100 KVA and over	5.28%
ii.	Others	5.28%
c	Switchgear including cable connections	5.28%
d	Lightning arrestor	
i.	Station type	5.28%
ii.	Pole type	5.28%
iii.	Synchronous condenser	5.28%
e	Batteries	
i.	Underground cable including joint boxes and disconnected boxes	5.28%
ii.	Cable duct system	5.28%
F	Overhead lines including cable support	
i.	Lines on fabricated steel operating at terminal voltages higher than 66 KV	5.28%
ii.	Lines on steel supports operating at terminal voltages higher than 13.2 KV but not exceeding 66 KV	5.28%
iii.	Lines on steel on reinforced concrete support	5.28%
iv.	Lines on treated wood support	5.28%
G	Meters	5.28%

Sl.	Asset Particulars	Depreciation Rate (Salvage Value = 10%)
H	Self-propelled vehicles	9.50%
I	Air Conditioning Plants	
i.	Static	5.28%
ii.	Portable	9.50%
J i.	Office furniture and furnishing	6.33%
ii.	Office equipment	6.33%
iii.	Internal wiring including fittings and apparatus	6.33%
iv.	Street Light fittings	5.28%
K	Apparatus let on hire	
i.	Other than motors	9.50%
ii.	Motors	6.33%
L	Communication equipment	
i.	Radio and high frequency carrier system	6.33%
ii.	Telephone lines and telephones	6.33%
M	I.T. equipment	15.00%
N	Assets purchased second hand and assets not otherwise provided for in the Schedule	5.28%

Annexure - 4: LIST OF PPA – EXISTING AND UPCOMING POWER PROJECTS HAVING ODISHA SHARE

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)		IPP				
	1	M/s. Vedanta Ltd., Jharsuguda	2400 (4x600)	600 MW Units 1, 3 & 4 converted to CGP Units w.e.f. 01.04.2015	# 1: 02-03-2011 # 2: 10-08-2010 # 3: 21-07-2011 #4: 26-03-2012	Consolidated PPA: 19-12-2012 Term of PPA: 25 years & can be extended mutually Further revised PPA is to be signed
	2	M/s. GMR Kamalanga Energy Ltd., Bengaluru at Kamalanga, Dhenkanal	1400 (4x350)	25% at full cost plus power generated beyond 80% PLF at variable cost	# 1, 2 & 3: Already achieved COD # 4: Deferred	Principal PPA: 28-09-2006 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	3	M/s. Jindal India Thermal Power Ltd., New Delhi at Derang, Talcher, Angul	1800 (3x600)	14% at variable cost, if Coal Block allocated within the State. Otherwise, JITPL shall supply 12% at variable cost.	# 1 & 2: Already achieved COD # 3: Deferred	Principal PPA: 28-09-2006 Revised PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually
	4	M/s. Ind-Barath Energy (Utkal) Ltd., Hyderabad at Sahajbahal, Jharsuguda	1360 (2x350 + 1x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, IBEUL shall supply 12% at variable cost.	# 1: 20.07.2016 # 2: Substantial progress made # 3: Construction yet to start Presently the project has been referred to NCLT and there is no further progress	Principal PPA: 14-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	5	M/s. Lanco Babandh Power Ltd., Hyderabad at Khurunti, Dhenkanal	2640 (2x660 + 2x660)	25% at full cost plus power generated beyond 80% PLF at variable cost	# 1 & 2: Construction activities started # 3 & 4: Commissioning deferred Now there is no further progress	Principal PPA: 28-09-2006 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	6	M/s. Monnet Power Company Ltd., New Delhi at Mallibrahmani & Nisha, Dist. Angul	1050 (2x525)	25% at full cost plus power generated beyond 80% PLF at variable cost	# 1 & 2: Substantial progress made Now there is no further progress since 6 years Under NCLT.	Principal PPA: 28-09-2006 (MoU signed for 14%/12% power at variable cost) Revised PPA is to be signed Term of PPA: 25 years
7	M/s. Maa Durga Thermal Power Company Ltd., Bhubaneswar at Tangi, Cuttack	120 (2x30 + 1x60)	14% at variable cost, if Coal Block allocated within the State. Otherwise, MTPCL shall supply 12% at variable cost.	Construction activities for 2x30 MW completed. Expected to be commissioned in September, 2020	PPA: 31-12-2010 Term of PPA: 25 years & can be extended mutually	

