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**ODISHA ELECTRICITY REGULATORY COMMISSION**

**BIDYUT NIYAMAK BHAWAN**

**PLOT NO.4, OERC ROAD, SHAILASHREE VIHAR, BHUBANESWAR -751021**

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Together, Let us light up our lives

**Present** : Shri G. Mohapatra, Officiating Chairperson
Shri S. K. Ray Mohapatra, Member

**CASE NOs. 84 of 2024, 88 of 2024, 95 of 2024 & 99 of 2024**

DATE OF HEARING: 27.02.2025 at 11.00 A.M (TPWODL),
20.02.2025 at 11.00A.M (TPSODL),
24.02.2025 at 11.00A.M (TPNODL)
25.02.2025 at 11.00 A.M (TPCODL)

DATE OF ORDER: 24.03.2025

**IN THE MATTER OF: Applications of Distribution Companies TPWODL, TPSODL, TPNODL & TPCODL for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff for the FY 2025-26 under Sections 62,64 & 86 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

**AND**

**CASE NOs. 85 of 2024, 100 of 2024, 96 of 2024 & 89 of 2024**

DATE OF HEARING: 27.02.2025 at 11.00 A.M (TPWODL),
20.02.2025 at 11.00A.M (TPSODL),
24.02.2025 at 11.00A.M (TPNODL),
25.02.2025 at 11.00 A.M (TPCODL)

**IN THE MATTER OF: Applications for approval of Open Access Charges for FY 2025-26 in accordance with Regulation 22, 23, 24 & 25 of OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system in view of Section 42 of the Electricity Act, 2003 of DISCOMs namely TPWODL, TPSODL, TPNODL & TPCODL.**

**AND**

**Case No. 86 of 2024**

DATE OF HEARING: 27.02.2025 at 11.00 A.M (TPWODL)

**IN THE MATTER OF: TPWODL's application for approval of Truing up of expenses for the FY2023-24 along with reconsideration/revisit of Truing up of for the FY2022-23.**

**AND**

**Case No. 101 of 2024**

DATE OF HEARING : 25.02.2025 at 11.00 A.M (TPSODL)

**IN THE MATTER OF: TPSODL's application for approval of Truing up of expenses for the FY 2023-24 along with reconsideration/revisit of Truing up of for the FY2022-23 & certain issues related to truing up of for the FY 2020-21(3 months) & for the FY 2021-22.**

**AND**

**Case No. 97 of 2024**

DATE OF HEARING : 24.02.2025 at 11.00 A.M (TPNODL)

**IN THE MATTER OF: TPNODL's application for approval of Truing up for the period of FY 2023-24 under Sections 62 & 86 (1) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.**

**AND**

**Case No. 90 of 2024**

DATE OF HEARING : 25.02.2025 at 11.00 A.M (TPCODL)

**IN THE MATTER OF: TPCODL's application for approval of Truing up of expenses for the FY2023-24 along with reconsideration/ revisit of Truing up for the FY2022-23.**

**AND**

**Case Nos. 87, 102, 98 & 91 of 2024**

DATE OF HEARING : 27.02.2025 at 11.00 A.M (TPWODL),
20.02.2025 at 11.00A.M (TPSODL),
24.02.2025 at 11.00A.M (TPNODL)
25.02.2025 at 11.00 A.M (TPCODL)

**IN THE MATTER OF: Applications of Distribution Companies TPWODL, TPSODL, TPNODL & TPCODL for approval of Capital Investment Plan for Installation of Smart Meter for the FY 2025-26 to FY 2031-32 in their areas of supply.**

**AND**

**Case No. 50 of 2024**

DATE OF HEARING : 27.02.2025 at 11.00 A.M (TPWODL)

**IN THE MATTER OF: TPWODL's application for approval of Additional Capex Plan for FY 2024-25 & 2025-26.**

**O R D E R**

The Distribution Licensees operating in the state of Odisha namely TPNODL, TPWODL, TPCODL and TPSODL are carrying out the business of distribution and retail supply of electricity in their licensed areas as detailed below:

**Table – 1**

| Sl. No. | Name of DISCOMS | Licensed Areas (Districts) | Percentage area of the State | Nos. of Consumers (As on 31.03.2024) |
|---|---|---|---|---|
| 1. | **TPNODL** | Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur. | **18.0** | **1954513** |
| 2. | **TPWODL** | Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda. | **32.3** | **2332015** |
| 3. | **TPCODL** | Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur. | **18.9** | **3206600** |
| 4. | **TPSODL** | Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri. | **30.8** | **2270915** |
| **Total Odisha** | | | **100.0** | **9764043** |

The Commission had initiated proceedings on the filing of Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2025-26 of these Distribution Licensees under relevant provisions of the Electricity Act, 2003 (36 of 2003). By this common Order, the Commission considers aforesaid Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff applications of the above-mentioned Distribution Licensees along with other tariff related matters.

## A. PROCEDURAL HISTORY (PARA 2 TO 21)

2. After the revocation of licenses of distribution utilities i.e. WESCO Utility, SOUTHCO Utility, NESCO Utility and CESU, the Commission, under Section 21 of the Electricity Act, 2003 vide its orders dated 28.12.2020 in Case No. 82 of 2020 had vested the Utilities of WESCO with TP Western Odisha Distribution Limited (TPWODL). Similarly, the Utility of SOUTHCO was vested with TP Southern Odisha Distribution Limited (TPSODL), vide its order dated 28.12.2020 in Case No. 83 of 2020. The utility of NESCO was vested with TP Northern Odisha Distribution Limited (TPNODL) vide order dated 25.03.2021 in Case No. 09 of 2021 and the utility of CESU was vested with TP Central Odisha Distribution Limited (TPCODL) vide order dated 26.05.2020 in Case No.11 of 2020. Accordingly, the responsibilities of erstwhile distribution utilities have been transferred to TPWODL, TPSODL, TPNODL and TPCODL with effect from 01.01.2021, 01.01.2021, 01.04.2021and 01.06.2020 respectively.

3. As per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022, herein after referred to as "OERC Wheeling & RST Regulations, 2022", the Distribution Utilities i.e. TPCODL, TPWODL, TPNODL and TPSODL have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2025-26 on or before 30$^{th}$ November, 2024.

4. The said Aggregate Revenue Requirement (ARR), Wheeling Tariff & Retail Supply Tariff applications were duly scrutinized and were registered as Case No. 88/2024 (TPCODL), Case No. 95/2024 (TPNODL), Case No. 84/2024 (TPWODL) and Case No.99/2024 (TPSODL).

5. As per the direction of the Commission, applicants have published the Aggregate Revenue Requirement (ARR), Wheeling & RST tariff Applications, Truing up applications and their applications for Capital Investment Plan for Installation of Smart Meter for the FY 2025-26 to FY 2031-32 in the prescribed formats in the leading and widely circulated Odia and English newspaper in their area of supply in order to invite objections/suggestions from the general public. The above applications were also posted on the Commission's website (www.orierc.org) including the website of the DISCOMs. The Commission had also directed the applicants to file their respective rejoinder to the objections filed by all the Objectors.

6. The Commission had also appointed the following Consumer Counsels under Section 94(3) of the Electricity Act, 2003 to represent the interest of the Consumers and present their views on the proposals of the DISCOMs in their ARR Applications, based on the feedback received from the Consumers in the licensed areas as mentioned in the Table below:

**Table – 2**
**Details of Consumer Counsel appointed by the Commission**

| Sl. No. | Name of the Organisations/persons with address | Name of the Distribution Utility from where the Consumer Counsel to represent |
|---|---|---|
| **1** | Grahak Panchayat, Friends Colony, Parlakhemundi, Dist: Gajapati-761200 | TPSODL |
| **2** | Orissa Consumers' Association, Balasore Chapter, Balasore-756126 | TPNODL |
| **3** | Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9. | TPCODL |
| **4** | Shri Satya Bhusan Rath, advocate, N2/51, IRC Village, Bhubaneswar-751015. | TPCODL |
| **5** | Shri Lalatendu Dikhit, At/Po-Sarakana, Ps-Balianta, Dist: Khordha-752100. | TPCODL |
| 6 | Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur-678003 | TPWODL |
| 7 | Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-769012 | TPWODL |
| 8 | The Secretary, PRAYAS Energy Group, Pune- 411004 | TPCODL, TPNODL, TPWODL & TPSODL |

7. In response to the above public notices, the Commission received objections/ suggestions from the following persons/ associations/ institutions/ organizations as mentioned below against each of the respective distribution companies:

**Objections / suggestions on TPWODL's (Erstwhile WESCO Utility) application by:**

(1) M/s. Microcosm Reframin Private Ltd.,Arya Resudency, Flat No.104, Block-C, Sarabahal, Jharsuguda-768201, (2).M/s. Vedanta Ltd.,1st Floor, C-2, Fortune Tower, C.S.pur, Bhubaneswar-751023,(3). Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (4). M/s. Odisha Roller Flour Mills Association, (ORFMA) At-Shri Lalbaba Roller Flour Mills (P) Ltd., Gosala, Nayabazasr, Cuttack-753004, (5) . M/s. All Odisha Rice Miller's ( AROMA) at S-3/36,Sector-A, Zone – Bmancheswar, (6). Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, (7). Sampatrai Rotary Club of Senior Citizens Home (SRCCSCH), Naraj, Cuttack-754006, (8). Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (9). M/s. East Cost Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (10). M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (11). M/s. Scan Steels Limited,(Unit-I), At- Rambahal, P.O:Keshramal, Near Rajgangpur, Dist.-Sundargarh-770017, (12). M/s. Power Tech Consultants, At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029,(13). M/s. Bajrang Steel & Alloys Ltd.,Plot No.31,Goibhanga,Kalunga,Rourkela, Dist.-Sundragarh-770031, (14). Odisha Power Transmission Corporation Ltd.,Janpath, Bhubaneswar-751022,(15). Er.(Dr.) P.K.Pradhan,HIG-!, SDA Colony,Near VSSUT, Burla-768018, (16). M/s. Scan Steels Ltd.(Unit-III),At-Bai-Bai, Tudalaga, Bargaon, Dist.-Sundargarh-770016, (17). M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga,

Dist-Sundargarh-770031, (18). M/s.Scan Steel Ltd.Unit-!), Ramabahal, P.O:-Kesharamal, Near Rajgangpur, Dist-Sundargarh-770017, (19) M/s. Bhushan Power and Steel Ltd., Lapanga, P.S-Thelkoi, Rengali, Sambalpur-768212, (20). M/s. Maa Girija Ispat (P) Ltd., At-BB-2, Ground Floor, Civil Township, Rourkela-769004, Dist-Sundargarh, (21). M/s. Puspanjana Alloys Pvt. Ltd., At- Balanda, P.O: Kalunga, Dist.-Sundargarh-770031, (22). Shri Panchanana Jena, S/O. Late Bairagi Jena,Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (23). Sri Judhister Behera, S/o.- Late Kandia Behera, Sidhartha Nagar, Lane-1, Berhampur-760004, (24). Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-755001, (25).Sri Manoranjan Routray, Trinath Temple Street,Koraput-764020,(26). M/s. D. D. Iron & Steel (P) Limited, H-4/5, Civil Township, Rourkela-769004, Dist-Sundargarh, (27). Sri Ananda Kumar Mohapatra, S/o.-Late Jachindra Nath Mohapatra, Plot No.799/4, Kotiteetrtha Lane, Old Town, Bhubaneswar-751002,(28). M/s. B R Steel & Power Pvt. Ltd.,At-Patapali/Sikirdi, P.O: Katapalli, Samabalpur-768006, (29).M/s. Reliance JIO Infocom Ltd.,Wing A & B, First Floor, Fortune Tower, C.S.Pur,Bhubaneswar-751023,(30). M/s. Toptech Steels Pvt.Ltd., Plot No.972/3634, Hatibari Road, Kuarmunda, Sundergarh-770039, (31). M/s. Shri Radha Krishna Ispat Pvt. Ltd., Plot No.19 P,Goibhanga, Kalunga, Sundergarh-770031,(32). M/s. Chunchun Ispat Pvt. Ltd., At-Usra, P.O: Kaurmunda, Dist.-Sundargarh-770039, (33). M/s. Shri Radha Raman Alloys Pvt. Ltd., At-T-16, Civil Township, Rourkela, Jharbeda, Kutra, Dist.-Sundargarh-770070, (34). M/s. Refulgent Ispat Pvt. Ltd., At-Chikatmati, Plot No.1437, P.O: Belhidi, Sundargarh-770031, (35). M/s. Arun Steel IndustriesPvt. Ltd.,At-Plot No.373, Jiabahal Road, Kalunga, Dist.-Sundargarh-770031, (36).M/s. Bajarangabali Sponge & Power Ltd.,Plot No.82,IDC, Kalunga, Sundargarh, (37). Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, Ex-MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (38). Shri Bidyadhar Mohanty, Chorda,P.O:Jajpur Road, Jajpur, (39).M/s. Greengold Bamboo Foundation, At-Dewansaheb Para,P.O/P.S.- Bhawanipatna, Kalahandi-766001,(40). Shri Umakanta Mohapatra, S/O.Late Prabodha Chandra Mohapatra,At/P.O;Sunhat, P.s-Town, Dist.-Balasore-756002, (41). M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (42).M/s. Romco Alluminate Pvt. Ltd., At-Bijabahal, P.O-Kuarmunda, Dist.-Sundargarh-770039, (43). Sri Ananta Narayan Mahanty, S/O.Biswanath Mahanty, At/P.O-Bamakoyi, P.S- Nuagum, Dist.-Ganjam-761042, (44).Shri Bibekananda Mohanty, S/O.-Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist.-Jajpur-755019, (45). Shri Asitananda Biswal, S/O. Late Gobinda Chandra BiSwal, At/P.O-Chorda, P.S. Jajpur Road, Jajpur-755019, (46). Shri Rajendra Samal, S/O.Nilamani Samal, Natapada, Jajpur Road, Jajpur-755019, (47). Sri Subrat Behera, Advocate, At/P.O. Ranipatna, Balasore-756001, (48). Sri Manoranjan Routray, S/O. Shri Khetramohan Routray, Trinath Temple Street, At/P.o./P.s/ Dist.-Koraput, (49). Shri Jayanta Kumar Jena, S/o. Late Baikuntha Bihari Jena, Plot No.40, Bapuji Nagar,P.O. Asok Nagar, Bhubaneswar—751009, (50). Shri Ashok Kumar Nanda, S/o. Late Banabihari Nanda, Covener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (51). M/s. Subha Ispat Ltd.,Vill.-Jiabahal, P.O:Kalunga, Dist.-Sundargarh-770031, (52). M/s. Reliable Sponge Pvt. Ltd., At-YYY-

6,Civil Township, Rourkela-769004, (53). M/s. Maa Girija Ispat Pvt.Ltd., At-BB-2,Ground Floor, Civil Township,Rourkela-4, Dist.-Sundargarh, (54). M/s. Vishal Ferro Alloys Pvt.Ltd.,At-Plot No.1562/2565,Balanda,P.O: Kalunga, Rourkela, Sundargar - 770031, (55). M/s. Indian Energy Exchange, Plot No.-C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, ( 56). M/s. Jai Balaji Jyoti Steels Ltd., At-Unitech House, Uditnagar, Rourkela-769012,(57). M/s.GRIDCO Ltd., Janpath, Bhubaneswar-751022, (58) Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Dist.-Sambalpur-678003(Consumer Counsel), (59). Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela-769012(Consumer Counsel), (60). Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel) & (61). The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

8. All the above named Objectors had filed their objections/suggestions and out of the above Objector Nos. 6, 7, 8, 22, 23, 24, 25, 29, 30, 32, 34, 35, 36, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56 and the Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur-678003, Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela.- 769012 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were absent during tariff hearing through hybrid mode. All written submissions filed by objectors were taken on record and considered by the Commission. The Commission heard the applicant, the Objectors, Consumer Council-WISE appointed by the OERC during hearing through hybrid mode.

9. **Objections/ suggestions on TPSODL's (Erstwhile SOUTHCO Utility) application by:**

1) M/s.Vignesh Foods, At-Bagriaguda, Near Paper Mill, Jeypore, Koraput-764002, (2). Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, (3). The Sampatri Rotary Club of Cuttack Senior Citizens Home(SRCCSCH), Naraj,Cuttack-754006, (4). Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (5).The Deputy Chief Electrical Engineer (TRD), East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017,(6). M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (7). Odisha Power Transmission Corporation Ltd.,Janpath, Bhubaneswar-751022,(8). M/s. Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (9). Shri Panchanana Jena, S/O. Late Bairagi Jena,Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (10).Sri Judhister Behera, S/o. Late Kandia behera, Sidhartha Nagar, Lane -1, Berhampur-760004, (11). Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (12). Sri Manoranjan Routray, Trinath Temple Street, P.o/Dist.-Koraput-764020, (13). Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (14). M/s. GRIDCO Ltd., Janpath, Bhubaneswar-751022, (15). M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (16). Sri Ananda Kumar Mohapatra,S/O.Late Jachindra Nath Mohapatra, Plot No.799/4, Kotiteerthsa Lane,

Old Town, Bhubaneswar-751002,(17). Shri Ashok Kumar Nanda, S/o. Late Banabihari Nanda, Covener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (18). M/s. Maa Bana Devi Poultry Pvt. Ltd.,At/P.O- Nuagaon, Ganjam, (19). Shri Ratan Majhi, General Secretary, Jila Janajati Surakhya Mancha, Nabarangapur,Dist.-Koraput-764059, (20). M/s. Indian Energy Exchange, Plot No.-C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, (21). M/s. All India Weavers Welfare and Charitable Trust,Om Sai Marg, Manik Nagar-5,P.O.-Hinjilicut, Dist.-Ganjam761102, (22). M/s. ATC Telcom Infrastructure (P) Ltd., 4th Floor, Module-A, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023, (23) Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati-761200 (Consumer Counsel), (24). Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (25). The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

10. All the above-named Objectors had filed their objections/suggestions and out of the above Objectors, the Objector No.3,5,10,11,12, 17,20,21, 22,23 and both the Consumer Counsels were absent during hearing through hybrid mode and also had not submitted their written note of submissions for consideration by the Commission. The Commission heard the applicant, the Objectors, Consumer Council- WISE appointed by the OERC. All written submissions filed by Objectors were taken on record and considered by the Commission.

11. **Objections/suggestions on TPNODL's (Erstwhile NESCO) application by:**

(1) Sri Shyamapada Nandi,S/o.Sri Sachindra Nath Nandi, At-Nachindia, P.O; Jathia, P.S.-Baliapal, Balasore-756023, (2). Sri Prabir Kumar Pradhan, S/o. Sri Prasanna Kumar Pradhan,At-Parulia, P.O: Asti,, Baliapal, Balasore-756026,(3). M/s. Odisha Roller Flour Mills Association,(ORFMA) At-Shri Lalbaba Roller Flour Mills (P) Ltd., Gosala, Nayabazasr, Cuttack-753004,(4) . M/s. All Odisha Rice Miller's ( AROMA) at S-3/36,Sector-A, Zone – Bmancheswar,(5). Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007, (6). Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, (7). Sampatrai Rotary Club of Senior Citizens Home (SRCCSCH), Naraj, Cuttack-754006, (8). Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012,(9). M/s. East Cost Railway,Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (10). M/s. Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (11). M/s. Utkal Chamber of Commerce & Industry Ltd.(UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (12).M/s. Jindal Stainless Ltd., Kalinga Nagar, Industrial Complex, Jajpur-755026, (13), M/s. North Odisha Chamber of Commerce and Industry (NOCCI), Ganeswarpur Industrial Estate, Januganj, Balasore-756019, (14).M/s. Odisha Power Transmission Corporation Ltd.,Janpath, Bhubaneswar-751022, (15). M/s. Visa Steel Ltd., Kalinganagar Industrial Complex, At/P.O: Jakhapura, Dist.-Jajpur-755026, (16). M/s.Tata Steel Ltd, Kalinganagar Industrial Complex, At/P.O:Duburi, JK Road, Dist.-Jajpur-755026,(17). Shri Panchanana Jena, S/O. Late Bairagi Jena,Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010,(18). Sri Judhister Behera, S/o.

Late Kandia behera, Sidhartha Nagar, Lane -1, Berhampur-760004, (19). Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (20). M/s. Nilachal Ispat Nigam Ltd., Nilachal House, Kalinga Nagar Industrial Complex,Duburi, Jajpur-755026, (21). Sri Manoranjan Routray, Trinath Temple Street, P.o/Dist.-Koraput-764020, (22). Sri Ananda Kumar Mohapatra,S/O.Late Jachindra Nath Mohapatra, Plot No.799/4, Kotiteerthsa Lane, Old Town, Bhubaneswar-751002, (23). Sri Santosh Kumar Sethi,At/P.O: Nachhipur, Khaira, Dist.-Balasore-756048, (24). Sri Prasanta Kumar Panda, At-Goudapada, P.O:Jamujhardi, Simulia, Balasore-756126, (25). M/s. Reliance JIO Infocom,Ltd.,Wing A&B, First Floor, Fortune Tpower, Chandrasekharpur, Bhubaneswar-7541023,(26). Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, Ex- MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (27). Shri Bidyadhar Mohanty, Chorda,P.O: Jajpur Road, Jajpur, (28).M/s. Sita Ratan International, Shri Jay Prakash Bhatter, S/O.Manoj Kumar Bhatter, At-Ward No.4, Near M.P.K. Girls'High School, Lalbazar, P.O/P.S: Baripada, Mayurbhanj, (29). Shri Umakanta Mohapatra, S/o.Late Prabodha Chandra Mohapatra, At/P.O:Sunhat, P.s:Town, Balasore-756002, (30). M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82,Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (31). ). Sri Ananta Narayan Mahanty, S/O.Biswanath Mahanty, At/P.O-Bamakoyi, P.s-Nuagum, Dist.-Ganjam-761042,(32).Shri Bibekananda Mohanty, S/O.-Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist.-Jajpur-755019, (33). Shri Asitananda Biswal,S/O. Late Gobinda Chandra Biswal, At/P.O-Chorda, P.S. Jajpur Road,Jajpur-755019, (34). Shri Rajendra Samal, S/O.Nilamani Samal, Natapada, Jajpur Road, Jajpur-755019, (35). Sri Subrat Behera, Advocate, At/P.O. Ranipatna, Balasore-756001, (36). Sri Manoranjan Routray, S/O. Shri Khetramohan Routray, Trinath Temple Street, At/P.o./P.s/ Dist.-Koraput, (37). Shri Jayanta Kumar Jena, S/o. Late Baikuntha Bihari Jena, Plot No.40, Bapuji Nagar,P.O. Asok Nagar, Bhubaneswar—751009, (38) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-751022,(39).M/s.Odisha Consumers Association, Balasore Chapter, C/O-Shri Nilambar Mishra, At/P.O:Rudhungaon, Simulia, Balasore(Consumer Counsel),(40). Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), 41). The Principal Secretary to Govt. Department of Energy, Govt of Odisha.

12. All the above named objectors had filed their objections/suggestions and out of the above Objectors, the Objector No.6,7,9,17,18,19,21,23,24,25,27,28,19,31,32,33,34,35,36,37,38 and both the Consumer Counsels were absent during hearing through hybrid mode and also had not submitted their written note of submissions for consideration by the Commission. The Commission heard the applicant, the Objectors, Consumer Council-WISE appointed by the OERC. All written submissions filed by Objectors were taken on record and considered by the Commission.

13. **Objections/suggestions on TPCODL's (Erstwhile CESU Utility) application by:**

(1) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar-751007,(2). Sri Rudra Prasan Hota, General Secretary, Seafood Exports Association of India, Odisha Region,204, Utkal Signature, 2nd Floor, Pahal, Bhubaneswar, (3). M/s. Odisha Roller Flour Mills Association, (ORFMA) At-Shri

Lalbaba Roller Flour Mills (P) Ltd., Gosala, Nayabazasr, Cuttack-753004, (4) . M/s. All Odisha Rice Miller's (AROMA) at S-3/36, Sector-A, Zone – Bmancheswar,(5). Shri Priyabrata Sahu, S/o. Late Adikanda Sahu, At-Bijay Bihar, 3rd Lane, P.O: Berhampur, Dist.-Ganjam-760004, (6). Sampatrai Rotary Club of Senior Citizens Home (SRCCSCH), Naraj, Cuttack-754006, (7). Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (8). M/s. East Cost Railway,Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (9). M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (10)M/s. Karma Re-Roller Pvt.Ltd.,Plot No.3/445, IRC Village, Bhubaneswar-12, (11) M/s. Odisha Power Transmission Corporation Ltd.,Janpath, Bhubaneswar-751022, (12). M/s. Tata Steel Ltd., Athagarh, Anantapur, P.O: Dhursia, Cuttack-754027, (13) Sri Prasanna Kumar Bisoi, S/O. Adhikari Bisoi, At/P.O: Begunia, Dist. Khurdha-752062, (14). M/s. Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (15). M/s. Jindal Steel & Power Ltd., Chhendipada Road, P.O: Jindal Nagar, Anugul-759111, (16). Sri Judhister Behera, S/O.Late Kandia behera, Sidhartha Nagar, Lane -1, Berhampur-760004, (17) Shri Panchanana Jena, S/O. Late Bairagi Jena, Working President, Bijuli Karmachari Sangha, Sakti Nagar, 3rd Lane, Engineering School Road, Berhampur-760010, (18) Shri Prabhakar Dora, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001, (19) Sri Manoranjan Routray, Trinath Temple Street, P.O/Dist.-Koraput-764020,(20). Sri Ananda Kumar Mohapatra,S/O.Late Jachindra Nath Mohapatra, Plot No.799/4, Kotiteerthsa Lane, Old Town, Bhubaneswar-751002, (21). M/s. Reliance JIO Infocom, Ltd., Wing A&B, First Floor, Fortune Tpower, Chandrasekharpur, Bhubaneswar-7541023, (22). Shri Kamalakanta Das, S/o.Late Nisakar Das, Flat No.D/102, Prestige Residence, Mahadev Nagar, Jharapada, Bhubaneswar-751006, (23). Shri Ashok Kumar Pattnaik, M/s. BRG Iron & Steel Co.Pvt. Ltd., Flat No.1001, Tower-8,Z-1,, Advait, Nandankanan Road, Patia, Raghunathpur, Bhubaneswar-751024, (24). Shri Soumya Ranjan Patnaik, S/o. Late Brajabandhu Patnaik, Ex- MLA, Khandapada, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar-751015, (25). Sri Bidyadhar Mohanty, At-Chorda, P.O: Jajpur Road, Jajpur, (26). Sri Jyoti Prakash das, S/o. Late Satyabadi Das, Ex-Member-ELBO,At- Devi Mandir, Shaiksh Bazar, Cuttack-753008, (27). Shri Umakanta Mohapatra, S/O. Late Prabodh Chandra Mohapatra, At/P.O Sunhat, P.S. Town, Dist.-Balasore-756002, (28). M/s. Grinity Power Tech Pvt. Ltd., At-K-8/82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029, (29). Shri Ananta Narayan Mohanty, S/O. Shri Biswanath Mohanty, At/P.O: Bamakoyi, Dist.-Ganjam-761042, (30). Shri Bibekananda Mohanty, S/O.-Late Harekrushna Mohanty, Civil Society, Jajpur Road, Dist.-Jajpur-755019, (31). Shri Asitananda Biswal,S/O. Late Gobinda Chandra Biswal, At/P.O-Chorda, P.S. Jajpur Road,Jajpur-755019, (32). Shri Rajendra Samal, S/O.Nilamani Samal, Natapada, Jajpur Road, Jajpur-755019, (33). Sri Subrat Behera, Advocate, At/P.O. Ranipatna, Balasore-756001, (34). Sri Manoranjan Routray, S/O. Shri Khetramohan Routray, Trinath Temple Street, At/P.o./P.s/ Dist.-Koraput, (35). Shri Jayanta Kumar Jena, S/o. Late Baikuntha Bihari Jena, Plot No.40, Bapuji Nagar,P.O. Asok Nagar, Bhubaneswar—751009, (36). Shri Himanshu Shekhar Mishra, Secretary, Orissa Small Scale Industries Association, Ajay Binay Bhawan, Industrial Estate, Cuttack-753010, (37).

Shri Ashok Kumar Nanda, S/o. Late Banabihari Nanda, Covener, Odisha Janashakti Manch, Plot No.196/2282, Mukti Nilay, Khandagiri, Bhubaneswar-751030, (38). Sri Vinod Bhut, S/o: Sri Sankarlal Bhut, General Secretary, Odisha Industries Association, New Industrial Estate, At/P.O: Jagatpur, Cuttack-754021,(39). M/s. Shyam Casting Pvt.Ltd., At-Gopalpur,P.O: Chasapada, Cuttack-754027, (40).M/s. Association of Industrial Enterpreneurs of Bhubaneswar, Shed No. A/12, Sector-A, Zone –A, Chandaka Integrated Industrial Complex, Mamcheswar, Bhubaneswar-751010, (41). M/s. Indian Energy Exchange, Plot No.-C-001/A/1, 9th Floor, Max Towers, Sector-16B, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301,(42). M/s. Pragati Milk Product Pvt. Ltd., Plot No.71/A/1& 71/A, New Industrial Estate, Jagatpur, Cuttack-754021, (43). Odisha Retaired Power Engineers' Forum, C-7640, Bhoi Nagar, Bhubaneswar-751022, (44) M/s. GRIDCO Ltd., Janpath, Bhubaneswar-751022, (45).Sri Satya Bhusan Rath, N2/51, IRC Village, Bhubaneswar-751015 ( Consumer Counsel), (46). Sri lalatendu Dikhit, At/P.O:Sarakana, Dist.-Khurdha-752100, (47). Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India (Consumer Counsel), (48) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 (Consumer Counsel), (49) Department of Energy, Govt.of Odisha,Kharavel Nagar, Bhubaneswar.

14. The above named objectors at Sl. Nos.16, 17, 18, 19, 21, 23, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 44, 45 & 48 and both the Consumer Counsels namely Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009 and PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, India were absent during the hearing through hybrid mode on 25.02.2025 at 11.00 A.M and also had not submitted their written note of submissions for consideration of the same by the Commission. The Commission heard the applicant, the Objectors, Consumer Council - WISE appointed by the OERC. All written submissions filed by Objectors were taken on record and considered by the Commission.

15. The dates for hearing were fixed and it was duly notified in the leading English and Odia daily newspapers mentioning the date and time of hearing through hybrid mode along with the names of the Objectors. The Commission issued notice to the Govt. of Odisha represented by the Department of Energy to take part in the hearing by their authorized representative in the ensuing tariff proceedings through hybrid mode.

16. In its consultative process, the Commission conducted public hearings in the Hearing Hall of the Commission's Office at Plot No.4, Sailashree Vihar, Bhubaneswar-751021 through Hybrid Mode (Virtual or by Physical presence) on 20.02.2025 at 11.00 A.M. for TPSODL, on 24.02.2025 at 11.00 A.M. for TPNODL, on 25.02.2025 at 11.00 AM. For TPCODL & on 27.02.2025 at 11.00 A.M. for TPWODL through hybrid mode. The Commission during hearing heard the Applicants, Consumer Counsel, World Institute of Sustainable Energy, Pune and the persons/institutions/ organizations who had filed their written views and participated in the hearing through hybrid mode, the Objectors present during hearing and the representative of the DoE, Government of Odisha at length.

17. Distribution Companies of Odisha had filed their Applications for determination of Open Access Charges for FY 2025-26 in accordance with Regulations 22, 23, 24 & 25 of OERC

(Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system which were registered as Case Nos. 85 of 2024 (TPWODL), 89 of 2024 (TPCODL), 96 of 2024 (TPNODL) & 100 of 2024 (TPSODL).

18. TPWODL, TPCODL, TPNODL& TPSODL had filed their applications for approval of Truing up expenses for the FY 2023-24 along with reconsideration/ revisit of Truing up for the FY 2022-23 & certain issues related to truing up for the FY 2020-21(3 months) & for the FY 2021-22 which were registered as Case Nos. 86 of 2024, 90 of 2024, 97of 2024 & 101 of 2024 respectively. These Cases were taken up for analogous hearing with their ARR & RST applications for FY 2025-26 in compliance to the directions of the Commission in their Vesting Orders passed in separate Suo Motu proceedings. The Commission had directed the DISCOMs to publish the Public Notice regarding their application in widely circulated Odia and English newspaper inviting views/ suggestion of the public. The Commission had also posted a copy of their applications in its website.

19. The Commission has taken up Case Nos. 87 of 2024, 102 of 2024, 98 of 2024 & 91 of 2024 registered for the applications of Distribution Companies TPWODL, TPSODL, TPNODL & TPCODL respectively for approval of Capital Investment Plan for Installation of Smart Meter for the FY 2025-26 to FY 2031-32 in their areas of supply together with the applications of the Distribution Utilities for determination of ARR, Wheeling Tariff & Retail Supply Tariff for FY 2025-26 for analogues hearing as the matter is inter related to fixation of tariff of the Distribution Companies and posted the matters for hearing through hybrid mode on 20.02.2025 at 11.00 A.M for TPSODL, on 24.02.2025 at 11.00 A.M for TPNODL on 25.02.2025 at 11.00 A.M for TPCODL and on 27.02.2025 at 11.00 A.M for TPWODL with due notice to the applicants and the objectors.

20. Heard the Applicants, Consumer Counsels, Objectors present in the hearings along with representative of DoE, GoO on the applications of Distribution Companies of the state namely TPWODL, TPSODL, TPNODL & TPCODL for approval of Aggregate Revenue Requirement, Wheeling Tariff & Retail Supply Tariff for the FY 2025-26, application for Open Access Charges for FY 2025-26 & truing up of expenses for FY 2023-24 along with reconsideration/ revisit of Truing up for the FY 2022-23 & certain issues related to truing up for the FY 2020-21 (3 months) & FY 2021-22 and applications for approval of Capital Investment Plan for Installation of Smart Meter for the FY 2025-26 to FY 2031-32 in their areas of supply, on different dates as mentioned above.

21. The Commission convened the State Advisory Committee (SAC) meeting on 01.03.2025 at 11.00 AM through online mode to discuss about the Aggregate Revenue Requirement, Wheeling Tariff and Retail Supply Tariff applications of the Distribution Utilities for FY 2025-26. The Members of SAC, Special Invitees and the Representative of DoE, Govt. of Odisha actively participated in the discussion and offered their valuable suggestions & views on the matter for consideration of the Commission.

## B. ARR & RETAIL SUPPLY TARIFF PROPOSAL OF THE DISCOMs FOR THE FY 2025-26 (Para 22 to 46)

22. **Energy Sales, Purchase and Distribution Loss**

The Distribution Licensees of the state, namely TPCODL, TPNODL, TPWODL and TPSODL had submitted the actual energy purchase quantum along with Energy sales till FY 2023-24. They had also submitted the estimated energy sales for the FY 2024-25 based on the actual sales figures for the months from April-2024 to December-2024 and the estimated sales forecasted for the ensuing FY 2025-26. Details of these submissions along with overall distribution loss is as given in the below.

**Table – 3**
**Energy Sale, Purchase and Loss**

| DISCOMs | Particulars | 2019-20 (Actual) | 2020-21 (Actual) | 2021-22 (Actual) | 2022-23 (Actual) | 2023-24 (Actual) | 2024-25 (Rev. Est.) | 2025-26 (Est.) |
|---|---|---|---|---|---|---|---|---|
| TPCODL | Energy Sale (MU) | 6273.19 | 6202.32 | 6728.00 | 7639.10 | 8853.40 | 10037.699 | 11449.38 |
| | Energy Purchased (MU) | 8160.1 | 8370.43 | 8817.00 | 9901.98 | 11299.17 | 12421.246 | 13822.75 |
| | Overall Distribution Loss % | 23.124% | 25.90% | 23.69% | 22.85% | 21.65% | 19.19% | 17.17% |
| TPNODL | Energy Sale (MU) | 4722.18 | 3921.63 | 4346.99 | 5410.05 | 5996.36 | 6900.629 | 7588.82 |
| | Energy Purchased (MU) | 5439.43 | 4941.19 | 5327.04 | 6473.32 | 7047.15 | 8037.071 | 8718.78 |
| | Overall Distribution Loss % | 13.19% | 20.63 | 18.40% | 16.43% | 14.91% | 14.14% | 12.96% |
| TPWODL | Energy Sale (MU) | 6114.51 | 5714 | 7355.80 | 10609.62 | 10643.74 | 9553.810 | 9812.30 |
| | Energy Purchased (MU) | 7523.90 | 7625 | 9313.21 | 13002.41 | 12752.41 | 11511.00 | 11550.00 |
| | Overall Distribution Loss % | 18.73% | 25.07% | 21.02% | 18.4% | 16.54% | 17.00% | 15.05% |
| TPSODL | Energy Sale (MU) | 2619.97 | 2768.94 | 3021.54 | 3155.37 | 3194.94 | 3543.920 | 3835.09 |
| | Energy Purchased (MU) | 3468.62 | 3599.29 | 3941.54 | 4188.45 | 4345.31 | 4700.159 | 5062.15 |
| | Overall Distribution Loss % | 24.47% | 23.07% | 23.34% | 24.67% | 26.47% | 24.60% | 24.24% |
| All Odisha | Energy Sale (MU) | 19729.85 | 18606.41 | 21452.34 | 26813.78 | 28688.44 | 30035.968 | 32685.59 |
| | Energy Purchased (MU) | 24592.06 | 24535.74 | 27398.79 | 33566.16 | 35444.05 | 36669.476 | 39153.67 |
| | Overall Distribution Loss % | 19.77% | 24.16% | 21.70% | 20.12% | 19.06% | 18.09% | 16.52% |

23. **Sales Forecast**

TPCODL has submitted that Domestic consumption is expected to be high (22%) during the FY 2025-56 based on current trend of growth and other LT sales is expected to be 16%. The overall growth in LT sales is expected to be 17.38% in the FY 2025-26. The HT sales have been projected based on the current consumption trend of Consumers having CD > 1 MVA and new connections released. TPCODL has estimated a growth of 14% in the total HT sales. It has further submitted that the EHT sales have not increased in the FY 2024-25 due to increase in consumption of power Intensive industries and Heavy Industries through their CGPs thereby reducing Licensees share. Therefore, TPCODL has projected a reasonable growth of 5% in the total EHT sales for the FY 2025-26.

24. TPNODL has considered actual sales data for the first six months of FY 2024-25 including load growth in the pipeline and had relied on the past trend of consumption

pattern for last ten years. Various other factors have also been considered for projection of sales for the ensuing year such as actual addition/reduction of load, present trend of drawl of power through open access, additional drawl on account of special tariff for industries having CGP with CD up to 20MW, mass prawn cultivation in coastal area, water supply schemes of Govt and Irrigation schemes for farmers. The domestic consumption has been estimated to increase by 24% in the ensuing financial year. With implementation of project Krishi Sudhar for sanitization and arrest of theft in irrigation sector, scaling up of large-scale prawn cultivation in the coastal areas, implementation of Central Govt. Scheme like National Rural Drinking Water Program (NRDWP), Jal Jeevan Mission (JJM) to provide Functional Household Tap Connection (FHTC) to every rural household, the consumption of Consumers has increased in the current financial year which has been considered while projecting the sales. The LT sales have been estimated with an overall growth of 6.8% in the ensuing FY over current FY. HT sales has been projected considering the consumption of HT Consumers having CD greater than 1 MVA for FY 2023-24 and H1 of FY 2024-25. Several factors like reallocation of mines, re-establishment of industries, mega irrigation projects of the government, massive prawn cultivation etc. has resulted in the increase in consumption at HT level. Considering the trend and current growth, TPNODL has estimated an overall growth of 11.73 % in HT sales for ensuing FY over current FY. TPNODL has submitted that some EHT Consumers have enhanced or planned to enhance their loads and some new Consumers are in pipeline for operation. Further, sales under special tariff have reduced since FY 2023-24 due to increase in special tariff from 430 paise per unit to 500 paisa per unit. Considering all these variables, TPNODL has projected a growth of 12 % in EHT category and an overall growth of 10% in the total sales for the ensuing FY 2025-26 over current FY 2024-25.

25. TPWODL has projected the consumption of different categories of Consumers based on past trends and consumption pattern for first six months of FY 2024-25, actual addition/reduction of loads and other important aspect of market condition. The growth in the domestic category has been estimated at 22.79%, other categories in the LT sector has been estimated in the range of 4% except Irrigation & Pumping category of Consumers where growth of 10.56% has been estimated. The overall growth under LT has been considered as 16.79%. While projecting the sales in HT Category, the Licensee has analyzed the consumption pattern of each HT Consumer with Contract Demand of more than 1 MVA and the average sale under HT category Consumers has been estimated as 5.03%. The Licensee has projected EHT sales without considering TPA sale. TPWODL has estimated less EHT sales for the ensuing FY 2025-26 citing RE integration and CGP connectivity at major industries which once contributed to higher EHT sales.

26. TPSODL has submitted that it has relied on the past trend of consumption pattern for last ten years and actual sales data for first six months of FY 2023-24. Growth in Domestic category is projected to be 11%, consumption in Irrigation sector is estimated to grow at 14% and allied agricultural & agro-industrial activities consumption is projected with a high growth of 66% in the ensuing FY 2025-26 with an overall growth in LT sales at 10.05%. Considering the consumption trend of Consumers with CD greater than 1 MVA, the HT sales are projected with a growth of 5.06%. Significant growth in EHT sales is not expected as the total Railways load has been rationalized by clubbing six Consumers to

one, thereby reducing the demand by 10MW. The increase in open access and reduction in business in Steel industries has led to a low growth of 4.6% in EHT sales for the ensuing FY 2025-26.

27. Comprehensive representation of the projections proposed by the Distribution Licensees for the ensuing FY 2025-26 is given in the table below.

**Table – 4**
**Proposed Sales Forecast for FY 2025-26**

| Licensee | LT Sales for 2025-26 (Estimated) | | HT Sales for 2025-26 (Estimated) | | EHT Sales for 2025-26 (Estimated) | | Total Sales 2025-26 (Estimated in MU) |
|---|---|---|---|---|---|---|---|
| | (MU) | % Rise over FY24-25 | (MU) | % Rise over FY24-25 | (MU) | % Rise over FY24-25 | |
| **TPCODL** | 6551.068 | 17.38% | 2770.783 | 14.00 % | 2127.529 | 5.00 % | **11449.38** |
| Remarks | Domestic sales expected to rise by 22% due to high pace of urbanisation and modernisation around major urban cities Other LT sales expected to be around 16%. | | Projections done based on consumption of Consumers with CD > 1 MVA and the consumption of new connections have also been taken into account. | | Consumption dropped due to increase of consumption of Heavy industries and Power Intensive Industries through their CGPs. Projection has been done based on actual consumption of existing Consumers and 1 new Consumer. | | Estimated 14.06% increase in total sales over FY 2024-25 (10037.609 MU) |
| **TPNODL** | 2886.56 | 6.80% | 943.17 | 11.73% | 3759.09 | 12.09% | **7588.82** |
| Remarks | Domestic category consumption is projected to be high while slight growth has been projected for other categories of Consumers under LT | | Reallocation of mining, upcoming rural water schemes of govt., mega irrigation projects, prawn cultivation & upcoming processing industries and past growth trends indicate substantial growth under HT sales. | | Load enhancement of industries, applications of new Consumers in the pipeline, consumption of industries from CPPs and Railway traction consumption indicate substantial growth under EHT category | | Estimated 9.97% increase in total sales over FY 2024-25 (6900.629 MU) |
| **TPWODL** | 3712.30 | 16.79% | 2600.00 | 5.03% | 3500.00 | ( - ) | **9812.30** |
| Remarks | High growth (22.79%) expected in domestic sector, increase in additional load & metering resulting in high growth in Irrigation sector and reasonable growth in other categories under LT. | | Load growth as per past trends with possibility of new industries with concessional tariff, the HT sales has been estimated showing increase in sales in ensuing year. | | No TPA sales has been considered in projection, Megalift is billed under HT and industries having CGP or solar plants draw very less compared to their CD, EHT sales is not expected to increase. | | Estimated 2.7% increase in total sales over FY 2024-25 (9553.81 MU) |
| **TPSODL** | 2544.63 | 10.05% | 460.50 | 5.06% | 829.96 | 4.6% | **3835.09** |
| Remarks | Based on past trends and actions taken to arrest theft and installation of new meters has contributed for a considerable growth. | | Past trend of consumption under HT sales indicates reasonable increase in sales for ensuing year. High growth not expected due to reduction in CD by two HT Consumers. | | Increase in EHT sales is projected. Reduction in demand of Railways and increase in open access by Consumers has been considered. | | Estimated 8.21% increase in total sales over FY 2024-25 (3543.92 MU) |

28. **System Losses and Collection Efficiency:**

The actual system loss, collection efficiency and the target fixed by OERC in respect of AT&C Loss for the four DISCOMs since FY 2018-19 onwards is given in the table below. The losses considered by the DISCOMs for FY 2024-25 and FY 2025-26 in their respective proposals as per their Vesting Orders and considering a Collection efficiency of 99% are also given hereunder.

**Table - 5**
**System Losses**

| DISCOMs | Particulars | 2018-19 (Actual) | 2019-20 (Actual) | 2020-21 (Actual) | 2021-22 (Actual) | 2022-23 (Actual) | 2023-24 (Actual) | 2024-25 (Rev.-Est.) | 2025-26 (Est) |
|---|---|---|---|---|---|---|---|---|---|
| TPCODL | Dist. Loss (%) | 28.15 | 23.124 | 25.90 | 23.69 | 22.85 | 21.65 | 19.19 | 17.17 |
| | Collection Efficiency (%) | 96.75 | 90.51 | 95.09 | 97.36 | 102.45 | 100.53 | 99.00 | 99.00 |
| | AT&C Loss (%) | 30.49 | 30.42 | 29.54 | 25.70 | 20.96 | 21.23 | 20.00 | 18.00 |
| | OERC Approved (AT&C Loss %) | 23.77 | 23.77 | 23.70 | 23.70 | 23.70 | 22.00 | 20.00 | 18.00 |
| TPNODL | Dist. Loss (%) | 18.74 | 13.19 | 20.63 | 18.40 | 16.43 | 14.91 | 14.14 | 12.96 |
| | Collection Efficiency (%) | 94.10 | 86.38 | 94.28 | 94.20 | 106.06 | 103.76 | 99.00 | 99.00 |
| | AT&C Loss (%) | 23.53 | 25.01 | 25.17 | 23.13 | 11.36 | 11.71 | 15.00 | 13.83 |
| | OERC Approved (AT&C Loss %) | 19.17 | 19.17 | 19.17 | 19.17 | 19.17 | 17.09 | 15.00 | 13.83 |
| TPWODL | Dist. Loss (%) | 21.32 | 18.73 | 25.07 | 21.02 | 18.40 | 16.54 | 17.0 | 15.05 |
| | Collection Efficiency (%) | 86.87 | 87.91 | 97.71 | 92.93 | 100.14 | 101.23 | 99.00 | 99.00 |
| | AT&C Loss (%) | 31.64 | 28.56 | 26.78 | 26.60 | 18.29 | 15.51 | 17.83 | 15.89 |
| | OERC Approved (AT&C Loss %) | 20.40 | 20.40 | 20.40 | 20.40 | 20.40 | 18.90 | 17.40 | 15.90 |
| TPSODL | Dist. Loss (%) | 29.76 | 24.47 | 23.07 | 23.34 | 24.67 | 26.47 | 24.60 | 24.24 |
| | Collection Efficiency (%) | 86.95 | 84.34 | 91.00 | 88.06 | 102.46 | 100.71 | 99.00 | 99.00 |
| | AT&C Loss (%) | 38.93 | 36.30 | 29.99 | 32.49 | 22.81 | 25.95 | 25.35 | 25.00 |
| | OERC Approved (AT&C Loss %) | 26.25 | 26.25 | 26.25 | 25.75 | 25.75 | 25.75 | 25.35 | 25.00 |

29. **Revenue Gap Proposed by the DISCOMs**

The Revenue Requirement, Expected Revenue at existing tariff and Gap as submitted by the DISCOMs for ensuing FY 2025-26, are summarized in the table below**:**

**Table - 6**
**Proposed Revenue Requirement, Expected Revenue and Gap for FY 2025-26 (Rs. In Crs.)**

| Description | TPCODL | | TPNODL | | TPWODL | | TPSODL | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Approved FY 2024-25 | Proposed FY 2025-26 | Approved FY 2024-25 | Proposed FY 2025-26 | Approved FY 2024-25 | Proposed FY 2025-26 | Approved FY 2024-25 | Proposed FY 2025-26 | Approved FY 2024-25 | Proposed FY 2025-26 |
| Total Revenue Requirement | 5827.58 | 6862.53 | 4022.78 | 4650.44 | 5833.12 | 5900.77 | 2063.56 | 2533.33 | 17747.01 | 19947.07 |
| Expected Revenue at Existing Tariff | 5826.21 | 6720.39 | 4049.39 | 4499.33 | 5738.59 | 5900.69 | 2023.54 | 2252.37 | 17637.73 | 19372.78 |
| Surplus / (Gap) | (1.37) | (142.14) | 26.60 | (151.10) | (-94.53) | (0.09) | (40.02) | (280.96) | (109.28) | (574.30) |

The Non-Tariff Income has been considered in factoring the Total Revenue Requirement of the DISCOMs in the above table. The rebate offered to Consumers has been netted off in the Non-Tariff Income.

30. TPWODL has submitted that at existing tariffs, the company through additional sale & proposed tariff rationalisation measures along with surplus from past true ups will meet the required ARR without any tariff hike. Further, it has requested for not considering the BSP surcharge for FY 2025-26 as the same may lead to financial instability of the Licensee.

**Components of the Aggregate Revenue Requirement Proposals for FY 2025-26**

31. **Power Purchase Expenses**

The Licensees have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. They have also projected their SMD for the FY 2025-26 based on load mix, consumption patterns and other economic policies. TPNODL has further submitted that based on past trends, it has considered a load factor of 70% while projecting the SMD. TPWODL has submitted that the projected SMD for FY 2025-26 is without considering TPA power. TPCODL has submitted that the SMD has grown at an average rate of 13% in the last two years and the SMD has been projected accordingly. TPSODL has emphasized the fact that the SMD of the DISCOM as recorded by GRIDCO is without deducting the demand component of open access drawal by industries. The details of power purchase cost and SMD proposed by the licensees are as shown in the Table given below.

**Table - 7**
**Proposed SMD and Power Purchase Cost FY 2025-26**

| DISCOMs | Estimated Power Purchase in (MU) | Estimated Sales (MU) | Distribution Loss (%) | Current BSP (Paise/Unit) | Estimated Power Purchase Cost (Rs.in Cr.) (Including Transmission and SLDC Charges) | SMD proposed (MVA) |
|---|---|---|---|---|---|---|
| **TPCODL** | 13822.745 | 11449.38 | 17.17 | 315.00 | 4688.36 | 2795 |
| **TPNODL** | 8718.776 | 7588.82 | 12.96 | 350.00 | 3262.42 | 1580 |
| **TPWODL** | 11550.00 | 9812.30 | 15.05 | 380.00 | 4663.90 | 1855 |
| **TPSODL** | 5062.153 | 3835.09 | 24.24 | 200.00 | 1134.88 | 870 |

32. **Employees Expenses**

TPCODL, TPNODL, TPWODL and TPSODL have projected the employee expenses for FY 2025-26 and revised estimates for FY 2024-25. The Distribution Licensees have taken into consideration various factors such as, Basic pay & DA increments, wage revisions, employee health & wellness programs, impact of cadre restructuring, recruitment plans, retirements and expenses towards terminal benefits. Out of these proposed employee expenses, the terminal benefit liability proposed by TPCODL, TPNODL, TPWODL & TPSODL for the ensuing financial year 2025-26 is Rs. 274.62 Crs., Rs. 190.04 Crs., Rs. 157.28 Crs. and Rs. 144.50 Crs. respectively on the basis of the actual cash outgo. The Revised estimated Employee Expenses current year vis-à-vis the projected employee expenses for ensuing financial year is summarized in the table below:

**Table -8**
**Proposed Employee Expenses for FY 2025-26 (Rs. In Cr.)**

| | Description | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|---|
| A | Employee Expenses in 24-25 | 895.54 | 531.14 | 561.59 | 553.85 |
| B | Employee Expenses in 25-26 | 962.67 | 561.36 | 586.60 | 626.58 |
| C | Employee Cost capitalised in 24-25 | 28.93 | 16.99 | 20.09 | 41.35 |
| D | Employee Cost capitalised in 25-26 | 31.24 | 18.18 | 19.62 | 37.38 |
| | Net Employee Expenses after capitalisation | | | | |
| E | Net Employee Expenses in 24-25 (A-C) | 866.61 | 514.15 | 541.50 | 512.50 |
| F | Net Employee Expenses in 25-26 (B-D) | 931.43 | 543.18 | 566.98 | 589.20 |
| | % Rise YOY | 7.48% | 5.65% | 4.70% | 14.96% |

33. **Administrative and General Expenses**

As per OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022, 7% escalation factor needs to be considered on approved A&G Expenses (excluding additional or special A&G expenses) to arrive at permissible A&G expenses for each year of the control period, i.e. FY 2022-23 to FY 2027-28. But the licensees have submitted that they have considered escalation factor on account of inflation over the actual estimated A&G expenditure for the FY 2024-25 and have proposed accordingly for the ensuing year.

The Distribution Licensees have submitted that they have implemented many schemes, undertaken various activities, imparted necessary training and engaged agencies to improve the billing efficiency, collection efficiency and AT&C loss reduction.

TPCODL has submitted that it has considered a 7% escalation on actual A&G expenses incurred in FY 2024-25 (Rs. 194 Cr.) resulting with normal A&G cost for FY 2025-26 as Rs. 208 Cr. The licensee has further projected expenses on account of impact of revision in minimum wage by GoO (Rs. 6 Cr.), insurance premium for assets created against government funded schemes and not in TPCODL's books (Rs. 5 Cr.), enhanced activities in the areas of billing and collection (Rs. 11 Cr.) and ASL payments (20 Cr.) amounting to a total projection of Rs. 250.35 Cr. under the head A&G expenses for FY 2025-26.

TPNODL has submitted that it has envisaged on account of expenses towards meter reading, billing, collection, IT Automation, AMI operational expenses, Insurance expenses, Professional Charges, Enforcement activities, Customer Care & Call centre expenses and also compensation towards electrical accidents etc. TPNODL has further submitted that it has put in place new MBC contract, through reengineering of contract and modality for separated meter reading-billing and collection to increase the Consumer coverage. Billing coverage & collection Efficiency have been maintained at more than 98% & more than 97% respectively and provisional billing has been brought to 1.41% as on H1 of FY 2024-25. The licensee has estimated A&G expenses of Rs. 162.08 Cr. in the current FY 2024-25 and Rs. 186.82 Cr. for the ensuing FY 2025-26 on the basis of actual commitments and various activities planned for FY 2025-26 for reducing the AT&C loss and improve the performance standards.

TPWODL has submitted that the estimated A&G cost is towards license fees, rent, rates & taxes, insurance, vehicle hire charges, consultancy charges, electricity charges, travelling & conveyance, advertisement & CSR, Meter reading billing and collection (MBC), collection cost for current including arrear, enforcement & vigilance, watch & ward, IT automation, energy audit, shifting of meters from inside to outside premises, safety and statutory requirement, audit fees and expenses, legal expenses, GIS, SCADA and data communication & maintenance cost etc. TPWODL has factored in the impact due to revision in minimum wage and has projected the A&G expenses for FY 2025-26 as Rs. 181.03 Cr. And additional A&G expenses of Rs. 51.96 Cr. Amounting to a total of Rs. 232.99 Cr.

TPSODL has submitted that various activities undertaken to reduce AT&C loss like 100% coverage in urban areas and 85% coverage in rural areas with OCR based billing, no provisional billing for more than 2 months and the percentage of provisional billing has dropped to 5%, 100% online cash collection through "Sangrah" mobile app and has achieved highest ever AT&C loss reduction in Q2 FY 2024-25 as compared to last three years Q2 outcome i.e. 22.13%. The licensee has estimated A&G expenses of Rs. 161.08 Cr. in the current FY 2024- 25 and projected Rs.173.09 Cr. for the ensuing FY 2025-26

The approved and revised estimates of A&G expenses for the FY 2024-25 and proposed A&G expenses for the FY 2025-26 by all the four distribution licensees are summarized in Table below:

**Table - 9**
**Proposed A&G Expenses for FY 2025-26 (Rs. In Cr.)**

| Description | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|
| A&G expenses approved by OERC for FY 2024-25 | 152 | 128.53 | 169.19 | 120.54 |
| Revised estimated A&G expenses for FY 2024-25 | 194 | 162.08 | 196.13 | 161.08 |
| Proposed Normal A&G expenses for FY 2025-26 | 208 | 186.82 | 181.03 | 173.09 |
| Additional A&G expenses proposed for FY 2025-26 | 42 | - | 51.96 | - |
| Total A&G expenses proposed in ARR for FY 2025-26 | 250 | 186.82 | 232.99 | 173.09 |

34. **Repair and Maintenance (R&M) Expenses**

As per OERC Wheeling & RST Regulations, 2022, the R&M expenses are permitted at specified rate (%) of opening Gross Fixed Assets (GFA) owned by the licensee and @3.00% for the assets added under State and Central Government. The Commission may also allow special R&M for undertaking critical activities which are not covered under CAPEX plan.

TPCODL has requested to allow R&M expenses on the total GFA, including the assets that have depreciated 90% and above but are still in active use for supply of electricity. The licensee has submitted the Auditor's report to support its request. Further the distribution licensee has submitted that there are significant assets arising out of many Government funded schemes, ownership of which have not been transferred to TPCODL however these assets are being used and maintained by TPCODL. For the purpose of computing GFA of such assets, the licensee has relied upon the data provided by OPTCL on status of Govt. funded projects as on 31.03.2024 that are being implemented under OPTCL. Further, there are certain schemes which were executed by Central agencies

(PGCIL and NTPC) and details of assets created under these projects were provided in the MoM of 1st meeting of committee for development of protocol for asset management of GOI/GoO funded scheme held on 12.10.2023. TPCODL has proposed the normal R&M as per the norms of regulations and has proposed special R&M of Rs. 57.25 Cr. taking into consideration the impact of revision in minimum wages (Rs. 38.25 Cr.), manning of Fuse Call Centre (Rs. 14 Cr.) and for undertaking activities to minimize human and elephant conflicts (Rs. 5 Cr.).

TPNODL has submitted that based on the actual R&M expenses incurred in the first six months of the current FY and the contracts /orders issued for network maintenance, the estimated expenditure for the current year has been worked out as Rs. 272.49 Cr. TPNODL has proposed R&M expenses of Rs. 288.70 Cr. for ensuing FY 2025-26 which includes proposal of Rs. 2.43 Cr. for maintenance of Solar micro grids (18 Nos. of Micro grids having total capacity of 200 kW as on 30.11.2024). TPNODL has emphasized the improvement in power supply reliability due to system enhancements like installation of auto-reclosures, project PTR care, preventive & predictive maintenance, SAP based plant maintenance, 33 kV & 11 kV line upkeep and length reduction of 11 kV feeders to 100 kms & 33 kV feeders to 50 kms.

TPWODL has also submitted that the Assets that have reached 90% of their GFA are in service and are required to be maintained for ensuring reliable power supply to the Consumers. Moreover, such assets have useful life left and have not reached a point requiring retiring/ de-capitalization and thus may be considered while approving the R&M expenses. Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which does not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MOM statement (dt. 12.10.2023), has also been taken into consideration by TPWODL.

TPSODL has submitted that the R&M Expenditure includes the expenditure towards consumption of material/consumables required from stores for maintenance and expenditure towards Annual Contracts placed by TPSODL for Operation of Power Substation, Maintenance of 33 KV/11 KV/415 V Networks and Material and services for Testing/ Overhauling/ Reconditioning of Transformers etc. The licensee has also submitted that the revision in minimum wages by GoO has also been considered for the proposal. Basing on the actual R&M expenses incurred in the first six months of the current FY and the contracts /orders issued for network maintenance, the estimated expenditure for the ensuing FY 2025-26 is Rs. 214.18 Cr.

35. Accordingly, the Distribution Licensees have proposed the R&M expenses for the ensuing FY 2025-26 taking into account the expenses to be incurred for undertaking various activities as per their plan. The proposals of the DISCOMs under R&M expenses is as given in the table below:

**Table - 10**

**Proposed R&M Costs for FY 2025-26 (Rs. In Cr)**

| R&M Expenses | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|
| Opening GFA of DISCOMS own assets in Rs. Cr as on 1st April, 2025 | 6842.8 | 4249.5 | 5141.85 | 2765.06 |
| % of GFA on DISCOM's own assets approved towards R&M | 3.5% | 4.0% | 4.0% | 4.2% |
| R&M Expenses for DISCOM's own assets | 239.48 | 169.98 | 205.67 | 116.13 |
| Opening GFA of assets created through grants in Rs. Cr as on 1st April, 2025 | 4382.93 | 4256.87 | 4537.34 | 4069.86 |
| % of GFA on assets created through grants/ OPTCL, approved towards R&M | 3% | 3% | 3% | 3% |
| R&M Expenses for assets created through grants | 131.49 | 127.7 | 136.12 | 122.10 |
| Total R&M Expenses as per OERC Wheeling & RST Regulations, 2022 | 370.97 | 297.69 | 341.79 | 238.23 |
| Special R&M proposed | 57.25 | 2.43 | | - |
| **Total R&M Expenses Proposed for FY 2024-25** | **428.23** | **288.70** | **341.79** | **214.18** |

TPWODL has submitted that it has adopted a conservative approach while claiming R&M expenses for ensuing FY and has proposed Rs. 326.79 Cr. instead of Rs. 341.79 Cr. Similarly, TPNODL & TPSODL have also proposed lower R&M expenses as Rs. 288.70 Cr. and Rs. 214.18 Cr. instead of Rs. 297.69 Cr. and Rs. 238.23 Cr. respectively.

36. **Provision for Bad and Doubtful Debts**

The OERC Wheeling & RST Regulations, 2022, allows provision towards Bad and Doubtful Debt at the rate of 1% of the revenue billed for sale of electricity. This 1% revenue is allowed to pass through in the ARR. The provision for the bad and doubtful debts proposed by the licensees are as hereunder:

**Table - 11**
**Proposed Bad and Doubtful Debt for FY 2025-26 (Rs. In Cr.)**

| DISCOMs | Total revenue billed for the FY 2025-26 | 1% Provision towards Bad and Doubtful Debt | Proposed Bad Debts for FY 2025-26 |
|---|---|---|---|
| **TPCODL** | 6720.39 | 67.20 | 67.20 |
| **TPNODL** | 4499.33 | 44.99 | 44.99 |
| **TPWODL** | 5900.69 | 59.01 | 59.01 |
| **TPSODL** | 2252.37 | 22.52 | 22.52 |

37. **Depreciation**

As per the OERC Wheeling & RST Regulations 2022, the depreciation on the assets transferred through Vesting Order is calculated on the pre-up valued cost of assets at pre 1992 rates on the asset base approved by the Commission. For the new assets created, the depreciation is calculated annually based on the straight line method by all the licensees at the rate defined in the Regulation. Further, the depreciation shall not be allowed on assets funded by Consumer contribution (i.e., any receipts from Consumers that are not treated as revenue), capital subsidies/grants and

depreciation on assets funded by Central/State Govt. except the assets transferred towards contribution against equity participation by GRIDCO as approved by the Commission. Accordingly, the depreciation projected by TPCODL, TPNODL, TPWODL and TPSODL for the ensuing FY 2025-26 is Rs.153.58 Cr., Rs. 127.3 Cr., Rs. 155.45 Cr. and Rs. 134.65 Cr. respectively.

38. **Interest Expenses**

TPCODL, TPNODL, TPWODL & TPSODL have submitted the interest expenses for the FY 2025-26 as detailed below:

**i) Interest on Capital Loan**

As per the OERC Wheeling & RST Regulations, 2022, the interest on loan would be calculated on the normative average loan of the year by applying the weighted average rate of interest. Accordingly, the Distribution Licensees have proposed the interest on loan for Capex works considering 70% debt component for the ensuing FY 2025-26. TPCODL has proposed an amount of Rs. 96.05 Cr. considering 8.50% interest rate. TPNODL has considered rate of interest as 8.50% and has proposed an amount of Rs. 85.07 Cr. and has considered 0.30 Cr. as Interest capitalized for the FY 2025-26. TPWODL has estimated the interest rate at 8.50% on long term debt and has proposed an amount of Rs. 80.23 Cr. TPWODL has further submitted that the repayment of loan has been taken as 30%. Further, TPSODL has estimated the interest on Capex loan as Rs. 77.27 Cr. considering 8.50% rate of interest.

**ii) Interest on Working Capital**

According to the OERC Wheeling & RST Regulations, 2022, the components for interest on Working capital includes O&M expenses for one month, Maintenance Spares @20% of average R&M for one month and one month power purchase cost. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on working capital as Rs. 45.44 Cr., Rs. 33.91 Cr., Rs. 20.84 Crs. and Rs.25.94 Cr. respectively for the FY 2025-26. The licensees have considered the rate of interest for working capital as SBI base rate plus 300 basis points and have estimated it as 8.50% by TPCODL, TPNODL, TPWODL and TPSODL.

**iii) Interest on Security Deposit (SD)**

As per the OERC Wheeling & RST Regulations, 2022 and the OERC Distribution (Conditions of Supply) Code, 2019, the licensees are mandated for payment of interest on Consumer security deposit along with various other conditions. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on SD as Rs. 80.85 Cr., Rs. 63.68 Cr., Rs. 85.32 Cr., and Rs. 33.25 Crs. respectively for the FY 2024-25.

**Table - 12**
**Proposed Summary of Interest Expenses for FY 2025-26 (Rs. In Crs.)**

| DISCOMs | Interest on Capital Loan | Interest on Working Capital | Interest on Security Deposit | Finance Cost | Total Interest Expenses |
|---|---|---|---|---|---|
| **TPCODL** | 96.05 | 45.44 | 80.85 | 2.00 | 224.34 |
| **TPNODL** | 84.78 | 33.91 | 63.68 | - | 182.37 |
| **TPWODL** | 80.23 | 20.84 | 85.32 | - | 186.39 |
| **TPSODL** | 77.57 | 25.94 | 33.25 | - | 136.75 |

TPCODL has further proposed an amount of Rs. 2.0 Cr. as Finance Cost for FY 2025-26.

39. **Return on Equity**

The OERC Wheeling & RST Regulations, 2022 provides for RoE at the rate of 16% per annum (post tax) on paid up equity capital invested by the Distribution Licensee in the Capitalization. Further, the regulations also allow distribution assets transferred by GRIDCO in lieu of equity to be considered in fixed asset base for determination of return on equity.

Accordingly, the Distribution Licensees have projected the following RoE for the FY 2025-26. TPCODL has projected the RoE of Rs. 144.55 Cr. on equity base of 987 Cr. by considering 16% on the opening balance of equity and 8% on equity towards additional assets added during the year. TPNODL has projected the RoE of Rs.127.80 Cr. on average equity balance of Rs. 798.72 Cr. Similarly, TPSODL has projected the RoE of Rs. 110.41 Cr. with an average equity balance of Rs. 690.06 Cr. TPWODL has projected RoE of Rs.161.46 Cr. on equity base of Rs. 1009.14 Cr.

40. **Income Tax**

TPWODL has projected Tax on equity at the rate of 25.17 % gross (Tax 22% + Surcharge 10% + Education cess 4%) amounting to Rs. 54.31 Cr. TPCODL, TPNODL and TPSODL have projected the Income Tax as Rs. 48.62 Cr., Rs. 42.98 Cr. and Rs. 37.14 Cr. respectively for the ensuing FY 2025-26.

41. **Non-Tariff Income (NTI)**

TPCODL, TPNODL, TPWODL and TPSODL have proposed non-tariff income for FY 2025-26 to the tune of Rs.74.13 Cr., Rs. 181.69 Cr., Rs. 386.28 Cr. and Rs. 19.50 Cr. respectively for the ensuing FY 2025-26. These incomes are mainly through receipts of licensee from meter rent, service connection charges, reconnection charges, Over Drawl Payment (ODP), Delayed Payment Surcharge (DPS), rebate on BSP prompt payment, interest on Fixed Deposit (FD), sale of tender forms, sale of scraps etc. as per OERC Wheeling & RST Regulations, 2022, the rebate allowed to Consumers has been deducted for arriving at the above figures for non-tariff income.

**Table - 13**
**Non-Tariff Income Proposed by the DISCOMs for the FY 2025-26 (Rs. In Cr.)**

| Sl. No. | Description | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|---|
| 01. | Total Non-Tariff Income | 201.40 | 228.99 | 395.62 | 62.81 |
| 02. | Less: Rebate offered to Consumers | 127.27 | 47.30 | 9.34 | 43.31 |
| 03. | Net-Tariff Income | 74.13 | 181.30 | 386.28 | 19.50 |

42. **Carrying Costs**

TPWODL has submitted that as per terms of Vesting Order, the Licensee has to ensure payment of past period liabilities transferred as ASL. Accordingly, it is making payment towards ASL periodically as and when claimed by the parties. As there was no such equivalent matching current assets, the ASL amount paid through borrowing for which the related carrying cost on Additional serviceable liabilities (ASL) amounting to Rs. 9.77 Cr. has been projected by TPWODL in the total ARR for the FY 2025-26.

TPNODL has projected total carrying costs for the FY 2025-26 is Rs. 25.55 Cr. out of which Rs. 12 Cr. is projected towards the effective gap calculated for FY 2025-26. TPNODL has submitted that the effective gap arrived for the FY 2025-26 is Rs. 139.11 Cr. and has estimated carrying cost @ 8.5 % to Rs. 12 Crs. for the above gap.

43. **Revenue at Existing Tariff**

The Licensees have estimated the expected revenue from sale of power by considering the sales projected for FY 2025-26 at existing tariff rates. TPCODL, TPNODL, TPWODL and TPSODL has estimated an amount of Rs. 6720.39 Cr., Rs. 4499.33 Cr., Rs. 5900.69 Cr. and Rs. 2252.37 Cr. for the FY 2025-26.

44. **Summary of Aggregate Revenue Requirement and Revenue Gap**

The proposed revenue requirement & expected revenue of the DISCOMs at existing tariff and the resulting Gap/Surplus for the FY 2025-26 have been summarized below:

**Table – 14**
**Proposed Revenue Requirement of DISCOMs for the FY2025-26 (Rs In Cr.)**

| Description | TPWODL | TPNODL | TPSODL | TPCODL | Total |
|---|---|---|---|---|---|
| Cost of Power Purchase | 4384.72 | 3051.57 | 1012.43 | 4354.16 | 12802.88 |
| Transmission Cost | 276.84 | 209.25 | 121.49 | 331.75 | 939.33 |
| SLDC Cost | 2.34 | 1.6 | 0.96 | 2.45 | 7.35 |
| **A. Total Power Purchase, Transmission & SLDC cost** | **4663.9** | **3262.42** | **1134.88** | **4688.36** | **13749.56** |
| Employee costs | 586.6 | 543.18 | 589.2 | 962.67 | 2681.65 |
| Repair & Maintenance expenses | 326.79 | 288.7 | 214.18 | 428.23 | 1257.9 |
| Administrative and General Expenses | 232.99 | 186.82 | 173.09 | 250.35 | 843.25 |
| Provisions for Bad and Doubtful Debts | 59.01 | 44.99 | 22.52 | 67.2 | 193.72 |
| Depreciation | 155.45 | 127.3 | 134.65 | 153.58 | 570.98 |
| Interest Expenses | 186.39 | 182.68 | 136.76 | 224.34 | 730.17 |
| Less: Employee Cost capitalised | 25.66 | | | 31.24 | 56.9 |
| Less: Interest capitalised | 5.51 | 0.3 | | | 5.81 |
| Return on equity | 161.46 | 127.8 | 110.41 | 144.55 | 544.22 |

| Description | TPWODL | TPNODL | TPSODL | TPCODL | Total |
|---|---|---|---|---|---|
| Tax on ROE | 54.31 | 42.98 | 37.14 | 48.62 | 183.05 |
| Carrying cost on ASL | 9.77 | 13.56 | | | 23.33 |
| True-up earlier surplus | -118.44 | | | | -118.44 |
| Carrying cost | | 12 | | | 12 |
| Less: Miscellaneous Receipt/ Non Tariff Income | 386.28 | 181.69 | 19.50 | 74.13 | 661.60 |
| **B. Net Distribution Cost** | **1236.87** | **1388.02** | **1355.14** | **2174.17** | **6197.51** |
| **C. Total Revenue Requirement (A+B)** | **5900.77** | **4650.44** | **2533.33** | **6862.53** | **19947.07** |
| **D. Expected Revenue @ existing tariff** | **5900.69** | **4499.33** | **2252.37** | **6720.39** | **19372.78** |
| **E. GAP(+Surplus/-Deficit) (D-C)** | **-0.09** | **-151.11** | **-280.96** | **-142.14** | **-574.30** |

45. **Truing Up of expenses for the FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24**

TPCODL, TPNODL, TPWODL & TPSODL have submitted their true-up expenses for the different financial years as provided in the table below:

**Table – 15**

**Truing Up Requirement Amount (Rs. in Crs.)**

| DISCOM | FINANCIAL YEAR | (GAP)/ SURPLUS |
|---|---|---|
| TPCODL | FY 2022-23 | (154.42) |
| | FY 2023-24 | 106.18 |
| TPNODL | FY 2023-24 | (11.61) |
| | Revised for FY 2022-23 | (104.79) |
| | Total claimed | (116.40) |
| TPWODL | Revised for FY 2022-23 | 622.26 |
| | FY 2023-24 | (455.45) |
| TPSODL | FY 2020-21 (3 Months) | (1.53) |
| | FY 2021-22 | (17.6) |
| | Revised for FY 2022-23 | (182.51) |
| | FY 2023-24 | (224.03) |

46. **Tariff Proposals and Rationalization Measures of the DISCOMs:**

The Distribution Licensees have proposed some tariff rationalization measures to improve the revenue and recovery of the cost of supply. The brief description of their proposals are as under:

**(a) Additional Rebate of Rs. 10/- per month for Consumers who opt for E-Bill for Smart Meter Consumers.**

**(TPWODL, TPNODL & TPCODL)**

The Commission had introduced additional rebate of Rs. 10 per month for Consumers who opt for e-bill instead of physical bill and this rebate was applicable for all Consumers other than Consumers with Smart Meters. The Licensees have submitted that in case of Consumers with Smart Meters, even though the bill is electronically generated, the licensees are still obligated to provide the Consumer with physical bill as per OERC Supply Code, 2019. Thus, they have requested to extend this benefit to the Consumers having Smart Meters so that expenditure incurred on bill distribution can be saved.

**(b) Continuation of TPA with modified terms and conditions.**

**(TPCODL, TPWODL & TPSODL)**

The Commission had allowed the industries having CGP to draw surplus power at a flat rate of Rs. 5 per kVAh assuring 80% CD drawal from DISCOMs for which they must enter into an agreement with DISCOM & GRIDCO. The DISCOMs have submitted that, in the RST Order for FY 2024-25, sale of RE power to CGP Industries was not allowed and the sale under TPA has been affected. Therefore, the DISCOMs have requested slight modification to this mechanism to the effect as mentioned below:

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

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

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

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

**(c) Load factor rebate to EHT Industries.**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The HT and EHT industries are getting Load factor rebate as per Commission's RST Orders taking 60% load factor as the eligibility factor. All the DISCOMs have submitted that due to increases in average power purchase cost of the industries, they are pleading for enhancement of load factor incentive. Therefore, to enhance consumption under EHT category the DISCOMs have proposed rebate of 20 paise per unit for the consumption beyond 80% LF.

**(d) Enhancement of ToD benefit in solar hours**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

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

i) 8.00 AM to 4.00 PM - Solar Hours
ii) After 4.00 PM upto 6.00 PM - Normal Hours
iii) After 6.00 PM upto 12.00 Midnight - Peak Hours
iv) After 12.00 Midnight upto 8.00 AM next day - Normal Hours

Overdrawal benefit up to 120% of the CD is permitted during Normal hours only. The DISCOMs have submitted that during solar hour power is available in GRIDCO pool which can be consumed by industries if drawal beyond CD up to 120% is permitted. The DISCOMs have requested the Commission to consider this aspect in the ensuing year.

**(e) Digital rebate if paid through Jan Seva Kendra**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The DISCOMs have submitted that the Commission had clarified that if the eligible Consumer pays its entire bill amount on or before due date through any mode/ medium of digital payment and the amount is credited directly to the Distribution Licensees without any involvement of the Licensee, the Consumer is entitled for the benefit of 4% special rebate. The Commission had directed the DISCOMs for wide publicity of various benefits offered to Consumers. The Distribution Licensees have submitted that the details of this benefit may be mentioned in the RST Order implying that the Consumers paying their bills at Jan Seva Kendras, CSCs, OCAC etc. are also eligible to avail this benefit.

**(f) kVAh billing to LT category of Consumers with CD > 110 kVA.**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The Distribution Licensees have submitted that in the previous RST Orders, the Commission has defined “Three Part Tariff” for LT Consumers with connected load 110 kVA and above having components as, Demand Charge in Rs/ kVA, Energy Charge in Rs./kVAh and Customer Service Charge in Rs./Month. Whereas in Annexure B, the energy charge for all LT Consumers has been given as p/kWh with further direction that in case of any ambiguity or discrepancy, the tariff reflected in Annexure- B is final. The DISCOMs have requested for suitable clarification in this regard.

**(g) Allocation of Green Power to Industries having CGP**

**(TPCODL, TPNODL & TPWODL)**

Commission in the RST Order FY 2024-25 had directed that the Consumers of any category can get Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by paying an additional Green Tariff Premium of 20 paise per unit. This facility was not extended to Consumers having CGPs. The DISCOMs have submitted that some of the Consumers/Industries are requesting the DISCOM to certify the quantum of RE Power included in their monthly consumption within their Contract Demand. Therefore, the Licensees have requested to permit the DISCOM to intimate the quantum of RE Power included in the monthly consumption of Consumer/Industries (incl. CGP) considering the actual allocation as received from GRIDCO. However, in the case of CGP Industries, the RE Power consumed monthly from DISCOM shall not be permitted for their Renewable Purchase Obligation (RPO). They have further submitted that they may be allowed to allocate RE power as available with them on month-to-month basis as per actual allocation by GRIDCO with GTP of 10 paise per unit. If the green power of any DISCOM remains unsold it may be permitted to be re-allocated to the desiring DISCOM.

**(h) Special tariff for Industries who have closed their units if reopens.**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The DISCOMs have suggested that as per their study, certain numbers of industries have closed their units due to various reasons. If a suitable tariff structure for the closed units can be introduced, we hope some more industry can restart or continue as before since they already have the infrastructure in place. The DISCOMs have proposed the following in this regard:

i. The proposal is for industries those who have closed their units in complete shape prior to take over.

ii. Industries those who have arrear outstanding even after adjustment of SD

has to clear it's dues before availing the benefit.

iii. The industry has to start with the load when it was closed. No load reduction is permissible before or after availing this benefit during FY 25- 26.

iv. The incentive may be given @ 20% on entire units consumed if achieves 60% L.F. in a month.

v. Closed Industry may be permitted at 11kV or 33kV level with minimum CD of 500 kW.

vi. As this is a special scheme for the revival of the closed units it will be for the year 2025-26 only.

vii. Because of closure of units no one benefits, including the Government of Odisha who will get electricity duty @8% on energy charges. So, this will offset the incentive largely so offered.

viii. This incentive will be over and above all other existing rebate in the tariff

ix. Industries opting this benefit shall not be eligible for open access.

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

**(i) Special tariff for existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The Commission has allowed overdrawal by any industry having CGP with CD up to 20 MW upto double the CD without payment of overdrawal penalty at a rate of Rs. 5/kVAh. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The DISCOMs have submitted that few other industries without CGP are also requesting for such scheme to enable them to utilize their existing installed capacity in full, beyond CD or may add capacity in the existing premises beyond CD if permitted. In line with special tariff for industry having CGP, a special tariff for non CGP industries connected in 33 KV level or above may kindly be considered. The scheme may be as follows:

i. The agreement shall be between the industry & concerned DISCOM.

ii. Under 33 KV level the permissible limit of drawl is 15000 KVA, but licensee has the discretion to allow beyond the limit of 15 MVA on special ground considering the adequacy of system availability. If system does not permit then the opting industry has to augment the system of supply to higher level to avail this benefit.

iii. Industry interested for this scheme has to ensure minimum offtake of 85% L.F. of existing CD

iv. Load reduction shall not be allowed during the financial year or those who have reduced their load have to restore before availing the scheme.

v. The power so consumed under this agreement may be treated as surplus power of GRIDCO and this quantum shall be over and above the approved quantum in ARR including SMD.

vi. Interested industry has to pay a flat rate for the additional energy so consumed beyond 85% of CD.

vii. Consumption upto 85% LF shall be billed as per existing RST

viii. No demand charges for the additional quantum beyond existing CD.

ix. Open access shall not be permitted during this special arrangement.

x. As this is a special agreement adequate Payment security mechanism shall be in place before power transaction as well as there will be no rebate on additional power. However, DPS shall be applicable if payment is not made within due date.

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

**(j) Special Tariff for industries for temporary business requirements**

**(TPCODL, TPNODL & TPWODL)**

The Commission had mentioned in the RST Order for FY 2024-25 that the suggestion of DISCOMs for temporary increase in CD of Industries having CGP when some of the units of such CGP undergoes maintenance cannot be accepted in view of the codal provision for enhancement of Contract Demand under Regulation 127 of the Supply Code, 2019. Over and above, this would affect the power purchase planning of DISCOMs and GRIDCO. The DISCOMs have submitted that power purchase planning is not a big challenge, which can be managed with proper co-ordination between DISCOM and GRIDCO as well as with the intending Consumer. there are around 80 Nos. of CGPs across 4 DISCOMs (excluding NALCO and IMFA) and their installed capacity is around (5808 MW+2609 MW+166.38 MW+934.5 MW) 9517.88 MW. Therefore, the requirement of power during annual maintenance of their units may be needed from DISCOM. Some of the other industries need power intermittently to meet seasonal requirements. For such temporary outages of their CGP and short-term business need, they approach DISCOM for power for couple of months, sometimes even for less than 15 days. They are also not willing to increase their load for such short-term need as reduction of load has certain restrictions as per the prevalent regulation. In view of the above the DISCOMs have requested to approve/permit such temporary additional load beyond CD for a short period maximum up to 3 months. In that event the industry has to bear 10% higher charges on both normal Demand and energy component. Such additional consumption will contribute towards revenue enhancement and will help to protect risk of tariff enhancement. Further, the DISCOMs have assured that the above temporary arrangement shall be accommodated by the licensee well within its approved/permitted SMD, without additional burden to GRIDCO

**(k) Minimum Contract Demand for Industries having CGP.**
**(TPCODL, TPNODL & TPWODL)**

Presently there are more than 80 industries across Odisha, those who have CGP. They have established their CGP considering their load and business requirement; while doing so they are also keeping CD with DISCOM for additional requirements or occasional requirement. These industries are drawing power from the DISCOM only in case of need and in such time DISCOMs SMD shoots up and sourcing of power also became immediate challenge to GRIDCO. The Distribution Licensees have submitted that as they are reserving a CD, they are exercising their right of drawal without any prior intimation as well as without advance planning. DISCOMs are also facing difficulties in projecting their annual input requirement properly. Therefore, the DISCOMs have submitted that the Contract Demand (CD) should not be at their choice rather it has to be minimum to the tune of highest installed capacity of the generating plant. In case of multiple generation units, the highest capacity should be considered.

**(l) Proposal for simplification of MMFC**
**(TPCODL, TPNODL & TPWODL)**

The DISCOMs have submitted that Monthly Minimum Fixed Charges (MMFC) in LT category for irrigation pumping and agriculture, allied agriculture activities, allied Agro industrial activities, public lighting, LT industrial [Small] & LT industrial [Medium] is charged on different rates i.e. for 1st kW @ Rs. 20 to 100 per month and subsequent additional kW/KVA or part thereof @ Rs. 10 to 80 per month depending upon the category of Consumer. This seems to be complex design of levying fixed charges and needs simplification. Further, DISCOMs are recovering approximately 10% of their total revenue excluding rebate and electricity duty through demand charges/monthly minimum fixed charges whereas in other states this percentile is between 15-20%. The Distribution Licensees have mentioned that the entire operating cost of DISCOMs such as R&M, A&G, Employee cost, depreciation, financing cost, ROE are fixed almost fixed in nature. In ideal scenario, fixed cost of Distribution Company should be generally recovered through demand charges/monthly minimum fixed charges levied based on sanctioned load/Contract Demand or maximum demand of the Consumer whichever is higher. This design of tariff is leading to loading of all incremental costs on energy-related components of Consumers and has increased the risk of any change in the sales mix. In view of above, the DISCOMs have requested to consider a simplification of current design for levying monthly fixed charges and rationalize the rates appropriately so that risk of change in sales mix is addressed to the extent possible. Rationalization of demand charges and monthly minimum fixed charges would also disincentive Consumers who are found indulging in theft of electricity at the cost of regular paying Consumers.

**(m) Uniform Tariff for a specific category of Consumer as per load instead of Voltage of Supply**

**(TPCODL, TPNODL & TPWODL)**

The Distribution Licensees have submitted that as per existing RST, irrespective of voltage of Supply, considering type of metering (LT or HT) tariff is applicable, but in practical implementation and acceptability to Consumers it is becoming more cumbersome and confusing. Therefore, they have requested to fix the tariff as per Consumer's Contract Demand/ connected load and metering type (LT or HT) tariff may be fixed instead of voltage of supply. The benefits to both licensee and Consumer would be as follows:

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

**(n) DPS on Electricity Bills**

**(TPCODL, TPNODL & TPWODL)**

In the RST Order for FY 2022-23, Delay Payment surcharge was levied on LT Domestic, General Purpose and HT Bulk Supply Domestic Consumers if the bill remained unpaid until the next due date at the rate of 1% of the billed value for each month of delay. The DISCOMs have submitted that as of now there is no deterrent for defaulting Consumers who are not paying their electricity bills, despite the fact that a lot of rebate mechanism exist in the Tariff Order. Therefore, the DISCOMs have requested to kindly consider re-introducing the DPS for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past but rebate may be provided for payment within 7 days payment. Further, in case of cheque bounce the DPS must be levied from the due date to the date till it is cleared apart from other legal action as available as per negotiable Instrument Act shall be scrupulously followed.

**(o) Pro rata Billing**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

All the four Distribution Licensees have appealed for introduction of pro rata billing. The current regulation states that meter reading shall normally be done on fixed date ±3 working days for monthly billing cycle. Since the State has extreme climatic conditions and is prone to cyclones and Kalbaisakhi, nor wester the billing gets affected. As per Commission's clarification letter dtd: 06.06.2022, pro-rata billing was denied in all cases other than in cases of commencement or termination of supply on a day other than the first day of a month. Considering that billing on fixed date every month (± 3 days) may not be feasible for un-avoidable reasons as explained above, the Petitioners have proposed for permitting pro-rata adjustment of slab limits. They have submitted that pro-rata billing for slab adjustment based on actual No's of days of billing vis a vis the standard norm of 30 days is just and equitable for Consumers as it compensates the Consumers for any deficit in slab benefit in a particular month (less than one month) in the subsequent month where the Billing is for more than 30 days.