Sanjay
24/06/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)	8	M/s. KVK Nilachal Power Pvt. Ltd., Hyderabad at Athagarh, Cuttack	1050 (3x350)	25% at full cost plus power generated beyond 80% PLF at variable cost	Under NCLT and under liquidation process	PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	9	M/s. NSL Nagapatnam Power & Infratech Pvt. Ltd., Hyderabad [Formerly M/s. Mahanadhi Aban Power Company Ltd., Chennai] at Talcher, Angul	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, NNPIPL shall supply 12% at variable cost.	Construction activities yet to begin Under NCLT since 18.01.2018 Project activities will be resumed in the month of mid of 2020	Principal PPA: 28-09-2006 Amended PPA: 10-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	10	M/s. TATA Power Company Ltd., Mumbai at Begunia, Khurda	1000	25% at full cost plus power generated beyond 80% PLF at variable cost	Proposed for withdrawing from the proposal	Date of PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	11	M/s. Brahmani Thermal Power Pvt. Ltd., Hyderabad [formerly M/s. Navabharat Power Pvt. Ltd.] at Meramundali, Dhenkanal	2250 (2x525 + 2x600)	25% at full cost plus power generated beyond 80% PLF at variable cost	Construction activities yet to start	Date of PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	12	M/s. Angul Energy Ltd. [Formerly M/s. Bhusan Energy (P) Ltd., New Delhi] at Nuahat, Angul	2000	25% at full cost plus power generated beyond 80% PLF at variable cost	Construction activities yet to begin	Date of PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	13	M/s. Visa Power Ltd., Kolkata at Brahmanabasta, Athagarh, Cuttack	1320 (2x660)	25% at full cost plus 7% at variable cost, if Coal Block allocated within the State. Otherwise, VPL shall supply 5% at variable cost	Construction activities yet to begin	Principal PPA: 28-09-2006 Amended PPA: 14-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	14	M/s. Astaranga Power Company Ltd., Bhubaneswar at Astaranga, Puri	2640 (2x660 + 2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, APCL shall supply 12% at variable cost.	Construction activities yet to begin	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	15	M/s. Aarti Steels Ltd., Ludhiana, Punjab at Ghantikhal, Cuttack	500 (50 + 450)	14% at variable cost, if Coal Block allocated within the State. Otherwise, ASL shall supply 12% at variable cost.	Proposed for withdrawing from the proposal	Date of PPA: 24-10-2009 Term of PPA: 25 years & can be extended mutually

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)	16	M/s. Sahara India Power Corporation Ltd., Mumbai at Titilagarh, Bolangir	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, SIPL shall supply 12% at variable cost.	Proposed for setting up of 200 MW solar power project	Date of PPA: 14-09-2009 Term of PPA: 25 years & can be extended mutually
	17	M/s. Adhunik Power & Natural Resources Ltd., Kolkata at Biramaharajpur, Sonapur	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, APNRL shall supply 12% at variable cost.	Construction activities yet to begin	Date of PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually
	18	M/s. JSL Ltd., Hissar, Haryana at Luni, Dhankanal	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, JSL shall supply 12% at variable cost.	Construction activities yet to begin	Date of PPA: 30-12-2010 Term of PPA: 25 years & can be extended mutually
	19	M/s. KU Projects Pvt. Ltd., Hyderabad at Pitamohul, Sonapur	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, KUPPL shall supply 12% at variable cost.	Construction activities yet to begin	Date of PPA: 30-12-2010 Term of PPA: 25 years & can be extended mutually
	20	M/s. SPI Ports Pvt. Ltd., Chennai at Mahakalpada, Kendrapara	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, SPIPL shall supply 12% at variable cost.	Construction activities yet to begin	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	21	M/s. Nava Bharat Ventures Ltd., Hyderabad at Kharagprasad, Dhenkanal	60 (1x60)	14% at variable cost, if Coal Block allocated within the State. Otherwise, NBVL shall supply 12% at variable cost.	# 1: 30.11.2015 However, generation is yet to commence	Date of PPA: 04.01.2011 Date of Revised PPA: 30-10-2014 (With out signing of MoU with Govt. of Odisha) Term of PPA: 25 years & can be extended mutually
	22	M/s Shyam Metaliks & Energy Ltd., Hyderabad [Formerly M/s. Shyam DRI Power Ltd., Hyderabad] at Rengali, Sambalpur	60 (2x30)	14% at variable cost, if Coal Block allocated within the State. Otherwise, SMEL shall supply 12% at variable cost.	Units # 1 & 2 have been converted to CGP, vide Order dated 17.06.2015 in Case No. 30 of 2010	Date of PPA: 23-10-2009 Term of PPA: 25 years & can be extended mutually
	23	M/s. NSL Orissa Power & Infratech Pvt. Ltd., Hyderabad at Handpa, Boinda, Angul	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, NOIPL shall supply 12% at variable cost.	Proposed for withdrawing from the proposal	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually

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EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE

Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)	24	M/s. Jindal Power Ltd., Hissar, Haryana at Badakerjang, Angul	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, JPL shall supply 12% at variable cost.	Construction activities yet to begin	PPA not yet executed though MoU signed on 07-02-2009
	25	M/s. Kalinga Energy & Power Limited, Bhubaneswar at Sodamal, Kuchinda, Jharsuguda	1000	14% at variable cost, if Coal Block allocated within the State. Otherwise, KEPL shall supply 12% at variable cost.	Construction activities yet to begin	PPA not yet executed though MoU signed on 07-02-2009
	26	M/s. Essar Power (Orissa) Ltd., Mumbai	1000	25% at full cost plus power generated beyond 80% PLF at variable cost	MoU has been cancelled	Principal PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	27	M/s. Vijaya Ferro & Power Pvt. Ltd., Raipur at Turla, Khamar, Kesinga, Kalahandi	120 (4x30)	14% at variable cost, if Coal Block allocated within the State. Otherwise, VFPPL shall supply 12% at variable cost.	MoU has been cancelled	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	28	M/s. CESC Ltd., Kolkata at Neulapoi, Dhenkanal	1320 (2x660)	25% at full cost plus power generated beyond 80% PLF at variable cost	MoU has been cancelled	PPA: 28-09-2006 Amended PPA: 05.09.2009 Revised: 31.12.2010 Term of PPA: 25 years & can be extended mutually
	29	M/s. Chambal Infrastructure Ventures Limited, New Delhi at Siaria, Dhenkanal	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, CIVL shall supply 12% at variable cost.	MoU has been cancelled	Date of PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually
	30	M/s. Visaka Thermal Power Pvt. Limited, Bhubaneswar at Rairakhol, Sambalpur	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, VTPPL shall supply 12% at variable cost.	MoU has been cancelled	Date of PPA: 15-09-2009 Term of PPA: 25 years & can be extended mutually
	31	M/s. BGR Energy Systems Ltd., Nellore, A.P. at Bhapur, Nayagarh	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, BESL shall supply 12% at variable cost.	MoU has been cancelled	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	32	M/s. J.R. Power Gen. Pvt. Ltd., Cathedral Road, Chennai at Baija, Dhaurpall Kishore Nagar Tahsil of Angul	1980 (3x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, JRPGPL shall supply 12% at variable cost.	MoU has been cancelled	Date of PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (NTPC & PSU)		<u>NTPC & PSU Plant</u>				
	1	TTPS, NTPC, Talcher Thermal	460 MW (4x60 + 2x110) MW	100%	#1:17.12.1967 #2:28.3.1968 #3:11.7.1968 #4:11.4.1969 #5:24.3.1982 #6:24.3.1983	Date of PPA: 08.03.1995 Term of PPA-25 Years & can be extended mutually
	2	Ib Thermal Power Station (OPGC), Stage-I at Banharpalli, Jharsuguda	420 MW (2x210) MW	100%	#1:20.12.1994 #2:01.07.1996	Date of PPA: 13.08.1996 Term of PPA: 30 years & can be extended mutually
	3	Ib TPS, Expansion Project, OPGC at Banharpalli, Jharsuguda (Unit 3 & 4)	1320 (2x660)	75% (up to 31.03.2023) 100% w.e.f. 01.04.2023	# 3: Jul, 2019 # 4: Aug, 2019	Date of PPA: 04-01-2011 Supplementary PPA: 24.01.2019 Term of PPA: 25 years & can be extended mutually
	4	Farakka STPS, Stage - I & II	1600 (3x200 + 2x500)	14.18%	Unit-I-1.11.1986 Unit-II 01.10.1987 Unit-III 01.09.1988 Unit-IV 01.07.1996 Unit-V 01.04.1995	Date of PPA: 25.05.1993 Term of PPA-25 Years & can be extended mutually
	5	Farakka STPS, Stage - III	500 (1x500)	17.15%	Unit-I 04.04.2012	Date of PPA: 27.12.2010 Term of PPA-25 Years & can be extended mutually
	6	Kahalgaon STPS, Stage - I	840 (4x210)	15.77%	Unit-I 01.01.1995 Unit-II 01.04.1995 Unit-III 01.02.1996 Unit-IV 01.08.1996	Date of 25.05.1993 Term of PPA-25 Years & can be extended mutually
	7	Kahalgaon STPS, Stage - II	1500 (3x500)	2.62%	Unit-I 01.08.08 Unit-II 30.12.08 Unit-III 20.03.10	Date of PPA: 11.08.06 Term of PPA-25 Years & can be extended mutually
	8	Talcher STPS, Stage - I	1000 (2x500)	32.34%	Unit-I 01.07.97 Unit-II 01.07.97	Date of PPA: 25.05.93 Term of PPA-25 Years & can be extended mutually
9	Talcher STPS, Stage - II	2000 (4x500)	10%	Unit-I 01.08.03 Unit-II 01.03.04 Unit-III 01.11.04 Unit-IV 01.08.05	Date of PPA: 20.01.07 Term of PPA-25 Years & can be extended mutually	