**(p) Creation of Contingency Reserves for Assets that are not insured by Insurance Companies**

**(TPCODL, TPWODL & TPSODL)**

The DISCOMs have emphasized the fact that Odisha being a coastal state is prone to natural calamities like cyclones, floods etc. Currently they have been taking insurances for fixed assets, inventory, cash, personnel, Directors & Officers Liability, Third Party etc. except overhead LT/HT/EHT lines. The insurance companies do not provide insurances for overhead lines. This issue has been discussed in the Board meeting and the Audit Committee of DISCOMs has advised for creation of Self-Insurance Reserve/ Contingency Reserve. Further, vide Letter No. 11896 dated 03.12.2022, the Department of Energy, Govt. of Odisha, has mentioned that NDRF/ SDRF funds are not available for repair/ replacement of Assets at 33 kV level and Government funds may not be available for restoration of assets owned by the Private DISCOMs. They have further mentioned that CERC has kept a provision in allowing A&G expenses wherein 0.9% of Gross Fixed asset is allowed to create self-insurance reserve to M/s PGCIL, in order to cover the risk of uninsured lines and cables. That reserve is allowed as a part of ARR and is solely at the disposal of the CERC. The erstwhile DISCOMs of Odisha had also proposed the said provision @ 0.375% of Gross Fixed Assets. Referring to the practices being followed by States like Maharashtra, Bihar and West Bengal, the DISCOMs have submitted that Odisha requires similar arrangement for creation of Contingency Reserve so that in case of heavy damage to uninsured network, all four Odisha DISCOMs can replace such damaged network without huge Tariff shock to Consumers.

Further, they have also mentioned para 6 of Clause 8.2.1 of Tariff Policy which states the following:

> *"The contingency reserves should be drawn upon with prior approval of the State Commission only in the event of contingency conditions specified through regulations by the State Commission. The existing practice of providing for development reserves and tariff and dividend control reserves should be discontinued."*

Accordingly, the DISCOMs have requested to allow a suitable quantum towards Self Insurance/Contingency Reserves in the ARR. The quantum of amount may be decided at 0.25 % of the GFA subject to a limit of 5% as stipulated in case of provisions made by the Commissions of Bihar and West Bengal. On the basis of the GFA as on 31st March 2024 for the four Distribution Licensee, the estimated amount to be approved in ARR is as worked out in the table below:

**Table-16** **(Rs. In Cr.)**

| S. No. | DISCOM | GFA on DISCOM Book as on 31.03.2024 | Government Assets (Not in DISCOM Books) | Total Assets | Contingency Reserve @.25% |
|---|---|---|---|---|---|
| 1 | TPCODL | 6063 | 2162 | 8225 | 20.56 |
| 2 | TPNODL | 4067 | 3152 | 7219 | 18.05 |
| 3 | TPSODL | 2176 | 3463 | 5639 | 14.10 |
| 4 | TPWODL | 3974 | 4322 | 8296 | 20.74 |
| **5** | **TOTAL** | **16280** | **13099** | **29379** | **73.45** |

**(q) Approval of Interest for purchase of EVs**

**(TPSODL)**

In order to regulate the service and allied matters of the employees of erstwhile Utilities of CESU, SOUTHCO, WESCO & NESCO, the Board of Directors of these Utilities, in their respective 5th meeting held on 24th November 1998, approved adoption of all the service rules, regulations, practices and procedures followed by GRIDCO Limited (GRIDCO) on the basis of various Govt. codes, notifications, office orders, circulars as well as practices and procedures prescribed by the Board of GRIDCO relating to the service matters of employees as on the date of vesting of license to CESU/ SOUTHCO/ WESCO/ NESCO. Further, the employees' wellbeing related policies and procedures, as and when framed/adopted by GRIDCO/ OPTCL for their employees, were subsequently adopted by erstwhile CESU and other DISCOMs.

Vide its Circular No.AW/E&M-EV-1/2023(PT)/3358 dated 3rd March 2023, OPTCL announced its Electric Vehicle Advance Policy (EVAP) for its employees which is in line with the guideline issued by the Finance Department, Government of Odisha (GoO) vide Memorandum No. 8524/F dated 05th April 2022.

The TP DISCOMs in line with the OPTCL EVAP and Government of Odisha Memorandum have formulated there EV Policy in line with OPTCL's policy. The Boards of respective DISCOMs have, in their meetings held on 18th July'2023 (TPCODL & TPWODL) and 21st July 2023 (TPSODL & TPNODL), approved the implementation of EVAP for erstwhile Utility employees in line with OPTCL, subject to approval of the Commission. The estimated interest costs to be borne by the DISCOMs, based on expected number of employees who are likely to purchase an EV under the Scheme and an estimated financing cost @9%, is provided as given in the table below:

**Table-17**

| DISCOM | FY 2025-26 | |
|---|---|---|
| | Total Capex Required (Rs. In Lac) | Estimated Interest Cost to be allowed in ARR (Rs. In Lac) |
| TPCODL | 1558 | 590 |
| TPNODL | 1681 | 637 |

| | | |
|---|---|---|
| TPSODL | 2084 | 789 |
| TPWODL | 2423 | 918 |
| **Total** | **7746** | **2934** |

The computation of interest cost as above is limited to first year disbursal of loan only and corresponding recovery in 100 EMI. TPSODL has requested to approve the implementation of EVAP for erstwhile Utility employees in line with OPTCL with actual expenditure on account of interest on such interest free advances to employees being a pass through for the DISCOMs in ARR based on their actual expenditure and also allow to incur capex on the purpose of EVs.

**(r) Approval for utilization of Consumer Security Deposit (SD) for Consumer benefit through reduction of Financing Cost allowed in Tariff**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

As part of transfer of Assets & Liabilities to the TP DISCOMs from the erstwhile Utilities of CESU, WESCO, SOUTHCO and NESCO, entire cash and bank balance, including Fixed Deposits, as on the Effective Date were transferred to the respective TP DISCOMs. The Fixed Deposits towards Consumer Security Deposits (CSD) and the liabilities towards such deposits as transferred in the respective DISCOMs Opening Balance Sheets as per their respective Segregation Orders are as follows:

**Table-18** **Rs. In Cr.**

| Particulars | TPCODL | TPWODL | TPSODL | TPNODL | Total |
|---|---|---|---|---|---|
| **Security Deposits from Consumers** (as appearing in the Approved Opening Balance sheet of DISCOMS as on effective date) | 734.72 | 752.94 | 269.54 | 596.43 | **2353.63** |
| **Security Deposits from Consumer as per Consumer Ledger** (as mentioned in Carved out Order of respective DISCOMs) | 660.33 | 760.35 | 270.14 | 577.07 | **2267.89** |
| **Fixed Deposits** against Consumer Security Deposits as on effective date (as provided in the Carved-out Order) | 307.58 | 800.25 | 168.48 | 617.98 | **1894.29** |

The DISCOMs have submitted that they have complied to the Commissions direction in the Vesting Order as well as in the Segregation Order and is shown in the table below:

**Table-19**
**Status of SD of all DISCOMs as on 31.03.2024** **Rs. In Cr.**

| Particulars | TPCODL | TPWODL | TPSODL | TPNODL | Total |
|---|---|---|---|---|---|
| **Consumer Security Deposit as on 31.03.2024** | 1078.70 | 1206.43 | 366.26 | 883.47 | 3534.86 |
| **Fixed Deposit as on 31.03.2024 (Including interest)** | 1028.27 | 1334.68 | 359.18 | 928.02 | 3650.15 |

The Vesting Order and the Segregation Order, stipulate that the TP DISCOMs shall not be allowed to liquidate the Fixed Deposits other than for the reasons they collected. The DISCOMs have proposed to be permitted to utilize the CSD Amount available with them in form of Fixed Deposits, in lieu of Debt for the purpose of financing planned capital expenditure / working capital. They have emphasized the fact that with the roll out of Pre-paid Smart Meters, the CSD of Consumers with Smart Pre-paid meters, will in any case be liquidated and treated as advance payment towards energy bills. They have also mentioned that the Consumers are generally geographically permanent where there are no other competing distribution Utilities. Voluntary disconnection (migration to another location etc.) by any Consumer leads to refund of CSD at the same time new Consumers keep getting added who provide fresh Consumer Security Deposit, with the result the CSD Balance generally keeps growing.

Regulation 3.7.11 of the OERC Wheeling & RST Regulations, 2022, specify the following with respect to Interest on Consumer Security Deposit

*"3.7.11 The Distribution Licensee(s) shall adjust interest on the amount held as security deposit (held in cash or cash equivalent) from Distribution System Users and Retail Consumers at the Bank Rate as on 1stApril of the Financial Year in which the Petition is filed in their monthly bills.*

*Provided that Interest on security deposits, in excess of the above rate specified by the Commission shall be considered as non-Tariff income of the Licensees.*

*Provided further that Interest on security deposits, in deficit of the above rate specified by the Commission shall be considered as Uncontrollable Cost of the Licensees and shall accordingly be allowed in their ARR."*

According to the above regulation, Consumer receives interest rate at the OERC notified interest rates (6.75% for FY 2022-23) while the Utility earns an Interest Rate of 4-6% on FDs made out of the CSD received from Consumers. The difference is a pass through in ARR. Further, interest payment on term loans by DISCOMs is at around 8% which is also a pass through in ARR. As can be seen from the above, while the Utility is earning interest at 4-6% on its FDs, it is borrowing at around 8%, thereby clearly causing an additional cost burden of 2-4%. The DISCOMs have thus requested the Consumers to consider the proposal for utilisation of the Consumer Security Deposits rather than maintaining the same as Fixed Deposits. The DISCOMs have proposed the following utilisation methodology while ensuring there is no liquidity mismatch to meet any Refund requirements:

- 80-90% of the outstanding Security Deposits can be utilised for funding capital expenditure. The balance 10%- 20% liquid funds to be maintained as FDs to meet any repayment requirement on termination of electricity connection.
- Only capital schemes approved by OERC at the beginning of the year can be funded by Security Deposits
- Annual Business Plan of the respective utility, approved by Board of Directors, shall factor in funding of capital expenditure by SDs; to that extent no return / interest cost to be allowed in ARR

- Following is the Schedule of Authority proposed by the Utility for use of SDs

**Table-20**

| | |
|---|---|
| Level 1 | Approval by CFO |
| Level 2 | Approval by CEO |
| Level 3 | Approval by Committee of Directors constituted by the Board (comprising of Tata Power and GRIDCO directors) |
| Level 4 | Approval by OERC |

- Half yearly statement of utilisation of SDs towards funding of capital expenditure, certified by statutory auditor, to be submitted to the The Commission at the end of September and March quarters
- Depreciation claimed on these assets to the extent not used in loan repayment will be used in refurbishing the SDs used

**(s) Revision of Reconnection Charges with penalty clause**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The DISCOMs have submitted that the current Reconnection charges are continuing since last 12 years even though BST & RST have increased a number of times. They have proposed revision of the Reconnection charges as given in the table below.

**Table-21**

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

The DISCOMs have submitted that the biggest challenge they face on the ground level is even after disconnection, Consumers are not willing to reconnect power supply officially but later are found to be reconnected again through their own means and ways. This is not only affecting business of the licensee, at the same time risk of fatal accident cannot be ruled out. It is not possible to monitor post disconnection by 24 X 7 with the available resources as well as it is not cost effective. Therefore, the DISCOMs have requested to impose stringent punishment with a separate penalty clause to create fear among such segment of Consumers. In the event of Consumer found reconnected without paying formal reconnection charges shall be imposed with 10 times of the reconnection charges, apart from other action as per law. In addition to above, upon reconnection if the Consumer fails to clear its dues regularly and the licensee is disconnecting the Consumers, in such case the Consumer has to pay 5 times of the reconnection charges for each subsequent reconnection so made.

**(t) Creation of category for Mega Lift points under EHT and applicability of Demand Charges**

**(TPCODL, TPNODL & TPWODL)**

The Commission in the previous RST Orders have specified that the Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any demand charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective energy charges." The DISCOMs have submitted that waiver of Demand charges is a discrimination with other Consumers and have requested to create separate category under EHT with demand charges of Rs.250 per kVA and energy charges under graded slab method for Mega lift points connected at HT & EHT level.

**(u) Billing with Defective Meter**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

As per existing regulation the licensee is permitted to raise provisional bill for maximum up to three months and during this time the defective meter has to be replaced with new meter. Thereafter, the provisional bill so raised shall be revised considering actual meter reading for consecutive six billing cycle. With the said procedure, the Distribution Licensees have submitted that they are facing various difficulties and have requested for approving the following practice directions:

i. The Consumer shall be billed on the basis of actual average consumption recorded during the corresponding period in the preceding year, excluding the provisional billing:
ii. If actual consumption recorded during the corresponding period in the preceding year is either not available or partially available, the actual average consumption of past 6 (six) billing cycles immediately preceding the date of meter being detected or reported defective, excluding the provisional billing, shall be used for billing purpose:
iii. If the actual average consumption of past 6 (six) months is either not available or partially available, the average consumption for the next 3 (three) billing cycles excluding provisional billing after the installation of new meter shall be used for billing purpose.

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

**(v) Combined Application form replacing Form-I & II.**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

As per Regulation 3 of OERC Supply Code, 2019, a Domestic & GP Consumer is opting Form-I for New Service Connection / Load enhancement/ Load reduction/ Reconnection /Change of Name/ Shifting/ Temporary Supply/ Conversion of Service/ Change of Consumer category and Form-II is applicable to other category of Consumers to the extent of New Connection/Load Reduction/Load Enhancement/Change of Name. The DISCOMs have submitted that the Consumers are confused about which Application form is required to be submitted. Licensee is also unable to capture the detailed information about the Consumer. Hence, the DISCOMs have proposed to introduce a single application form which is beneficial for both Consumers and licensee. Even though it requires amendment of Regulation, the DISCOMs have requested the Commission to use its discretionary power and may direct/allow through practice direction to adopt a common Application Form till Regulation is amended.

**(w) Realistic Assessment of Load in case of theft of electricity**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

The DISCOMs have submitted that even though the Commission has provided separate guideline for assessment of unauthorized use in the Supply Code, 2019, however as per field condition while doing the assessment it is not practically feasible/ possible to adhere the provision. Therefore, if a Consumer found using electricity unauthorizedly, assessment must be made with LDF basis. In case of Domestic LF of 30%, for GP may be kept as 60% and in case of continuous process industries, assessment may be done with 100% LF. However, while doing the assessment, due procedure as per Electricity Act and Regulation shall be strictly observed.

**(x) Standard Service Connection Charges**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

Regulation 22 (vi) of the Supply Code,2019 read with the Clause No. 256 of Tariff Order dtd. 13/02/2024, provides standard service connection charges are prescribed for connection up to 5 KW. For any new connection above the said limit, an estimate is to be prepared by the DISCOM which is a time-consuming process in providing the electricity supply to the applicant. The DISCOMs have cited Electricity (Rights of Consumers) Rules 2020, Rule No. 4 (13) which is as follows:-

> *"For electrified areas up to 150 kW or such higher load as the Commission may specify the connection charges for new connection shall be fixed on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection."*

A letter was submitted to the Commission by TPCODL vide Ltr No. TPCODL/Regulatory/2024/79/4613 dated 6th July'2024 proposing standardization of service connection charges upto 150 KW, 3 phase under LT category as per the following details:

**Table-22**

| Contract Demand | Service Connection Charges (excluding GST) in Rs. |
|---|---|
| Upto 10 kW | 4500 |
| 11-20 kW | 7000 |
| 21-40 kW | 10000 |
| 41-50 kW | 19500 |
| 51-100 kW | 33000 |
| 101-150 kW | 60000 |
| Note: The above charges are calculated based on average 25 meters service length and use of armoured cable | |

The DISCOMs have requested to issue necessary direction for standardization of service connection charges in order to expediate the procedure of providing the service to new Consumers.

**(y) Processing fee for each service as per Regulation**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

As per existing Regulation, for new connection the processing fee has been defined as Rs.50/-per application, however, there is no such charges is payable for the other services. The DISCOMs have urged that they are incurring expenditure for such services and have requested to approve the following costs for the services offered.

**Table-23**

| Sl. No. | Purpose of Application | Application Processing charges | |
|---|---|---|---|
| | | LT Single Phase | LT-3 Phase, HT & EHT |
| 1 | Change of Category | Rs. 100/- | Rs. 1000/- |
| 2 | Load Change | Rs. 100/- | Rs. 1000/- |
| 3 | Change/correction of Name or address, Ownership change/modification excluding e-mail ID and Mobile No. | Rs. 100/- | Rs. 1000/- |

**(z) Relaxation in Documents to providing new connections**

**(TPSODL)**

TPSODL has submitted that documents like identity proof and ownership proof, should be sufficient at the time of releasing new service connection. However, currently some additional documents are required, which can be taken care through a standard undertaking/self-certification as part of application form citing that "all other necessary documents" like internal wiring certificate on safety approved by the authorised representative of Electrical Inspector of licensed electrical contractor NOC from co-owner, NOC for agriculture, Industrial licence etc. are available with the applicant. The Licensee has further submitted that these additional documents should not be a prerequisite for energising the connection. The undertaking will also indemnify the utility for any loss/dispute arises out of it and supply will be liable for disconnection in case of any dishonest declaration. In Delhi this practice is being followed and so far no issue faced by utilities at there. TPSODL has therefore requested the Commission to issue necessary direction in this regard.

**(aa) Extension of time period for Temporary Connections**

**(TPSODL)**

As per OERC supply code 2019, Temporary power connections can be given to meet temporary needs on special occasions including marriage or other ceremonial functions, fairs, festivals, religious functions, for construction of residential houses etc. upto a period of 6 months. TPSODL has submitted that the temporary power requirement for construction purpose may even be 1/ 2 years and even more for big projects. Further, until the construction of the premise and wiring are not completed, a permanent connection cannot be given. Under such a scenario, it is necessary to extend the timeline for a temporary connection for construction purposes from 6 month to time till the activity is completed. Accordingly, the Distribution Licensees have requested the Commission for necessary directions in the Tariff Order for the ensuing FY 2025-26.

**(bb) Installation of Smart Meter under Capex and abolition of meter rent**

**(TPCODL, TPNODL, TPWODL & TPSODL)**

All the four Distribution Licensees have submitted that various regulatory frameworks have mandated Smart Meters for Consumers whereas the existing arrangement of meter cost recovery through monthly meter rent is a major impediment in installing Smart Meters. Even Consumers who are having mechanical meters are resisting for replacement of meters. They have a notion that meters are being replaced for collecting meter rent. In order to ensure that the all Consumers can avail the benefit of Smart Meters, the only feasible option is to install Smart Meter under Capex route and abolishing the existing method of recovering meter cost through meter rent. This will accrue dual benefit to the Consumer. They will be relaxed from the burden of monthly meter rent at the same time enjoy the benefit of Smart Meters. The DISCOMs have submitted that as per estimation, the impact of above changes proposed would have negligible effect on tariff. They have given the examples of states like Maharashtra, Gujarat, Delhi, Madhya Pradesh, Karnataka, Andhra Pradesh and Tamil Nadu, which have abolished meter rent concept way back and switched to capex mode for meter cost recovery. As per the advice of the Commission, the DISCOMs have filed separate applications for consideration of Smart Meter cost under CAPEX and have requested to be heard along with ARR applications.

**(cc) Public Lighting**

**(TPCODL)**

TPCODL has submitted that Regulation 138 of the Supply Code stipulates Lighting of Public Park under ‘Public Lighting’ category. However, Power supplied to the Public Parks are not limited to lighting load but includes other usages like water pumping, sprinkler system, fountain, music system, administrative office, food kiosk etc. As the supply to the public parks is not limited to lighting load but mixed usages in which case, the applicable tariff is General Purpose. TPCODL has requested necessary clarification in this regard.

**(dd) Fresh Water Pearl Harvesting**

**(TPCODL)**

TPCODL has submitted that clarification with regards to Mushroom farming, Honey and Seed Culture has been provided at para 93 of the Tariff Order dated 13.02.2024. In case of 'Fresh Water Pearl Harvesting' Consumers, considering the commercial nature of the activity, TPCODL has requested for necessary clarification.

**C. OBJECTIONS AND QUERIES RAISED DURING THE HEARING & THEIR REJOINDERS BY THE PETITIONERS (Para 47 to 93)**

47. Public hearing on ARR and Tariff Applications of all the four DISCOMs for the FY 2025-26 was initiated with PowerPoint Presentation by DISCOMs. This was followed by the presentation of the Consumer Counsel, World Institute of Sustainable Energy (WISE), Pune appointed by the Commission for objective analysis of the applications of all the DISCOMs. The Consumer Counsel presented the summary of the submissions made by the licensees along with analysis & observation on the ARR.

48. Consumer Associations, stakeholders and individuals had raised various issues with their views / suggestions on the proposal made by the DISCOMs in their written submissions. The Commission has considered all the issues raised by the participants in their written as well as oral submissions made during the public hearing. The views/ suggestions of Objector and Rejoinders submitted by the Licensees addressing the Objections & queries of the Objectors are summarized in following paragraphs.

49. **Railway Traction Tariff**

**Views / Suggestions of East Coast Railways**

The Objector (East Coast Railways) has requested to treat Railways as a separate category and fix lower levels of tariff compared to others at HT & EHT level. It has further submitted that due to variation in the traction load throughout the day, it is unable to achieve 60% load factor and has requested to allow load factor incentive from 40% instead of 60%. The objector has mentioned that the Railways have not been provided with Smart Meters and the load of Railway traction depends on train movements and cannot be controlled / regulated according to Solar hours, Normal hours & Peak hours and has requested the Commission to exempt Railway Traction category from the regime of ToD tariff. The Objector has also requested the Commission to advise the DISCOMs to ignore the MD rise/overshoot of both side RTSSs of same/other DISCOM during feed extension over the RTSS at the time of power supply failure from OPTCL end to a particular PSS. East Coast Railways has further submitted that the energy bills are being prepared by TPWODL by taking KVARH (lag) into account from other quadrants, while in practice, the KVAH billing of TSS is used to be made basing on the KWH and KVARH (lag) from 'Q1' quadrant only. This practice militates against the interest of Railway, as Railway has installed capacitor banks at all RTSSs for reactive power compensation, power factor correction in the electrical substations and to enhance the efficiency of the power system. The objector has requested the Commission to give direction to adopt uniform system of Traction energy billing for all DISCOMs in the state.

**Rejoinder of the Licensees**

TPNODL, TPWODL & TPSODL have submitted that the tariff applicable to Railways herein in Odisha is much competitive than the tariff for Railways in other adjacent states as given in the table below:

**Table-24**

| Sl. No. | **States** | **Demand Charges** | **Energy Charges** | |
|---|---|---|---|---|
| 1 | Chhattisgarh | Rs.375 /-per kVA per month | Rs. 5.25 per kVAh | |
| 2 | Andhra Pradesh | Rs.350/-per kVA per month | Rs. 6.50 per kVAh | |
| 3 | Jharkhand | Rs.400/-per kVA per month | Rs. 5.60 per kVAh | |
| 4 | Madhya Pradesh* | Rs.310/-per kVA per month | Rs. 5.90 per kWh | |
| *Guaranteed minimum annual consumption of 1500 units (in kWh) per kVA of Contract Demand. | | | | |
| 5 | Maharashtra | Rs.472/-per kVA per month | Rs. 5.31 per kVAh | |
| 6 | Bihar | Rs.540/-per kVA per month | Rs. 8.16 per kVAh | |
| 7 | **Odisha** | Rs.250/-per kVA per month | HT (kVAh) | EHT (kVAh) |
| | | (Upto 60% L.F) | Rs. **5.85** | Rs. **5.80** |
| | | (> 60% L.F) | Rs. **4.75** | Rs. **4.70** |

Further, Railways is also being separately categorized under HT & EHT as “Railway Traction”, there is no such requirement of creation of another specialized category. All the DISCOMs have submitted that Railways is also extended rebate of 25 paise per unit and with such rebate the effective Tariff under EHT up to 60% LF is Rs. 5.55 per unit and beyond 60% LF consumption it is Rs. 4.55 per unit. TPWODL has replied that the proposed reduction in L.F discount from 40% will affect the licensee’s business. If Railway tariff requires reduction, the tariff of cross-subsidized category needs to be increased. East Coast Railway is a 2-phase Consumer & because of its load pattern, may not be able to achieve the desired load factor. TPWODL has further stated that considering the above facts, the Commission may explore tailored solutions that will address Railways operational needs while aligning with TOD objectives. TPCODL has submitted that the HTTV meters (Apex-100) currently installed at Railway Traction substations are advanced metering devices that fully comply with IS 13779:2017 standards and possess all the technical capabilities necessary for recording and storing time-block wise consumption data, which is essential for ToD billing. Addressing to the billing issue raised by the objector, TPWODL has submitted that the Licensee is adhering Commission’s uniform billing mechanism wherein Lag only is being considered while taking kVArh reading and there is no abnormality. As, regards to the request of ignoring the MD while feed extension at the time of power supply failure from OPTCL end, TPWODL has submitted that the request may be considered and TPSODL has submitted that the issue may be examined by the Commission. TPCODL has submitted that as per the present practice adjustment of any excess “Demand charge” is regularized in the next billing on proper verification of the report of Central MRT/OPTCL on feed extension, so the proposal of Railway to ignore the recorded MD within the same month is not correct.

50. **Smart Meter under CAPEX**

**Views / Suggestions of Objectors**

One of the Objector has submitted that DISCOM's Smart Meter projects are funded by the Government of India under the IPDS plan. However, the IPDS project has not been executed as per the plan's directives from the GoI. Furthermore, the cost of assets created under government schemes goes to waste, while DISCOMs claim a 3% R&M cost on funded assets. Therefore, the objector does not find the Smart Meter plan funded through Capex by DISCOMs to be beneficial, as the burden will ultimately pass onto Consumers. Another objector has submitted that Smart Meter installation at all the government connections available in all block level and above may be allowed by the Commission whereas in case of other Consumers, the permission must be taken from the Consumer. Some Objectors have requested the Commission to issue an advisory note to the Government to allocate funds for the installation of Smart Meters, instead of passing the associated costs onto the ARR, as proposed by DISCOM. Many Objectors have submitted that there is no clarity regarding Consumers who have purchased meters at their own cost. While another objector has suggested that the proposal to absorb the cost of meters under capital expenditure is a favorable one. Another objector has questioned the DISCOMs plan to install meter under CAPEX saying why the poor Consumers of ODISHA should bear the capital cost or meter rent. The cost must be borne by the Government or the company from own profits.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that Government of India, through the Ministry of Power Gazette notification (F.No. 23/35/2019-R&R) dated 17th August 2021, had mandated all states for transition from conventional meters to more advanced prepaid Smart Meters. Further, the Commission has also advised the DISCOMs of the state to implement the same in a phased manner following a priority as directed. The licensees have proposed withdrawal of meter rent w.e.f. 1st April 2025 in the ARR through capitalization of meter cost. To that extent, a separate Meter-CAPEX plan has been filed with the Commission for approval.

TPCODL has submitted that Installation of Smart Meters is a mandate under various regulation prescribed by OERC and Govt. of India. All the expenses/cost is borne by the Consumer as per the provision of Electricity Act 2003 and Tariff Regulation 2022 prescribed by the Commission.

TPCODL has further stated that all the expenses/cost is borne by the Consumer as per the provision of Electricity Act 2003 and Tariff Regulation 2022. TPNODL has submitted that in most of the states like Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka, Madhya Pradesh, Uttar Pradesh & Delhi, meter cost is part of Capex and meter rent is not charged separately from the Consumers. Inclusion of meter cost in CAPEX is rational, where poor Consumer would pay less in comparison to rich Consumers.

51. **High Employee Expenditure**

**Views/ Suggestions of Objector(s)**

The ARR of all DISCOMs proposes an exuberant in expenditure in employees cost, which is double than the last year's Commission's approval. One Objector has given the proposed and approved employee expense data since FY 2010-11 to FY 2025-26 and requested The Commission to approve the employee expense of DISCOMs for FY 25-26 through prudence check.

**Rejoinder of the Licensee**

TPCODL has submitted that the operations of TPCODL is only 4.5 years old. The O&M Expenditure would depend on the level of activities in the area of Repairs , Maintenance , Billing, Collection, statutory fees, recruitment of personnel as per the approval of the Commission to cover the deficit on account of no recruitment in the past. Increase in the expenditure would also need to be considered after factoring the increase in assets, number of Consumers from 26.82 Lakhs to 32.06 Lakhs, operation of customer care centers in all Divisions, Fuse Call Centers in different parts of the licensed Area and also the various activities for providing better Consumer services and improved reliability.

TPWODL responded to the views of the Objectors citing that it is a fact that recruitment was prohibited by the Commission in the past for which no recruitment was carried out by erstwhile WESCO Utility. However, on transfer of utility to TPCL as per terms of Vesting Order, staff deployment plan has been duly approved. Accordingly, as per para 45 of the Vesting Order, TPWODL is permitted to deploy 4209 Nos. of staff under different category. In addition to the erstwhile WESCO employees strength, Commission has been approving employees based on the proposals of TPWODL since FY 21-22 till FY 24-25. As regards to FY 25-26, the Licensee has considered recruitment plan of 215 Nos. employees. The proposed recruitments are in line with the approved benchmark of 1.4 employees per 1000 Consumers as directed by the Commission. With a continuously increasing Consumer base and to maintain the ratio of 1.40 employees/ 1000 Consumers, this recruitment plan is justified. Considering the expenses of existing employees including terminal dues of pensioners/ family pensioners and for proposed recruitment during ensuing year, the employee cost has been proposed for FY 25-26. The Commission also approves the Employee cost on cash out go basis after prudence check during truing up. It is worthwhile to mention that the actual employee cost during FY 19-20 was Rs. 525.21 Cr. So, post vesting of utility with committed recruitment plan, the proposed employee cost of Rs.560.94 Crs. for FY 25-26 is justified.

TPNODL has prepared the ARR as per the provision of OERC (Wheeling and Retail Supply Tariff) Regulation, 2022. Therefore, all the projection has been estimated in the ARR as per the norms and terms of the said regulation. The justification behind the projected cost has been also mention in the ARR Application against the respective expenditures. Further, all the audited financial reports of licensee are also furnished to the Commission periodically for its prudent check. Addressing the issue raised by the Objector, TPNODL submitted that TPNODL has started operation with effect from 01.04.2021 in compliance to the Vesting Order dated 25.3.2021 of the Commission with certain stringent investment conditions and performance trajectories which are also associated with penalty provisions on non-achievement. The applicant has made a comprehensive recruitment plan and made recruitments at strategic locations to carry out the business in a meticulously structured and efficient manner to meet the targeted performance trajectories of the Commission as well as to provide quality power supply and service to the Consumers. In compliance with the Vesting Order, TPNODL has submitted the Staff deployment plan & management structure and annual addition to that is taken up as per the approval of the Commission. Inherited employee and CTC employee cost are being furnished separately as per the prescribed formats of Commission.

TPSODL responded by submitting that the employee expenditure includes employees cost of the existing manpower, newly recruited manpower, outsourced manpower engaged in O&M activities, terminal benefits, arrear pay and other staff welfare expenses. Further reference may be made to forms submitted F-12 (A-B-C-D-E) along with our application. TPSODL has further submitted that, the ratio of no of employees per 1000 Consumer is well below the OERC prescribed limit of 1.40.

52. **Repair & Maintenance (R&M) Expenses**

**Views/ Suggestions of Objector(s)**

The ARR of all DISCOMs proposes an exuberant in R & M expenditure. The Objectors have requested the Commission to approve the R&M expense through prudence check. Another Objector has proposed that the R&M expenses may be approved considering reduction of the amount of gross fixed assets created due to depreciation.

**Rejoinder of the Licensee**

TPCODL has submitted that since the takeover of the erstwhile utilities, various new activities/initiatives have been undertaken. The projection of opening Gross Fixed Asset has been done considering the assets transferred from various schemes, the assets capitalised as per the norms fixed by the Commission in the Tariff Regulation. With respect to the Respondents view that depreciation should not be allowed on GFA created due to Depreciation, it is clarified that all Asset, irrespective of source of funding, need to be maintained and consequently R&M Cost needs to be allowed for maintenance of all assets, including the Govt. owned Assets which are not funded by the DISCOMs but are maintained by them.

TPWODL has submitted that the licensee has already provided detailed justification regarding the R&M expense in its ARR application for FY 25-26. After pronouncement of new Tariff Regulation, 2022, the Commission has been approving R&M to the DISCOMs as per the percentage on own assets and on Govt. funded assets. Adhering to the Commission's directions, the DISCOM is spending towards R&M prudently. Comprehensive R&M is required in the areas of safety, system operation, distribution system & distribution services, centralized power system control centre, civil structures, automation technology etc. R&M Expenses are mainly incurred under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer & other equipment repairs, civil repair and maintenance, IT related and store related material handling. Ageing also plays an important factor in the distribution system. Also, if proper repair and maintenance is not carried out in time, it may lead to high failures in distribution transformers and sub-stations leading to interruption in power supply to the Consumers. Further, due to revision of minimum wages by Govt of Odisha w.e.f. 18th July 2024 and again from 24th September 2024, to the tune of 28%, the impact of minimum wages has impacted the R&M cost abnormally and hence needs to be considered separately by the Commission while truing up.

TPNODL has submitted that R&M cost claimed by TPNODL in the ARR application is based upon the prevailing regulations, actual base of assets at sites and rate of entitlement. R&M cost is incurred for operation and maintenance of network so that Consumer get reliable supply by ensuring safety of public and network.

TPSODL has submitted that the Commission in the Vesting Order has also observed that the new licensee is entitled for R&M expenditure on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. A lot of assets are created under Govt grants and transferred to TPSODL as per Vesting Order. As the assets are ageing, it requires servicing in full scale which needs more allocation towards R&M expenditure. The detailed justification is submitted as part of our submission for approval of ARR for FY25-26. The detail of own assets and Govt. assets is already submitted in the petition. The detail plan and budget of pre-audit maintenance is shared with the commission, time to time. Further, based on the learning from last 3 years of stabilised operation, TPSODL had optimised the comprehensive AMCs along with the manpower deployment structure for all six circles for O&M of 33KV, 11KV & LT assets to create a culture of preventive maintenance. The Performance Based Maintenance Contract also includes 24X7 Breakdowns Crews for restoration of 33KV & 11KV feeders and substation equipment. Besides, preventive maintenance activities are being performed as per the maintenance plan using the SAP PM system.

53. **Depreciation**

**Views/ Suggestions of Objector(s)**

The Objectors have submitted that depreciation should not be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

**Rejoinder of the Licensee**

TPCODL has submitted that it has been computing deprecation at “pre- 92" rates on the opening assets. Further, TPCODL have been claiming in ARR/ True up, net Depreciation after deducting Depreciation on meters, Amortization on Opening Assets ,Amortization on Grants and Amortization on Consumer Contribution from the total Deprecation booked in accounts. Our ARR FY 2025-26 petition may be referred to in this regard. Out of this Net Deprecation, Depreciation on Asset Created out of Own Capex of TPCODL are being used towards repayment of Capital loan and the balance towards funding of ASL payment.

TPWODL has submitted that as per Tariff Regulations, 2022, vide clause 3.8 Depreciation on assets transferred under Segregation Order has been calculated in Straight Line Method (SLM) at pre-92 rates and for assets created by the licensee has been calculated at rates prescribed in the Annexure-2 of the New Regulations, 2022. The licensee while proposing

Depreciation has also deducted the depreciation on Consumer contributed and Govt funded assets.

TPNODL has submitted that it has never claims ROE and Depreciation on the assets created through Government fund/schemes. The audited financial statements are also submitted before the Commission for its prudence check.

In response to the Observation made by the respondent, TPSODL has submitted that that the depreciation is calculated as per the prescribed norms of the Commission as stipulated under OERC (Wheeling and Retail Supply Tariff) Regulations, 2022, including as prescribed under the Vesting Order.

54. **Aggregate Technical and Commercial (AT&C) loss**

**Views/ Suggestions of Objector(s)**

The AT&C loss trajectory projected for FY 2025-26 is very less and the reduction in losses as per the projection of the DISCOMs is not justified taking into consideration the amount of CAPEX investment. Further, another objector stated that the DISCOMs have not taken adequate action to reduce AT&C losses, which are crucial for determining tariffs. Some Objectors have argued that the projected AT&C and T&D losses should be based on audited figures, as not all feeders, substations, and Consumers are metered and expressed concerns over TATA Power's maintenance of lines and substations, which contribute to energy loss. The AT&C loss trajectory projected for FY 25-26 is very less. In a way the trend shows there is no real improvement for reduction of loss since takeover. Another Objector submitted that DISCOMs must give detail financial benefits derived from the CAPEX plan on account of loss reduction and its impact on tariff.

**Rejoinder of the Licensee**

TPCODL stated that it takes great care in maintaining its network across a vast area. It clarified that the loss figures presented for previous years are based on audited figures. However, they emphasized that the AT&C loss value is crucial in estimating the Power Purchase Quantum. The DISCOMs have further explained that while determining the ARR and tariff, the AT&C loss figure from the trajectory (as outlined in its Vesting Order), is applied, and the actual loss achieved by TPCODL does not impact the tariff determination.

TPWODL has responded that it has submitted in its CAPEX plan for FY 25-26 to the Commission with a detailed cost benefit analysis, providing annual benefit due to reduction in AT&C losses via increase in billing and collection efficiencies. It has taken many initiatives to provide reliable and quality power supply to the Consumers of western Odisha which is contributing towards reduction in AT&C losses from 31.64% in FY 2018-19 to 15.51% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the Consumers.

TPNODL has submitted that overall AT&C loss is calculated taking into account total purchase unit sales unit and collection against sales. It has metered all inter division connection point which is necessary for calculation of divisional AT&C loss. Annual Audited report is regularly submitted to the Commission at the time of truing up (Audited report for the FY 2023-24 has already been submitted). Regarding cleaning of lines and substations, it is taking all required steps to maintain lines and substations clean and up to the standard. However, the licensee's network comprises of seventy-nine thousand distribution transformers and the cleaning is a regular process. The AT&C loss has been reduced from 25.17% in FY 21 to 14.19 % as on March' 2024 and the power supply hours have been 23:02 Hrs. in average during FY 2023-24, the corresponding extra billing and collection are the derived impact of the capital investments done so far. There is no hike in Retail supply tariff in last three years despite significant increase in Bulk Supply tariff.

TPSODL has submitted that it has undertaken a number of initiatives towards AT&C and distribution loss reduction and to provide reliable and quality power supply to the Consumers of the vast geographical area of Southern part of the Odisha state. This has contributed towards reduction in AT&C losses from 30.03% in FY 2018-19 to 25.95% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the Consumers as per the provisions of the OERC (Wheeling and Retail Supply Tariff) Regulations, 2022.

55. **Performance Review of DISCOMs**

**Views/ Suggestions of Objector(s)**

Objector challenged the overly favourable scenario of the performance report of the DISCOMs. He urged the Commission to carry out a forensic audit of the performance metrics and publish the report in the public domain.

**Rejoinder of the Licensee**

TPWODL has submitted that after privatization, the Licensee has taken many initiatives to provide reliable and quality power supply to the Consumers of western Odisha which is contributing towards reduction in AT&C losses from 31.64% in FY 2018-19 to 15.51% in FY 2023-24. The benefits of reduction in AT&C losses have been passed on to the Consumers.

All the DISCOMs have submitted that the State Commission conducts Performance Review of DISCOMs periodically as per terms of Vesting Order and is also monitoring whether the DISCOMs are complying with the various directions of the State Commission.

56. **A&G Expenses**

**Views/ Suggestions of Objector(s)**

The ARR of all DISCOMs proposes very high increase in the expenditure under Administrative & General expenses. The Objectors have requested the Commission to allow only a 7% increase in the earlier approved A&G expenses for FY 2024-25 or actual A&G expenses or whichever is lower for FY 2025-26.

**Rejoinder of the Licensee**

TPWODL has submitted that during pre-vesting period, the erstwhile utility was unable to spend towards A&G due to different reason where in escrow mechanism was the hurdle. Hence, the actual A&G during pre-vesting period was negligible. However, post vesting the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out. Hence, the corresponding A&G would be obviously more. Additionally, initiatives like enforcement drives, energy audits, digitalization and meter replacement have expanded the scope of A&G activities. The Commission has historically allowed a 7% annual increase for inflation, and the Licensee requests approval for FY 2025-26 based on these factors. Outsourced staff classified under the "Skilled Category" have also seen higher costs as per labour notifications. The proposed A&G expenses are inevitable to achieve the targeted AT&C loss of 15.90 %.

TPNODL & TPCODL have submitted that the details of the A&G expenses incurred and the justification against the cost components along with the achievements so far, have been elaborated in the application of the licensee which may please be referred.

TPSODL has submitted that A&G expenses has gradually increased with the increased level of Consumer service related activities. Further, the norms followed by the Commission is a 7% increase over previous year's allowed normative expenditure together with certain expenditure for specific activities. It is submitted that the norm is grossly inadequate as the base (previous year's allowed expenditure), is insufficient considering the requirements, including new expenses (such as Insurance, Audit / Professional Charges). Additionally, the A&G expenses has gradually increased with the increased level of Consumer service related activities.

57. **Load Factor Incentive to entire Iron & Steel sector**

**Views/ Suggestions of Objector(s)**

One Objector requested to extend the Load Factor incentive to entire Iron and Steel sector having electric arc furnace. Another Objector has submitted that all the HT industrial Consumers with CD 1 MVA and above need to have their CGP for continuous power supply, which has not been supplied by the DISCOMs. They also utilize their waste energy for generation of electricity. Therefore, the Rebate should be extended to all to all Steel Industries having CD>1 MVA in 33 KV with or without CGP.

**Rejoinder of the Licensee**

TPWODL has submitted that the Commission recommended the load factor incentive to steel plants with induction furnaces keeping in mind the tariff structure and rates in the neighbouring state to have competitive advantage to the local industries to manufacture their products in the State of Odisha. The Special rebate for steel industries is only for those who do not have their own CGP and only for Industries having induction furnaces. The Commission has also approved a rebate of 10% on entire consumption upon achieving LF of 85% by aluminium industries (Arc Furnaces) connected at 33 kV with CD more than 1 MVA and up to 6 MVA. The suggestion of Electric Arc furnace for steel industries appears to be incorrect because steel industries used to operate with induction furnaces whereas Aluminium segment industries are operating with electric arc furnaces. However, Tariff Fixation is the sole prerogative of the Commission and it may take a suitable decision in this regard.

TPNODL & TPCODL have submitted that Steel Industry having CGP are intentionally keeping less Contract Demand, as part of their demand are being met through CGP power. These Consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to Steel Industries will be deprived in case of Steel Industry having CGP. So, the DISCOMs have prayed for continuance of last year order.

58. **Revision of Reconnection charges**

**Views/ Suggestions of Objector(s)**

In the era of modern & advanced technology the connection and reconnection activities can be handled at the remote end. So, the proposal to revise the reconnection charges cannot be justified, rather this will be an unlawful gain at the cost of Consumers.

**Rejoinder of the Licensee**

TPWODL has submitted that the disconnection & reconnection activity cannot be monitored remotely due to non-availability of Smart Meters in entirety. Even with 100% Smart Metering, Consumer behaviour cannot be changed unless a suitable penalty is imposed. Reference may be made in case of Motor Vehicle Act and as amended from time to time, non-adherence attracts heavy penalty. Still, people are not obeying the guidelines. The intention of this proposal is not to earn revenue out of the penalty, but it should act as a deterrent method for repeatedly defaulting Consumers. Further, the control mechanism as suggested like of Mobile operators, cannot be compared with electricity as in the latter case, for use electricity, Consumers are being connected with service wire whereas user of any mobile network is connected through a wireless mode. Hence, the proposal of adding penalty clause is justified and may kindly be approved by the Commission. Unless there is stringent mechanism of punishment the burden of unauthorised use of electricity will be borne by the paying Consumers. Further, achieving targeted AT&C loss to meet genuine Consumer's requirement may not be possible.

TPCODL has submitted that as per regulation, it is the responsibility of the consumer to pay the electricity dues in time. Further, to encourage the consumer to pay their dues on time, Hon'ble Commission has provided prompt rebate, rural rebate and digital rebate. Still a large number of the consumers require repeated follow-ups, involving 2-3 visits by our bill collectors/WSHG's, DC squad, and Ex-servicemen. Disconnection is used as a tool to influence the consumers to make payment of electricity dues, and bring changes in their payment behavior. This requires continuation of disconnection squad operations for a number of years to inculcate the habit of paying the electricity dues in time. This involves cost and the burden of this expenditure should not be passed on to the good-paying consumers. With regard to smart meters, the numbers is very small now and it would take time to a level of significance.

TPNODL has submitted that it has taken number of measures to bring in cutting edge technology and implemented micro-SCADA. The licensee has installed Smart Meters in around fifty thousand consumers, but yet to operate them in pre-paid mode with auto disconnection facility. It will take substantial time to reach the stage of doing remote disconnection to all the consumers. This reconnection charge also acts as a deterrent in the process, along with covering the man hour and other ancillary charges for physical reconnection of power supply.

All the DISCOMs have submitted that the current reconnection charges have remained at the level fixed in 2012 whereas the costs of performing various activities have increased.

59. **Re-introduce the 3-slab based graded incentive tariff**

**Views/ Suggestions of Objector(s)**

With drawl of 3 slab based graded incentive tariff has resulted in a tariff impact and the HT /EHT industries are suffering a lot. This encourages the HT /EHT industries to go for CGP or to avail cheaper power from exchange. The Objector has requested to re-introduce the 3-slab based graded incentive tariff in the FY 2025-26.

**Rejoinder of the Licensee**

The DISCOMs have submitted that the 3-slab based graded incentive tariff mechanism is not actually beneficial. It further complicates the billing mechanism. Further, in 3 slab mechanism the difference in slab tariff was negligible, but in two slab the difference is more than one rupee which is almost a reduction of 19%. Therefore, the earlier 3 slab tariff structure has been consciously withdrawn by the Commission, to extend more benefit to the Consumers. Apart from this, when 3 slab graded tariff was available, the currently available other benefits like steel industry rebate, aluminium industry rebate, use of double the CD, use of power through TPA, railway tariff discount, MSME discount were not available. The DISCOMs, with regulatory approval has adopted many incentives scheme that supports the industries for a sustainable tariff, even though there is substantial increase in BSP cost. TPNODL has submitted that the three-graded slab applicable for HT/EHT Consumers was only restructured. EHT and HT Consumers are charged a tariff for consumption up to 60% Load factor and for consumption more than 60% Load factor a reduced tariff is applicable. Further The Commission determines the tariff basing on the principle of higher rate of energy charge for supply at low voltage and gradual reduction in rate as the voltage level goes up. The Commission has set energy charges at different voltage levels to reflect the cost of supply. The Commission has already given justification for reduction of graded slab from three to two applicable for HT/EHT Consumers. The tariff applicable for the category is relevant, the slabs are applicable for encouraging the Consumers to avail power at higher load factor and the same persists in the present structure of two slab tariff also.

60. **CAPEX Approvals**

**Views/ Suggestions of Objector(s)**

The Commission is requested to approve CAPEX considering the likely interest burden on the Consumers, tariff shocks and effective checking of actual implementation of CAPEX. The third-party audit of CAPEX should be independently carried out by the Commission and pass appropriate order on the same. DISCOM shall give the detail financial benefits derived from the Capex Plan on account of loss reduction and its impact on tariff.

**Rejoinder of the Licensee**

TPWODL has submitted that as per the Vesting Order of TPWODL, the licensee is committed for capital investment of Rs.1663 Cr. in span of 5 years. In line with the same the Commission has already approved Rs.2023 Cr. till FY 25-26 out of which the licensee has already spend around Rs.1700 Cr. till Dec-24 and capitalised around Rs.1222 Cr. The licensee's CAPEX application was approved by the Commission in prior consultation with all the stakeholders and the investment proposal has been considered only on priority wherever there is requirement for overall improvement. The Commission approves the CAPEX amount for each year after considering every aspect and appoints consultants to check the relevancy of the CAPEX application. Further, upon completion of CAPEX, the reduction in Loss will absorb the tariff shock to a greater extent.

TPNODL has submitted that the detailed capex plan along with Detailed Project Report are furnished before the Commission each year as per provision of Vesting Order. Accordingly, the Commission hears it in Public Hearing and issues the order by way of analyzing the inputs from all stakeholders.

TPSODL has submitted that, the benefits of the Capex plan include increased supply reliability, reduction of AT&C loss, better Consumer satisfaction; which have been mentioned in the ARR petition. The AT&C loss has been reduced from 25.17% in FY 21 to 14.19 % as on FY 24 and the power supply hours have been 23:02 Hrs in average during FY 2023-24, the corresponding extra billing and collection are the derived impact of the capital investments done so far. There is no hike in Retail supply tariff in last three years despite of significant increase in Bulk Supply tariff.

TPCODL has submitted that, at the time of take over AT&C Loss was 30.4% which has been reduced to 21.20%, which has yielded around Rs. 550 Cr plus saving to consumers. Further, last year there was a reduction in tariff for domestic category, despite the fact that there is increase in Average Cost of Supply.

61. **Cross subsidy and its surcharge**

**Views/ Suggestions of Objector(s)**

The Objector has submitted his view that the Commission has taken two different approaches and methodology for deciding cross subsidy and cross subsidy surcharge. If the cross subsidy has been calculated considering cost to serve all Consumers of the state taken together, then cross subsidy surcharge should have been calculated considering average cost to serve all Consumers of the state taken together. No precise and clear formula has been approved by the Commission for determination of Cross Subsidy and cross subsidy surcharge. Some Objectors have also requested for reduction in Cross Subsidy Surcharge.

**Rejoinder of the Licensee**

The DISCOMs have submitted that the Commission has been reducing the applicable CSS for tariff fixation for various categories viz EHT and HT over the period of time. In this regard, OERC (Wheeling and Retail Supply Tariff) Regulations, 2022 may be referred:

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

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

At Table No. 25 of the RST order for FY 2024-25, the Commission has provided voltage level wise percentage of cross subsidy above/below of average cost of supply since FY 2018-19 to current year. From the table it can be observed that the percentage is well within +- 20% as advised in National Electricity & Tarif Policy.

TPWODL has submitted that the thought of the respondent appears to be in absolute price per unit. In this regard, considering the cost of inflation, cost of supply increases, hence the reduction of CSS in absolute term cannot be compared. Rather, with cost inflation the existing CSS for the Consumers of the TPWODL is lowest among all the DISCOMs. The tariff of BPL Consumers is Rs.70 per month for 30 units, Agriculture tariff is Rs.1.50 per unit and Domestic tariff up to 50 units is Rs. 2.90 per unit which is even less than the present highest BST in the state. They are subsidized through high end Consumers.

Simultaneously, to provide cheaper power to the industrial Consumers, who are drawing power through open access or from CGP, the Commission has introduced different rebates vide RST order FY 24-25 and TPWODL has prayed to continue the same along with new proposals in its ARR application of FY 25-26. If approved intended industries may get more benefit out of it. Apart from the above, the Commission has been reducing the applicable CSS for tariff fixation for the various categories viz EHT and HT over the period of time.

Further TPCODL has submitted that Tariff Design and Determination is the sole prerogative of the Hon'ble Commission.

TPNODL has submitted that the contention of the Objector that due to high cross subsidy surcharge, the industries are not able to go for availing power supply through open access is not true. A comparative statement of the no. of consumers availing power through Open Access and the corresponding quantum over last six years given in the following table.

**Table-25**

| **Particulars** | **FY 18-19** | **FY 19-20** | **FY 20-21** | **FY 21-22** | **FY 22-23** | **FY 23-24** |
|---|---|---|---|---|---|---|
| No. of Consumers availing power supply through open access | 11 | 13 | 16 | 18 | 14 | 13 |
| Total units availed through Open access (in MU) | 1250.69 | 1333.89 | 1522.122 | 1549.136 | 1014.724 | 1269.838 |

From the above table, it can be seen that the no. of consumers availing open access as well as the quantum of power availed through open access has increased year on year.

62. **Cross Subsidy of Agriculture based Consumer category**

**Views/ Suggestions of Objector(s)**

Agriculture based tariff categories are highly subsidized and there is a requirement of reduction of cross-subsidy for allied agricultural category. Consumers should be given two options, either for billing i.e. kVAh or kWh. The industries having load more than 2000 kVA can be recognized as power intensive industry and the benefit of special tariff can be extended to them.

**Rejoinder of the Licensee**

TPWODL has submitted that, the agriculture segment of Consumers is the primary food chain component in the society. The Commission has managed to keep cross-subsidy among the subsidized and subsidizing category of Consumers in the State within ±20% since so many years, in line with the mandate of the National Electricity Policy and Tariff Policy. Such cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture). However, determination of tariff is the sole prerogative of the Commission in this regard.

63. **Smart Meters for all Consumers**

**Views/ Suggestions of Objector(s)**

All the meters may be replaced by Smart Meter and the time of use tariff may be decided for those Consumers. There should be introduction of three types of tariffs i.e. normal, peak and off-peak tariff as per time of use to flatten the load curve. Further, awareness programme should be organized in this regard to sensitize the Consumers.

**Rejoinder of the Licensee**

TPWODL has submitted that, replacement of Smart Meters is carried out on priority basis as per the directions of the Commission. The Commission in its Tariff Order FY 24-25 vide Para 245 has defined Solar, Normal and Peak tariff hours. Further, for Commercial & Industrial Consumers, as well as those provided with Smart Meters having MD >10 kW are eligible for a ToD rebate of 10 paise/unit on Energy Charges during solar hours. Additionally, TPWODL regularly conducts awareness camps under the initiative "MAITRI–A digital bonding" to enhance customer engagement and address queries effectively.

64. **Tariff Variation among Consumer Categories**

**Views/ Suggestions of Objector(s)**

One of the Objector stated that 'More the consumption, less the rate' principle should be adopted since State of Odisha is considered as a power surplus state.

**Rejoinder of the Licensee**

TPWODL has submitted that, in Odisha the population is approximately 5 crores, with more than 95 lakh electricity Consumers. Barring around 20 lakhs of other category of Consumers, balance 75 lakhs are domestic category of Consumers. Out of these, 80% are rural Consumers and 20% are urban. The urban Consumers have the flexibility to use the electricity according to their economic conditions whereas the rural segment of

Consumers are restricted. If the concept of more use less pay mechanism will be adopted then it will favour the economically sound people at the cost of other 80% rural Consumers. Hence, the suggestion invites clear discrimination to the Consumers who are consuming less electricity and its not fair for the power sector in a state like Odisha.

TPNODL has submitted that the Commission is guided by the principles of Tariff Policy for setting tariffs for different category of consumers. Relevant extract from section 8.3 of the National Tariff Policy, reproduced hereunder:

> *1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.*
>
> *2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply…"*

To support the economically weaker category of consumers, cross subsidization is being followed. The consumers with lower consumption like less than 30 units are considered below poverty line. Similarly, to support the consumers falling under lower consumption slabs, like less than 50 units, 50 to 200 units, lesser rates have been fixed which is gradually increased. The existing pattern of tariff applicable for domestic and LT GP is to support the lower consumption group /weaker section of the society and ensure power for all.

65. **Withdrawal of kVAh billing**

**Views/ Suggestions of Objector(s)**

The Objector has requested the Commission for withdrawal of kVAh billing.

**Rejoinder of the Licensee**

TPWODL & TPSODL have submitted that the Commission has introduced kVAh billing in FY-21-22 which was supposed to be introduced much earlier. Observation of The Commission as rendered at Para-202 of the RST Order, dt: 13.02.2024 is quoted below:

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

Aforesaid observation of the Commission would establish the fact that kVAh billing system would give benefit to both the Consumer as well as the licensee in maintaining system stability, ensuring power quality and achieving loss reduction. In this regard it would be prudent to submit that Hon’ble APTEL has dealt with the issue of kVAh billing on several occasions. In Prime Ispat Ltd. and Another vrs Chhattisgarh State Electricity Regulatory Commission and Others (A.No.263 of 2014, decided on 10.04.2015), the issue of kVAh billing was discussed. Relevant observations of Hon’ble Tribunal are quoted here-in-below.

*“8.9. Now we explain the advantage of High-Power Factor and kVAh billing as under:*

*(a) Higher the Power Factor, lower is the Load Current and thereby Technical Losses of the transmission lines i.e. $I^2R$ losses will be reduced considerably.*

*(b) Due to increase of Power Factor (nearer to one), the Consumer’s demand charges will be reduced and also the kVAh billing will also be correspondingly reduced.*

*(c) The Higher Power Factor will reduce the demand on the system and improve the systems Voltage.*

*(d) Increases the available transmission and distribution system capacity.*

*(e) The improvement in Power Factor will reduce the licensee’s expenditure on Power Purchase and thereby the Consumers will be benefited with lower tariff.*

*8.10. In view of the above, most of the States are changing their billing system from KWH to kVAh billing system.*

*8.11. The learned counsel of the Appellant has contended that due to kVAh billing, bill amount has been increased and thereby the Appellant burdened with higher power bill. We do not find any merit in the contention for the following reasons: Because Power Factor = KWH /KVAH*

*If Power Factor is unity, then KWH =KVAH*

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

Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC’s) in various States viz. Himachal Pradesh, Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories. Further, as per Regulation 135 of the Supply Code, 2019, power factor should not be less than 92%. The relevant extract is as follows:

*“The Consumer shall so arrange his installation that the average lagging power factor of his load during any billing period is not less than 92%. Power factor penalty shall be levied if there is a breach of the aforesaid requirement as decided from time to time.”*

So, any Consumer who is not abiding by the above will have to pay as per kVAh reading which would be normally more than the kWh. That means the Consumer is penalized as such. There is no such separate PF penalty as kVAh billing is in force.

TPNODL has submitted that adoption of kVAh billing will help in maintaining the power factor and hence very much effective in maintaining system stability from technical point of view. The objective of introduction of KVAh billing is to ensure reduction in losses, which occurs due to low power factor and for encouraging the Consumers to maintain their power factor near to unity.

TPCODL has submitted that the benefit of kVAh billing is to incentivize consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile. The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges and consumer who maintain their optimal power factor will be always incentivized by way of lower energy charges. The Commission has the sole prerogative on matters of Tariff determination and Tariff design.

66. **Demand Charges as per RST**

**Views/ Suggestions of Objector(s)**

The Objector has submitted that the DISCOMs are not extending benefits with respect to Demand charges as per different RST orders. Even though there is provision of recording of kVA demand, it has not been recorded in the bills. So MMFC/ Demand Charges are prepared at the mercy of the DISCOMs. Another Objector has stated that in case of domestic consumer having Electronic Meter with Demand recording facility, the meter reader is not taking the demand recorded in the meter and Demand Charges Levied as per Contract Demand.

**Rejoinder of the Licensee**

TPWODL has submitted that it is adhering to the direction of the Commission strictly. There is no such manual intervention in DISCOM billing, it is digitalized through FG system & the billing system is designed to capture all the parameters as per RST order of the Commission. As per OERC Distribution (Conditions of Supply) Code, 2019, Contract Demand for a connected load below 110 kVA shall be the same as connected load. In case of Meter having provision of recording demand, billing is done on the recorded demand. As regards to non-taking up demand recorded by the meter reader may be an exceptional case. Specific cases, if any, shall be taken up if details will be provided.

67. **Approval of 15 MVA capacity for any Industry on non-dedicated line.**

**Views/ Suggestions of Objector(s)**

The Objector has requested the Commission to consider approving a maximum permissible load of 15 MVA for non-dedicated 33 kV lines, aligning it with the provisions for dedicated lines under Regulation 134(3) of the OERC Supply Code 2019, to benefit industrial Consumers.

**Rejoinder of the Licensee**

TPWODL has submitted that the concern regarding supply up to 15MVA through non-dedicated 33kV feeder requires an amendment in existing OERC Supply Code, 2019 which is under purview of the Commission.

TPCODL & TPNODL has submitted that allowing loads of 15MVA through non-dedicated 33KV line may over load the network, as it will require for accommodating 262 Amp drawl for a single Consumer. That will limit the scope of accommodating other loads in that feeder. Therefore, it is recommended to take such loads through dedicated feeder.

68. **Change in CD of short term Agro based Seasonal Industries or Irrigation Consumers**

**Views/ Suggestions of Objector(s)**

The Objector has requested the Commission to allow the change of Contract Demand of short term Agro based Seasonal Industries or Irrigation Consumers in its order from time to time for a particular season of the year. He has requested to classify the industries like Rice mill, Ginning mill, sugar mill and jaggery making and other seasonal industries as Seasonal Industry. These industries having Contract Demand more than 110 KVA may be billed on actual MD in the off season instead of minimum 80% of Contract Demand, which will immensely benefit the MSME sector.

**Rejoinder of the Licensee**

TPCODL & TPNODL have submitted that the concept of 80% demand charges is applicable for Consumer of HT Industrial and GP category having Contract Demand >100KW, where the licensee has to keep capacity, the quantum of load availed by the Seasonal Consumer. Against such quantum of load kept reserved, when such Consumer remains idle during non-use period, the said quantum cannot be allocated to any other Consumer. Hence, the Consumer has to pay minimum charges towards load kept for his use. Further the DISCOMs have mentioned that the Commission has the sole prerogative on Tariff determination and Tariff design.

69. **Power on Hours Calculation Methodology**

**Views/ Suggestions of Objector(s)**

Objectors have submitted that Power On hours should be actual power available by the Consumer for the purpose of load factor billing purpose which is mentioned in para 234 & 235 of the RST Order for FY 2024-25. From analysis of Regulations, there is no bar for calculation of load factor, where there will be imposition of 60 hours. It should be based on actual Power On in the system. There should not be any restriction for calculation of load factor in the system.

**Rejoinder of the Licensee**

TPCODL & TPNODL have submitted that the time required for system maintenance are unavoidable in nature and considering the same, the Commission has stipulated allowable power interruption hours in a month as 60 hours. Power ON hour is determined in line with the provisions made by the Commission.

All the DISCOMs have submitted that they are following the direction of the Commission while calculating power ON hours as per para no. 234 & 235 of RST order FY 24-25. Further, as per para 235 of RST order it has been specifically mentioned that, when the power interruption is 60 hours or less in a month, then no deduction shall be made. Any changes or modification in tariff structure is the Commission's prerogative which the licensee must adhere.

70. **Outsourcing Persons engaged by the DISCOMs**

**Views/ Suggestions of Objector(s)**

The objector has inquired TPWODL to inform the numbers of Outsourcing persons engaged in the company and the incentives passed on to the staff for collection, disconnection etc. He has pointed out that TPWODL has already outsourced all works such as metering, billing and collection, LT lines, 11 kV lines & S/s, 33 kV lines & S/s maintenance. Another Objector stated that the numbers of employees to thousand Consumers is to be reckoned taking the entire workforce. Most of the labor-intensive works have been given to franchisees/ has been outsourced.

**Rejoinder of the Licensee**

TPWODL has submitted that there are around 594 legacy outsourced manpower who were transferred from the erstwhile company. Further, the Licensee has appointed various agencies who in turn employ outsourced manpower for the Licensee's works. Outsourcing employees are continuing since long. During WESCO tenure, line, grid and S/S maintenance was carried out through short term outsourcing of manpower only on breakdown occurrence. The details of numbers of outsourced employees along with the nature of work has been provided by the Licensee at page No. 36 of the ARR application for FY 25-26. About 2200 Bill collectors are engaged in the monthly collection activity and efforts are made to touch every Consumer for payment of their dues. Monthly reward schemes are rolled out to motivate the Bill Collectors for optimising their collection efforts. Periodic meeting is also conducted to ensure the efficiency of the teams. Furthermore, there are monthly reward & recognition schemes for Sectional Team (Including Linemen, Outsourced Linemen, Helper), 11kV AMC BA, FCC BA employees, Bill Collectors along with their supervisors), Sub-Division & EE/SE Office & BA Divisional coordinator as well as BA door-to-door Bill Collectors for achieving more than 75% of the baseline target.

71. **Qualification of DISCOM staff**

**Views/ Suggestions of Objector(s)**

TPWODL may kindly inform whether the maintenance staff and the staff of the Control Room engaged for 33KV grid, 33KV & 11KV line and Sub-Station are having the necessary qualification eligibility as required by the electricity Rules. TPWODL has mentioned about good safety practises in its deliberations in different meetings before the commission.

**Rejoinder of the Licensee**

TPWODL has submitted that it has always conducted safety induction programs before joining of concerned staffs. Capacity building program and training on cutting edge technologies are also conducted. The details of safety measurements taken by TPWODL is already mentioned in the ARR application for FY 25-26. The licensee since inception (last 4 years) has engaged BAs for maintenance & other activities. The criteria for such selection is the qualification and eligibility of the candidate. During pre-vesting period, there was no such data capturing mechanism for reporting of Standard of Performance and incident reporting mechanism. With all round performance achievement, TPWODL has retained A+ rating consecutively since last two years given by Ministry of Power, Govt. of India at National level vide 'Annual Integrated Rating & Ranking: Power Distribution Utilities'. This indicates the performance and safety culture adopted.

72. **Load Reduction time**

**Views/ Suggestions of Objector(s)**

One of the Objector has pointed out that for load above 20 kW the time gap required for load reduction is 36 months which may be reduced to 12 months.

**Rejoinder of the Licensee**

TPCODL & TPNODL have submitted that as a substantial amount is spent in providing power supply to a Consumer, any reduction of load within a short span makes the scheme unviable. Further, the licensee makes its demand projection, considering the contracted load of its Consumers basing on which its power purchase cost and tariff is decided. Therefore, revision of load within a short span will deprive the licensee of the anticipated cross subsidy in case of subsidizing Consumer along with shortfall in recovering the distribution cost.

73. **Overcharging by DISCOMs on FD**

**Views/ Suggestions of Objector(s)**

The present rate of Interest on fixed deposits is around 6% but the Consumer is charged 18% during the corona year for non-payment of bills.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that the contention of the Objector, that the DISCOMS is charging delay payment surcharge @18% during Corona period is not correct. Delay payment surcharge has been claimed as per rate approved by the Commission, i.e. 1% per month or say 12% per annum for domestic and LT Commercial Consumer. Further, they have stated that the intention of Licensee is not to earn profit from delay payment surcharge. Rather DISCOMs prefer on time payment from its Consumer. The DPS was acting as the required deterrent, which motivates the Consumer to pay its electricity bill in time. The DISCOM allow all eligible rebate entitled by a Consumer by virtue of prevailing Retail supply Tariff order.

74. **Revision of Bills beyond limitation period**

**Views/ Suggestions of Objector(s)**

The Objectors have submitted that as per Regulation 157, disputed bills can be revised upto the maximum period of two years. However, such revisions may be allowed by the Commission. Because of non-revision of the bills, neither the Consumer is paying and nor the DISCOM is able to disconnect the supply to such consumer and ultimately GRIDCO is unable to recover the dues.

**Rejoinder of the Licensee**

TPWODL has mentioned that, Consumers those who have erroneous/wrong /provisional bill were reluctant to opt for OTS Scheme. As a result, after closure of OTS scheme most Consumer with provisional/erroneous bills having more than 2 years have been deprived of due correction/ rectification for the entire period. This modification suggested would enable the DISCOM/ GRF/ Ombudsman to entertain and resolve the billing dispute matter.

TPNODL has submitted that for settlement of dues pertaining to pre-vesting period the DISCOMs have also proposed for revision of past period exceeding the limit of two-year limit specified by The Commission.

75. **Extension of digital rebate benefit to other Consumers**

**Views/ Suggestions of Objector(s)**

Unlike domestic and commercial Consumers, other Consumers may be provided with suitable digital rebate.

**Rejoinder of the Licensee**

TPWODL has submitted that the domestic & commercial Consumers typically have smaller loads, lower consumption levels and more frequent billing cycles, making digital payments a significant tool to promote efficiency and reduce operational costs like meter reading and bill collection. High value Consumers are supposed to pay online due to statutory requirement, because payment through cash beyond Rs. 20000/- is not permissible. They are getting prompt payment rebate of 1% if paid within 3 working days.

TPNODL has submitted that digital rebate is allowed against small payment to domestic and commercial Consumer is a step toward digital INDIA by promoting them for payment in digital mode and to minimize cash handling cost. By virtue of Income Tax, other payment more than Rs.10,000/- need to be in non-cash mode.

76. **Truing up**

**Views/ Suggestions of Objector(s)**

The true-up exercises of past years must be as per actual and as per parameter set in the Tariff Regulations, but it is observed that same is claimed on normative basis, taking up efficiency gain in misleading manner. Tax on RoE may not be considered as it has to be paid out of DISCOM’s return on capital. Passing the same to the Consumer is not acceptable. Further, DERC has fixed RoE as 10% which is much below the RoE fixed as per Regulation. Another Objector submitted that DISCOMs have not disclosed Audited Financial statement in the true up petition.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that the Licensee has filed the True-up application as per the relevant provisions of the OERC Wheeling & Retail Supply Tariff Regulations, 2022. As per the mandate of License Conditions, the Licensees are submitting the audited financial statements to the Commission periodically. Regarding claim of efficiency gain, it is as per the provision of Tariff Regulation and Vesting Order. Similarly, loss due to in-efficiency is also to be borne by the licensee, which has been duly factored in Tariff Regulation as well as Vesting Order.

The Commission at Regulation 3.6.3 (c) of the OERC Tariff Regulation, 2022 has provided as under:

> *"3.6.3 Return on equity on the assets put to use under instant Regulations:*
>
> *....*
>
> *c. The tax only to the extent of the tax on return is provided as pass through."*

The DISCOMs have submitted that they strictly follows the applicable regulations and are well within the ambit of the same.

TPWODL has further cited the applicable regulation of DERC i.e. DERC (Business Plan) Regulations, 2019, Regulation 20, which is as given below:

> *"20. RATE OF RETURN ON EQUITY*
>
> *(1) Wheeling Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at the Base Rate of 14.00% on post tax basis.*
>
> *(2) Retail Business: Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be computed at an additional Base Rate of 2.00% on post tax basis."*

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

77. **Non-Tariff Income**

**Views/ Suggestions of Objector(s)**

NTI such as rebate to Consumer, supervision charges, over drawl penalty and DPS should be passed on to Consumers in full instead of 1/3rd as proposed by DISCOMs.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that the Non-Tariff Income is passed on to the Consumers as per OERC Wheeling & Retail Supply Tariff Regulation, 2022. Other efficiency gain is passed on to the Consumers with certain percentage (1/3d) as per Regulation and in case of loss due to in-efficiency, it is fully loaded to the licensee.

78. **Projection of LT Sales for FY 2025-26**

**Views/ Suggestions of Objector(s)**

Some Objectors have pointed out that the sales projection for Domestic Consumers for the FY 2025-26 is high.

**Rejoinder of the Licensee**

TPWODL has submitted that the utility has made an all-out effort to bring the entire Consumers into the billing fold, for which its billing performance has increased in the LT sector. The reason for higher consumption in the Domestic sector is mainly on account of replacement of defective meters and electro-mechanical meters in the Consumer premises as well as the installation of new meters where Consumers were availing power supply without meter. Converting the bi-monthly billing to monthly billing fold, increase in Consumer coverage, billing with actual meter reading and prompt grievance redressal of Consumer's billing related disputes are reasons for increase in billing efficiency.

TPNODL has submitted that they have relied on the past trends of consumption pattern for last ten years, actual sales data for the first six months of FY 2024-25, actual addition/ reduction of loads and other factors like increasing drawl of power through open access for projecting the sales for the FY 2025-26.

TPCODL has submitted that the projection for the FY 2025-26 has been done based on the actual sales in the H1 of 2024-25, keeping in view the past trend and considering the EHT and HT sales of individual Consumers and their plan of expansion. The licensee has considered individual Consumer/ prospective Consumer wise load, keeping in view their individual gestation period. Detailed information has been submitted in the application of the licensee.

TPSODL has submitted that currently there is an increasing trend in sales of additional home appliances as well as lifestyle products by domestic Consumers. Looking into the above aspects along with rapid urbanisation, higher projections is done in case of LT Consumers.

79. **Network Upgradation Carried out by Consumer**

**Views/ Suggestions of Objector(s)**

During the permission/ feasibility for Prospective Consumers, the DISCOM is required to submit the remunerative calculation along with every feasibility for every prospective Consumer on his application for electricity. But the licensees are brazenly violating the tariff orders as well as Supply Code-2019 and not enclosing remunerative calculation. The licensees are giving the cost estimate and asking the Consumers to take up network expansion by themselves, to hand over the same on payment of 6% supervision charges. Another important factor is that it is misinterpreted that remunerative calculation shall be made on actual consumption made for one year after giving supply. As per Appendix I, if the licensee gets a 16% return on the investment, it is to invest the money for all LT works. For HT works, the licensee can ask Consumers for the creation of a network at their cost which shall be reimbursed if found remunerative. In all cases, licensees are throwing the burden of network creation on Consumers in violation of Supply Code-2019 and tariff orders. Further, the licensees are required to show the peak and off-peak load of the distribution transformer in every feasibility and the ampere load in case HT feeder at the delivery end.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that they are adhering to the provisions as stipulated in the Supply Code, 2009. The relevant extract of Regulation 27 of the OERC Supply Code, 2019 is provided as under:

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

TPCODL has further submitted that, if any Consumer is aggrieved with non-fulfillment of he Commission's directives, the respondent may bring such cases to the notice of the Licensee for further necessary action.

80. **Higher Tariff in the state**

**Views/ Suggestions of Objector(s)**

The Consumers of the state are paying more tariff than the National average. The Objector has stressed that power tariff is crucial to expedite economic development.

**Rejoinder of the Licensee**

TPSODL has submitted that the Commission had notified and introduced the OERC (Wheeling & Retail Supply Tariff) Regulations, 2022 on 20.12.2022. However, determination of tariff to be charged to different Consumer categories is the prerogative of the Commission under Section 62 & 86 of the Electricity Act, 2003. Furthermore, it is submitted that the category-wise tariff approved for Odisha Consumers is less than the neighbouring states which can be seen from the tariff structures for domestic & commercial categories of Consumers. TPSODL has further provided details of the tariffs in force in various states to support its statement.

81. **More consumption less price for Domestic Consumers**

**Views/ Suggestions of Objector(s)**

Universally a Consumer gets less rate the more he purchases. But, in case of Domestic tariff in Odisha, the rate is flat for all the units beyond 400 units @ Rs. 6.10/unit excluding ED. The increasing cost of electricity is unbearable for middle class Consumers. Hence reduced slabs for electricity above 300 units per month may be considered and such step would also dissuade pilferage who cannot afford to pay.

**Rejoinder of the Licensee**

TPWODL has submitted that determination of tariff (slab-wise) to be charged from a certain category of Consumers is the prerogative of the Commission under section 62 & 86 of the Electricity Act, 2003. Regarding the Objector's view of, 'the more you consume, less is payable' is applicable in case of HT &EHT industries. If similar approach is adopted for domestic consumers, the tariff for lower consumption slabs would be higher and vice versa for higher consumption slabs. In the state of Odisha, there are more than 95 lakhs of electrical Consumers, out of which GP and other category Consumers would be around 20 Lakhs and rest 75 Lakh are domestic Consumers. Again, with urban & rural population of approximate ratio of 20:80, the rural Consumer would be more than 60 lakhs which are consuming approx. 100 units in a month. These 60 lakh people, who do not have paying ability will be invited to pay with a higher rate in order to compensate the urban segment who are using ACs and other loads.

TPCODL has submitted that the Commission is guided by the principles of Tariff Policy for setting tariffs for different category of Consumers. Relevant extract from section 8.3 of the National Tariff Policy, reproduced hereunder:

> *"1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of Consumers will be at least 50% of the average cost of supply.*
>
> *2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply…"*

To support the economically weaker category of Consumers, cross subsidization is being followed. The Consumers with lower consumption like less than 30 units are having concessional tariff. Similarly, to support the Consumers falling under lower consumption slabs, like less than 50 units, 50 to 200 units, lesser rates have been fixed which is gradually increased. The existing pattern of tariff applicable for domestic and LT GP is to support the lower consumption group /weaker section of the society and ensure power for all.

82. **Revival of Cold Storages as Allied Agricultural**

**Views/ Suggestions of Objector(s)**

Preserving perishable goods is just as important as producing them. Due to the limited scope of market intake, most of the seasonal products perish due to weather exposure and therefore cold storages are necessary requirement. The tariff charged by cold storage units is high and this situation is affecting cultivators and consumers equally. The Objector has requested for Allied Agricultural tariff to be made applicable to Cold Storages.

**Rejoinder of the Licensee**

TPWODL has submitted that the determination of tariff to be charged from different consumer categories is the prerogative of the Commission as per section 62 & 86 of the Electricity Act 2003.

83. **Rebate on provisional / actual bills**

**Views/ Suggestions of Objector(s)**

One of the Objector has submitted that bills of Consumers are generated on provisional basis. But at the same time, rebate is not passed on to the Consumer when actual bill is generated. Further he has pointed out that the DISCOMs are disconnecting power supply without proper notice.

**Rejoinder of the Licensee**

TPWODL has submitted that actual billing in done for more than 90% of the Consumers. However, in some exceptional cases, provisional billing is being done which is being revised within 2 billing cycles with actual meter reading. Addressing the disconnection issue, TPWODL has stated that dis-connection notices are being issued in accordance with Regulation 172 of the OERC Distribution (Conditions of Supply) Code, 2019 as per Section 56 of the Electricity Act, 2003.

84. **Interest on Security Deposit**

**Views/ Suggestions of Objector(s)**

An Objector has submitted that the interest on Security Deposit may be increased, since the interest availed by the DISCOMs on the said amount is higher.

**Rejoinder of the Licensee**

The DISCOMs have submitted that as per provision of OERC Distribution (Conditions of Supply) Code, 2019 vide clause 57(i), the licensee/supplier shall pay interest on SD to the Consumer at the bank rate. Accordingly, while approving ARR of the licensees, the Commission is revising the interest on SD periodically.

85. **Extending instalment facility on Security Deposit**

**Views/ Suggestions of Objector(s)**

The Consumers may be given instalment facility (at least 3) while depositing security deposit in order to restart the industry.

**Rejoinder of the Licensee**

TPWODL has submitted that it is extending 6 instalments for SD, if any Consumer intends. TPCODL has submitted that, it has made a detailed submission under Para No 9.8 of ARR Petition for FY 2025-26.

TPNODL has submitted that it is strictly follow the Regulation with respect to security deposit payment. The total amount of security deposit is required to be deposited before effecting power supply to ensure payment security to the licensee.

TPSODL has expressed its disagreement with the proposal of the Objector.

86. **Collection of Additional Security Deposit**

**Views/ Suggestions of Objector(s)**

The Objector has cited that the DISCOMs are collecting Additional Security Deposits from Consumers, particularly from Domestic Consumers. He has urged to review the matter since most of the Consumers are objecting the collection of Additional Security Deposit.

**Rejoinder of the Licensee**

All the DISCOMs have submitted that the Additional Security Deposit is being calculated as per Regulations 53 & 54 (i) of the OERC (Conditions of Supply) Code, 2019 which is appended as under:

> *"53. Subject to the restrictions of the periods of two months as specified in Regulation 52(i), the adequacy of the amount of security deposit calculated in respect of Consumers shall be reviewed by the Licensee/supplier generally once in every year (preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.*
>
> *54. (i) Based on review as per Regulation 53 above, demand for shortfall or refund of excess shall be made by the Licensee/supplier. Provided, however, that if the security deposit payable by the Consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for shortfall will be made for payment of Additional Security Deposit and the Consumer shall not be entitled to demand the refund of the Excess."*

87. **Multi Year Tariff**

**Views/ Suggestions of Objector(s)**

The principles of multiyear tariff (MYT) mechanism as contemplated in Section 61(f) of the Act, directs the regulatory commission to consider seven years in totality in the proceeding to approve each element of the revenue requirement filed by the Licensees & Generating Companies. He has further explained that the MYT period is for five years period as per the tariff policy. The balances two years are preceding to the base year of MYT period. It is well noted in the tariff regulations that the accounts of the Licensees/Companies for the two years preceding to the base year of MYT period will be verified for approval of each element of revenue requirement for each year of the block period (five years) in the MYT Order. While the Licensee/Company files application to revise tariff, the commission starts to review five years data (MYT period) before rejecting/ accepting the Application. The Objector has stated that the MYT principle is not being followed by the Commission.

**Rejoinder of the Licensee**

TPWODL has submitted that prior to Electricity Act, 2003, Odisha Electricity Regulatory Commission has been established as an independent autonomous Regulator of the state of Odisha and became functional on 01.08.1996 for achievement of objectives, enshrined in the Odisha Electricity Reform Act, 1995. Upon pronouncement of the Electricity Act, 2003, the Commission had notified OERC (Wheeling and Retail Supply Tariff) Regulations, 2022. As per the new Regulation, the DISCOMs had filed their Business Plan for FY 23-24 to FY 27-28 i.e. the 1$^{st}$ Control Period and the Commission vide it's order dated 14.09.23 had accorded in principle approval to the Business Plan of all 4 DISCOMs.

88. **Common Tariff Petitions by TPCL**

**Views/ Suggestions of Objector(s)**

One of the Objector has suggested that the four Tata DISCOM Licensees should file a common tariff petition for approval of the ARRs. Filing of a common Tariff Petition for all four Odisha DISCOMs will not only be meaningful but also fruitful to accomplish the goals stipulated in the objectives of the Act. For the analysis point of view, it would be easy in the part of the Stakeholders and Govt to pass comments on the status of Odisha Power Distribution sector. The objector has cited that in some states, the holding company of the DISCOMs is filing common tariff petition.

**Rejoinder of the Licensee**

TPCODL has submitted that each DISCOM in Odisha operates as a separate legal entity under the Companies Act, 2013, with distinct operational areas, unique cost structures, different Consumer mix, varying AT&C losses, and specific infrastructure requirements. Although TPCL holds 51% equity in each DISCOM, the operational autonomy and individual performance parameters of each DISCOM are governed by separate Vesting Orders issued by the Commission.

TPNODL has submitted that the filing of individual ARR petitions ensures transparency, accountability and accurate reflection of each DISCOM's unique challenges and requirements, which is essential for efficient operation and proper tariff determination. Moreover, this practice allows for better monitoring of individual DISCOM performance against specific targets set by the Commission and enables more focused interventions for improvement where needed.

TPWODL & TPSODL have submitted that the Commission has awarded different License to 4 different DISCOMs of Odisha based on their area and Consumer mix. Accordingly, for protection of Consumer's interest, area specific reliable power supply etc. each DISCOM are distinct. Therefore, each company, being separate entity, have got to file different tariff petitions before the Commission.

89. **Cost Plus Tariff for Industries connected at HT and EHT Level.**

**Views/ Suggestions of Objector(s)**

We need to move to Cost Plus Tariff for Industries connected at HT and EHT level i.e. the Tariff should be Bulk Supply Price + Transmission Charges + Transmission Loss + Reasonable Margin to DISCOM for EHT and HT Category. The Objector has requested the Commission for necessary amendment in the OERC (Wheeling & Retail Supply Tariff) Regulations.

**Rejoinder of the Licensee**

TPCODL has submitted that the matter refers to amendment of the Tariff Regulations which need to be taken up separately.

90. **Unprecedented increase in Tariff applicable for EHT and HT Load due to introduction of kVAh billing.**

**Views/ Suggestions of Objector(s)**

Although our EHT Loads are contributing significantly to overall reduction of AT&C losses and stability of the grid, the tariff of EHT loads are increasing year over year. There was an unprecedented increase in the Tariff applicable for EHT and HT Loads due to introduction of kVAh billing

**Rejoinder of the Licensee**

TPCODL has submitted that the Commission has the sole prerogative on matters of Tariff determination and Tariff design. However, the benefit of kVAh billing is to incentivize Consumer who optimally maintains their power factor, so that: (a) transmission losses are reduced (b) improvement in system stability (c) better power quality and (d) improved voltage profile. The kVAh billing system is prominent across country. Consumer who do not maintain optimal power factor shall always pay higher energy charges against the Consumer who maintain their optimal power factor.

91. **Classification of freezing and cold storage as processing activities**

**Views/ Suggestions of Objector(s)**

One of the Objector has pointed out that TPCODL has misclassified temperature-controlled activities such as freezing and cold storage as processing activities. This misclassification warrants careful examination in light of authoritative judicial precedents which have previously addressed similar misunderstandings within the regulatory framework. Notably, the Hon'ble Orissa High Court in the case of Prithwiraj Dairy Products Pvt. Ltd. v. State of Odisha W.P (C) No. 6516 of 2009 distinctly addressed issues of tariff categorization (Annexure-I), overturning inappropriate interpretations that did not accurately reflect the nature of the activities involved. Additionally, the apex jurisprudence, as manifested in Sterling Seafoods v. State of Karnataka [1986] 63 STC 239 (SC) by the Hon'ble Supreme Court, (Annexture-II) has clearly defined the distinctions between processing activities and mere preservation methods such as cold storage. These judicial decisions underscore the need for precise regulatory tariff classifications, affirming that activities aimed solely at preservation without transformation, such as cold storage, should not be merged with processing activities under the current tariff regime.

**Rejoinder of the Licensee**

TPCODL has submitted that it is in compliance of the directions passed by the Commission since FY 2012-13. TPCODL has classified/ reclassified the units as general purpose or the industrial purpose as the case be when the load of the food processing unit other than cold storage unit exceeds 20% of the connected load.

92. **Classification of Old Age Homes as Domestic**

**Views/ Suggestions of Objector(s)**

One of the Objector has requested for designating the entire old age home as a "domestic" unit instead of a commercial unit and accordingly tariff shall be charged.

**Rejoinder of the Licensee**

TPCODL has submitted that the applicable tariff for old-age home has been stipulated under Para 239 of Tariff Order dated 13.02.2024 for FY 2024-25.

93. **Extension of the payment duration from 3 days to 5days for availing Prompt payment**

**Views/ Suggestions of Objector(s)**

At present, the incentive towards prompt payment i.e. rebate of 1% (one percent) of the amount of the monthly bill (excluding all arrears) is being given to the Consumer, if payment is made within 3 working days of presentation of the bill. The Objector has requested that the time period may be extended from 3 days to 5 working days.

**Rejoinder of the Licensee**

TPNODL has submitted that the suggestion of the respondent is not tenable as extending the prompt payment rebate from 3days to 5days will affect the cash inflow of the licensee and that will affect the payment of BST bill.

## D. OBSERVATIONS OF CONSUMER COUNCIL(s) APPOINTED BY THE COMMISSION. (Para 94 to 96)

94. The Consumer Counsil M/s WISE, gave the following observations on the ARR Applications filed by the four DISCOMs of the state of Odisha.

(a) LT consumption, particularly of BPL category customers should be projected carefully. The genuine BPL consumers should not be deprived from concessional BPL tariff.

(b) The monthly electricity consumption at EHT level is projected to increase during the FY 2025-26 without addition of new EHT consumers. For TPWODL, monthly electricity consumption at EHT level has been estimated on lower side compared to FY 2023-24 because, the Sale through TPA has not been projected for FY 2025-26.

(c) The LT consumptions is increasing and reduction is observed in HT and EHT sales. The bad debts are higher in domestic consumers. With increasing trend of LT sales, licensee needs to put more efforts on educating the rural consumers to opt for the digital mode of payments and incentives offered to rural consumers for timely payment and procurement of power through correct energy meters. Increased awareness about incentives and ease of payment through digital mode should benefit both. Few drives for facilitating the digital payments along the billing cycles should help the consumers in opting the digital payment modes.