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EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (NTPC & PSU)	10	North Karanpura STPS, NTPC at Hazaribad & Chhatra, Bihar	1980 (3x660)	20%	# 1: Mar-2021 # 2: Sept-2021 # 3: Mar-2022	Date of PPA: 11-08-2006 Term of PPA: 25 years & can be extended mutually
	11	Integrated Thermal Power Station, NTPC at Darlipalli, Sundargarh	3200 (4x800)	50%	# 1: 01.03.2020 # 2: Sep-2020 # 3 & 4: Construction activities yet to start	Date of PPA: 27-12-2010 Term of PPA: 25 years & can be extended mutually
	12	NSPCL, Rourkela, JV of NTPC & SAIL at RSP, Rorkela	250 (1x250)	25 MW	Commissioning of the Unit expected in Jun, 2020	Date of PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	13	OTPCL (JV of OMC & OHPC) at Kamaksha Nagar, Dhenkanal	3200 (4x800)	100%	Construction activities yet to start	Date of PPA: 31-12-2010 Term of PPA: 25 years & can be extended mutually
	14	TTPS Expansion Project, NTPC at Talcher Thermal, Angul	1320 (2x660)	50%	Construction activities yet to start	Date of PPA: 20.01.2007 Term of PPA: 25 years & can be extended mutually
Central Hydro Power Projects	1	Chukha HEP, Bhutan	336 (4x84) (270 MW ER Allocation)	15.19%	1988	Date of PPA: 21.08.2002 Term of PPA & can be extended mutually
	2	Tala HEP, Bhutan	1020 (6x170)	4.25%	31.07.2006	Date of PPA: 27.09.2006 Term of PPA: 25 years & can be extended mutually
	3	Teesta-V PS (NHPC)	510 (3x170)	20.59%	10.04.2008	Date of PPA: 04.04.2008 (Original) 21.02.2017 (Renewal PPA) Term of PPA: 25 years & can be extended mutually
	4	Mangdechhu HEP (NHPC), Bhutan	720 (4x180)	10.97%	16.08.2019	Date of PPA: 30.08.2019 Term of PPA: 25 years & can be extended mutually