(d) Licensees need to install energy meters at all the incoming points and feeders. On completion of metering, the energy audits should be conducted division-wise. Distribution licensees are mandated to undertake the energy audits under the

Energy Conservation Act 2001. Third party audits and verification should also be undertaken.

(e) It is observed from the past data that all the DISCOMs have consistently failed to realize LT revenue per input fixed by the Commission. LT distribution loss calculated at 8% HT loss is still considerably high.

(f) AT&C and Distribution loss have been reducing over the period of time. Even though the reduction in losses is welcome in terms of efforts much more is needed to reduce the losses and the target losses further.

(g) All the licensees have projected employee costs, A&G costs and R&M Costs on higher side as compared to the Commission's approval in the current financial year. Such costs should go down after completion of the initial infrastructure restoration work is over.

(h) For the current Fiscal year, the Estimated Employee expenses, A&G expenses are higher than the approval of the Commission. This need to be reviewed.

(i) The proposed R&M cost for the FY 2025-26 including a significant increase in Other Repairs and Maintenance needs to be reviewed as it exceeds the approved expenses for FY 2024-25. Distribution line maintenance has increased many folds. In every year's ARR submission, a very common practice by DISCOMs is the cost for last six months of current FY shoots up exorbitantly.

(j) Licensee's initiatives for digitization should help in improved consumer experience. Further, increased digitization should reduce operational costs and the benefits be passed on to consumers. The benefits of IT enabled services, technical and managerial practices should in turn reduce the losses and benefit the consumers.

(k) It is observed that Licensee should maintain the TD/PD disconnection register and ensure the recovery of disconnection and connection charges, while focusing on prompt bill recovery from consumers in Domestic, Irrigation, AG, Water Supply, Public Works, Public Lighting, and other relevant sectors.

(l) Debtors outstanding must be recovered. In most of the cases, debts over 24 months outstanding, forms a significant amount which could have been balanced against revenue requirement if the outstanding is recovered.

(m) There should be zero unmetered and defective meter supply. Defective meters should be replaced immediately. The overconsumption due to unmetered / unbilled consumption or defective meters cannot be permitted and requested for review.

(n) Consumer Security deposit should not be permitted to use for Capital expenditure as proposed by Licensee.

(o) Service connection charges and charges for additional services are constant since long. The same may be reviewed in line with the Licensee's submission to make the service viable.

(p) Power over-drawl limit during solar hours/ TOD rebate be extended to promote consumption during solar hours.

(q) Digital payment Rebate should be continued for upcoming Fiscal year.

95. The Consumer Counsel, Sri. Satya Bhusan Rath has given the following observations on the Tariff Applications filed by the DISCOMs for the FY 2025-26:

(i) There are many complaints regarding installation of transformers and poles on private land without the permission of the land owner. Subsequently the land owner is asked to bear the cost of dismantling.

(ii) There are cases where the meter rent is collected beyond five years. Typically, if a meter needs replacement within five years period, the meter rent is again charged from the replacement date for another five years.

(iii) Another Consumer category "Agri-Business & Food Processing Industry" may be created and 'Rice Mills' should be classified under this category. Since "rice milling" is purely an agricultural business and a food pre-processing activity.

96. Another Consumer Council, Sri. Lalatendu Dixit, appointed for the TPCODL licensee area, has also given the following observations on the Applications filed by the DISCOMs for the FY 2025-26:

(i) CTC Employee Cost estimated by TPCODL for FY 2024-25 is Rs. 148.37 Crs against Commission's approval of Rs. 120 Crs. These expenses are 28.37 Crs more than approval and the projection for FY 2025-26 is Rs. 161.97 Crs. The Commission is requested to review and approve accordingly.

(ii) Income from different advertisements are not mentioned, whereas CROMA & EESL are advertising their products through TPCODL website. The Commission is requested to consider these advertising incomes at the time of approval of ARR.

(iii) In some cases, even after disconnection application is already given by a consumer, the disconnection is intentionally delayed by many months by the DISCOM.

Cases of consumers being harassed are seen as in case of a Soubhagya Consumer, who was billed after six years for all the units consumed (as recorded in the meter from the beginning) for a time period of four years. The issue is not being resolved by TPCODL.

## E. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) AND RESPONSE OF THE LICENSEES (Para 97 & 98)

97. The Commission convened the 37th SAC meeting for discussion on the ARR and Tariff proposals of the Licensees on 1st March, 2025. During the meeting, the Consumer Counsel appointed by the Commission, i.e. World Institute of Sustainable Energy (WISE), Pune, made brief presentation on the important issues in the ARR & Tariff Applications filed by the DISCOMs before the Commission. The Advisory Committee discussed the various issues related to the tariff applications and made valuable suggestions on the proposals. A brief summary of the suggestions of the Members during the meeting, with respect to DISCOMs is given below:

(a) Some Members submitted their view that the work done by the DISCOMs is appreciable and improvement can be seen in the distribution sector of the state. While some members urged that the level of improvement is not as per their expectations and a lot of improvement is still necessary, especially in rural areas.

(b) The cost of outsourced employees engaged through Business Associates is too high and proper optimization needs to be done for reducing these costs. The number of people and vehicles engaged by DISCOMs are very high. Further, DISCOMs have no authority/ control over the outsourced employees (through Business Associates) and there have been instances where such outsourced employees quit their jobs when they commit mistakes and are free from the liabilities of their fault.

(c) There is increase in litigations, where the DISCOMs are approaching High Court against the orders of the GRF. Concern was raised about the capability and affordability of common Consumers to fight cases against the distribution companies in High Court.

(d) The procedure followed by the DISCOMs during enforcement and assessment is not appropriate as per the Electricity Act & Supply Code, 2019. Billing should be done with proper metering and before vigilance checking, disconnection should be done with prior notice.

(e) The proposal of the DISCOMs for utilisation of Security Deposit as Working capital was not accepted by the SAC Members.

(f) In line with the OERC (Licensees Standard of Performance) Regulations, 2004, no compensation has been given to the Consumers since the implementation of the Regulation while the standards are not being complied by the DISCOMs

(g) One of the SAC Member suggested for cost based tariff on rolling basis so that tariff would change from quarter to quarter based on power sector scenarios, thereby boosting the Consumer confidence in the DISCOMs.

(h) Another Member showed his agreement with the proposal of the DISCOMs for having a minimum Contract Demand (CD) for industries having CGPs, as these industries utilize all the resources of the state for their benefit.

(i) A proposal was submitted by one of the SAC Member that the Commission may fix a tariff at which DISCOM can directly purchase the power from small CGPs or generators at 33kV and 11 kV level.

(j) Penalty may be imposed on DISCOM officers in cases where they do not comply the GRF's orders.

(k) The DISCOMS should adhere to their schedule and in case of under drawal (deviation) should pay penalty.

(l) Issue of absence of Senior Officers of the DISCOM during case hearings at the GRF was raised. Only Junior Engineers/ Clerks attend these hearings, who do not have any idea about concerned case.

(m) The thrust of Smart Meters has not improved and some people have reservation against the Smart Meters. Therefore, a suggestion was made for testing of 5 meters in every 1000 meters at the Government Testing Laboratory.

(n) SAC Members may be involved in resolving Consumers dispute/ issues. Their involvement may help to understand and resolve the issues of the Consumers and DISCOM.

(o) The list of DISCOM officers, their email id and phone numbers should be available in their website which is currently not available despite Commission's advice in the Tariff Order for FY 2024-25.

(p) With regard to the proposal of the DISCOMs for creation contingency reserve, some Members acknowledged the proposal and suggested that such funds should be created by DISCOM's resources.

(q) The Retail Supply Tariff should not be increased. Government has already made huge investments in infrastructural development of the licensees to reduce the burden on the Consumers of the State.

98. The four DISCOMs submitted their replies to the queries and suggestions raised by the SAC members during the meeting, which are as follows:

- TPSODL submitted that they have major consumer base at LT level, which accounts for 70% of total consumption. Improvements are being made in R&M, Consumer service and power quality. Installation of Smart Meters is also being done and public awareness is being created through various modes to reach the consumers. Addressing the new service connection charges issue raised by a member, TPSODL clarified that as per Commission's Notification, dated 09.12.2024, the timeline of new service connection and the connection charges have been revised as per Electricity Consumers Rules, 2020 and amendments thereof. TPSODL has further submitted that, it has already invested Rs. 511 Crs. under Network Infrastructure Category (Reliability, Load Growth & Loss Reduction). Further, after the commissioning of additional work-in-progress projects, the investment under Infrastructure Category (only) would reach approximately Rs. 720 Crs. by the end of FY 2024-25.
- TPCODL, submitted that the increase in O&M expenses is majorly (25%) due to change in skill category and increase in wages of the employees because of wage revision by the Government of Odisha. Further, out of Rs. 57 Crs under special R&M, Rs. 38 Crs is towards revised minimum wages. Regarding Meter Replacement issue, the meters are being replaced only when the meters are tampered/defective or has completed more than 5 yrs of its installation. Steps are taken proactively for replacement of faulty meters and provisional billing is done in case of faulty meters within the ambit of the Regulations. In the matter of outsourced employees, presently 2341 numbers of outsourced manpower are engaged in TPCODL who have been inherited from erstwhile CESU and no further addition has been done by the DISCOM (TPCODL). Awareness is also being created among public about Smart Meters. At the time of inspection during enforcement activities, videos and photographs are taken as evidence.

- TPNODL submitted that the AT&C loss has been reduced to 14.22 % (without considering arrear collection) against Commission's Vesting Order target of 17.09% in the year 2023-24. Billing Coverage is 98.77% and the provisional billing has come down to 3% from 40% (at the time of takeover). The past arrear collection is Rs. 636 Crs within three and half years and has been passed on to GRIDCO. TPNODL has changed the maintenance philosophy from breakdown maintenance to preventive maintenance which is generally done during the winter months. In the operational area of TPNODL, all the defective meters are replaced within 30 days and all the Smart meters are tested in the Licensee's lab before they are installed in the consumer premises. In conformity with the mandates of Ministry of Power and direction of the Commission, TPNODL has already installed Smart Meters in the Consumer premises of 1.81 Lac consumers, out of 19.82 Lac total consumers. The licensee has taken various steps for creating awareness among consumers regarding Smart meter benefits such as short videos, booklets, demo units for consumers to visit, feedback mechanism, customer connect programs etc.
- TPWODL has submitted that various camps are being conducted at many locations, both in rural and urban areas for awareness of various solar energy schemes. The DISCOM licensee highlighted some of the important points concerning ARR and their achievement in operation such as, around 40% hike in minimum wages, improvement in skill level of meter readers, moving from bi-monthly billing to monthly billing in many areas and reduction in provisional billing from 40% (at the time of takeover) to current level of 7%. TPWODL has collected Rs. 416 Crores of erstwhile DISCOM's arrears which has been passed on to GRIDCO. The SAIDI has improved year on year basis, but in certain areas of Deogarh, Rairakhol, Sundargarh and Nuapada, which are prone to elephant movement, the power supply is cut based on the information received from forest department officials in the Whatsapp group, so as to save the elephants from electrocution. The DT failures which was at 7% (at the time of takeover), has been brought down to 4% last year and this year it's expected to be 2%.

## F. VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (Para 99)

99. Government of Odisha, vide their Letter No. PTI-ENG-TDER-OERC-0001-2021-3941, dated: 21.03.2025 have submitted their views on the matter of the tariff for the FY 2025-26 which are stated as hereafter:

**1. Subsidy to any category of Consumers**

The power demand in the State has been rising rapidly. In order to cater to the future load growth and ensure reliable/quality power supply to all, the State Government has been investing significantly in the Power Sector under various schemes to strengthen to power Transmission and Distribution Network by providing capital subsidy to keep the Tariff low for consumers of the State. The Government therefore has no plan to provide any direct subsidy for any specific class of consumers as envisaged under Section 65 of the Electricity Act, 2003.

**2. Installation of Smart Meter under CAPEX and Abolition of Meter Rent**

a. Installation of Smart Meters is considered a good initiative as proposed by the DISCOMs. The Commission may consider towards recovery of meter cost through meter rent as specified in the RST orders for the FY 2023-24 and FY 2024-25. The backend infrastructure for smart metering may be allowed in CAPEX of the DISCOMs. Recovery of meter cost from consumer is also in line with the Electricity (Rights of Consumers) Rules, 2020 and Section 45 of Electricity Act 2003 (Power to recover Charges). However, the modality for installation may need to be prioritized by the Commission to maximize efficiency improvement. In this regard, the MOP Notification No.CG-DL-E26052022-236032 dated 23rd May, 2022 may be referred, a few salient points are cited below:

- Installation of meters for all categories of consumers having communication network other than the agricultural consumers.
- DT & Feeder metering needs to be completed prior to installation of Smart meter at consumer level.

b. In order to reduce the tariff burden on the consumers due to proposed CAPEX Plan of DISCOMs for smart metering, the State Government intends to provide capital subsidy/grant to the DISCOMs, in a phased manner for consumers with CD up to and including 2 kW towards installation of smart meters. Meter rent from such consumers (with CD up to 2 kW) may not be recovered to encourage speedy implementation of smart metering in the state.

c. The Commission may review the impact of savings on account of reduction of O&M costs, working capital, etc. as well as the impact of unrecovered meter rent for implementation of smart metering project on yearly basis. Such savings may be adjusted against future subsidy requirement.

d. The smart metering plan for consumers with CD above 2 kW may be continued as per prevailing practice of recovery through meter rent.

3. Interest burden of GRIDCO needs to be fully recognized in the ARR of GRIDCO. The grounds advanced by OERC for not recognizing the interest cost of loans incurred beyond 2014-15 are not reasonable. However, the State Government has been providing soft loans to GRIDCO since FY 2022-23 to meet the deficit.
4. BSP of each of the DISCOMs may be decided as thought prudent by the Commission, to the extent not to increase RST during FY 2025-26. The RST for FY 2025-26 may not be increased from present level.
5. As intimated already vide Energy Department Letter No. 3333 dated 24.03.2021, Govt. has agreed to extend the status-quo on up-valuation of assets till FY 2025-26.

## G. OBSERVATIONS AND DIRECTIONS OF THE COMMISSION (Para 100 to 333)

100. After revocation of license of erstwhile Distribution Utilities (CESU, WESCO, NESCO & SOUTHCO) the Commission initiated the process for privatisation of the distribution sector of the state, again adopting PPP model in order to improve operational efficiency, commercial sustainability of the sector and to provide reliable & quality power supply to the Consumers of the state. The utilities of CESU, WESCO, SOUTHCO & NESCO were vested into TPCODL, TPWODL, TPSODL & TPNODL on 01.06.2020, 01.01.2021, 01.01.2021 and 01.04.2021 respectively. In the meantime, three DISCOMs (TPCODL,

TPWODL & TPSODL) have completed more than four years of operation and the other DISCOM (TPNODL) has completed more than three years of operation. As per Vesting Order, the performance review by third part has already been completed for TPCODL after completion of three years of operation and similarly bidding process is in progress for selection of third party for performance review of other three DISCOMs (TPSODL, TPWODL & TPNODL) after completion of their three years of operation. M/s Tata Power Company Limited (TPCL) purchased 51% of equity share capital of these companies and rest 49% of the equity shares is held by Government of Odisha through GRIDCO. The Vesting Orders issued under Section 21 of the Electricity Act, 2003 for the four DISCOMs have imposed certain conditions on the new DISCOMs regarding performance guarantee, AT&C loss trajectory, infusion of CAPEX, penalty against poor performance and Collection of Past Arrear of erstwhile DISCOMs etc. In the meantime, the Commission has also notified the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 on 20.12.2022, referred to as "OERC Wheeling & RST Regulations, 2022" which was framed as per Section 61 & 62, notified under Section 86 and 181 of the Electricity Act, 2003. DISCOMs have filed their ARR & Tariff Applications and Truing up Applications as per the said Regulations, 2022. These applications shall be disposed of along with the Applications of the DISCOMs for determination of Open Access Charges, which shall as per OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020. The Commission has carefully examined and analysed the proposals of the DISCOMs. The written and oral submission of the objectors have been considered while determining the tariff.

**Sales Forecast, Normative Loss, Input Energy and Power Purchase Cost**

101. The ARR and Tariff Applications of DISCOMs are considered as per OERC Wheeling & RST Regulations, 2022 and the respective Vesting Orders. The DISCOMs have been advised for segregation of their accounts into Wheeling Business and Retail Supply Business for approval of the Commission under Regulation 2.5 of the OERC's Wheeling & RST Regulations, 2022. The wheeling charges have to be determined on the basis of the segregated accounts of Wheeling Business. Regulation 2.5.2(1st proviso), of the said Regulations provides the allocation matrix for segregation of expenses into Wheeling Business and Retail Supply Business till the licensees submit their audited and certified segregated accounts for Wheeling and Retail Supply Business. Accordingly, the Commission has considered the allocation matrix for necessary approval in this Order.

102. The tariff design exercise carried out by the Commission is a balancing act in which revenue is matched with expenditure in such a way that tariff for cross-subsidised categories and cross-subsidising categories remains within ± 20% of the average cost of supply as per Clause 8.3 of the Tariff Policy. The EHT and HT Consumers are cross subsidizing LT Consumers of the State. Further, Regulation 5.15.2 of the OERC Wheeling & RST Regulations, 2022 provides that the Commission shall endeavour to reduce the cross subsidy gradually between the Consumer categories with respect to the Average Cost of Supply. Ultimately, the Commission is guided by the provisions under the Regulation 5.15.3 to ensure that the tariff progressively reflects the cost of supply of

electricity. The Commission has determined the category wise tariff considering the above provisions under the OERC's Wheeling & RST Regulations, 2022.

103. The Commission has scrutinized the estimated sales projected by the Distribution Licensees for the FY 2025-26 as per the provisions in Regulations 5.3.4 of the OERC Wheeling & RST Regulations, 2022 which is reproduced below:

*"The Commission shall examine the forecasts for their reasonableness based on growth in the number of Consumers, pattern of consumption, losses and demand of electricity in previous years and anticipated growth in the subsequent year(s) and any other factor, which the Commission may consider relevant and approve the sales forecast with such modifications as deemed fit. The Distribution Licensee(s) shall develop a robust database of all Consumers with desired particulars regarding their demand to facilitate the forecasting process in accordance with the direction given by the Commission".*

104. The Licensees have submitted actual energy sales of different categories of Consumers (under EHT, HT & LT) for the previous FY 2023-24, actual energy sales of current FY upto December-2024, revised estimated energy sales for FY 2024-25 and the estimated energy sales for the ensuing FY 2025-26. Further, the information about new and additional load at HT and EHT level has also been submitted by the licensees for the FY 2025-26. The Commission has considered the submission of the licensees and has observed the following while approving the energy sales of the DISCOMs for the FY 2025-26.

105. Based on the DISCOM's submission of the actual energy sales of the current FY 2024-25 from April-2024 to December-2024, the Commission has extrapolated the energy sales under different voltage levels (EHT, HT & LT) for the entire FY 2024-25. While estimating the energy sales for the ensuing FY 2025-26, Commission further considered the additional energy sales projected by the DISCOMs for the ensuing year over their estimated energy sales for current financial year and the same has been taken into account in the Commission's estimate for the current financial year as explained in the following paragraphs.

106. **Energy Sales under HT category of Consumers:** A comparative analysis of the Commission's estimate with the projected energy sales of the DISCOMs for the FY 2025-26 reveal that the energy sales proposed by the DISCOMs under HT category is more than the Commission's estimate. Since the DISCOMs have considered the applications/ projects in the pipeline which would be materialised in the ensuing FY along with expected load growth, the projections of the DISCOMs under HT category has been considered for approval, as shown in the Table below.

**Table- 26**

**HT Energy Sales Proposed by Licensees and Approved by the Commission (In MU)**

| DISCOM | Actual Sales from Apr'24 to Dec'24 (1) | OERC's Estimate for FY 2024-25 (2)=(1)/9*12 | Licensee's Estimate for 2024-25 (3) | Licensee's Proposal for 2025-26 (4) | Additional sale projected by Licensee for EY over CY (5) = (4)-(3) | OERC's Estimate for 2025-26 (6) = (2) + (5) | OERC's Approval for 2025-26 |
|---|---|---|---|---|---|---|---|
| **TPCODL** | 1752.149 | 2336.199 | 2430.511 | 2770.783 | 340.272 | 2676.471 | **2770.783** |
| **TPNODL** | 613.273 | 817.697 | 844.125 | 943.170 | 99.045 | 916.742 | **943.170** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **TPWODL** | 1827.481 | 2436.642 | 2475.410 | 2600.000 | 124.590 | 2561.232 | **2600.000** |
| **TPSODL** | 323.876 | 431.835 | 438.301 | 460.500 | 22.200 | 454.035 | **460.500** |

107. **Energy Sales under EHT category of Consumers:** The same procedure has been followed for comparative analysis of EHT sales for all four DISCOMs. In case of three DISCOMs (TPCODL, TPNODL & TPSODL), the energy sales projected under EHT category is more as compared to the Commission's estimated figures and thus projection of DISCOMs have been considered by the Commission for approval, for the FY 2025-26.

108. However, in case of TPWODL, the Distribution Licensee, has not projected any energy sales through TPA for the FY 2025-26. Although such provision for sale of energy was made in the Tariff Order for FY 2024-25 for motivating the industries to go for TPA for harnessing the surplus energy available with GRIDCO during off-peak hours and the energy sales through TPA during the current FY upto December-2024 was 1637.722 MU. TPWODL has projected total energy sales through TPA including the drawal under CD for the current FY 2024-25 as 1900.032 MU. Considering availability of surplus power with GRIDCO during off-peak hours and assuming similar trend of sale under TPA (including drawal under CD) during the ensuing financial year, the Commission has projected similar quantum of energy sale, as projected for current financial year (i.e. 1900 MU) for Consumers procuring power under TPA including drawal under CD, during the ensuing financial year FY 2025-26. Considering the present trend of energy consumption, the estimated energy sale projected by the Commission for the FY 2024-25 and the additional sales projected by the licensee (excluding the total consumption of TPA Consumer) for the FY 2025-26, the Commission has estimated the expected energy sales of TPWODL under EHT category for the FY 2025-26. The details of energy sales under EHT category of all the DISCOMs considered for approval of the Commission for the FY 2025-26 is as given in the Table below.

**Table- 27**

**Estimated EHT Energy Sales Proposed by the Licensees and Approved by the Commission (In MU)**

| DISCOM | Actual Sales from Apr'24 to Dec'24 (1) | OERC's Estimate for FY 2024-25 (2)=(1)/9*12 | Licensee's Estimate for 2024-25 (3) | Licensee's Proposal for 2025-26 (4) | Additional sale projected by Licensee for EY over CY (5) = (4)-(3) | OERC's Estimate for 2025-26 (6) = (2) + (5) | OERC's Approval for 2025-26 |
|---|---|---|---|---|---|---|---|
| **TPCODL** | 1516.418 | 2021.891 | 2026.218 | 2127.529 | 101.311 | 2123.202 | **2127.529** |
| **TPNODL** | 2344.967 | 3126.623 | 3353.768 | 3759.089 | 405.321 | 3531.944 | **3759.089** |
| **TPSODL** | 586.246 | 781.661 | 793.442 | 829.960 | 36.518 | 818.178 | **829.960** |
| **TPWODL** | | | | | | | |
| **a) Total Sales** | 3215.034 | - | 3900.000 | 3500.000 | - | - | **-** |
| **b) TPA Consumer sales** | 1637.722 (TPA & CD drawal) | - | 1900.032 (TPA & CD drawal) | 1300.00 (CD drawal only) | - | - | **-** |
| **c) Total-TPA Consumer sales c=a-b** | 1577.312 | 2103.083 | 1999.968 | 2200.000 | 200.032 | 2303.147 | **4203.147 (2303.147 + 1900.032 TPA Consumer drawal)** |

109. **Energy Sales under LT category of Consumers:** While analysing the energy sales under LT category for approval, the Commission has appreciated the fact that, ground level scenarios such as Consumer behaviour based on geographic loaction, climatic condition and urbanisation, sanitization of Consumer base, increase in numbers of installations of rooftop solar under various schemes etc. has been taken into consideration by the DISCOMs while forecasting the LT sales. Therefore, the Commission has considered the DISCOMs projection for the FY 2025-26 for approval of energy sales under LT category.

**Table- 28**
**Estimated LT Energy Sales Proposed by the Licensees and Approved by the Commission (In MU)**

| DISCOM | Actual Sales from Apr'24 to Dec'24 | Licensee's Estimate for 2024-25 | Licensee's Proposal for 2025-26 | OERC's Approval for 2025-26 |
|---|---|---|---|---|
| **TPCODL** | 4292.264 | 5580.880 | 6551.068 | **6551.068** |
| **TPNODL** | 2111.934 | 2702.736 | 2886.564 | **2886.564** |
| **TPWODL** | 2454.264 | 3178.400 | 3712.300 | **3712.300** |
| **TPSODL** | 1745.495 | 2312.177 | 2544.627 | **2544.627** |

110. The DISCOMs shall co-ordinate with GRIDCO for facilitation of such sale within their approved SMD. Any constraint in achieving the projected energy sale may be brought to the notice of the Commission by GRIDCO/ DISCOM for the benefit of the Consumers of the state.

111. The details of estimated energy sales (under EHT, HT & LT Category) proposed by the four DISCOMs (TPCODL, TPWODL, TPNODL & TPSODL) and approved by the Commission for the FY 2025-26 are given in the Table below.

**Table- 29**
**Estimated Energy Sales Proposed by the Licensees and Approved by the Commission for FY 2025-26 (In MU)**

| DISCOM | Category | Licensees Proposal for FY 2025-26 | OERC Approval for FY 2025-26 | % of Total Sales |
|---|---|---|---|---|
| **TPCODL** | EHT | 2,127.529 | 2,127.529 | 18.58% |
| | HT | 2,770.783 | 2,770.783 | 24.20% |
| | LT | 6,551.068 | 6,551.068 | 57.22% |
| | **Total** | **11,449.380** | **11,449.380** | **100.00%** |
| **TPNODL** | EHT | 3,759.089 | 3,759.089 | 49.53% |
| | HT | 943.170 | 943.170 | 12.43% |
| | LT | 2,886.564 | 2,886.564 | 38.04% |
| | **Total** | **7,588.823** | **7,588.823** | **100.00%** |
| **TPWODL** | EHT | 3,500.000 | 4,203.147 | 39.97% |
| | HT | 2,600.000 | 2,600.000 | 24.73% |
| | LT | 3,712.300 | 3,712.300 | 35.30% |
| | **Total** | **9,812.300** | **10,515.447** | **100.00%** |
| **TPSODL** | EHT | 829.960 | 829.960 | 21.64% |
| | HT | 460.500 | 460.500 | 12.01% |

| DISCOM | Category | Licensees Proposal for FY 2025-26 | OERC Approval for FY 2025-26 | % of Total Sales |
|---|---|---|---|---|
| | LT | 2,544.627 | 2,544.627 | 66.35% |
| | **Total** | **3,835.087** | **3,835.087** | **100.00%** |
| **ALL ODISHA** | EHT | 10,216.578 | 10,919.725 | 32.70% |
| | HT | 6,774.453 | 6,774.453 | 20.29% |
| | LT | 15,694.559 | 15,694.559 | 47.01% |
| | **Total** | **32,685.589** | **33,388.737** | **100.00%** |

112. The projected quantum of power to be procured by the DISCOMs from GRIDCO has to be in line with Regulations 5.4 of the OERC Wheeling & RST Regulations, 2022 to serve the demand of electricity in its area of supply/ operation. The said regulation also stipulates that the quantum of Power Purchase would be calculated based on their energy sales considering the approved Distribution loss for the year i.e. **bottom-up approach has to be followed**. The Distribution loss has been derived based on the AT&C Loss trajectory defined for each DISCOM in their respective Vesting Orders assuming Collection Efficiency of 99%. The losses proposed by the Licensees and approved by the Commission are given in the Table below:

**Table-30**
**Losses Proposed by the Licensees and Approved by the Commission for the FY 2025-26**

| Description | Actual for the FY 2023-24 | Approved for the FY 2024-25 | Estimated by licensees for the FY 2024-25 | Proposed by licensees for the FY 2025-26 | Approved by the Commission for the FY 2025-26 |
|---|---|---|---|---|---|
| **TPCODL** | | | | | |
| Distribution Loss | 21.65 % | 19.19% | 19.19% | 17.17% | 17.17% |
| Billing Efficiency | 78.35% | 80.81% | 80.81% | 82.83% | 82.83% |
| Collection Efficiency | 100.53 % | 99.00% | 99.00% | 99.00% | 99.00% |
| AT and C Loss | 21.23 % | 20.00% | 20.00% | 18.00% | 18.00% |
| **TPNODL** | | | | | |
| Distribution Loss | 14.91% | 14.14% | 14.14% | 12.96% | 12.96% |
| Billing Efficiency | 85.09% | 85.86% | 85.86% | 87.04% | 87.04% |
| Collection Efficiency | 103.76% | 99.00% | 99.00% | 99.00% | 99.00% |
| AT and C Loss | 11.71% | 15.00% | 15.00% | 13.83% | 13.83% |
| **TPWODL** | | | | | |
| Distribution Loss | 16.54% | 16.57% | 17.00% | 15.05% | 15.05% |
| Billing Efficiency | 83.46% | 83.43% | 83.00% | 84.95% | 84.95% |
| Collection Efficiency | 101.23% | 99.00% | 99.00% | 99.00% | 99.00% |
| AT and C Loss | 15.51% | 17.40% | 17.83% | 15.90% | 15.90% |
| **TPSODL** | | | | | |
| Distribution Loss | 26.47% | 24.59% | 24.60% | 24.24% | 24.24% |
| Billing Efficiency | 73.53% | 75.41% | 75.40% | 75.76% | 75.76% |
| Collection Efficiency | 100.71% | 99.00% | 99.00% | 99.00% | 99.00% |

| Description | Actual for the FY 2023-24 | Approved for the FY 2024-25 | Estimated by licensees for the FY 2024-25 | Proposed by licensees for the FY 2025-26 | Approved by the Commission for the FY 2025-26 |
|---|---|---|---|---|---|
| AT and C Loss | 25.95% | 25.35% | 25.35% | 25.00% | 25.00% |
| **ODISHA** | | | | | |
| Distribution Loss | 19.06% | 17.97% | 18.09% | 16.52% | 16.49% |
| Billing Efficiency | 80.94% | 82.03% | 81.91% | 83.48% | 83.51% |
| Collection Efficiency | 101.56% | 99.00% | 99.00% | 99.00% | 99.00% |
| AT &C Loss | 17.80% | 18.79% | 18.91% | 17.35% | 17.33% |

113. In line with the provisions in Regulations 5.4 of OERC's Wheeling & RST Regulations, 2022, the Commission has estimated the quantum of Power Purchase for each Distribution Licensee, considering the approved sales and distribution loss. Accordingly, the quantum of Power Purchase and energy sales under different category of Consumers under EHT, HT & LT level as proposed by the Licensees and approved by the Commission for the FY 2025-26 are summarised in the Table below:

**Table-31**
**Quantum of Power Purchase and Sales proposed by DISCOMs and approved by the Commission for the FY 2025-26 (In MU)**

| DISCOM | Description | Proposed by the DISCOM for FY 2025-26 | Approved by the Commission for FY 2025-26 |
|---|---|---|---|
| **TPCODL** | EHT Sales | 2,127.529 | 2,127.529 |
| | HT Sales | 2,770.783 | 2,770.783 |
| | LT Sales | 6,551.068 | 6,551.068 |
| | **Total Sales** | **11,449.380** | **11,449.380** |
| | **Purchase** | **13,822.74** | **13,823.000** |
| **TPNODL** | EHT Sales | 3,759.089 | 3,759.089 |
| | HT Sales | 943.170 | 943.170 |
| | LT Sales | 2,886.564 | 2,886.564 |
| | **Total Sales** | **7,588.823** | **7,588.823** |
| | **Purchase** | **8,718.78** | **8,719.000** |
| **TPWODL** | EHT Sales | 3,500.000 | 4,203.147 |
| | HT Sales | 2,600.000 | 2,600.000 |
| | LT Sales | 3,712.300 | 3,712.300 |
| | **Total Sales** | **9,812.300** | **10,515.447** |
| | **Purchase** | **11,550.00** | **12,378.000** |
| **TPSODL** | EHT Sales | 829.960 | 829.960 |
| | HT Sales | 460.500 | 460.500 |
| | LT Sales | 2,544.627 | 2,544.627 |
| | **Total Sales** | **3,835.087** | **3,835.087** |
| | **Purchase** | **5,062.15** | **5,062.000** |
| **ALL ODISHA** | EHT Sales | **10,216.578** | **10,919.725** |
| | HT Sales | **6,774.453** | **6,774.453** |
| | LT Sales | **15,694.559** | **15,694.559** |
| | **Total Sales** | **32,685.589** | **33,388.737** |
| | **Purchase** | **39,153.67** | **39,982.000** |

**Revenue Assessment**

114. The Commission examined the Licensees proposals and approved the energy sales for each category of Consumers. Based on normative parameters like Distribution loss, AT&C loss and Collection Efficiency as approved in this Retail Supply Tariff Order and billing figure for FY 2024-25, the Commission approves the Retail Supply Tariff for all categories of Consumers which is attached as **Annexure-B**. Considering the above RST for every Consumer category, the estimated revenue (voltage wise) of DISCOMs for FY 2025-26 is as follows:

**Table – 32**
**Revenue of DISCOM Utilities for FY 2025-26 (Rs. In Crs.)**

| | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|
| **EHT** | 1402.15 | 2420.62 | 2691.73 | 532.95 |
| **HT** | 1893.29 | 627.16 | 1633.68 | 303.74 |
| **LT** | 3319.93 | 1439.01 | 1822.76 | 1326.38 |
| **Total** | **6615.37** | **4486.79** | **6148.18** | **2163.06** |

**Tariff Related Issues**

115. Certain decisions and proposals were received by the Commission from different departments of **Government of Odisha** that needs to be addressed in this Tariff Order.

**Issue of 50% electricity bill subsidy to new and existing Cold Storage units**

116. The Department of Agriculture & Farmers Empowerment, of Government of Odisha has notified the "Financial Assistance to Cold Storage" scheme vide Notification No.-DHO-NHM-PLAN-0001-2025-2567, dt: 30.01.2025 stating that the proposal has been approved by the State Cabinet in their 14th meeting held on 22.01.2025. According to the proposal, benefits are extended to new cold storages and existing cold storages in the state. The necessary extracts of the said notification, related to electricity tariff and subsidy are given below:

<table>
<tr><td rowspan="2">Electricity Tariff Subsidy</td><td>Tariff subsidy @50% on total electricity bill shall be given for a maximum period of 7 yrs from the date of commencement of new cold storage units.</td><td>In case of existing operational units, and units that may be revived in future, the electricity tariff subsidy will be paid for a max period of 7 yrs.</td></tr>
<tr><td colspan="2">Electricity tariff subsidy will be factored in at time of preparing the monthly bill by the electricity distribution company, who shall directly be reimbursed by the government.</td></tr>
</table>

*…viii. The continuing State Sector Scheme "Electricity Tariff to Cold Storage" will be merged with this scheme to ensure convergence and smooth implementation.*

*ix. Subsidy payments under the scheme will be made through mirror bank accounts as per existing mechanism adopted for MKUY scheme.*

As per above Notification of Department of Agriculture & Farmers Empowerment, GoO tariff subsidy has been extended to the new and existing cold storage units (including cold storage units that may be revived in the future) inside the state. As per the above Notification, this subsidy will be directly available to the Consumer from the Government without being routed through the DISCOM, for a maximum period of 7 years.

**Issue of Classification of tribal residential schools & hostels**

117. Additional Secretary to Government, Energy Department, GoO vide Ltr No-ENG-RR-DISTCOM-0003-2020-1958/En., Dt: 15.02.2025, has requested for consideration on the matter raised by Joint Director, ST & SC Development, Minorities & Backward Classes Welfare Department, GoO vide Ltr No.-26646/SSD, dt: 18.12.2024. It has been requested to change the Consumer category of 1612 tribal residential schools and 2372 tribal hostels functioning in the state under the administrative control of ST & SC Development, M & BCW Department from commercial to domestic category, in line with the recommendation of the Departmentally related Standing Committee-VIII of the aforementioned Department.

118. Classification of Consumer category has been dealt in Regulation 138 of OERC Distribution (Conditions of Supply) Code, 2019. The Consumer category, "Specified Public Purpose" encompasses the educational institutions/ training institutions (including their hostels) managed by the Government. Further, the Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha, get a rebate of Rs. 2.40 per unit in Energy Charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible. However, the Government has requested for including all such school and their attached hostel under Domestic category. This is not permissible under the Regulation. If any such school and their attached hostel are not getting above benefit, such establishment must approach the concerned GRF for redressal of their grievance.

**Issue of Classification of Fish processing units**

119. The Additional Chief Secretary to Government, Industries Department, Government of Odisha, vide Letter No.-IND-HI2-MISC-0003-2022-3091, dt: 27.02.2025, has cited the representation of 'The Seafoods Exporters Association of India' for the purpose of fixation of power tariff. The Industries Department has put forth the view that Fish processing Industries process fish, prawn and other marine products which are similar to agriculturally produced commodities. Even marine sea food catch is similar to processing of agri-produce during post-harvest activities. Therefore, all fish processing related units irrespective of size, scale & location should be considered under Allied Agricultural Activities.

120. The OERC Distribution (Conditions of Supply) Code, 2019, deals with classification of Consumers under different categories. The Regulation 138 (f) OERC Distribution (Conditions of Supply) Code, 2019 excludes food/agri products processing units from the "Allied-Agricultural Activities" Consumer category. The request for including Fish processing Industries in Allied-Agricultural Activities would be considered at the time of amendment of OERC's Supply Code which is in the process.

**Issue of Concession on Electricity charges levied on Lift Irrigation**

121. Energy Department of Government of Odisha vide Letter No.- ENG-RR-DISTCOM-0019-2017-3156/En., Dt: 10.03.2025, has requested to reduce the electricity tariff on Lift Irrigation from Rs. 5.80 per unit to Rs. 1.60 per unit for the farmers of Nalibasanta-5, Pani Panchayat, Puri on humanitarian ground so as to mitigate the financial burden on the farmers.

122. As per the above information, it is inferred that the Lift Irrigation Consumers are being charged basing on some other category but not as Irrigation, Pumping & Agriculture Consumers. If the issue is not addressed by the respective DISCOM, the Consumer may approach GRF for redressal of their grievance.

123. **Issue of Classification of Child Care Institutions under Domestic category**

The Under Secretary to Government, Energy Department, GoO vide Letter No.- ENG-DISCOM-PG-0016-2022/5625/En., Dt: 24.05.2024, on request by Principal Secretary to Government, Department of Women & Child Development has requested the Commission for classifying Child Care Institutions functioning in the state under Domestic category, instead of General Purpose Category. These Institutions are functioning for the care, protection and rehabilitation of children including for housing of children who are in conflict with law. In the request letter, it has been mentioned that these are completely residential units for children and are not engaging in any commercial activity. The Commission's direction in para 239 of Tariff Order for FY 2024-25, dt: 13.02.2024 may be referred where it has been clearly mentioned that power supply to any dwelling units utilised solely for residential purpose shall be classified as Domestic category, whether rented or not. Therefore, the Child Care Institutions functioning in the state, are classified under Domestic category as per above direction, provided such institutions are not engaged in Commercial activity.

**Objectors and Licensees have raised certain issues and suggested some proposals which are addressed below:**

**Issue of Allocation of Green Power to Industries having CGP**

124. The DISCOMs have requested to permit the DISCOM to intimate the quantum of RE Power included in the monthly consumption of Consumer/ Industries (incl. CGP) considering the actual allocation as received from GRIDCO at an additional Green Tariff Premium of 10 paise/unit. As per the current practice according to regulatory requirement, GRIDCO procures RE power on behalf of DISCOMs for consumption in the area of their supply. GRIDCO allocates the RE power on monthly basis intimating the same to the DISCOMs. The drawal of any Industry with or without CGP are also accounted for, in the RE power procured by GRIDCO. Therefore, the Industries can opt for allocation of Green power by the DISCOM with payment of additional 20 paise per unit as premium over and above the normal rate of Energy Charges. The DISCOM can sale Green energy to these Industries within their area of operation subject to the ceiling limit of RE power allocated by GRIDCO.

**Issue of Continuation of Tri-Partite Agreement (TPA) mechanism with modified terms**

125. Regarding the said proposal, the Commission has agreed for continuance of TPA mechanism with modified terms for utilisation of the surplus power available with GRIDCO. Any industry having CGP with CD above 20 MW and operating at minimum monthly load factor of 80% shall be allowed to draw power at Rs. 5.00 per kVAh during Peak & Normal Hours and at Rs. 4.30 per kVAh during Solar Hours for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with DISCOMs and GRIDCO.

**Issue of Enhancement of ToD Benefit in Solar Hours**

126. According to the current scenario of power sector, the state of Odisha is surplus in energy during solar hours and deficit in peak demand. To motivate the Consumers to increase their consumption during Solar hours and reduce their consumption during peak hours, the Commission has introduced benefits for consumption during Solar Hours and surcharge for consumption during Peak Hours in the Tariff Order for FY 2024-25, dt: 13.02.2024. This was in line with the Electricity (Right to Consumers) Rules 2023 notification dt: 14.06.2023, of the Ministry of Power, Government of India. In this regard, the proposal of the DISCOMs to enhance the benefit for consumption during solar hours and extending the Overdrawal benefit (for drawal upto 120% of CD, without payment of penalty) during Solar Hours (now available during Normal hours), is acceptable. For the FY 2025-26, all the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 kW, except Irrigation Pumping & Agricultural Consumers, are eligible to get a ToD rebate of 20 paise/unit on Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 30 paise/unit on Energy Charge during Peak Hours. Further, drawal by the Industries upto 120% of Contract Demand shall be allowed during Normal Hours and Solar Hours without levy of any penalty. The other conditions for overdrawal benefit as mentioned in Para 319 to 321 of this Order shall also be applicable.

**Issue of Additional Rebate of Rs. 10/- per month for Consumers who opt for E-Bill for Smart Meter Consumers.**

127. The Commission acknowledges the issue and extends the benefit of Rs. 10.00 per bill to all the Consumers who opt for e-bill irrespective of the type of the meter installed at the Consumer premises. It will certainly reduce the cost of printing the bill and distribution of the same. However, e-bill instead of physical bill should be made optional since some Consumers may like to continue with the printed bill. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

**Issue of Load factor rebate to EHT Industries**

128. The EHT Industrial Consumers are currently availing the load factor rebate of 10 paise/ kVAh on Energy Charges for all the units consumed beyond 80% load factor. The Commission agrees with the DISCOMs proposal for enhancing this rebate from 10 paise/ kVAh to 20 paise/ kVAh for all the units consumed beyond 80% load factor. This would

certainly motivate the EHT Industrial Consumers to increase their consumption of power and would also increase the energy sales of the DISCOMs.

**Issue of classification of Fresh Water Pearl Harvesting**

129. The Commission has classified Consumers into different categories such as Domestic, Agriculture and Allied-Agricultural activities etc. in Regulation 138 of OERC Supply Code, 2019. Within the existing framework, the Fresh Water Pearl Harvesting being a commercial activity is classified as Consumer under General Purpose Category. Any reclassification can only be considered at the time of amendment of the Supply Code which is in the process.