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE							
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA	
State Sector Hydro Power Projects		State Hydro Power Stations					
	1	Hirakud	275.5 (2x49.5 + 2x32 + 3x37.5) (Unit 5&6: Under RM&U)	100% - 5 MW for CSEB	# 1: 11.05.1958 # 2: 11.11.1957 # 3: 18.12.1956 # 4: 13.05.1957 # 5: 19.04.1962 # 6: 05.08.1963 # 7: 13.09.1990	Date of PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually	
	2	Chiplima	48 (3x24) (Unit 3: Under RM&U)	100%	# 1: 15.07.1962 # 2: 26.11.1962 # 3: 01.02.1964	Date of PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually	
	3	Balimela	250 (5x50)	100%	# 1: 14.08.1973 # 2: 25.01.1974 # 3: 24.08.1974 # 4: 26.03.1975 # 5: 07.05.1976 # 6: 05.01.1977 # 7: 23.12.2008 # 8: 23.01.2009	Date of PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually	
	4	Rengali	510 (6x60 + 2x75)	100%	# 1: 27.08.1985 # 2: 26.03.1986 # 3: 10.08.1989 # 4: 19.03.1990 # 5: 14.08.1992	Date of PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually	
	5	Upper Kolab	320 (4x80)	100%	# 1: 15.03.1988 # 2: 14.04.1988 # 3: 10.02.1990 # 4: 12.01.1993	Date of PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually	
	6	Upper Indravati	600 (4x150)	100%	# 1: 19.09.1999 # 2: 28.12.0999 # 3: 04.10.2000 # 4: 19.04.2001	Date of PPA: 18.08.1998 Term of PPA: 25 years & can be extended mutually	
	7	Machhkund	120 (3x17 + 3x23)	50%	# 1: 19.08.1955 # 2: 11.12.1955 # 3: 04.07.1957 # 4: 15.01.1959 # 5: 12.08.1959 # 6: 12.08.1960	Original PPA: 26.01.1946 15.12.1978 (Supplementary Agreement) Term of PPA: 25 years & can be extended mutually	

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Renewable Energy Projects from which GRIDCO is Procuring Power

IN SIDE THE STATE

A						
SOLAR						
Sl. No.	Name of the Project	Project Location	Installed/ Contracted Capacity (in MW)	Date of PPA/PSA	Term of PPA/PSA	COD date
1	M/s Raajratna Energy Holdings Pvt. Ltd.	Vil: Sadeipalli, Dist: Bolangir	1	21.08.2010	25 years from COD Term of PPA: 25 years & can be extended mutually	13.07.2011
2	M/s S.N. Mohanty,	Vil: Patapur, G.P: Kundeipada, Block: Baranga, Dist: Cuttack	1	21.08.2010	- do -	23.08.2011
3	M/s. MGM Green Energy Ltd.	Vil: Patrapada, G.P: Tangi, Block: Tangi, Dist: Khurda	1	21.08.2010	- do -	13.10.2011
4	M/s Molisati Vinimay Pvt. Ltd.,	Vil: Ranja, G.P.: Danara, Block: Barkote, Dist: Deogarh	1	21.08.2010	- do -	22.12.2011
5	M/s Jay Iron and Steel Ltd.	Vil: Haripada, Block: Bamra, Dist: Sambalpur	1	21.08.2010	- do -	11.03.2012
6	M/s Abacus Holdings Pvt. Ltd.,	Vil: Ainlachhat, Chadheipanka, Block: Ulunda, Dist: Sonepur	1	21.08.2010	- do -	13.03.2012
7	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.,	Vil: Tankajoda, Block: Bonai, Dist: Sundergarh	1	21.08.2010	- do -	15.03.2012
8	M/s Vivacity Renewable Energy Pvt. Ltd.	Vil: Benta, G.P.: Tangi, Block: Tangi, Dist: Nayagarh	1	21.08.2010	- do -	16.03.2012
9	M/s Aftaab Solar Pvt. Ltd.	Vil: Sadeipalli, Dist: Bolangir	5	12.01.2011	- do -	07.02.2012
10	M/s. Alex Green Energy Ltd.	Chingribandh, Patnagarh, Bolangir	5	26.05.2012	- do -	19.08.2014
11	ACME Odisha Solar Power Pvt. Ltd.	Deogaon, Bolangir	25	06.03.2013	- do -	22.06.2015
12	GEDCOL	Manamunda , Boudh, Odisha	20	12.08.2014	- do -	10 MW - 09.03.2016 5 MW - 26.03.2016 5 MW - 06.06.2016
13	M/s Jyoti Solar Solutions Pvt. Ltd.	Ganjahuda, Patnagarh, Bolangir	10	25.10.2016	- do -	04.05.2018
14	M/s Sadipali Solar Pvt. Ltd.	Kandel & Sindhabhali, Kesinga, Kalahandi	20	25.10.2016	- do -	14.05.2018
15	M/s Dakshin Odisha Urja Pvt. Ltd.	Ghuchapali, Padampur, Bargarh	40	25.10.2016	- do -	05.09.2018
16	M/s Vento Power & Energy Ltd.	Dendoguda, Kesinga, Kalahandi	40	25.10.2016	- do -	26.09.2018
17	M/s Vento Power Pvt. Ltd.	Kurkhaj, Tusra, Balangir	40	25.10.2016	- do -	18.01.2019
18	M/s Vento Power Infra Pvt. Ltd.	Salepali, Tusra, Balangir	40	25.10.2016	- do -	19.01.2019
19	M/s Vento Energy Infra Pvt. Ltd.	Panaspadar, Tentulikhunti, Nabarangpur	40	25.10.2016	- do -	21.01.2019
20	M/s Vento Power Projects Pvt. Ltd.	Dendoguda, Kesinga, Kalahandi	40	25.10.2016	- do -	21.01.2019
21	GEDCOL	Roof top solar on Govt./PSU buildings and institutes	4	March, 2019	- do -	31.03.2019
Sub Total			337			