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

130. On the issue of levy of DPS on LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers, it is clarified that, since FY 2023-24, DPS has been abolished. The Commission had already explained in the Tariff Order for FY 2024-25, dt: 13.02.2024, the reason for non-acceptance of the said proposal. The Act empowers the DISCOMs to disconnect the supply of electricity in case of non-payment of Bills. This would also avoid accumulation of arrear of consumer payable to the DISCOMs. Therefore, Commission is not inclined to reinforce the DPS as proposed by the DISCOMs.

**Issue of Introduction of pro-rata Billing**

131. The issue of introduction of pro-rata billing has been specifically clarified by the Commission in their letter No.619 dated 06.06.2022 addressed to all the DISCOMs. Further, the Commission has already mentioned in Tariff Order for FY 2024-25, dt: 13.02.2024, that unless the Supply Code is amended with new procedures, pro-rata billing cannot be imposed.

**Issue of Digital rebate if paid through Jan Seva Kendra, CSC, OCAC etc.**

132. Digital rebate is provided to promote digital payment of electricity bills by the Consumers on or behalf due date. Facilitation of digital payment would not only benefit the Consumers by providing them easy means/ flexibility for payment but would also benefit the DISCOMs by reducing their bill collection expenses. When the Consumer pays the entire bill by any means on or before the due date, and the amount is credited to the DISCOM's account without any additional effort of the DISCOM for bill collection, the said 'digital rebate' of 4% shall be extended for such mode of payment. This benefit is applicable to the LT Domestic and Single-phase General-Purpose category of Consumers only over and above all other rebates, if such Consumer pays the entire amount through digital mode before the due date. Therefore, the Consumer, who pays the entire bill on or before the due date at any other outlet like Jan Seva Kendra, OCAC etc., is also eligible for digital rebate of 4%. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

**Issue of Billing of Public Lighting**

133. TPCODL has submitted that the power supply provided to public parks are used for various purposes other than lighting, such as water pumping, sprinkler system, fountain,

music system, administrative office, food kiosk etc. The Regulation 138 (c) of OERC's Supply Code, 2019 specifically mentions about Consumer Category of 'Public Lighting'. This category relates to supply of power to the government, a local authority or any other public body for providing street lighting, for traffic signalling and for lighting of Public Park. This Consumer classification is restricted to electricity consumption for the purpose of lighting only, in case of Public Park. In the Tariff Order dated 13.02.2024, the Commission had directed that in the event of non-availability of meters for street lighting, billing shall be made uniformly irrespective of seasons of the year, for 11 Hours of burning basing on the Contract Demand. The said provision shall continue for the ensuing FY 2025-26. However, the DISCOM should try to install meters at every Consumer point of public lighting by the end of FY 2025-26. In case, the power supply is required for the purpose other than public lighting like fountain, water sprinkler etc. the Government/ local authority/ any other public body shall apply for separate connection and tariff for such supply would be charged under General Purpose as per OERC's Supply Code, 2019.

**Issue of Special tariff for Industries who have closed their units if reopens.**

134. The DISCOMs proposal for giving incentives to closed Industries is welcome and this scheme would also be beneficial for the overall economy of the state. To promote Industrial growth and revival of closed down Industries, the Commission provides the following special scheme:

i) This scheme would be valid only for one year i.e. FY 2025-26.
ii) It is applicable to Industries with CD of 500 kW and above, who have closed their operation prior to take over by the present DISCOM and in whose area of operation the Industry is located.
iii) In order to avail benefit under this scheme, the Industry has to clear all outstanding electricity bills, if any.
iv) The Industry would be eligible for rebate at the rate of 20% on Energy Charge in a month for entire consumption, if it operates at minimum 60% load factor.
v) Industries who opt this scheme would not be eligible for Open Access.
vi) This incentive will be over and above all other existing rebate in the tariff.
vii) Industry availing this benefit shall not be permitted to avail benefit under any other scheme.

**Issue of Extension of time period for Temporary Connections**

135. As per the Regulation 138(p) of the OERC's Supply Code, 2019, temporary supply is provided for a period of six months. However, the Distribution Licensees (TPSODL) has submitted that temporary power requirement for construction purpose sometimes extends beyond 6 months of time period. As per said Regulation, supply for construction of Residential houses, complexes, commercial complexes and Industrial premises are covered under Temporary supply and such construction is likely to be extended beyond 6 months time period. Considering the real scenario, the Commission allows DISCOM to extend/ renew the temporary supply of power for a maximum period of 6 months at a time for above purpose of construction. In case of temporary connection, the energy charge shall be 10% higher compared to the regular connection in respective category. DISCOMs

shall ensure that such permission to extend power supply does not affect the power supply to other consumers of the DISCOM.

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

136. The DISCOMs have suggested for temporary increase in CD of Industries having CGP when the units of such CGP undergoes maintenance and for Industries having seasonal requirement at 10% higher charges on both Demand charge and Energy charge. This suggestion for temporary increase in CD cannot be accepted. Any enhancement or reduction in Contract Demand should be as per Regulation 119 to Regulation 132 of the Supply Code, 2019.

**Issue of Special tariff for existing industries without CGP for drawl of additional power beyond CD of 10 MVA**

137. The Commission believes that the Small Industries would be motivated to increase their consumption of electricity, if additional benefits/ incentives are extended. Therefore, the Commission accepts the proposal of DISCOMs and allows following scheme for benefit of such industrial consumer.

Any Industry (without CGP) connected at 33 kV with CD upto 10 MVA and willing to avail power from the DISCOM upto double the CD shall be allowed without payment of Overdrawal penalty. For this purpose, the Industry has to operate at minimum load factor of 80% for the entire month. The applicable charges for energy consumption (kVAh) beyond 80% of CD shall be Rs. 5.00/ kVAh. Industries availing this benefit shall not be allowed to avail benefit under any other scheme including drawal in Open Access. Such Industry has to enter into an agreement with the DISCOM for the above arrangement. Industries having CD of more than 10 MVA are not permitted to avail this benefit by reducing their CD. DISCOMs are not permitted to exceed their approved SMD while allowing this benefit. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

**Issue of Minimum Contract Demand by Industries having CGP**

138. When Industries having CGP keep a CD with the DISCOM, they have the freedom for drawal of energy at anytime within the CD. The demand on the power system is based on the CD of the Consumers. The power purchase and design of transmission and distribution network is done to meet energy requirement and peak demand of the state considering SMD of DISCOMs. Therefore, drawal of Industrial Consumers having CGP can go upto their CD. The consequence of such drawal, even during the peak hours, must be absorbed by DISCOM and GRIDCO. So, Minimum Contract Demand for industries with CGP can not be fixed as suggested by DISCOM(s).

**Issue of Revision of Reconnection Charges**

139. The existing Reconnection charges have been continuing since 2012 and therefore, the Commission acknowledges the request of the DISCOMs for revision of Reconnection charges. The Reconnection charges for different Consumers are as given in the Table below, which will be effective from 01.04.2025.

**Table-33**

| Category of Consumers | Rate Applicable |
|---|---|
| LT Single Phase Domestic Consumer | Rs. 300/- |
| LT Single Phase other Consumer | Rs. 800/- |
| LT 3 Phase Consumers | Rs.1,200/- |
| All HT Consumers | Rs. 6,000/- |
| All EHT Consumers | Rs. 10,000/- |

*Note: The above charges shall not be applicable to Consumers having Smart Meters. However, if the disconnection was done in the event of tampering of the Smart Meter, the charges would be applicable.*

**Issue of Standard Service Connection charge**

140. The Commission's Notification No.-OERC-Engg-92/2003 (Vol. VIII)/1424, dt: 09.12.2024 has issued new service connection charges applicable to Consumers with Contract Demand of 5 kw upto 150 kW.

**Issue of Creation of Contingency Reserves for Assets that are not insured by Insurance Companies**

141. The Commission had approved Rs. 10 Cr. to each DISCOM as Disaster Resilient Fund in the Tariff Order for FY 2024-25, dt:13.02.2024 to meet any unforeseen contingencies/ disasters in future. Prior to that, the Commission had approved additional R&M of Rs. 95 Crs. (Rs. 60 Crs. to TPWODL and Rs. 35 Crs. to TPNODL) for all four DISCOMs in the ARR for FY 2023-24, dt: 23.03.2023, for maintaining an inventory of materials for restoration of affected distribution network during natural disasters. As per para 150 of Tariff Order for FY 2024-25, dt: 13.02.2024, the total fund availability under Disaster Resilient Fund has an opening balance of Rs 95.00 Crs. with a closing balance of Rs 135.00 Crs. for FY 2024-25. Since the Commission has been approving separate amount for restoration of distribution network infrastructure affected by natural calamities, additional creation of Contingency Reserve as an insurance for LT/ HT/ EHT lines is not appropriate.

**Issue of Approval for utilization of Consumer Security Deposit (SD) for Consumer benefit through reduction of Financing Cost allowed in Tariff**

142. Security Deposit is paid by a Consumer as per Regulation 52 of the Supply Code, 2019. This amount is an advance payment to the Distribution Licensee to cover the electricity charges of a Consumer for about two months (based on load factor for different categories of Consumers). The Distribution Licensee pays interest on Security Deposit to the Consumers at Bank Rtae (RBI Bank Rate as on 1$^{st}$ April of the relevant year). Further, the Vesting Order and the Segregation Order, stipulate that the DISCOMs 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. Therefore, the said proposal cannot be accepted.

143. **Issue of MYT, Business Plan and other related Issues**

The MYT Principles are specified in the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. The Commission has also dealt in this matter at para-64 of its Order on ARR and RST for FY 2022-23. The Commission is determining tariff as per the said Regulations. The Business Plan has been specified in the Regulations for a period of 5 years from FY 2023-24 to FY 2027-28. The Commission has notified its RST Regulation since 2004 as per Section 61 of the Electricity Act, 2003 and the latest Regulation being the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, which was notified in the year, 2022. Therefore, the observations of Hon'ble Supreme Court to make Regulation under Section 61 of the Electricity Act has been complied with by this Commission since the year 2004. The Commission notifies every Regulation following the principle mentioned under Section-181 of the Electricity Act, 2003 particularly keeping in view the Section 181 (3) of the said Act, which mandates pre-publication of the Regulation. All the suggestions/ objections received from the stakeholders are duly scrutinised by the Commission and only the valid objections/ suggestions are accepted by the Commission to be incorporated in the draft Regulation before finalising the same. All the objections/ suggestions which are not incorporated in the final Regulation are untenable objection/ suggestion. While determining Tariff, the Commission not only adheres to the Tariff Regulation, but also is guided by the Tariff policy notified by Government of India. This is evident from the determination of Cross subsidy, Cross subsidy surcharge etc. of this Order.

**Issue of Introduction of Processing fees for various services**

144. When a Consumer submits an application for services like change of Consumer category, address, ownership and Contract Demand, he submits various documents along with the application. The DISCOM further verifies these documents before processing the application which includes further communications with the Consumer, if required. These activities are performed at the cost of resources incurred by the DISCOM. Therefore, the processing of these applications shall amount to a minimal processing fees for carrying out various services by the DISCOMs. Further, the application fees collected by performing such activities would be accounted in Miscellaneous Receipts and would be passed on to Consumer which would rationalize the ARR in return. The Application Processing Fees for various services are as given in the table below and shall be effective from 01.04.2025.

**Table-34**
**Application Processing fees for various Services**

| Sl. No. | Purpose of Application | Application Processing charges | |
|---|---|---|---|
| | | LT | HT & EHT |
| 1 | Change of Consumer Category | Rs. 50/- | Rs. 1000/- |
| 2 | Change of Contract Demand | Rs. 50/- | Rs. 1000/- |
| 3 | Change/correction of Name or address, Ownership change/modification (excluding e-mail ID and Mobile No.) | Rs. 50/- | Rs. 1000/- |

**Issue of Mail Id, Mobile/ Telephone Numbers of Officials**

145. Many Consumers brought to the notice of the Commission that they are unable to find out Designated Officers responsible for a particular work. The issue was also brought before the Commission during the SAC meeting on dt: 01.03.2025. The DISCOMs were advised in the Tariff Order for the FY 2024-25 and are directed again to display the name, designation, email Id & Mobile/Telephone number of the Designated Officers, assigned in public service, from Section level upto corporate level in their website and so also at public interface points.

**Issue of Bill in Odia language**

146. The Commission had earlier advised the DISCOMs to issue bilingual electrical bill (English & Odia). It is yet to be implemented to the level of single phase LT consumers. DISCOMs are directed to complete this assignment by the end of ensuing FY 2025-26 for the benefit of Consumers of Odisha.

**Issues Concerning OERC Distribution (Conditions of Supply) Code, 2019.**

147. Certain proposals relating to Supply Code, 2019 have been received by the Commission from the Licensees/ Objectors and individuals during the ARR proceedings. Such proposals are regarding reclassification of some category of Consumers, creation of separate category for Megalift Consumer, time period extension of temporary connection, procedure of billing for defective meter, revision of load factor considered during un-authorised use of electricity, combined application of Form-I and Form-II etc. These suggestions would be addressed at the time of amendment of OERC's Supply Code, 2019 which is in the process.

**Issue of classification of Old age homes under Domestic category**

148. The Objector "The Sampatrai Rotary Club of Cuttack Senior Citizen Home" (SRCCSCH) has requested to designate the entire old age home as 'Domestic' unit rather than a commercial unit. The Regulation 138(a) of Supply Code, 2019 defines Domestic category as a category which relates to supply of power to residential premises for domestic purposes only which may include connected load for non-domestic purposes like offices, consultation chambers and other miscellaneous activities up to 20% of the total connected load. The Commission has explained under para-239 of the Tariff Order for FY 2024-25 that power supply to any dwelling units utilised solely for residential purpose shall be classified as Domestic category, whether rented or not. This may also include hostels/mess/old-age homes/orphanages let-out by the private parties solely for residential purposes. The hostels/ guest houses/ such purpose, which are primarily for temporary stay of people are strictly excluded. If the Objector qualifies as per the said Regulation along with above clarification, then his consumption of electricity can be covered under Domestic category.

149. **Cross-Subsidy in Tariff**

Cross Subsidy defined in Regulation 7.77 of the OERC Wheeling & RST Regulations, 2022, which is in conformity with para 8.3.2 of Tariff Policy and para 5.5.2 of the National Electricity Policy, is reproduced below:

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

150. According to the above Regulation, the Cross Subsidy is to be worked out basing on the Average Cost of Supply (ACoS) to all Consumers of the State taken together and average voltage-wise tariff applicable to such Consumers. The Average Cost of Supply estimated for the state of Odisha for FY 2025-26 is given in Table below:

**Table – 35**
**Average Cost of Supply (per Unit) FY 2025-26 (Rs. In Crs.)**

| Description | 2025-26 (Approved) |
|---|---|
| Cost of Power Purchase | 13247.00 |
| Transmission Charge | 1019.54 |
| SLDC Charge | 6.16 |
| **Total cost of Power Purchase including Transmission and SLDC Charge (A)** | **14272.70** |
| Net Employee costs | 2501.73 |
| Repair and Maintenance Expenses | 1004.35 |
| Administrative and General Expenses | 610.12 |
| Provision for Bad and Doubtful Debts | 194.13 |
| Depreciation | 457.39 |
| Interest Expenses including Interest on S.D | 633.73 |
| **Sub-Total** | **5401.45** |
| Less: Employee Cost capitalised | 112.46 |
| Less: Interest capitalised | 5.81 |
| **Total Operation & Maintenance and Other Cost** | **5283.18** |
| Return on Equity | 446.57 |
| Tax on ROE | 112.39 |
| **Total Distribution Cost (B)** | **5842.15** |
| Total Cost ( C ) = [(A) + (B) ] | 20114.85 |
| Approved Saleable Units (MU) **(D)** | 33388.737 |
| **Average CoS (paisa per unit) [( C ) x 1000 / (D)]** | **602.44** |

151. For the purpose of calculating average voltage-wise tariff, the estimated revenue realization from a Consumer category (LT/HT/EHT) and total estimated sale of energy to that category have been taken into consideration.

**Average Tariff realization = [Total expected revenue realisation for a category of Consumer as per ARR (EHT/HT/LT) / Total anticipated sales of energy to that category (EHT/HT/LT) as per ARR]**

The cross-subsidy calculated as per the above methodology is given in the table below:

**Table – 36**
**Cross Subsidy Table for FY 2025-26**

| Financial Year | Level of Voltage | Avg. CoS for the State (paise/unit) | Average Tariff (paise/unit) | Cross-Subsidy (paise/unit) | Percentage of Cross-subsidy above/below of CoS | Remarks |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) =(4)–(3) | (6)=(5)/(3) | (7) |
| 2020-21 | EHT | 524.62 | 595.77 | 71.15 | 13.56% | The tariff for HT and EHT categories has been calculated based on average tariff of that category. |
| | HT | | 596.18 | 71.56 | 13.64% | |
| | LT | | 433.81 | -90.81 | -17.31% | |
| 2021-22 | EHT | 548.40 | 626.50 | 78.10 | 14.24% | |
| | HT | | 623.90 | 75.49 | 13.77% | |
| | LT | | 466.07 | -82.33 | -15.01% | |
| 2022-23 | EHT | 587.77 | 654.61 | 66.84 | 11.37% | |
| | HT | | 640.36 | 52.59 | 8.95% | |
| | LT | | 478.44 | -109.33 | -18.60% | |
| 2023-24 | EHT | 604.22 | 622.71 | 18.50 | 3.06% | |
| | HT | | 652.90 | 48.68 | 8.06% | |
| | LT | | 497.71 | -106.51 | -17.63% | |
| 2024-25 | EHT | 601.01 | 630.45 | 29.44 | 4.90% | |
| | HT | | 647.03 | 46.02 | 7.66% | |
| | LT | | 499.58 | -101.43 | -16.88% | |
| 2025-26 | EHT | 602.44 | 645.39 | 42.94 | 7.13% | |
| | HT | | 658.04 | 55.60 | 9.23% | |
| | LT | | 503.87 | -98.57 | -16.36% | |

152. The Commission has managed to keep cross-subsidy among the subsidised and subsidising category of Consumers in the State within ± 20%, in line with the mandate of the National Electricity Policy and Tariff Policy. The above cross subsidy is meant only for Retail Supply Tariff fixation in the State and is applicable to all Consumers (except BPL and Agriculture Consumers) and should not be confused with Cross Subsidy Surcharge (CSS) payable by Open Access Consumers to the DISCOM(s). The Cross Subsidy Surcharge (CSS) is applicable only to Open Access Consumers which is discussed hereinafter.

**OPEN ACCESS CHARGES (CROSS SUBSIDY SURCHARGE AND WHEELING CHARGES)**

153. The OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020 was notified on 2nd November, 2020. The Commission has defined the methodology for determination of Open Access Charges in Chapter 5 of these Regulations. For determination of the Cross Subsidy Surcharge, the tariff for HT and EHT Consumers has been assumed at 100% load factor since Open Access drawal is made to utilise the full quantum of the power so availed. The formula prescribed in Regulation 23(2) of OERC

(Terms and Conditions of Intra State Open Access) Regulations, 2020, which is as per the Tariff Policy, for determination of Cross Subsidy Surcharge is as follows:

**Surcharge formula:**

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

Where:

S is the surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets

154. As prevalent in the previous year, the Commission accepts 'C' equal to BSP of respective DISCOMs. Similarly, 'T' is the tariff at 100% load factor including demand charges for the respective voltage level. The wheeling charges 'D' is as determined from the distribution cost approved for the FY 2025-26 and 'L' is assumed 8% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

155. The determination of Wheeling Charges is independent of distribution voltage level i.e. 11 kV & 33 kV. The term 'wheeling' as per the OERC Wheeling and Retail Supply Tariff Regulations, 2022, is defined as the operation whereby the distribution system and associated facilities of a Distribution Licensee, are used by another person for the conveyance of electricity on payment of charges, to be determined under these Regulations. Therefore, Regulation does not differentiate distribution system in terms of voltage level and includes both 33 kV and 11 kV network. Therefore, the Commission determines a single wheeling charge for 11 kV and 33 kV.

156. Based on the above principle, the Wheeling Charge and Cross Subsidy Surcharge, determined for the four DISCOMs for the FY 2025-26 are given in the Table below:

**Table – 37**
**Wheeling Charges Approved for FY 2025-26**

| Description | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|
| Energy Handled at HT (MU) | 11695.47 | 4959.91 | 8174.85 | 4232.04 |
| Net Distribution Cost (Rs. In Crs.) | 1199.32 | 775.80 | 854.35 | 736.65 |
| **Wheeling Charge calculated for 2025-26 (paise/unit)** | 102.55 | 156.41 | 104.51 | 174.06 |

**Table – 38**
**Computed Surcharge for Open Access Consumer 1MW and above for FY 2025-26 (paise / unit)**

| Description | TPCODL | TPNODL | TPWODL | TPSODL |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| **Surcharge for EHT Consumer** | 231.40 | 186.40 | 161.40 | 356.40 |
| **Surcharge for HT Consumer** | 106.23 | 3.45 | 28.18 | 170.58 |

157. As per Section 42 of the Electricity Act, 2003, the Cross Subsidy Surcharge (CSS) is to be reduced progressively. The Commission is authorized to evolve a methodology for such reduction. Accordingly, the Commission has fixed the leviable Cross Subsidy Surcharge, Wheeling Charges and Transmission Charges for Open Access Customer for FY 2025-26, as given in Table below:

**Table – 39**

**Leviable Cross Subsidy Surcharge, Wheeling Charge and Transmission Charge for Open Access Consumer(s) of 1MW and above for FY 2025-26**

| Name of the licensee | Cross Subsidy Surcharge (P/U) | | Wheeling Charge P/U applicable to HT Consumers only | Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers) |
|---|---|---|---|---|
| | EHT | HT | | |
| **TPCODL** | 161.98 | 74.36 | 102.55 | The Open Access customer availing Open Access shall pay Rs.6120/MW-day (Rs.255/MWh) as transmission charges. |
| **TPNODL** | 130.48 | 2.41 | 156.41 | |
| **TPWODL** | 112.98 | 19.73 | 104.51 | |
| **TPSODL** | 249.48 | 119.41 | 174.06 | |

**Additional Surcharge**

158. As per principle followed in the previous Order, the Commission has not determined additional surcharge over and above the Cross Subsidy Surcharge to be paid to the DISCOMs to meet the fixed cost of licensee arising out of his obligation to supply power as provided under Sub-Section 4 of Section 42 of the Electricity Act, 2003. This is because no such case has been brought before the Commission by the DISCOMs.

159. The Commission has notified the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 on 27th December, 2023. The said Regulation and The Odisha Renewable Energy Policy, 2022 of Government of Odisha shall be taken into consideration for availing Renewable Power through Open Access.

**Open Access Charges at LT level**

160. The OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 is applicable to Consumers with Contract Demand or sanctioned load of 100 kW or more, either through one connection or through multiple connection aggregating to 100 kW or more. If a Consumer is availing power supply at LT level with aggregate CD of 100 kW or more, then the Consumer is eligible for availing Green Energy through Open Access. However, the Distribution Licensees have not filed any application for determination of Open Access charges at LT level. However, we have made some provisions in Wheeling Cost towards LT provisionally. Accordingly, the DISCOMs are directed to file the applications for determination of LT Open Access charges for FY 2025-26 by 31$^{st}$ July 2025.

161. The Open Access charges linked for Intra state Open Access transactions is summarised as follows:

(i) The wheeling charge, transmission charge and surcharge as indicated in above Table shall be applicable from 01.04.2025.

(ii) The normative transmission loss at EHT level (3%) and normative wheeling loss at HT level (8%) shall be applicable for the year 2025-26.

(iii) Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge is to be levied at present.

(iv) The Consumers drawing power through Open Access from Renewable sources shall have to pay the transmission charge, wheeling charge and Cross Subsidy Surcharge as applicable to Consumers availing conventional power through Open Access.

162. However, certain exemptions under **Odisha Renewable Energy Policy 2022 (OREP-2022)** are allowed over and above the Open-Access Charges:

(i) Fifty percent (50%) of Cross Subsidy Surcharge (CSS) shall be payable by the Open Access Consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

(ii) No Cross-subsidy surcharge is payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(iii) Twenty five percent (25%) exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the RE Policy period for Fifteen (15) years.

(iv) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/Open Access Consumers on consumption of energy from RE projects commissioned in the State during the policy period of fifteen (15) years. This exemption shall be extended for five (5) more years i.e. twenty (20) years, in case of projects commissioned before 31.03.2026.

163. TPWODL had submitted some proposals regarding matters related to Open Access which are discussed below.

**Issue of Imposition of 150% CSS against availing energy through Open Access during Solar Hours**

164. TPWODL has submitted that the RE power is substantially available in the market at cheaper rate during Solar Hours, for which Consumers are preferring Power through Open Access. In such scenario, the committed power of the DISCOM remain stranded and hence GRIDCO is forced to trade the surplus power in the market with distress. Therefore, to maintain parity, Consumers those who avail power during solar hours through Open Access shall be required to pay 150% of the approved cross subsidy.

The Commission is of the view that the Cross Subsidy Surcharge calculation is done as per Regulation 23 of OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020 which is aligned with Tariff Policy. At the present context, the proposal cannot be accepted. Neither in the Regulation, nor in the Tariff Policy there is provision for levying variable CSS during different time of a day. Open Access provision in the Act is meant for encouraging competition in the power sector. There is no impediments for DISCOMs to offer a competitive price to any Industry during Solar Hours subject to their financial viability.

**Issue of Annual Plan for Open Access Drawal**

165. TPWODL has further proposed that the industries who intend to draw power under Open Access should give their annual tentative plan to the DISCOMs/ GRIDCO/ SLDC for proper planning of input energy requirement of the Utility so that procurement of costly power can be avoided which will contribute towards reduction in BSP. The Commission opines that an arrangement may be reached between the Industries and the DISCOM for intimation of the energy drawal plan to the DISCOMs if it is possible, which can be accounted for Resource Adequacy planning by the DISCOM for its area of operation.

**Issue of Drawl of open access more than the Contract Demand**

166. TPWODL has submitted that the licensee has reserved the Network corridor for a Consumer basing upon its CD, for which they are paying Fixed Charges. So, if Open access is permitted beyond CD, the licensee may not be able to accommodate/serve other Bonafide Consumers who are connected with the same system. To avoid such difficulties of the DISCOMs, Open Access should not be permitted for the Consumer who intends to draw more than its Contract Demand (CD).

167. The Commission would like to clarify that Open Access is governed as per OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020. According to the above Regulation, the Open Access Customer has to get technical and commercial clearance from the DISCOM before the approval is accorded. Therefore, while issuing clearance DISCOMs must have taken into consideration the capacity available in the system for Open Access transaction and capacity requirement of other regular consumers.

**Issue of Disbursal of Wheeling Charges to the Distribution Licensee**

168. Wheeling charges are payable to the Distribution Licensee by Long-Term, Medium-Term, and Short-Term Open Access (STOA) Consumers for the usage of the distribution system and associated facilities. The OERC's Intra state Open Access Regulations specify that Short-Term Open Access Consumers are required to pay these charges based on scheduled load or energy. For Intra-State Transactions, Short-Term Open Access customers must deposit the transmission and operating charges with the SLDC within three (3) working days of the grant of the STOA. These charges are then disbursed to the Distribution Licensee within Seven (7) days. However, the current regulations lack clarity on the process for transferring Wheeling Charges collected through SLDC to the Distribution Licensee. This has led to significant challenges, including discrepancies during audits. TPWODL has requested to address this issue, regarding the process of disbursal of Wheeling Charges to the Distribution Licensee.

169. The Regulation 32 (2) (ii) of OERC (Terms and Conditions of Intra state Open Access) Regulations, 2020 states the following,

*"In addition to the above, the short term open access customer connected to distribution system of a distribution licensee shall also pay to SLDC, the charges*

*payable to the distribution licensee within three (3) days from the grant of the short-term open access by the nodal agency. Such charges would be disbursed to the distribution licensee on a weekly basis."*

The above Regulation is clear regarding the timeline of disbursal of all the charges received by SLDC on behalf of the Distribution Licensee. Therefore, the Wheeling charges paid by the Open Access customers to SLDC shall be paid to the Distribution licensee on weekly basis.

**Issue of Wheeling of power by industries having CGP**

170. TPWODL has raised the issue that CGPs are allowed to carry their own power to the destination without levy of CSS. However, they are supposed to pay wheeling charges to the respective licensees. But, most of the industries are trying to avoid the same as they have constructed the line at their own cost. As per EA, 2003 a Consumer is not permitted to operate a distribution system without having a distribution licensee and hence the line so drawn is part of the distribution system and levy of wheeling charges is inevitable. TPWODL has requested necessary direction in this regard.

171. Regulation 22 of OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020, 2nd proviso states the following,

*"Provided further that Wheeling Charges shall not be applicable in case dedicated lines (as defined under Section 2(16) of Electricity Act, 2003) constructed by generator are being utilized for supply to the open access customer."*

If the Consumer is not connected to the grid and is drawing power from its CGP through the dedicated line constructed (at their own cost) solely for the said purpose, then wheeling charges are not applicable. If the scenario is otherwise, the order of the Commission in Case No.- 139 of 2009 may be referred to.

**FINANCIAL ISSUES FY 2025-26**

**Employee Expenses**

172. The four DISCOMs (TPWODL, TPNODL, TPSODL and TPCODL), in their ARR and tariff petition for the FY 2025-26, have projected higher employee expenses compared to the approved cost in the ARR order for FY 2024-25. A comparison of the Employee expenses approved for FY 2024-25 and proposed for FY 2025-26 by DISCOMs is shown in the following table.

**Table – 40**
**Employee Expenses (FY 2025-26)**

**(Rs. in Cr.)**

| Sl. No | Particulars | TPWODL | | TPNODL | | TPSODL | | TPCODL | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved 2024-25 | Proposed 2025-26 | Approved 2024-25 | Proposed 2025-26 | Approved 2024-25 | Proposed 2025-26 | Approved 2024-25 | Proposed 2025-26 | Approved 2023-24 | Proposed 2024-25 |
| 1 | Basic Pay + GP | 106.00 | 101.63 | 99.32 | 105.56 | 91.71 | 96.75 | 200.97 | 205.38 | 497.99 | 509.32 |
| 2 | DA | 57.24 | 59.96 | 53.63 | 62.43 | 49.52 | 57.64 | 108.52 | 127.34 | 268.92 | 307.37 |
| 3 | Reimbursement of HR | 19.08 | 18.29 | 18.06 | 20.13 | 16.53 | 17.96 | 37.36 | 41.08 | 91.02 | 97.46 |
| 4 | Other allowance | 3.00 | 5.47 | 5.00 | 1.64 | 8.00 | 2.42 | 7.00 | 0.00 | 23.00 | 9.53 |
| 6 | Bonus/overtime | 0.00 | 0.00 | 0.00 | 11.72 | 0.00 | 0.31 | 0.00 | 0.00 | 0.00 | 12.03 |
| 7 | Outsource and | 43.71 | 62.37 | 59.85 | 84.23 | 100.00 | 126.72 | 65.00 | 83.58 | 268.56 | 356.90 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | contractual employee cost | | | | | | | | | | |
| 8 | Impact of Restructuring of Employees | 0.00 | 135.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.06 | 0.00 | 0.00 |
| 9 | Additional employee cost-CTC | 130.00 | 0.00 | 115.00 | 136.42 | 112.00 | 154.50 | 120.00 | 161.97 | 477.00 | 452.89 |
| 10 | Total Emoluments (1 to 8) | **359.03** | **383.02** | **350.86** | **422.13** | **377.76** | **456.30** | **538.86** | **623.41** | **1626.50** | **1745.50** |
| 11 | Med. Allowance/ Reimbu. of medical expenses | 5.19 | 5.08 | 4.52 | 5.03 | 1.07 | 4.72 | 9.87 | 10.27 | 20.65 | 25.10 |
| 12 | LTC/UL | 0.58 | 0.44 | 0.11 | 0.15 | 0.1 | 0.00 | 0.00 | 0.00 | 0.79 | 0.59 |
| 13 | Honorarium | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 | 0.03 | 0.00 |
| 14 | Employees uniform Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.00 | 0.00 | 4.00 |
| 15 | Ex-gratia | 7.00 | 26.02 | 0.23 | 0.00 | 0.00 | 3.71 | 8.64 | 12.52 | 15.87 | 42.25 |
| 16 | Other Staff Costs | 6.00 | 11.31 | 0.00 | 7.79 | 0.00 | 0.00 | 0.00 | 8.00 | 6.00 | 27.10 |
| 17 | Total Other Staff Costs (9 to 16) | 18.77 | **42.85** | 4.86 | **12.97** | **1.20** | **8.43** | 18.51 | **34.79** | 1669.84 | 99.04 |
| 18 | Staff Welfare Expenses | 10.83 | 8.68 | 5.34 | 0.00 | 5.75 | 17.34 | 10.00 | 29.86 | 31.92 | 55.88 |
| 19 | Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS) | 155.12 | 152.05 | 163.03 | 126.26 | 116.65 | 144.50 | 246.93 | 274.62 | 681.73 | 697.43 |
| 20 | Total Employee cost Gross (9+ 17+18+19) | **543.75** | **586.60** | **524.09** | **561.36** | **501.36** | **626.57** | **814.29** | **962.68** | **2383.49** | **2737.21** |
| 21 | Less : Empl. cost capitalized | 20.09 | 25.66 | 16.99 | 18.18 | 35.90 | 37.38 | 28.93 | 31.24 | 101.91 | 112.46 |
| 22 | Total Employees Cost | **523.66** | **560.94** | **507.10** | **543.18** | **465.46** | **589.19** | **785.36** | **931.44** | **2281.58** | **2624.75** |
| % rise over approved 2024-25 | | | **7.12** | | **7.12** | | **26.58** | | **18.60** | | **15.04** |

173. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee expenses compared to the approval for the FY 2024-25. The percentage increase in employee expenses of TPWODL, TPNODL, TPSODL and TPCODL over the approval of FY 2024-25 are 7.12%, 7.12%, 26.58% and 18.60% respectively. The overall increase in employee expenses of all DISCOMs is 15.04% over the approval of FY 2024-25.

174. TPCODL in the ARR petition for FY 2025-26 has projected Rs.931.44 Cr. towards employee expenses for FY 2025-26 which include the expenditure for the inherited employees to the tune of Rs. 800.71 Cr. and for new employees to the tune of Rs.161.97 Cr. This includes salaries, allowances, terminal benefits and expenses of outsource and contractual employees. Total expenditure projection for the new employees includes carry forward of the existing CTC employees from the previous years along with new recruitment during the FY 2025-26. TPCODL has stated that the new employees are required to fulfil operational needs and to achieve organisational objectives.

175. TPWODL has proposed the total employee expenses aggregating to Rs.586.60 Cr. for the FY 2025-26 which includes Rs. 451.30 Cr. for inherited employees and Rs. 135.30 Cr. for CTC employee.

176. TPSODL has proposed the total employee expenses aggregating to Rs. 626.57 Cr. for the FY 2025-26 which include Rs.472.07 Cr. for inherited employees and Rs.154.50 Cr. for CTC employee. The outsource and contractual employee expenses of Rs.126.72 Cr. proposed for the FY 2025-26 is the highest among all DISCOMs.

177. TPNODL has proposed the total employee expenses aggregating to Rs. 561.36 Cr. for the FY 2025-26 which include Rs. 424.94 Cr. for inherited employees and Rs.136.42 Cr. for CTC employee.

178. The Commission in order to arrive at the estimates of the inherited employees ascertained the requirement under Basic Pay including Grade Pay, the number of employees etc. as on 01.04.2024, 31.03.2025 and 31.03.2026 from the submissions. DISCOMs have also provided the existing CTC employees and their requirement during the ensuing year. The position of the employees up to the end of FY 2025-26 as proposed by the Licensees is shown in the following Table:

**Table – 41**
**No. of Employees Proposed by DISCOMs (2025-26)**

| **Employees Proposed (2025-26) Inherited** | **TPWODL** | **TPNODL** | **TPSODL** | **TPCODL** |
|---|---|---|---|---|
| No. of employees as on 01.04.2024 | 1885 | 1889 | 1677 | 4091 |
| Add: Addition during 2024-25 | 0 | 0 | 0 | 0 |
| Less: Retirement/Expired Resignation during 2024-25 | 57 | 43 | 36 | 138 |
| No. of employees as on 31.03.2025 | 1828 | 1846 | 1641 | 3953 |
| Add: Addition during 2025-26 | 0 | 0 | 0 | 0 |
| Less: Retirement/Expired/ Resignation during year 2025-26 | 40 | 22 | 38 | 136 |
| **No. of employees as on 31.03.2026** | **1788** | **1824** | **1603** | **3817** |
| **CTC Employee** | | | | |
| No. of employees as on 01.04.2024 | 1410 | 1102 | 1129 | 929 |
| Add: Addition during 2024-25 | 124 | 265 | 63 | 169 |
| Less: Retirement/Expired Resignation during 2024-25 | 53 | 68 | 0 | 50 |
| No. of employees as on 31.03.2025 | 1481 | 1299 | 1192 | 1048 |
| Add: Addition during 2025-26 | 215 | 169 | 141 | 220 |
| Less: Retirement/Expired/ Resignation during year 2025-26 | 0 | 55 | 0 | 0 |
| **No. of employees as on 31.03.2026** | **1696** | **1413** | **1333** | **1268** |

179. The Commission in its previous orders had directed all the DISCOMS to keep the ratio of number of employees per thousand consumers within 1.40 (including replenishment of retiring vacancies). Accordingly, as per Regulations 3.9.11 of OERC's wheeling & RST Regulations, 2022 the maximum number of employees per 1000 consumers to be maintained by the four DISCOMS is as follows;

**Table – 42**

| **DISCOMs** | **The consumer base expected** | **Total number of employees to be** |
|---|---|---|

| | proposed by DISCOMs as on 31.03.2026 (in lakhs) | maintained as per Regulation 3.9.11 for FY 2025-26 |
|---|---|---|
| **TPWODL** | 25.47 | 3566 |
| **TPNODL** | 21.17 | 2964 |
| **TPSODL** | 23.19 | 3247 |
| **TPCODL** | 34.38 | 4813 |

180. Accordingly, the Commission after prudence check approves the number of employees to be maintained by DISCOMs as per Regulation 3.9.11 of OERC's wheeling & RST Regulations, 2022 are as follows:

**Table – 43**
**No. of Employees Approved by the Commission (2025-26)**

| **Employees Approved (2025-26) Inherited** | **TPWODL** | **TPNODL** | **TPSODL** | **TPCODL** |
|---|---|---|---|---|
| No. of employees as on 01.04.2024 | 1885 | 1889 | 1677 | 4091 |
| Add: Addition during 2024-25 | 0 | 0 | 0 | 0 |
| Less: Retirement/Expired Resignation during 2024-25 | 57 | 43 | 36 | 138 |
| No. of employees as on 31.03.2025 | **1828** | **1846** | **1641** | **3953** |
| Add: Addition during 2025-26 | 0 | 0 | 0 | 0 |
| Less: Retirement/Expired/ Resignation during year 2025-26 | 40 | 22 | 38 | 136 |
| No. of employees as on 31.03.2026 | **1788** | **1824** | **1603** | **3817** |
| Average no. of employees for FY 2024-25 | 1857 | 1868 | 1659 | 4022 |
| Average no. of employees for FY 2025-26 | **1808** | **1835** | **1622** | **3885** |

| **CTC Employee Approved 2025-26** | **TPWODL** | **TPNODL** | **TPSODL** | **TPCODL** |
|---|---|---|---|---|
| No. of employees as on 01.04.2024 | **1410** | **1102** | **1129** | **929** |
| Add: Addition during 2024-25 | 124 | 161 | 63 | 169 |
| Less: Retirement/Expired Resignation during 2024-25 | 53 | 68 | 0 | 50 |
| No. of employees as on 31.03.2025 | **1481** | **1195** | **1192** | **1048** |
| Add: Addition during 2025-26 | 215 | 0 | 141 | 0 |
| Less: Retirement/Expired/ Resignation during year 2025-26 | 0 | 55 | 0 | 0 |
| **No. of employees as on 31.03.2026** | **1696** | **1140** | **1333** | **1048** |
| Average no. of employees for FY 2024-25 | 1446 | 1149 | 1161 | 989 |
| Average no. of employees for FY 2025-26 | **1589** | **1168** | **1263** | **1048** |
| **Total No. of Employees including CTC as on 31.03.2026** | **3484** | **2964** | **2936** | **4865** |

181. All the Licensees have projected their employee expenses for FY 2025-26 taking into account the impact of the new recruitments. The DISCOMs in their reply to queries of the

Commission furnished the actual cash outflow on Basic Pay + GP from April, 2024 to November, 2024 (for a period of 8 months). Accordingly, the Basic pay and GP for FY 2024-25 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2025-26 for the inherited employees. The Commission allows 3% escalation on Basic Pay and Grade Pay (based on Govt. of Odisha notification on the escalation of annual salary increments) towards normal annual increment on year over year basis for the inherited employees. The same principle has been followed for the estimation of Basic pay and GP for ARR of FY 2025-26. The actual Basic pay and GP drawn for the period April, 2024 to November, 2024 is prorated for the entire year and the Basic pay and GP for FY 2025-26 is estimated by factoring the average no. of employees for FY 2024-25 and FY 2025-26.

182. The DA as per the 7th Pay Commission recommendations and the projections thereof for FY 2025-26 is as follows.

**Table – 44**

| Effective Date | Rate | Status |
|---|---|---|
| 01.01.2024 | 50% | Approved By GoO |
| 01.07.2024 | 53% | Approved By GoO |
| 01.01.2025 | 57% | Projected |
| 01.07.2025 | 61% | Projected |
| 01.01.2026 | 65% | Projected |

The Commission considers average DA rate of 61% for FY 2025-26.

**House Rent Allowance and Medical Allowance**

183. House rent allowance and Medical Allowance have been allowed for FY 2025-26 as a proportion of the basic pay as submitted by the DISCOMs.

**Outsource and Contractual employee expenses**

184. As per the submission of the DISCOMs, in view of the large-scale rural electrification, addition of new consumers, reorganization, MRT, Energy Audit, maintenance of DTRs and vigilance activities etc., the present manpower is inadequate. Consequently, in order to improve condition of supply, reduction of distribution loss and to improve collection, DISCOMs have engaged contractual personnel and outsource agencies for maintenance of existing Grid substations, sub stations under ODSSP, watch and ward activity, vigilance activities etc. DISCOMs were asked to submit the actual expenses on these activities during the current financial year 2024-25. The Commission after scrutiny allows the expenses on Contractual and outsource employees for the ensuing FY 2025-26 on the basis of the submission of DISCOMs and actual cash outgo for the current FY 2024-25.

**Analysis of LT Division-wise Performance and Employee Performance**

185. The Commission analysed the LT loss level of various Divisions of DISCOMs as submitted by the DISCOMs. The performance in respect of LT segment of all four DISCOMs (Division wise) for FY 2023-24 on the various parameters is as given in the following tables.