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Sl. No.	Name of the Project	Project Location	Installed/ Contracted Capacity (in MW)	Date of PPA/PSA	Term of PPA/PSA	COD date
B SMALL HYDRO ELECTRIC POWER PROJECTS						
22	Meenakshi Power Ltd.	Middle Kolab, Koraput	(2x12.5) = 25	19.12.2008	- do -	14.07.2009
23		Lower Kolab, Malkangiri	(3x4) = 12		- do -	
24	Orissa Power Consortium Ltd. (OPCL)	Samal Barrage, Angul	(4x5) = 20	26.05.2009	- do -	12.10.2009
25	Odisha Power Generation Corporation (OPGC)	Kendupatna Small Hydro Project, Salipur, Cuttack	0.50	30.05.2020	- do -	23.01.1994
26		Biribati Small Hydro Project, Biribati, Cuttack	0.65		- do -	20.02.1994
Sub Total			58.15			
C BIO MASS POWER PROJECTS						
27	Shalivahana Green Energy Ltd.	Nimidha, Dhenkanal	(1x20) = 20	30.12.2010	- do -	19.12.2011
Sub Total			20			
TOTAL			415.15			

OUT SIDE THE STATE

A SOLAR						
1	Through NVVN Ltd.	Rajasthan	15	12.01.2011	- do -	Aug-13
2	Dadri Solar PV Station (Developed by NTPC)	Dadri, Gaziabad, UP	5	26.04.2011	- do -	30.03.2013
3	Faridabad Solar PV Station (Developed by NTPC)	Faridabad, Haryana	5	26.04.2011	- do -	31.03.2014
4	Through SECI	Gujarat	40	12.08.2014	- do -	20 MW from Mar '15, 20 MW from Sep '15, 20 MW from Jun '16
5	Through SECI	Rajasthan	10	12.08.2014	- do -	June '15
Sub Total			75			
B WIND						
6	ISTS Connected Wind Power Projects Phase-I (Through PTC INDIA LTD)	M/s OSTRO-KUTCH Wind Power Pvt. Ltd., Gujarat	50	20.07.2017	- do -	30.03.2019
7	ISTS Connected Wind Power Projects Phase-II (Through SECI)	M/s Green Infra Wind Energy Ltd., Kutch, Gujarat	100	24.11.2017	- do -	50.4 MW w.e.f 25.06.2019
Sub Total			150			
Total			225			
GRAND TOTAL			640.15			

g. Srinivas
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