## Table – 45
## L.T. PERFORMANCE OF TPCODL FOR THE FY 2023-24

| Sl. No. | Name of Division | No of Consumers | Energy Input(MU) | Energy Sold (MU) | LOSS (%) (Assuming HT Loss 8%) | Billing Efficiency (%) | Billing to Consumers (Cr.) | Collection Received (Cr.) | Collection Efficiency (%) | AT & C LOSS (%) | Overall Realization Per total Input p/u (Rs.) | LT Realization Per LT Input (Rs.) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | BCDD-1 | 65356 | 252.7 | 264.3 | -4.6% | 104.6% | 160.50 | 162.78 | 101.4% | -6.1% | 6.22 | 6.44 |
| 2 | BCDD-2 | 210985 | 613.1 | 617.2 | -0.7% | 100.7% | 354.88 | 363.69 | 102.5% | -3.2% | 5.75 | 5.93 |
| 3 | BED | 161500 | 578.2 | 526.8 | 8.9% | 91.1% | 301.17 | 304.78 | 101.2% | 7.8% | 5.24 | 5.27 |
| 4 | NEDN | 210252 | 409.4 | 218.4 | 46.7% | 53.3% | 107.75 | 108.19 | 100.4% | 46.4% | 2.69 | 2.64 |
| 5 | PED | 216497 | 446.6 | 299.4 | 33.0% | 67.0% | 163.52 | 165.10 | 101.0% | 32.3% | 3.92 | 3.70 |
| 6 | NED | 225461 | 238.7 | 193.3 | 19.0% | 81.0% | 94.86 | 96.74 | 102.0% | 17.4% | 3.96 | 4.05 |
| 7 | KED | 208635 | 414.2 | 257.9 | 37.7% | 62.3% | 131.71 | 138.92 | 105.5% | 34.3% | 4.60 | 3.35 |
| 8 | BEDB | 124258 | 185.1 | 134.2 | 27.5% | 72.5% | 65.60 | 66.80 | 101.8% | 26.2% | 3.96 | 3.61 |
| 9 | CED | 180149 | 391.0 | 199.9 | 48.9% | 51.1% | 103.76 | 113.01 | 108.9% | 44.3% | 3.83 | 2.89 |
| 10 | CDD-I | 88555 | 317.7 | 305.1 | 4.0% | 96.0% | 174.50 | 178.16 | 102.1% | 1.9% | 5.52 | 5.61 |
| 11 | CDD-II | 89668 | 291.3 | 260.4 | 10.6% | 89.4% | 148.18 | 149.67 | 101.0% | 9.7% | 5.40 | 5.14 |
| 12 | AED | 137514 | 252.4 | 112.7 | 55.3% | 44.7% | 55.12 | 58.69 | 106.5% | 52.4% | 3.85 | 2.33 |
| 13 | SED | 125770 | 216.7 | 122.7 | 43.4% | 56.6% | 59.86 | 63.40 | 105.9% | 40.0% | 2.85 | 2.93 |
| 14 | KED-I | 220829 | 303.5 | 232.2 | 23.5% | 76.5% | 114.04 | 114.32 | 100.2% | 23.3% | 3.88 | 3.77 |
| 15 | KED-II | 100877 | 121.6 | 85.3 | 29.9% | 70.1% | 40.49 | 41.05 | 101.4% | 29.0% | 3.24 | 3.37 |
| 16 | PDP | 121398 | 201.0 | 128.8 | 35.9% | 64.1% | 64.87 | 69.09 | 106.5% | 31.7% | 5.48 | 3.44 |
| 17 | JED | 145064 | 203.0 | 156.7 | 22.8% | 77.2% | 76.05 | 77.38 | 101.8% | 21.4% | 3.64 | 3.81 |
| 18 | DED | 218794 | 391.7 | 225.4 | 42.4% | 57.6% | 114.56 | 117.84 | 102.9% | 40.8% | 4.02 | 3.01 |
| 19 | ANED | 185343 | 273.2 | 196.9 | 27.9% | 72.1% | 103.41 | 105.66 | 102.2% | 26.4% | 5.57 | 3.87 |
| 20 | TED | 169695 | 324.4 | 184.3 | 43.2% | 56.8% | 95.96 | 100.92 | 105.2% | 40.3% | 5.75 | 3.11 |
| TPCODL TOTAL | | **3206600** | **6,425** | **4,722** | **26.5%** | **73.49%** | **2531** | **2596** | **102.58%** | **24.61%** | **4.79** | **4.04** |

## Table - 46
## L.T. PERFORMANCE OF TPNODL FOR THE FY 2023-24

| Sl. No. | Name of Division | No. of Consumers | Energy Input (MU) | Energy Sold (MU) | T & D Loss (%) (Assuming HT Loss 8%) | Billing Efficiency (%) | Billing to Consumer (Rs. in Crs.) | Collection Received (Rs. in Crs.) | Collection Efficiency (%) | AT & C Loss (%) | Overall Realization Per total Input p/u (Paise) | LT Realization Per LT Input p/u (Paise) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | BED, BALASORE | 65119 | 180.006 | 162.013 | 10.00% | 90.00% | 93.66 | 95.58 | 102.05% | 8.15% | 551 | 531 |
| 2 | BTED, BASTA | 82572 | 143.375 | 89.806 | 37.36% | 62.64% | 45.61 | 48.76 | 106.92% | 33.03% | 318 | 340 |
| 3 | JED, JALESWAR | 113777 | 181.316 | 127.947 | 29.43% | 70.57% | 59.61 | 64.95 | 108.95% | 23.12% | 411 | 358 |
| 4 | CED, BALASORE | 111198 | 203.419 | 131.723 | 35.25% | 64.75% | 73.66 | 80.37 | 109.11% | 29.35% | 597 | 395 |
| 5 | SED, SORO | 153650 | 184.588 | 145.869 | 20.98% | 79.02% | 77.29 | 80.02 | 103.53% | 18.19% | 413 | 433 |
| 6 | BNED,BHADRAK(N) | 177149 | 333.713 | 227.895 | 31.71% | 68.29% | 125.50 | 127.88 | 101.89% | 30.42% | 476 | 383 |
| 7 | BSED, BHADRAK (S) | 109614 | 150.064 | 102.913 | 31.42% | 68.58% | 54.72 | 60.80 | 111.11% | 23.80% | 384 | 405 |
| 8 | BPED, BARIPADA | 213732 | 289.303 | 220.154 | 23.90% | 76.10% | 127.89 | 137.67 | 107.65% | 18.08% | 458 | 476 |
| 9 | UED, UDALA | 95810 | 94.464 | 72.713 | 23.03% | 76.97% | 40.83 | 44.99 | 110.19% | 15.18% | 444 | 476 |
| 10 | RED, RAIRANGPUR | 188529 | 175.312 | 135.096 | 22.94% | 77.06% | 77.31 | 89.92 | 116.31% | 10.37% | 493 | 513 |
| 11 | JRED, JAJPUR ROAD | 95779 | 222.248 | 172.792 | 22.25% | 77.75% | 99.59 | 105.58 | 106.01% | 17.58% | 617 | 475 |
| 12 | JTED, JAJPUR TOWN | 99035 | 167.697 | 134.544 | 19.77% | 80.23% | 70.91 | 71.21 | 100.43% | 19.42% | 396 | 425 |
| 13 | KUED, KUAKHIA | 109235 | 214.823 | 138.535 | 35.51% | 64.49% | 77.70 | 80.56 | 103.67% | 33.14% | 418 | 375 |
| 14 | KED, KEONJHAR | 118961 | 116.125 | 105.466 | 9.18% | 90.82% | 62.59 | 65.83 | 105.17% | 4.48% | 582 | 567 |
| 15 | JOED, JODA | 90385 | 123.026 | 117.205 | 4.73% | 95.27% | 69.29 | 71.01 | 102.48% | 2.37% | 629 | 577 |
| 16 | AED, ANANDAPUR | 129968 | 152.134 | 110.708 | 27.23% | 72.77% | 61.51 | 66.24 | 107.68% | 21.64% | 426 | 435 |
| TPNODL TOTAL | | **1954513** | **2931.613** | **2195.379** | **25.11%** | **74.89%** | **1217.66** | **1291.36** | **106.05%** | **20.58%** | **539** | **440** |

## Table – 47
## L.T. PERFORMANCE OF TPWODL FOR THE FY 2023-24

| SL. NO. | NAME OF DIVISION | No of LT Consumers | ENERGY INPUT (MU) (Assuming HT Loss 8%) | Energy Sold (MU) | LOSS % (Assuming HT Loss 8%) | BILLING EFFICIENCY (%) | BILLING TO CONSUMERS (Rs.Crs.) | COLLECTION RECEIVED (Rs. IN Crs.) | COLLECTION EFFICIENCY (%) | AT & C LOSS (%) | OVERALL P/U REALISATION (Paise) | LT P/U REALISATION (Paise) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | BARGARH(W) | 173121 | 559.814 | 290 | 48% | 52% | 112 | 79 | 71% | 63.2% | 153 | 142 |
| 2 | BOLANGIR | 142741 | 386.623 | 194 | 50% | 50% | 98 | 90 | 93% | 53.5% | 266 | 234 |
| 3 | BARGARH | 127261 | 482.085 | 269 | 44% | 56% | 128 | 111 | 87% | 51.6% | 295 | 230 |
| 4 | TITILAGARH | 199227 | 360.850 | 184 | 49% | 51% | 89 | 97 | 110% | 44.1% | 311 | 270 |
| 5 | SONEPUR | 121756 | 279.487 | 171 | 39% | 61% | 77 | 71 | 92% | 43.9% | 327 | 252 |
| 6 | NUAPADA | 133428 | 249.471 | 149 | 40% | 60% | 70 | 68 | 97% | 42.3% | 318 | 272 |
| 7 | SAMBALPUR (EAST) | 107895 | 266.609 | 171 | 36% | 64% | 92 | 95 | 103% | 34.1% | 533 | 355 |
| 8 | KWED | 173156 | 199.982 | 135 | 32% | 68% | 68 | 66 | 97% | 34.1% | 326 | 330 |
| 9 | KEED | 167131 | 236.899 | 161 | 32% | 68% | 87 | 88 | 101% | 30.9% | 476 | 372 |
| 10 | SAMBALPUR | 63186 | 252.238 | 188 | 25% | 75% | 109 | 106 | 98% | 27.2% | 499 | 422 |
| 11 | BRAJRAJNAGAR | 50769 | 110.131 | 82 | 25% | 75% | 43 | 45 | 104% | 22.2% | 539 | 410 |
| 12 | SUNDERGARH | 99507 | 159.366 | 114 | 29% | 71% | 65 | 74 | 115% | 17.9% | 494 | 466 |
| 13 | JHARSUGUDA | 129116 | 237.020 | 185 | 22% | 78% | 104 | 110 | 105% | 17.5% | 592 | 464 |
| 14 | DEOGARH | 72590 | 67.987 | 55 | 19% | 81% | 30 | 35 | 114% | 7.5% | 484 | 509 |
| 15 | RAJGANGPUR | 133061 | 178.899 | 159 | 11% | 89% | 87 | 93 | 106% | 5.2% | 576 | 519 |
| 16 | ROURKELA-SADAR | 108101 | 180.060 | 158 | 12% | 88% | 88 | 95 | 108% | 4.9% | 576 | 529 |
| 17 | ROURKELA | 71111 | 120.227 | 139 | -16% | 116% | 77 | 81 | 105% | -21.8% | 697 | 670 |
| | TPWODL TOTAL | **2073157** | **4327.748** | **2806.327** | **35.2%** | **64.8%** | **1423.70** | **1404.52** | **98.7%** | **36.03%** | **499** | **325** |

## Table – 48
## L.T. PERFORMANCE OF TPSODL FOR THE FY 2023-24

| Sl. No. | Name of Division | No. of Consumers | Energy Input(MU) | Energy Sold (MU) | LOSS (%) (Assuming HT Loss 8%) | Billing Efficiency (%) | Billing To Consumers (Rs.Lakhs.) | Collection Received (Lakhs) | Collection Efficiency (%) | AT & C LOSS (%) | Overall Realisation per Total Input p/u (Rs.) | LT Realisation per LT Input p/u (Rs.) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **NED, NABARANGPUR** | 255778 | 300 | 172 | 43% | 57% | 7987.93 | 7335 | 92% | 47% | 2.68 | 2.45 |
| 2 | **GNED, CHATRAPUR** | 113609 | 202 | 116 | 42% | 58% | 5512.13 | 5097 | 92% | 47% | 4.58 | 2.53 |
| 3 | **AED- I, ASKA** | 65319 | 125 | 54 | 57% | 43% | 2513.47 | 3139 | 125% | 46% | 2.65 | 2.51 |
| 4 | **ASKA- II, ASKA** | 64988 | 116 | 49 | 58% | 42% | 2319.93 | 2988 | 129% | 46% | 2.55 | 2.57 |
| 5 | **HED, HINJILICUT** | 91998 | 140 | 84 | 40% | 60% | 3947.68 | 3769 | 95% | 43% | 2.92 | 2.68 |
| 6 | **KED, KORAPUT** | 138283 | 149 | 103 | 31% | 69% | 5200.82 | 4846 | 93% | 35% | 4.95 | 3.25 |
| 7 | **MED, MALKANGIRI** | 127580 | 145 | 96 | 34% | 66% | 4919.46 | 4903 | 100% | 34% | 3.81 | 3.39 |
| 8 | **BOED, BOUDH** | 97377 | 124 | 81 | 35% | 65% | 3528.14 | 3716 | 105% | 31% | 3.51 | 2.99 |
| 9 | **JED, JEYPORE** | 152143 | 188 | 134 | 29% | 71% | 6266.94 | 6088 | 97% | 31% | 4.36 | 3.24 |
| 10 | **PSED, PURUSOTTAMPUR** | 117004 | 161 | 93 | 42% | 58% | 4379.66 | 5307 | 121% | 30% | 3.19 | 3.31 |
| 11 | **PED, PHULBANI** | 170414 | 138 | 92 | 33% | 67% | 4803.06 | 5115 | 106% | 29% | 3.52 | 3.70 |
| 12 | **BNED, BHANJANAGAR** | 143317 | 160 | 115 | 28% | 72% | 5548.51 | 5743 | 104% | 26% | 3.48 | 3.59 |
| 13 | **RED, RAYAGADA** | 157527 | 162 | 133 | 18% | 82% | 6627.87 | 6255 | 94% | 23% | 5.40 | 3.87 |
| 14 | **BED- I, BERHAMPUR** | 88816 | 201 | 190 | 5% | 95% | 10405.05 | 9096 | 87% | 17% | 5.11 | 4.52 |
| 15 | **PKED, PARALAKHEMUND** | 144991 | 135 | 113 | 16% | 84% | 5554.55 | 5680 | 102% | 15% | 4.22 | 4.21 |
| 16 | **BED- II, BERHAMPUR** | 68900 | 162 | 156 | 3% | 97% | 8567.31 | 7974 | 93% | 10% | 4.85 | 4.93 |
| 17 | **GSED, DIGAPAHANDI** | 112543 | 125 | 94 | 25% | 75% | 4415.06 | 5416 | 123% | 7% | 4.28 | 4.34 |
| 18 | **GED, GUNUPUR** | 78725 | 76 | 70 | 7% | 93% | 3223.89 | 3481 | 108% | 0% | 4.61 | 4.60 |
| 19 | **BED- III, BERHAMPUR** | 81603 | 111 | 100 | 10% | 90% | 4959.61 | 5692 | 115% | -3% | 5.31 | 5.11 |
| | **TPSODL TOTAL** | **22,70,915** | **2,907** | **2,046** | **30%** | **70%** | **1,00,681** | **1,01,640** | **101%** | **29%** | **4.15** | **3.50** |

186. The Vesting Orders of all four DISCOMs elaborately deals with performance parameters, loss reduction targets, capital expenditure, recovery of past arrears, treatment of employee liabilities etc. The Commission has also elaborated review of performance and commitments of TPCL in the Vesting Order. The Commission has also set the terms for revocation of license in addition to the provisions covered under Section 19 of the Act.

187. The Commission has always expressed concern regarding high losses at LT level. There is marginal reduction in losses over the previous FY 2023-24 but it continues to be quite high in many divisions. There is wide variation in LT per unit realisation across the Divisions of each DISCOM and many Divisions within each DISCOMs have much lower LT realisation than the average realisation. Almost all Divisions are therefore, spending more on establishment cost in comparison to revenue realization.

188. The Loss at LT level needs to be addressed in order to have a fair assessment of efficient operation of the DISCOMs. The LT AT&C Loss of the four DISCOMs are 36.03% (TPWODL), 29.00% (TPSODL), 24.61% (TPCODL) and 20.58% (TPNODL). The Commission observes that low LT realisation is primarily due to low Billing efficiency. The Billing Efficiency of all four DISCOMs are 64.80% (TPWODL), 70.00 % (TPSODL), 73.49 % (TPCODL) and 74.89% (TPNODL). This needs improvement in order to have an all-round growth of the DISCOM.

189. The Commission observes that the billing efficiency of all the four DISCOMs are below 75% (even less than 65% in case of TPWODL) which is not upto mark even after operation of more than four to five years. The DISCOMs need to take necessary action to increase the Billing Efficiency during the FY 2025-26.

**Terminal Liability**

190. All the DISCOMs have projected their terminal liability for the ensuing year. A comparative statement of the approved terminal liability in ARR of FY 2024-25 vis-a-vis projection made by the DISCOMs for FY 2025-26 is given in the following table:

**Table – 49**
**Terminal Liability proposed by DISCOMs for FY 2025-26**

| Terminal Liability | Approved FY 2024-25 | Proposed FY 2025-26 | Percentage increase (in %) |
|---|---|---|---|
| **TPWODL** | 155.12 | 152.05 | -1.98% |
| **TPNODL** | 163.03 | 126.26 | -22.55% |
| **TPSODL** | 116.65 | 144.50 | 23.87% |
| **TPCODL** | 246.93 | 274.62 | 11.21% |
| **Total** | **681.73** | **697.43** | **2.30%** |

191. All the four DISCOMs have projected the terminal liabilities (Pension, Gratuity and Unutilized Leave) on the actual outgo basis. Except TPWODL and TPNODL, other two DISCOMs have projected higher expenses for the terminal liabilities for FY 2025-26 compared to expenses approved in ARR for FY 2024-25.

192. The Commission allows the terminal liabilities on the actual cash out go basis for the ensuing year. As per the Vesting Order, the Commission, in the ARR, will allow to fund the trusts on the cash outgo requirement and not on the actuarial projection. For the present ARR analysis, DISCOMs were asked to submit actual cash outgo in respect of terminal liability for the current FY 2024-25 up to November 2024. On the basis of their submission of cash outgo up to November 2024, the terminal liability was extrapolated for the FY 2024-25 and after prudent analysis by the Commission, the expected terminal

liability for FY 2025-26 has been approved for all the four DISCOMs, the details of which is given in the following Table.

**Table – 50**
**Terminal Liability proposed by DISCOMs and approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Terminal Liability | Proposed FY 2025-26 | Approved FY 2025-26 |
|---|---|---|
| **TPWODL** | 152.05 | 152.05 |
| **TPNODL** | 126.26 | 126.26 |
| **TPSODL** | 144.50 | 134.05 |
| **TPCODL** | 274.62 | 274.62 |
| **Total** | **697.43** | **686.98** |

193. In light of the discussions in the above paragraphs, the Employee expenses proposed by the DISCOMs vis-à-vis approval by the Commission for FY 2025-26 is given in the following table:

**Table – 51**
**Employee expenses proposed by DSCOMs and approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Sl. No | Particulars | TPWODL | | TPNODL | | TPSODL | | TPCODL | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proposed 2025-26 | Approved 2025-26 | Proposed 2025-26 | Approved 2025-26 | Proposed 2025-26 | Approved 2025-26 | Proposed 2025-26 | Approved 2025-26 | Proposed 2024-25 | Approved 2024-25 |
| 1 | Basic Pay + GP | 101.63 | 101.63 | 105.56 | 99.76 | 96.75 | 91.25 | 205.38 | 197.46 | 509.32 | 490.09 |
| 2 | DA | 59.96 | 61.99 | 62.43 | 60.85 | 57.64 | 55.66 | 127.34 | 120.45 | 307.37 | 298.96 |
| 3 | Reimbursement of HR | 18.29 | 18.29 | 20.13 | 18.29 | 17.96 | 16.57 | 41.08 | 36.50 | 97.46 | 89.66 |
| 4 | Other allowance | 5.47 | 3.00 | 1.64 | 1.64 | 2.42 | 2.42 | | | 9.53 | 7.06 |
| 5 | Outsource and contractual employee cost | 62.37 | 50.88 | 84.23 | 83.96 | 126.72 | 113.15 | 83.58 | 76.10 | 356.90 | 324.09 |
| 6 | Impact of Restructuring of Employees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.06 | 0.00 | 4.06 | 0.00 |
| 7 | Additional employee cost-CTC | 135.30 | 135.30 | 136.42 | 126.82 | 154.50 | 123.51 | 161.97 | 146.26 | 588.19 | 531.89 |
| 8 | Total Emoluments (1 to 7) | **383.02** | **371.09** | **410.41** | **391.32** | **455.99** | **402.57** | **623.41** | **576.77** | **1872.83** | **1741.75** |
| 9 | Med. Allowance/ Reimbursement. of medical expenses | 5.08 | 5.08 | 5.03 | 4.99 | 4.72 | 4.54 | 10.27 | 9.72 | 25.10 | 24.33 |
| 10 | LTC/UL | 0.44 | 0.44 | 0.15 | 0.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.59 | 0.59 |
| 11 | Employees uniform Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.00 | 0.00 | 4.00 | 0.00 |
| 12 | Ex-gratia/Bonus/Overtime | 26.02 | 0.00 | 11.72 | 0.00 | 4.02 | 0.00 | 12.52 | 0.00 | 54.28 | 0.00 |
| 13 | Other Staff Costs | 11.31 | 11.31 | 0.00 | 0.00 | 0.00 | 0.00 | 8.00 | 7.00 | 19.31 | 18.31 |
| 14 | Total Other Staff Costs (9 to 14) | **42.85** | **16.83** | **16.90** | **5.14** | **8.74** | **4.54** | **34.79** | **16.72** | **103.28** | **43.23** |
| 15 | Staff Welfare Expenses | 8.68 | 8.68 | 7.79 | 5.34 | 17.34 | 5.75 | 29.86 | 10.00 | 63.67 | 29.77 |
| 16 | Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted+NPS/CPS) | 152.05 | 152.05 | 126.26 | 126.26 | 144.50 | 134.05 | 274.62 | 274.62 | 697.43 | 686.98 |
| 17 | Total Employee cost Gross(8+ 14+15+16) | **586.60** | **548.65** | **561.36** | **528.06** | **626.57** | **546.91** | **962.68** | **878.10** | **2737.21** | **2501.73** |
| 18 | Less : Empl. cost capitalized | 25.66 | 25.66 | 18.18 | 18.18 | 37.38 | 37.38 | 31.24 | 31.24 | 112.46 | 112.46 |
| 19 | Total Employees Cost | **560.94** | **522.99** | **543.18** | **509.88** | **589.19** | **509.53** | **931.44** | **846.86** | **2624.75** | **2389.27** |

194. In alignment with DISCOMs commitment to decarbonisation and the promotion of both national and state mandates for Electric Vehicles, as well as the guidelines issued by the Government of Odisha regarding the Electric Vehicle Advance Policy for DISCOM's erstwhile employees, the Commission grants approval for this expense on an actual basis. It will be subject to prudent verification during the truing up process of the respective DISCOMs.

195. The Commission approves Employee expenses for FY 2025-26 of Rs 522.99 Cr. (against proposal of Rs 560.94 Cr.) for TPWODL, Rs. 509.88 Cr. (against proposal of Rs. 543.18 Cr.) for TPNODL, Rs. 509.53 Cr. (against proposal of Rs 589.19 Cr.) for TPSODL and Rs 846.86 Cr. (against proposal of Rs. 931.44 Cr.) for TPCODL along with any other directions of the Commission in this regard.

**Administrative and General (A&G) Expenses**

196. The Administrative and General (A&G) Expenses covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance & travelling expenses, material related expenses and other expenses including metering, billing & collection activities etc. The DISCOMs have projected their estimates for FY 2025-26 in their ARR in the following manner which are compared with approved A&G expenses for previous FY 2024-25.

**Table – 52**
**A&G Expenses proposed by DISCOMs for FY 2025-26**

**(Rs. in Cr.)**

| DISCOMs | Approved FY 2024-25 | Proposed FY 2025-26 | Percentage Increase over FY 2024-25 approval |
|---|---|---|---|
| **TPWODL** | 169.19 | 232.99 | 38% |
| **TPNODL** | 128.53 | 186.82 | 45% |
| **TPSODL** | 120.54 | 173.09 | 44% |
| **TPCODL** | 151.95 | 250.35 | 65% |
| **Total** | **570.21** | **843.25** | **48%** |

197. As per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, A&G expenses are to be escalated by 7% over the expenses for the previous year of the control period. The A&G expense shall be allowed on normative basis in the ARR for the ensuing year and shall be subject to true up. The Commission analysed the A&G expenses submitted by DISCOMs and approves A&G expenditure for FY 2025-26 by escalating the A&G expenses by 7% approved over the expenses for FY 2024-25. The Commission has also analysed the AT&C loss achieved by the respective DISCOMs and observed that the trend is downward which is a good indicator of performance of DISCOMs. The Commission after prudence check for FY 2024-25 has merged the normal A&G expenses and additional A&G expenses to arrive at the base A&G expenditure. This A&G expenditure for 2024-25 will be considered as base value for escalation to arrive at A&G expenditure for future years. The Commission, accordingly, approves the A&G expenses for FY 2025-26 for all the four DISCOMS in the following manner:

**Table – 53**
**A&G Expenses approved by the Commission for FY 2025-26**

**(Rs. in Cr.)**

| DISCOMs | Approved for FY 2024-25 | Proposed for FY 2025-26 | Approved for the FY 2025-26 (escalated @7% on approved cost for the FY 2024-25 |
|---|---|---|---|
| **TPWODL** | 169.19 | 232.99 | 181.03 |
| **TPNODL** | 128.53 | 186.82 | 137.53 |
| **TPSODL** | 120.54 | 173.09 | 128.98 |
| **TPCODL** | 151.95 | 250.35 | 162.59 |
| **Total** | 570.21 | 843.25 | 610.12 |

198. The Commission approves A&G expenses of Rs. 181.03 Cr. (against proposal of Rs. 232.99 Cr.) for TPWODL, Rs. 137.53 Cr. (against proposal of Rs. 186.82 Cr.) for TPNODL, Rs. 128.98 Cr. (against proposal of Rs. 173.09 Cr.) for TPSODL and Rs. 162.59 Cr. (against proposal of Rs. 250.35 Cr.) for TPCODL. The total A&G expenses of Rs. 610.12 Cr. is approved by the Commission for the FY 2025-26.

**Repair and Maintenance (R&M) Expenses**

199. The DISCOMs in their ARR and tariff petition for FY 2025-26 have proposed higher requirement for R&M over the previous year's approved expenses which is given below:

**Table – 54**
**R & M Expenses Proposed by the DISCOMs for FY 2025-26**

**(Rs. in Cr.)**

| R & M Expenses | Approved for FY 2024-25 | Proposed for FY 2025-26 | Percentage increase over FY 2024-25 |
|---|---|---|---|
| **TPWODL** | 244.24 | 326.79 | 33.80% |
| **TPNODL** | 230.24 | 288.70 | 25.39% |
| **TPSODL** | 165.24 | 214.18 | 29.62% |
| **TPCODL** | 261.52 | 428.23 | 63.75% |
| **TOTAL** | 901.24 | 1257.90 | 39.57% |

200. As per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022, Repair and Maintenance expenses shall be allowed as a percentage of the opening Gross Fixed Assets (GFA) on the assets owned by the distribution company, for each year of the control period. The R&M expenses to be allowed as per the OERC's Wheeling and RST Regulations, 2022 for FY 2025-26 is shown in the following table:

**Table - 55**

| DISCOM | TPCODL | TPWODL | TPNODL | TPSODL |
|---|---|---|---|---|
| R&M expenses allowed (% of opening GFA) | 3.50% | 4.00% | 4.00% | 4.20% |

201. The Regulation 3.9.20 of OERC's Wheeling & RST Regulations, 2022 provides that '*The licensee shall prepare a plan and prepare budget for periodic preventive maintenance of*

*distribution network including emergency repairs and restoration works under each division*'. Regulation 3.9.21 of said Regulations provides that '*The Distribution Licensee (s) shall provide the breakup details of R&M expenses in the ARR along with requirement of annual maintenance spares for smooth operation with minimum downtime of the system.*' Regulation 3.9.22 of said Regulations provides that *The Commission shall allow 3% of the opening GFA of assets added under the state and Central Government schemes for maintenance of such assets.* Regulation 3.9.23 of said Regulations provides that '*The commission may also allow special R&M in order to enable the Distribution Licensees to undertake critical activities which are not covered under capital investment plan approved by the Commission'*.

202. The Commission analysed the proposed CAPEX and the proposed addition to the fixed assets. The asset addition up to December 2024 and the assets which are likely to be added during the remaining period of FY 2024-25 has been considered by the Commission after prudence check.

203. The Gross Fixed Assets as on 01.04.2025 has been computed based on the audited accounts for FY 2023-24 and additional assets approved for FY 2024-25. The R&M for FY 2025-26 is calculated at the rates provided as per OERC's Wheeling & RST Regulations, 2022. In order to ensure maintenance of the assets created under RGGVY, DDUGVY & Biju Gram Jyoti Scheme & other State and Central Government schemes which continue to be with the Govt. of Odisha, the Commission provisionally allows 3% as R&M on such assets as per the Regulation subject to detailed scrutiny in next tariff proceedings. The expenditure approved by the Commission for R&M for the FY 2025-26 is accordingly shown in the following table:

**Table – 56**

**R&M Expenses proposed by DISCOMs and Approved by the Commission for the FY 2025-26** **(Rs. in Cr.)**

| R&M for FY 2025-26 | TPWODL | | TPNODL | | TPSODL | | TPCODL | |
|---|---|---|---|---|---|---|---|---|
| | Proposed | Approved | Proposed | Approved | Proposed | Approved | Proposed | Approved |
| **DISCOM's Gross fixed assets (GFA) as on 01.04.2025 (pre vesting)** | 5141.85 | 1530.51 | 4249.50 | 1911.67 | 2765.06 | 609.09 | 6842.80 | 3338.26 |
| **DISCOM's Gross fixed assets (GFA) as on 01.04.2025 (post vesting)** | | 2496.43 | | 2131.83 | | 1429.88 | | 2483.97 |
| **Total GFA as on 01.04.2025** | 5141.85 | 4026.94 | 4249.50 | 4043.50 | 2765.06 | 2038.97 | 6842.80 | 5822.23 |
| **Rate of R & M on GFA** | 4.00% | 4.00% | 4.00% | 4.00% | 4.20% | 4.20% | 3.50% | 3.50% |
| **R&M expenses** | 205.67 | 161.08 | 169.98 | 161.74 | 116.13 | 85.64 | 239.50 | 203.78 |
| **Govt. (Funded/Grant) Assets as on 01.04.2025** | 4537.34 | 3635.48 | 4256.67 | 3030.73 | 4069.86 | 2683.92 | 4382.93 | 3720.32 |
| **Rate of R & M on Govt. (Funded/Grant) Assets** | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| **R&M on Govt. funded Assets** | 136.12 | 109.06 | 127.70 | 90.92 | 122.10 | 80.52 | 131.49 | 111.61 |
| **Additional R&M** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 57.24 | 0.00 |
| **Total R & M incl. Spl R & M** | **341.79** | **270.14** | **297.68** | **252.66** | **238.23** | **166.15** | **428.23** | **315.39** |
| **Proposed R&M for FY 2025-26** | **326.79** | | **288.70** | | **214.18** | | **428.23** | |

204. The Commission approves R&M expenses of Rs. 270.14 Cr. (against proposal of Rs. 326.79 Cr.) for TPWODL, Rs. 252.66 Cr. (against proposal of Rs. 288.70 Cr.) for TPNODL, Rs. 166.15 Cr. (against proposal of Rs. 214.18 Cr.) for TPSODL and for Rs. 315.39 Cr. (against proposal of Rs. 428.23 Cr.) for TPCODL for the FY 2025-26.

205. The expenses of the DISCOMs under R&M shall reflect in achieving a robust and reliable system network, lower network down time and desirable voltage profile.

206. The Commission in the ARR Order for the FY 2023-24 and FY 2024-25 had directed that the TPWODL & TPNODL shall keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. Accordingly, Commission allowed the amount in the respective ARR's which is given in the table below;

**Table-57**
**Disaster Resilient Fund (Rs. In Cr.)**

| Particulars | TPWODL | TPNODL | TPSODL | TPCODL | Total |
|---|---|---|---|---|---|
| **Disaster Resilient Fund for FY 2023-24** | 60 | 35 | 0 | 0 | 95 |
| **Disaster Resilient Fund for FY 2024-25** | 10 | 10 | 10 | 10 | 40 |
| **Total** | 70 | 45 | 10 | 10 | 135 |

**Interest on Loan Capital**

207. The loans from various sources for different purposes and interest burden as proposed by the four DISCOMs for the FY 2025-26 is given in the following Table:

**Table – 58**
**Interest on Loan Proposed by the DISCOMs for FY 2025-26**
**(Rs. in Cr.)**

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Interest on capex loan/long term debt | 80.23 | 85.07 | 77.57 | 96.05 |
| Interest on security deposit | 85.32 | 63.68 | 33.25 | 80.85 |
| Interest on Working Capital | 20.84 | 33.93 | 25.94 | 45.44 |
| Other Finance cost | 0.00 | 0.00 | 0.00 | 2.00 |
| **Total Interest proposed** | **186.39** | **182.68** | **136.76** | **224.34** |

208. The Commission analysed the interest on loans, interest on working capital and Security deposit proposed by the DISCOMS in the ARR petition.

**Interest on CAPEX loan/long term debt**

209. The proposed interest on CAPEX loan for all four DISCOMs is shown in the following Table.

**Table – 59**
**Interest on CAPEX loan/long term debt Proposed by the DISCOMs**
**(Rs. in Cr.)**

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Interest on CAPEX loan/long term debt | 80.23 | 85.07 | 77.57 | 96.05 |

210. The Commission in its queries to DISCOMs had sought for additional information on latest position of the year-wise actual CAPEX loan availed by the each DISCOM. From the replies of the DISCOMs, it is observed that all the four DISCOMs have availed CAPEX loan till the date of submission of the ARR. The Regulation 3.7.1 of OERC's Wheeling & RST Regulations, 2022 provides that '*The loan taken for the assets put to use shall be considered as gross normative loan for calculation of interest on Loan. Provided that the interest and finance charges on Capital Work in Progress (CWIP) shall be excluded*'. Further Regulation 3.7.2 of said Regulations provides that '*The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission upto 31st March of the previous year*'. Regulation 3.7.5 of said Regulations provides that '*The rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year as applicable to the respective distribution licensee*'.

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It is further stated that *'If the distribution Licensee as a whole does not have actual loan, then the base rate plus 150 basis points at the beginning of the respective year shall be as the rate of interest for the purpose of allowing the interest on the normative loan'.*

Regulation 3.7.6 provides that '*The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. Provided that at the time of truing up, the normative average loan of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year*'.

*Provided further that neither penal interest nor over due interest shall be allowed for computation of tariff.*

211. The Commission after a prudent verification and in terms of the provisions of the Regulation mentioned above, allows interest on Long term loan, as per the Table below;

**Table – 60**

**Interest on Loan Capital approved by the Commission for FY 2025-26**

**(Rs. in Cr.)**

| **Source** | **TPWODL** | **TPNODL** | **TPSODL** | **TPCODL** |
|---|---|---|---|---|
| Assets (net of Govt./ consumer contribution/meter) at the beginning of 2025-26 | 1,399.67 | 1,060.71 | 1,352.06 | 1,991.15 |
| 30% considered as equity | 419.90 | 318.21 | 405.62 | 597.35 |
| 70% considered as loan | 979.77 | 742.50 | 946.44 | 1,393.81 |
| Less: Repayment (Dep. Allowed in ARR 2025-26 for assets put to use post Effective date) | 100.15 | 82.49 | 99.48 | 129.66 |
| Less: Repayment (Dep. Allowed in ARR 2024-25 for assets put to use post Effective date) | 61.79 | 45.47 | 59.23 | 85.96 |
| Less: Repayment (Dep. Allowed in ARR 2023-24 for assets put to use post Effective date) | 45.41 | 28.75 | 37.44 | 60.41 |

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Less: Repayment (Dep. Allowed in ARR 2022-23 for assets put to use post Effective date) | 14.37 | 13.72 | 15.92 | 32.68 |
| Less: Repayment (Dep. Allowed in ARR 2021-22 for assets put to use post Effective date) | 5.81 | 4.70 | 5.98 | 14.22 |
| Less: Repayment (Dep. Allowed in ARR 2020-21 for assets put to use post Effective date) | 0.00 | 0.00 | 0.00 | 2.73 |
| Normative Loan considered | 752.24 | 567.37 | 728.39 | 1,068.14 |
| Actual Interest rate | 8.50% | 8.50% | 8.50% | 8.50% |
| Interest allowed on CAPEX loan | 63.94 | 48.23 | 61.91 | 90.79 |

212. Commission further observes that any variation with respect to actual amount shall be addressed at the time of truing up exercise.

**Interest on Security Deposit**

213. The OERC Distribution (Conditions of Supply Code), 2019 provides for the payment of Interest on Security Deposit to be allowed by the Commission. Para 57(i) of the Supply Code provides that '*The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate (RBI Bank Rate as on 1st April of the relevant year)*'. The prevailing bank rate considered is 6.50% per annum (latest data taken on 23rd March 2025). The Commission, accordingly, allows the interest at the rate of 6.50% on the proposed closing balance on Consumer's Security Deposit as on 31.3.2025 as shown in the table below:

**Table - 61**

**Interest on Security Deposit approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Interest on Consumer's Security Deposit | Proposed interest on Consumer's SD for FY 2025-26 | Consumer's Security deposit as on 31.03.2025 (Proposed) | Interest approved on Consumer's SD @ 6.50% for FY 2025-26 |
|---|---|---|---|
| **TPWODL** | 85.32 | 1263.93 | 82.16 |
| **TPNODL** | 63.68 | 943.47 | 61.33 |
| **TPSODL** | 33.25 | 425.00 | 27.63 |
| **TPCODL** | 80.85 | 1198.00 | 77.87 |

214. The security deposits collected from the consumers is public money, which should be kept intact at all time and should not be utilized by the DISCOMs for any other purpose. In view of the above the Commission directs the DISCOMs to have a comprehensive audit of the security deposits paid by the consumers and security deposits held by the DISCOMs in their Bank account up to 31.03.2025.

**Interest on Working Capital Loan**

215. DISCOMs have proposed the interest on working capital loan as per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 as given in the Table below.

**Table – 62**

**DISCOM's Proposal for Interest on Working Capital Loan**

**(Rs. in Cr.)**

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Interest on Working Capital | 20.84 | 33.93 | 25.94 | 45.44 |

216. The Regulation 3.10.1 of OERC's Wheeling & Retail Supply Tariff Regulations, 2022, provides that:

"*The DISCOMs shall be allowed interest on the estimated level of working capital for the wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:*

*(a) O&M expenses for one month; plus*

*(b) Maintenance spares @twenty (20) percent of average R&M expense for one month; plus*

*(c) Power purchase cost for one month*

*Working Capital requirement of the Distribution Licensees may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the Vesting Orders and as approved by the Commission. Shortfall in meeting the working capital requirement as mentioned above shall be allowed. The interest on the working capital shall be at a rate equal to the SBI Base Rate or any replacement thereof by SBI from time to time (being in effect applicable for 1 year period) as applicable as on 1stApril of the Financial Year (for which Truing Up shall be done) plus 300 basis points or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the Distribution Licensee(s), whichever is lower:*

*Provided that at the time of truing up for any year, the working capital requirement shall be re-calculated on the basis of the components of working capital approved by the Commission.*

*Provided that, the variation between the normative interest on working capital recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors.*"

Accordingly, the Interest rate considered for FY 2025-26 is given in the following table;

**Table - 63**

| | |
|---|---|
| SBI base rate (Latest data available on dated 15.03.2025) | 9.00% |
| Plus 300 basis points | 3.00% |
| Normative Working Capital interest rate applicable as per Regulation | 12.00% |

217. The Commission, after taking into account such provisions in the Regulation, has arrived at the interest on working capital and approves the following.

**Table – 64**
**Approved Interest on Working Capital Loan**

**(Rs. in Cr.)**

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Working Capital (Proposed) | 20.84 | 33.93 | 25.94 | 45.44 |
| Working Capital (Allowed) | 20.84 | 33.93 | 19.67 | 45.44 |

218. Accordingly, the total interest on loan approved by the Commission under various loan components such as Capex loan, Interest on Security Deposits and Interest on Working Capital loan for FY 2025-26 is summarized below:

**Table - 65**
**Total Annual Interest approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Source | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Interest on capex loan/long term debt | 63.94 | 48.23 | 61.91 | 90.79 |
| Interest on security deposit | 82.16 | 61.33 | 27.63 | 77.87 |
| Interest on WC loan | 20.84 | 33.93 | 19.67 | 45.44 |
| Total interest before capitalisation | 166.94 | 143.48 | 109.21 | 214.10 |

219. The Commission approves interest expenses before capitalisation of Rs. 166.94 Cr. (against proposal of Rs. 186.39 Cr.) for TPWODL, Rs. 143.48 Cr. (against proposal of Rs. 182.68 Cr.) for TPNODL, Rs. 109.21 Cr. (against proposal of Rs. 136.76 Cr.) for TPSODL and Rs. 214.10 Cr. (against proposal of Rs. 224.34 Cr.) for TPCODL for the FY 2025-26.

**Depreciation**

220. DISCOMs have calculated depreciation for FY 2025-26 on the existing assets (Asset prior to effective date) as well as on the new assets (Asset put to use post effective date). The depreciation amounts claimed by the four DISCOMs are given as under.

**Table – 66**
**Depreciation Proposed by DISCOMs for the FY 2025-26**

**(Rs. in Cr.)**

| Depreciation | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Assets prior to Effective date | 27.52 | 9.65 | 20.94 | 12.96 |
| Assets put to use post Effective date | 127.93 | 117.65 | 113.71 | 140.62 |
| **Total Depreciation proposed** | **155.45** | **127.30** | **134.65** | **153.58** |

221. The Commission analysed the same relating to the depreciation on existing assets (Asset prior to effective date) and on the newly created assets (Asset put to use post effective date) as per the Vesting Orders.

The Regulation 3.8.1 of OERC's Wheeling & RST Regulations 2022 provides that '*The depreciation shall be computed separately for assets capitalized prior to the effective date and the assets put to use after the effective date*'.

Regulation 3.8.2 of the said Regulations further provides that:

*"The assets achieving the date of commercial operation prior to the effective date would continue to earn depreciation as per depreciation rates approved by Commission prevailing at the time of effective date. Since no loan has been availed by the new distribution licensee for these assets the depreciation allowed to be recovered from tariff must be utilized in the manner as per the following terms of the vesting order'*.

*a. For the purpose of determination of ARR, the depreciation on the GFA as on effective date, as determined by the Commission, subject to prudence check shall be utilized as per the following priority order.*

*i) Funding of ASL as per the vesting order*

*ii) Capital Investment*

*iii) Working capital requirement computed as per tariff regulations*

*b. The manner of utilisation of such depreciation shall be as per the directions of the Commission. The distribution licensee shall maintain the separate account for such depreciation.*

*c. No depreciation shall be allowed to be recovered on the assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not."*

Regulation 3.8.3 of the said Regulations provides that "*In case of the assets of the erstwhile DISCOMs, the balance depreciable value as on April 1, 2023, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2023, from the gross value of the assets."*

Regulation 3.8.4 of the said Regulations provides that "*For the assets of erstwhile DISCOMs transferred to the new Distribution Licensee through vesting orders, that depreciation shall be calculated on pre-upvalued cost of assets at pre-1992 rate on the asset base approved by the Commission*'.

Regulation 3.8.5 of the said Regulations provides that '*For assets achieving date of commercial operation (COD) in this control period, depreciation shall be computed in the following manner.*

*(a) Approved original cost of the project/fixed assets shall be base value for calculation of depreciation.*

*(b)* Depreciation *shall be computed annually based on straight line method at the rates specified in the Annexure-II to these Regulations'*.

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222. The Commission analysed the audited accounts for FY 2023-24 to assess the inherited assets and new assets. The DISCOMs were further asked to provide separately the assets created out of Government grants and Consumer contributions, inherited assets and assets created by the new DISCOMs. Commission also analysed the assets to be added during the FY 2024-25 as per their submissions to arrive at the opening GFA for FY 2025-26.

223. The OERC's Wheeling & RST Regulations 2022, defines separately the rate of depreciation for the inherited assets (excluding assets created under Government grants

and Consumer contributions). These assets would be allowed depreciation at the pre 92 rates. However, for the assets created by the DISCOMs (excluding assets created under Government grants and Consumer contributions) after effective date, depreciation would be allowed as per the rates provided in the above Regulation. These rates were applied separately to arrive at the approved depreciation for FY 2025-26 and accordingly the Commission approves the following amount towards depreciation for the FY 2025-26.

**Table – 67**

**Depreciation approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Depreciation | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Assets prior to Effective date | 17.96 | 10.10 | 5.58 | 11.98 |
| Assets put to use post Effective date | 100.15 | 82.49 | 99.48 | 129.66 |
| Total Depreciation approved | 118.11 | 92.59 | 105.05 | 141.64 |

224. The Commission approves Depreciation for FY 2025-26 of Rs. 118.11 Cr. (against proposal of Rs. 155.45 Cr.) for TPWODL, Rs. 92.59 Cr. (against proposal of Rs. 127.30 Cr.) for TPNODL, Rs. 105.05 Cr. (against proposal of Rs. 134.65 Cr.) for TPSODL and Rs. 141.64 Cr. (against proposal of Rs. 153.58 Cr.) for TPCODL for the FY 2025-26.

**Manner of utilization of depreciation:**

225. The Commission in light of these facts directs that the depreciation of old assets shall be used only for the purpose as stipulated in the respective Vesting Order and the above said Regulations, 2022. The amount of depreciation allowed by the Commission in the respective ARR orders is provided in the Table below;

**Table-68**

**Depreciation on Assets prior to Effective Date (Rs. In Cr.)**

| Particulars | TPWODL | TPNODL | TPSODL | TPCODL | Total |
|---|---|---|---|---|---|
| **Depreciation for FY 2020-21** | 9.09 | 0.00 | 5.37 | 20.97 | 35.42 |
| **Depreciation for FY 2021-22** | 36.34 | 32.86 | 21.47 | 20.97 | 111.64 |
| **Depreciation for FY 2022-23** | 32.15 | 30.94 | 16.11 | 20.97 | 100.17 |
| **Depreciation for FY 2023-24** | 27.52 | 21.08 | 14.71 | 20.97 | 84.28 |
| **Depreciation for FY 2024-25** | 20.56 | 10.09 | 7.91 | 13.03 | 51.59 |
| **Depreciation for FY 2025-26** | 17.96 | 10.09 | 5.58 | 11.98 | 45.61 |
| **Total** | **143.62** | **105.06** | **71.14** | **108.89** | **428.71** |

**Provision for Bad & doubtful debts**

226. The TPWODL, TPNODL, TPSODL and TPCODL have proposed Bad and doubtful debts @1% of proposed revenue in the ARR for FY 2025-26 which is shown in the Table below:

**Table – 69**

**Bad & Doubtful Debts proposed by DISCOMs for the FY 2025-26**

**(Rs. in Cr.)**

| DISCOM | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Proposed revenue | 5891.34 | 4,499.33 | 2209.06 | 6720.39 |
| Bad and Doubtful debt | 58.91 | 44.99 | 22.52 | 67.20 |

227. The Regulation 5.8.1 of OERC's Wheeling & Retail Supply Tariff Regulations, 2022 provides that *"The commission shall allow a provision for bad debts as a pass through in the ARR as a prudent commercial practice in the revenue requirement of the licensee. The provision of bad and doubtful debts during the control period shall be allowed on normative basis of 1% of the total annual revenue billed for sale of electricity."*

228. Therefore, according to the above provisions of the Regulation, the Commission allows the amount of Bad and doubtful debt @1% on the revenue approved by the Commission in this ARR for FY 2025-26. The approved the Bad and Doubtful debt is accordingly, given in the Table below:

**Table – 70**
**Bad & Doubtful Debt Approved by the Commission for the FY 2025-26**
**(Rs. in Cr.)**

| DISCOM | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| **Approved revenue** | 6148.18 | 4,486.79 | 2163.06 | 6615.37 |
| **Bad and Doubtful debt** | 61.48 | 44.87 | 21.63 | 66.15 |

**Additional Serviceable Liabilities (ASL)**

229. The Commission observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider provision for ASL in the present ARR for FY 2025-26 for TPCODL.

**Return on Equity**

230. The DISCOMs have projected the ROE based on their equity capital and the normative equity on the proposed CAPEX in the following manner

**Table- 71**
**Return on Equity proposed by the DISCOMs for the FY 2025-26**
**(Rs in Cr.)**

| DISCOM | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Opening balance 01.04.2025 | 812.66 | 721.89 | 636.1 | 820 |
| Additions | 196.48 | 153.67 | 107.92 | 166.27 |
| Closing balance 31.03.2026 | **1009.14** | **875.56** | **744.02** | **986.27** |
| ROE rate | 16.00% | 16.00% | 16.00% | 16.00% |
| ROE on Opening Balance (16%) | - | 115.50 | 101.78 | 131.20 |
| ROE on Additions (8%) | - | 12.29 | 8.63 | 13.30 |
| Return on Equity (post tax) | 161.46 | 127.80 | 110.41 | 144.50 |

231. The Commission has considered the ROE as per the following provision in OERC's (Determination of Wheeling and Retail Supply Tariff) Regulation, 2022:

*"3.6.1. Return on equity on approved reserve price (INR 300 Crore for TPCODL, INR 300 Crore for TPWODL, INR 250 Crore for TPNODL and INR 200 Crore for TPSODL)*

*for the utilities (TPCODL, TPWODL, TPNODL & TPSODL) of the erstwhile Distribution utilities as on effective date in terms of the provisions of Vesting Orders:*

*3.6.2. Return on equity on the assets put to use after Effective Date up to date of applicability of these Regulations: Return on equity on assets put to use after Effective Date up to date of applicability of these Regulations shall be eligible to get return as per Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and its amendments thereof.*

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*3.6.4. The return on equity shall be calculated on the normative average equity of the year. Provided that at the time of truing up, the normative average equity of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.*

*3.6.5. The assets transferred to Distribution Licensee(s) in lieu of equity investment by GRIDCO shall be allowed in fixed asset base for determination of tariff, after prudence check, provided that the assets transferred are distribution assets."*

232. The Commission observes that as and when the actual Equity is infused by both the shareholders, DISCOM and GRIDCO, this will be considered in the ARR. As per the respective Vesting Order of the four DISCOMs, GRIDCO who is 49% shareholder is allowed to bring matching equity in kind for any capex infusion along with 51% equity to be bought by the DISCOMs. GRIDCO will infuse the equity by transferring matching Govt. assets lying in the DISCOMs area as per the requirement of CAPEX infusion on which ROE will be allowed in the ARR.

233. Therefore, in terms of the OERC's Wheeling & Retail Supply Tariff Regulations 2022, the Commission has considered the necessary parameters in order to arrive at the ROE. Asset base has been considered excluding assets created out of Government grants, and consumer contribution. The Regulation 3.5.2 (b) of OERC's Wheeling & RST Regulations 2022 provides that '*where the actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered and the balance amount in excess of 70% normative loan shall be considered as normative loan*'. ROE for FY 2025-26 has been arrived at accordingly based on above provision of the Regulation.

234. Accordingly, the amount of ROE proposed by DISCOMs and allowed by the Commission is given in the following table.

**Table – 72**
**RoE approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| DISCOM | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| a. Reserve Price | 300 | 250 | 200 | 300 |
| b. Asset put to use upto 2024-25 | 1399.67 | 1060.71 | 1352.06 | 1991.15 |
| c. 30% of asset put to use (b*30%) | 419.901 | 318.213 | 405.618 | 597.345 |
| d. Opening equity for calculation of ROE (a+c) | 719.90 | 568.21 | 605.62 | 897.35 |
| e. ROE @16% (d*16%) | 115.18 | 90.91 | 96.90 | 143.58 |

235. The Commission approves Return on Equity expenses for FY 2025-26 of Rs 115.18 Cr (against proposal of Rs 161.46 Cr) for TPWODL, Rs 90.91 Cr (against proposal of Rs 127.80 Cr) for TPNODL, Rs 96.90 Cr (against proposal of Rs 110.41 Cr) for TPSODL and Rs 143.58 Cr (against proposal of Rs 144.50 Cr) for TPCODL for the FY 2025-26.

**Non-Tariff Income**

236. The Non-Tariff Income proposed by the licensees for the FY 2025-26 against the approved amount for FY 2024-25 are given in the Table below:

**Table - 73**
**Non-Tariff Income proposed by DISCOMs**

**(Rs. in Cr.)**

| DISCOMs | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Amount approved for FY 2024-25 | 386.02 | 206.65 | 54.61 | 114.00 |
| Amount proposed for FY 2025-26 | 395.62 | 181.69 | 62.81 | 74.13 |

237. The Non-Tariff Income (NTI) of the DISCOMS, defined in the OERC's Wheeling & Retail Supply Tariff Regulations 2022, is to be deducted from the ARR in calculating the tariff for retail supply of electricity by the Distribution Licensee.

238. The Regulation 5.9.2 of OERC's Wheeling & RST Regulations 2022 further provides the indicative list of items to be considered for NTI like rent of land or building, sale of scrap, income from statutory investments, advances to suppliers and contractors, service charges, advertisements, commission for collection of ED, miscellaneous charges, interest on loans and advances, DPS, over drawl penalty, supervision charges, and other miscellaneous receipts.

239. The Commission observes that the non-tariff income is variable in nature and the reasonable estimate of future receipts would be on the basis of the analysis of past trends. The Commission after scrutiny and analysis allows the expected Non-Tariff Income (NTI). Any variation with the actual amount shall be addressed at truing up stage.

240. The proposed and approved Non-tariff Income for FY 2025-26 is shown in the following table:

**Table – 74**
**Non-tariff Income proposed by DISCOMs and approved by the Commission for the FY 2025-26** **(Rs. in Cr.)**

| Non Tariff Income | TPWODL | | TPNODL | | TPSODL | | TPCODL | |
|---|---|---|---|---|---|---|---|---|
| | Proposed FY 2025-26 | Approved FY 2025-26 | Proposed FY 2025-26 | Approved FY 2025-26 | Proposed FY 2025-26 | Approved FY 2025-26 | Proposed FY 2025-26 | Approved FY 2025-26 |
| Rebate on power purchase | 46.62 | 51.10 | 32.62 | 33.63 | 11.35 | 10.92 | 47.00 | 47.09 |
| Rebate allowed to Consumers | 0.00 | -62.00 | -47.30 | -47.00 | 0.00 | -36.00 | -127.30 | -127.00 |
| Meter rent | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Supervision charges/Inspection fee | 3.00 | 36.00 | 12.35 | 15.00 | 0.00 | 10.00 | 0.00 | 8.00 |
| Interest on FD | 120.00 | 142.00 | 98.60 | 99.00 | 31.55 | 32.00 | 104.80 | 105.00 |
| Open access charges (CSS & wheeling) | 180.00 | 220.00 | 47.18 | 47.00 | 0.00 | 0.00 | 31.80 | 32.00 |
| Sale of scraps | 7.00 | 7.00 | 9.73 | 10.00 | 0.00 | 7.00 | 10.32 | 10.00 |
| ODP/Delay payment surcharge | 22.00 | 27.00 | 26.39 | 26.00 | 15.32 | 16.00 | 7.60 | 8.00 |
| Miscellaneous receipt | 17.00 | 17.00 | 2.12 | 2.00 | 4.59 | 5.00 | 0.00 | 11.00 |
| Total | 395.62 | 438.10 | 181.69 | 185.63 | 62.81 | 44.92 | 74.13 | 94.09 |

241. The Commission approves the Non-tariff income expenses of Rs 438.10 Cr. (against proposal of Rs. 395.62 Cr.) for TPWODL, Rs. 185.63 Cr. (against proposal of Rs. 181.69 Cr.) for TPNODL, Rs. 44.92 Cr. (against proposal of Rs. 62.81 Cr.) for TPSODL and Rs. 94.09 Cr. (against proposal of Rs. 74.13 Cr.) for TPCODL for the FY 2025-26.

242. TPWODL & TPSODL had revised the Non-Tariff Income proposed for the FY 2025-26 in their reply to the Commission queries which are Rs. Rs. 386.28 Cr. And Rs. 19.50 Cr. respectively. Further, TPWODL had also revised the amount proposed against provision for bad and doubtful debts as Rs. 59.01 Cr. However, due to unavailability of item wise breakup of revised Non-Tariff Income, the original petition has been considered in the above Table.

**Revenue Requirement**

243. In the light of above discussions, the Commission approves the revenue requirement of all four DISCOMs for the FY 2025-26 as shown in Annexure-A.

244. A summary of the proposed & approved revenue requirement, expected revenue (at the approved tariff) and revenue gap for FY 2025-26 is given below:

**Table – 75**
**Revenue Requirement & Expected Revenue Proposed by DISCOMs & Approved by the Commission for the FY 2025-26**

**(Rs. in Cr.)**

| Sl. No. | DISCOM | TPWODL | TPNODL | TPSODL | TPCODL | Total |
|---|---|---|---|---|---|---|
| 1 | **Revenue Requirement** | | | | | |
| 2 | Proposed | 5891.34 | 4650.44 | 2490.01 | 6862.54 | 19894.33 |
| 3 | Approved | 6130.94 | 4471.40 | 2208.57 | 6541.22 | 19352.12 |
| 4 | **Expected Revenue** | | | | | |
| 5 | Proposed | 5891.34 | 4499.33 | 2209.06 | 6720.39 | 19320.12 |
| 6 | Approved | 6148.18 | 4486.79 | 2163.06 | 6615.37 | 19413.40 |
| 7 | **Approved Gap (6-3)** | **17.24** | **15.39** | **-45.51** | **74.15** | **61.28** |
| 8 | Add: BSP Surcharge | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | **Total Gap (7+8)** | **17.24** | **15.39** | **-45.51** | **74.15** | **61.28** |
| 10 | Less: Amount allowed out of True up Surplus | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| 11 | **Gap allowed in the ARR (9+10)** | 17.24 | 15.39 | -45.51 | 74.15 | 61.28 |

**Segregation of Wheeling and Retail Supply business**

245. For segregation of wheeling and Retail Supply expenses, the ARR proposal shall include information relating to power purchase expenses, ISTS charge, A&G expenses, employee expenses, O&M Expenses, Interest on Loan Capital and Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, other allocation of expenses. The deduction will be made on account of NTI, income from other business, receipt on account of cross subsidy surcharge from open access consumers, any revenue grant,

subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge (CSS).

246. The DISCOMs in their ARR submissions have proposed allocation under wheeling and retail supply business in line with the OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The allocation of wheeling and retail supply cost as per the Regulation is given in the following Table.

**Table – 76**
**Allocation of Wheeling and Retail Supply Cost**

| Sl. No. | Cost/Income Component | Ratio for consideration in Wheeling Business | Ratio for consideration in Retail Supply Business |
|---|---|---|---|
| 1 | Power purchase expenses | 0% | 100% |
| 2 | Intra-state transmission Charges | 0% | 100% |
| 3 | Employee Expenses | 60% | 40% |
| 4 | Administrative & General Expenses | 50% | 50% |
| 5 | Repair & Maintenance Expenses | 90% | 10% |
| 6 | Depreciation | 90% | 10% |
| 7 | Interest on long term capital | 90% | 10% |
| 8 | Interest on Working capital | 10% | 90% |
| 9 | Provision for bad debts | 0% | 100% |
| 10 | Income Tax | 90% | 10% |
| 11 | Contribution to Contingent Reserve, if any | 100% | 0% |
| 12 | Return on Equity | 90% | 10% |
| 13 | Non-Tariff Income | 10% | 90% |

247. The distribution licensees are yet to segregate the accounts of their licensed business into wheeling and retail supply business as provided in the earlier OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 and also as per the present OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The Commission therefore, based on the above allocation matrix allows cost towards Retail Supply business and Wheeling business in the following manner. The Commission shall monitor the same.

**Wheeling Business**

248. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 provides that ARR shall contain the proposal for wheeling Tariff and Retail supply tariff including its computation. The licensee shall furnish the required information with regard to technical, commercial and financial parameters. The ARR proposal shall include information for the wheeling business such as detailed capital expenditure, capitalisation, financing plan, distribution system or network usage forecast, O&M expenses, interest on loan capital & working capital, depreciation, ROE, Income tax, other taxes and other relevant expenses, etc. The deduction as per the regulation will be made on account of NTI, income from other business and income from wheeling charges payable by the existing distribution system users other than the retail consumers including the losses.

249. As per the Regulation "Wheeling Business" means the business of operating and maintaining a distribution system for transfer of electricity in the area of supply of Distribution Licensee. As such the apportioned cost towards wheeling business has been considered while determining Aggregate Revenue Requirement and wheeling charges. The Miscellaneous receipts for the wheeling business, receipts on account of wheeling charges from open access consumers, supervision charges and Service line rentals are considered out of the total approved Miscellaneous receipts in this order from the Annual accounts. However, such segregation is not available in the audited accounts of the DISCOMs. The Commission in order to rationalise the apportionment of the Non-tariff income has considered 10% for the wheeling business and 90% for the Retail business. This is shown in the following table:

**Table – 77**
**Miscellaneous Receipts for the Wheeling business & Retail Supply Business for the FY 2025-26**

**(Rs. in Cr.)**

| Particulars | TPWODL | TPNODL | TPSODL | TPCODL |
|---|---|---|---|---|
| Approved % age of wheeling business | 10.00% | 10.00% | 10.00% | 10.00% |
| Total Miscellaneous Receipts Approved for FY 2025-26 (A) | 438.11 | 185.63 | 44.92 | 94.09 |
| Approved Miscellaneous Receipt for FY 2025-26 Wheeling Business applying approved percentage (B) | 43.81 | 18.56 | 4.49 | 9.41 |
| Approved Miscellaneous Receipt for FY 2025-26 Retail Business(C=A-B) | 394.30 | 167.06 | 40.42 | 84.68 |

250. On the basis of allocation matrix for Wheeling and Retail Supply business, the costs in respect of wheeling business of TPWODL, TPNODL, TPSODL and TPCODL are approved for Rs.854.36 Cr., Rs. 775.80 Cr., Rs. 736.65 Cr. and Rs. 1199.32 Cr. respectively. Accordingly, the wheeling charges (per unit) calculated for TPWODL, TPNODL, TPSODL and for TPCODL are 104.51 paise/unit, 156.41 paise/unit, 174.07 paise/unit and 102.55 paise/unit respectively. The details of the cost allocation in respect of Wheeling Business and determination of wheeling charges are shown in the following Table:

**Table - 78**
**Allocation of cost towards Wheeling Business of DISCOMs for the FY 2025-26**

**(Rs. in Crs.)**

| Expenditure | Ratio out of Total approval (%) | TPWODL | | TPNODL | | TPSODL | | TPCODL | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling |
| Employee costs (After Capitalisation) | 60 | 522.99 | 313.80 | 509.88 | 305.93 | 509.53 | 305.72 | 846.86 | 508.12 | 2,389.27 | 1433.56 |
| Repair & Maintenance | 90 | 270.14 | 243.13 | 252.66 | 227.40 | 166.15 | 149.54 | 315.39 | 283.85 | 1,004.35 | 903.91 |
| A & G Expenses | 50 | 181.03 | 90.52 | 137.53 | 68.76 | 128.98 | 64.49 | 162.59 | 81.29 | 610.12 | 305.06 |
| Depreciation | 90 | 118.11 | 106.30 | 92.59 | 83.33 | 105.05 | 94.55 | 141.64 | 127.48 | 457.39 | 411.65 |
| Interest on long term Loan capital | 90 | 58.43 | 52.59 | 47.93 | 43.13 | 61.91 | 55.72 | 90.79 | 81.71 | 259.06 | 233.16 |

| Expenditure | Ratio out of Total approval (%) | TPWODL | | TPNODL | | TPSODL | | TPCODL | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling | Approved Total | Approved Wheeling |
| Interest on Working Capital Loan | 10 | 20.84 | 2.08 | 33.93 | 3.39 | 19.67 | 1.97 | 45.44 | 4.54 | 119.88 | 11.99 |
| Return on equity | 90 | 115.18 | 103.67 | 90.91 | 81.82 | 96.90 | 87.21 | 143.58 | 129.22 | 446.57 | 401.92 |
| Tax on ROE | 90 | 28.99 | 26.09 | 22.88 | 20.59 | 24.39 | 21.95 | 36.14 | 32.52 | 112.39 | 101.15 |
| **Gross Total** | | **1315.72** | **938.16** | **1188.31** | **834.36** | **1112.59** | **781.14** | **1782.42** | **1248.73** | **5399.04** | **3802.40** |
| Less: Non Tariff Income | 10 | 438.10 | 43.81 | 185.63 | 18.56 | 44.92 | 4.49 | 94.09 | 9.41 | 762.73 | 76.27 |
| Less: Extra expenses towards wheeling in LT | | | 40.00 | | 40.00 | | 40.00 | | 40.00 | | 160.00 |
| **Total wheeling Cost** | | | **854.36** | | **775.80** | | **736.65** | | **1199.32** | | **3566.13** |
| Total MU approved for LT & HT consumers | | | 8174.85 | | 4959.91 | | 4232.04 | | 11695.47 | | 29062.28 |
| **Wheeling charges (P/U)** | | | **104.51** | | **156.41** | | **174.07** | | **102.55** | | **122.71** |

*** Extra expenses towards wheeling in LT**

In the past years, the wheeling charges for HT and LT consumers were taken together. However, OERC's Green Energy Open Access Regulation 2023 allows open access to consumers with CD or sanctioned load of 100KW or more. For determination of wheeling charges for those type of consumers, the Commission needs to find out the LT wheeling charges cost. Therefore, provisionally a lumpsum amount of Rs.40 Crore has been deducted from the total wheeling cost of each DISCOMs in respect of LT wheeling as no such consumer is expected during the FY 2025-26.

**Retail Supply Business**

251. The Retail Supply business comprises of power purchase expenses, O&M Expenses, Interest on Loan Capital & Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, etc. The deduction will be made on account of NTI, income from other business, receipt on account of Cross Subsidy Surcharge (CSS) from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge.

252. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of retail supply business for TPWODL, TPNODL, TPSODL and for TPCODL is given in the following table:

**Table – 79**
**Allocation of cost towards Retail Supply Business of DISCOMs for the FY 2025-26**

**(Rs. in Cr.)**

| Particulars | Ratio out of Total approval | TPWODL | | TPNODL | | TPSODL | | TPCODL | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenditure** | (%) | Approved Total | Approved Retail | Approved Total | Approved Retail | Approved Total | Approved Retail | Approved Total | Approved Retail | Approved Total | Approved Retail |
| Cost of power purchase | 100 | 4792.13 | 4792.13 | 3138.84 | 3138.84 | 961.78 | 961.78 | 4354.25 | 4354.25 | 13,247.00 | 13247.00 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Transmission Charges | 100 | 315.64 | 315.64 | 222.33 | 222.33 | 129.08 | 129.08 | 352.49 | 352.49 | 1,019.54 | 1019.54 |
| SLDC Charges | 100 | 1.91 | 1.91 | 1.34 | 1.34 | 0.78 | 0.78 | 2.13 | 2.13 | 6.16 | 6.16 |
| Employee costs (After Capitaisation) | 40 | 522.99 | 209.20 | 509.88 | 203.95 | 509.53 | 203.81 | 846.86 | 846.86 | 2,389.27 | 955.71 |
| Repair & Maintenance | 10 | 270.14 | 27.01 | 252.66 | 25.27 | 166.15 | 16.62 | 315.39 | 31.54 | 1,004.35 | 100.43 |
| A & G Expenses | 50 | 181.03 | 90.52 | 137.53 | 68.76 | 128.98 | 64.49 | 162.59 | 81.29 | 610.12 | 305.06 |
| Bad and Doubtful debt | 100 | 61.48 | 61.48 | 44.87 | 44.87 | 21.63 | 21.63 | 66.15 | 66.15 | 194.13 | 194.13 |
| Depreciation | 10 | 118.11 | 11.81 | 92.59 | 9.26 | 105.05 | 10.51 | 141.64 | 14.16 | 457.39 | 45.74 |
| Interest on long term Loan capital | 10 | 58.43 | 5.84 | 47.93 | 4.79 | 61.91 | 6.19 | 90.79 | 9.08 | 259.06 | 25.91 |
| Interest on Working Capital Loan | 90 | 20.84 | 18.76 | 33.93 | 30.54 | 19.67 | 17.70 | 45.44 | 40.90 | 119.88 | 107.89 |
| Interest on security deposit | 100 | 82.16 | 82.16 | 61.33 | 61.33 | 27.63 | 27.63 | 77.87 | 77.87 | 248.98 | 248.98 |
| Return on equity | 10 | 115.18 | 11.52 | 90.91 | 9.09 | 96.90 | 9.69 | 143.58 | 14.36 | 446.57 | 44.66 |
| Tax on ROE | 10 | 28.99 | 2.90 | 22.88 | 2.29 | 24.39 | 2.44 | 36.14 | 3.61 | 112.39 | 11.24 |
| **Gross Retail Supply Cost** | | **6569.04** | **5630.87** | **4657.02** | **3822.66** | **2253.48** | **1472.34** | **6635.30** | **5894.69** | **20114.84** | **16312.44** |
| Less: Non Tariff Income | 90 | 438.10 | 394.29 | 185.63 | 167.06 | 44.92 | 40.42 | 94.09 | 84.68 | 762.73 | 686.45 |
| **Net Retail Supply Cost** | | 6130.94 | **5,236.58** | 4471.40 | **3,655.60** | 2208.57 | **1,431.92** | 6541.22 | 5810.01 | 19352.12 | 15625.99 |

253. In the last RST order the Commission had directed DISCOMs to segregate their accounts for wheeling business and retail supply business as per OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The new Regulation OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 also stipulates that the distribution licensee shall segregate the accounts of the licensed business into wheeling and Retail Supply business within one year of notification of these Regulations as per the guidelines to be issued by the Commission. Pending such guidelines, the Commission directs DISCOMs to take necessary steps in order to segregate their accounts for wheeling business and retail supply business as per the said OERC's Regulation.

**Truing up of DISCOMs**

254. The Truing up application was filed by the four distribution companies (TPWODL, TPNODL, TPSODL and TPCODL) under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations. The four DISCOMs have filed the Truing-up applications for FY 2023-24 and Revised Truing up application for FY 2022-2023. The Commission has taken cognisance of the true up petitions of the respective DISCOMs, respective approvals in the ARR, available audited accounts for FY 2022-23, additional approvals in respective Annual Business plans and additional recruitment approvals.

255. The commission has analysed the same to arrive at the trued-up expenses for approval.

256. The Commission in the last ARR order for FY 2024-25 had finalised the truing up exercise of all the DISCOMs for the FY 2020-21 and FY 2021-22.

257. The Commission in the last ARR order FY 2024-25 in "Para 202 of the order" has observed the following regarding truing up of for FY 2022-23 which is provided below;

*"Basing on the application for all the four DISCOMs, the truing up exercise has been carried out by the Commission for FY 2022-23 as per the OERC's Wheeling & Retail Supply Tariff Regulations, 2022, which has taken into account the provisions of vesting orders and other related developments. The Commission observed that the actual expenses booked in the Audited accounts are higher than the approved cost for most of components, particularly for O&M expenses. Although the OERC Wheeling and RST Regulations, 2022 came into force in December, 2022, the relevant expenses have been allowed on the basis of pragmatic approach. In absence of adequate information / data the Commission could not verify higher audited expenses in respect of O&M."*

258. In view of the above, the four DISCOMs have submitted revised Truing Up application for FY 2022-23 in the present ARR petition. The Commission takes into cognizance the audited P&L account for FY 2022-23 after prudent check for determining the revised truing up submitted by the four DISCOMs for FY 2022-23.

259. TPWODL and TPSODL in their revised truing up proposal have submitted the sharing of efficiency gains for FY 2022-23. Regulation 2.14 of the (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. relating to sharing of efficiency gain provides the following:

*"2.14.1. The gains or losses accruing to the new Distribution Licensees on account of AT&C loss and incentive on past arrear recovery shall be governed by the terms and conditions of Request for Proposal (RfP) documents and Vesting Orders of respective Distribution Licensees.*

*2.14.2. The Distribution Licensee, if makes profit on account of improved performance in the areas (other than improved AT&C loss, O&M expense (comprising of Employee Expense, A&G expense & R&M Expense) and incentive on account of recovery of past arrears), including but not limited to refinancing of high-cost loan with low-cost loan, the Commission shall treat the profit beyond the approved return in the following manner:*

*a. One-third amount to be declared by the licensee as dividends to the shareholders and if it is not paid out as dividend, it shall be eligible to be treated as part of equity to that extent and earn returns on the same. Any future declaration of dividend from this shall lead to commensurate decrease in the equity base for the purpose of returns.*

*b. One-third amount to be returned back to consumers by way of reduction in the consumer bills as rebate.*

*c. One-third amount shall be kept as tariff balancing reserve, which shall be used to reduce sharp rise in ARR in future years. The Commission may allow a part of the total reserve to be returned to the consumers every three years by way of reduction in ARR. The amount in tariff balancing reserve shall not be eligible to be treated as part of equity and would not earn any return for the shareholders. Any return earned on this reserve shall be added back to this reserve.*

*XXXXXX……"*

Accordingly, the Commission has calculated the efficiency gain in revised truing up for FY 2022-23 for the four DISCOMs.

260. The adjustment towards power purchase cost is calculated as per the Regulation 3.14 of the (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. The detailed calculation of power purchase adjustment is provided separately for each DISCOMs with the revised Truing up for FY 2022-23.

261. The following tables related to each DISCOMs summarises approvals for FY 2022-23.

**Table – 80**

**TPWODL TRUE UP for FY 2022-23**

**(Rs. in Cr.)**

| **TRUE UP OF TPWODL** | **Revised TRUE UP FOR FY 2022-23** | | | |
|---|---|---|---|---|
| | **Approved in the ARR** | **Audited** | **Proposed by DISCOM** | **Allowed by the Commission in true up** |
| **Expenditure** | | | | |
| Cost of Power Purchase | 3610.07 | 5094.8 | 5164.27 | 5164.27 |
| Employee costs | 474.83 | 444.13 | 447.62 | 447.62 |
| Repair & Maintenance | 156.03 | 249.00 | 242.08 | 242.08 |
| Administrative and General Expenses | 110.39 | 165.28 | 148.94 | 148.94 |
| Provision for Bad & Doubtful Debts | 27.87 | 129.41 | 61.81 | 61.81 |
| Depreciation | 46.52 | 111.99 | 45.95 | 45.95 |
| Interest on Working capital | 7.00 | 4.45 | 36.65 | 4.45 |
| Interest on consumer security deposit | 37.50 | 63.94 | 63.94 | 63.94 |
| Interest on long term loan | | 16.68 | 21.68 | 16.68 |
| **Efficiency Gain to be shared :** | | | | |
| **A-1/3 rd to be declared as Dividend /Equity** | | | 10.73 | 5.38 |
| **B-1/3rd to be passed on to consumer as rebate** | | | 10.73 | 5.38 |
| **C-1/3 rd to be kept as tariff balancing reserve** | | | 10.73 | 5.38 |
| Sub-Total | **4470.21** | **6279.68** | **6232.94** | 6211.87 |
| Less: Employee cost capitalised | 21.18 | 15.23 | 15.23 | 15.23 |
| Less: Interest capitalised | | 3.63 | 3.64 | 3.63 |
| **(A)Total expenses** | **4449.03** | **6260.82** | **6214.07** | **6193.01** |
| Add:Income tax | | 31.95 | 22.28 | 22.28 |
| Add:Return on equity | 48.00 | | 66.26 | 64.11 |
| **(B) Sub total** | 48.00 | **31.95** | 88.54 | 86.39 |
| **Carrying cost ASL** | | | 4.27 | |
| **TOTAL(A+B)** | **4497.03** | **6292.77** | **6306.88** | **6279.40** |
| Less Non Tariff Income | 267.69 | 301.7 | 208.23 | 208.23 |

| TRUE UP OF TPWODL | Revised TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | **Approved in the ARR** | **Audited** | **Proposed by DISCOM** | **Allowed by the Commission in true up** |
| Net Movement in Regulatory Deferral Balances | | -638.78 | | |
| Cross Subsidy Surcharge | | | 540.07 | 540.07 |
| **Total Revenue Requirement** | **4229.34** | **6629.85** | **5558.58** | **5531.10** |
| **Less: Provisional Surplus considered** | **150.00** | | | |
| **Total Revenue Requirement** | **4079.34** | | | |
| **Revenue from Sale of Power** | 4119.48 | 6720.93 | 6180.86 | 6180.86 |
| **GAP(+/-)** | **40.14** | **91.08** | **622.28** | **649.76** |

**Table - 81**
**Adjustment towards Power Purchase Cost**
**TPWODL for FY 2022-23**

| | | | |
|---|---|---|---|
| Approved AT &C loss | % | A | 20.40% |
| Normative collection efficiency | % | B | 99.00% |
| Calculated distribution loss | % | C=1-(1-A)/B | 19.60% |
| Actual AT & C loss achieved | % | D | |
| Actual collection efficiency | % | E | |
| Actual distribution loss | % | F | |
| Actual sales | MU | G | 10609.62 |
| Actual power purchase | MU | H | 13002.41 |
| Normative power purchase | MU | I=G/(1-C) | 13195.38 |
| Additional power purchase | MU | J=H-I | -192.97 |
| Approved BSP | Paise/Unit | K | 360 |
| Additional power purchase cost incurred towards deviation from calculated distribution loss | Rs. Cr. | L=JxK/1000 | -69.47 |
| Amount eligible for loss or gain to be borne by distribution licensee | Rs. Cr. | L | -69.47 |

**Table - 82**
**TPNODL TRUE UP for FY 2022-23**

**(Rs. in Cr)**

| TRUE UP OF TPNODL | TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | **Approved in the ARR** | **Actual Audited** | **Proposed by DISCOM** | **Allowed by the Commission in True up** |
| **Expenditure** | | | | |
| Cost of Power Purchase | 2102.06 | 2240.22 | 2290.41 | 2290.50 |
| Employee costs | 417.80 | 403.3 | 440.32 | 420.52 |
| Repair & Maintenance | 141.43 | 248.34 | 237.53 | 237.53 |
| Administrative and General Expenses | 84.23 | 162.42 | 112.55 | 112.55 |

| TRUE UP OF TPNODL | TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | **Approved in the ARR** | **Actual Audited** | **Proposed by DISCOM** | **Allowed by the Commission in True up** |
| Provision for Bad & Doubtful Debts | 16.02 | 64.98 | 31.65 | 31.65 |
| Depreciation | 44.66 | 105.09 | 27.39 | 27.39 |
| Interest on Working capital | | 14.52 | 17.07 | 14.52 |
| Interest on long term loan | | 11.77 | 12.58 | 11.77 |
| Interest on consumer security deposit | 31.98 | 41.96 | 41.96 | 41.96 |
| Other finance cost | | | 3.91 | |
| **Efficiency Gain to be shared :** | | | | |
| **A-1/3 rd to be declared as Dividend /Equity** | | | | 3.58 |
| **B-1/3rd to be passed on to consumer as rebate** | | | | 3.58 |
| **C-1/3 rd to be kept as tariff balancing reserve** | | | | 3.58 |
| Sub-Total | **2838.18** | **3292.60** | **3215.37** | **3199.14** |
| Less: Employee cost capitalised | 23.94 | 12.85 | | 12.85 |
| **(A)Total expenses** | **2814.24** | **3279.75** | **3215.37** | **3186.29** |
| Income Tax | | 34.99 | 34.99 | 34.99 |
| Return on equity | 40.00 | | 56.99 | 52.99 |
| **(B) Sub total** | 40.00 | 34.99 | 91.98 | 87.98 |
| **TOTAL(A+B)** | **2854.24** | **3314.74** | **3307.35** | **3274.27** |
| Less Miscellaneous Receipt | 154.15 | 288.12 | 157.43 | 147.84 |
| Repayment of ASL | | | 0.27 | |
| Net movement in Regulatory deferral | | -22.24 | | |
| **Total Revenue Requirement** | 2700.09 | 3048.86 | 3150.19 | 3126.43 |
| **Revenue from Sale of Power** | 2701.03 | 3164.53 | 3164.53 | 3164.53 |
| **GAP(+/-)** | **0.94** | **115.67** | **14.34** | **38.10** |
| **Expenses disallowed in FY 2021-22 (True up) Meter Rent to be excluded** | | | **6.52** | **6.52** |
| **Net Gap** | | | **7.82** | **31.58** |

**Table - 83**
**Adjustment towards Power Purchase Cost**
**TPNODL for FY 2022-23**

| | | | |
|---|---|---|---|
| Approved AT &C loss | % | A | 19.17% |
| Normative collection efficiency | % | B | 99.00% |
| Calculated distribution loss | % | C=1-(1-A)/B | 18.35% |
| Actual AT & C loss achieved | % | D | |
| Actual collection efficiency | % | E | |
| Actual distribution loss | % | F | |
| Actual sales | MU | G | 5415.12 |
| Actual power purchase | MU | H | 6475.75 |
| Normative power purchase | MU | I=G/(1-C) | 6632.40 |
| Additional power purchase | MU | J=H-I | -156.65 |

| | | | |
|---|---|---|---|
| Approved BSP | Paise/Unit | K | 321 |
| Additional power purchase cost incurred towards deviation from calculated distribution loss | Rs. Cr. | L= JxK /1000 | -50.28 |
| Amount eligible for loss or gain to be born by distribution licensee | Rs. Cr. | L | -50.28 |

**Table- 84**
**TPSODL TRUE UP for FY 2022-23**

**(Rs. in Cr.)**

| **TRUE UP OF TPSODL** | **TRUE UP FOR FY 2022-23** | | | |
|---|---|---|---|---|
| | **Total Approval** | **Audited** | **Proposed by DISCOM** | **Allowed by the Commission in true up** |
| **Expenditure** | | | | |
| Cost of Power Purchase | 1120.24 | 1057.82 | 1062.15 | 1062.15 |
| Employee costs | 430.79 | 409.90 | 469.28 | 469.28 |
| Outsource/Contractual Employee cost | | 86.25 | | |
| Repair & Maintenance | 90.24 | 67.46 | 189.07 | 189.07 |
| Outsource employee cost for Repair & Maintenance | | 123.32 | | |
| Administrative and General Expenses | 77.25 | 183.45 | 180.47 | 180.47 |
| Provision for Bad & Doubtful Debts | 12.99 | 59.25 | 18.14 | 17.93 |
| Depreciation | 32.03 | 58.32 | 40.86 | 40.86 |
| Interest on Working capital | | | 9.08 | |
| Interest on consumer security deposit | 12.26 | 18.68 | 18.68 | 18.68 |
| Interest on long term loan | 5.00 | 38.51 | 16.9 | 38.51 |
| Other Borrowing cost | | 1.43 | 14 | 1.43 |
| **Efficiency Gain to be shared :** | | | | |
| **A-1/3 rd to be declared as Dividend /Equity** | | | 3.87 | 1.29 |
| **B-1/3rd to be passed on to consumer as rebate** | | | | 1.29 |
| **C-1/3 rd to be kept as tariff balancing reserve** | | | | 1.29 |
| Sub-Total | **1780.80** | **2104.39** | **2022.50** | **2022.25** |
| Less: Employee cost capitalised | 28.37 | 28.37 | 28.37 | 28.37 |
| **(A)Total expenses** | **1752.43** | **2076.02** | **1994.13** | **1993.88** |
| Income Tax | | 19.41 | 16.36 | 16.36 |
| Deferred Tax | | 6.09 | | |
| Return on equity | 32.00 | | 48.65 | 48.65 |
| Defered tax credit | | -11.43 | | |
| **(B) Sub total** | 32.00 | 14.07 | 65.01 | 65.01 |
| **TOTAL(A+B)** | **1784.43** | **2090.09** | **2059.14** | **2058.89** |
| Less Non-Tariff Income | 35.16 | 123.79 | 83.88 | 83.88 |
| Less Rebate on total Power Purchase Cost | | | | |
| Net movement in Regulatory Deferral balances | | 206.09 | | 0 |
| **Provisional surplus considered** | 60 | | | |
| **Total Revenue Requirement** | **1689.27** | **1760.21** | **1975.26** | **1975.01** |
| **Revenue from Sale of Power** | 1694.00 | **1792.96** | 1792.96 | 1792.96 |
| **GAP(+/-)** | **4.73** | **32.75** | **-182.30** | **-182.05** |

| TRUE UP OF TPSODL | TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | Total Approval | Audited | Proposed by DISCOM | Allowed by the Commission in true up |
| **Disallowed expenses 2020-21(power purchase)** | | | 1.53 | 1.53 |
| **Disallowed expenses 2021-22(Employee cost)** | | | 17.6 | 17.6 |
| **Final(gap)/surplus** | 4.73 | | -201.43 | -201.18 |

**Table – 85**
**Adjustment towards Power Purchase Cost**
**TPSODL for FY 2022-23**

| | | | |
|---|---|---|---|
| Approved AT &C loss | % | A | 25.75% |
| Normative collection efficiency | % | B | 99.00% |
| Calculated distribution loss | % | C=1-(1-A)/B | 25.00% |
| Actual AT & C loss achieved | % | D | |
| Actual collection efficiency | % | E | |
| Actual distribution loss | % | F | |
| Actual sales | MU | G | 3156.00 |
| Actual power purchase | MU | H | 4188.00 |
| Normative power purchase | MU | I=G/(1-C) | 4208.00 |
| Additional power purchase | MU | J=H-I | -20.00 |
| Approved BSP | Paise/Unit | K | 227.00 |
| Additional power purchase cost incurred towards deviation from calculated distribution loss | Rs. Cr. | L=JxK/1000 | -4.54 |
| Amount eligible for loss or gain to be borne by distribution licensee | Rs. Cr. | L | -4.54 |

**Table - 86**
**TPCODL TRUE UP for FY 2022-23**

**(Rs. in Cr)**

| TRUE UP OF TPCODL | TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | Approved in the ARR | Audited | Proposed by DISCOM | Allowed by the Commission in true up |
| **Expenditure** | | | | |
| Cost of Power Purchase | 3212.87 | 3214.58 | 3249.29 | 3217.48 |
| Employee costs | 775.49 | 784.53 | 776.00 | 775.49 |
| Repair & Maintenance | 239.85 | 234.8 | 235.00 | 234.80 |
| Administrative and General Expenses | 132.72 | 212.69 | 150.55 | 150.55 |
| Provision for Bad & Doubtful Debts | 34.28 | 136.07 | 47.00 | 46.22 |
| Depreciation | 48.34 | 181.55 | 67.65 | 67.65 |
| Interest on Working capital | | | 21.00 | 21.00 |
| Interest on consumer security deposit | 30.78 | 61.67 | 61.67 | 61.67 |
| Interest on long term loan | 20.00 | 47.38 | 28.00 | 26.38 |

| TRUE UP OF TPCODL | TRUE UP FOR FY 2022-23 | | | |
|---|---|---|---|---|
| | **Approved in the ARR** | **Audited** | **Proposed by DISCOM** | **Allowed by the Commission in true up** |
| Financing cost | | 1.92 | 2.00 | 1.92 |
| Loss on retirment of assets | | | 5.75 | 5.75 |
| **Efficiency Gain to be shared :** | | | | |
| **A-1/3 rd to be declared as Dividend /Equity** | | | | 3.16 |
| **B-1/3rd to be passed on to consumer as rebate** | | | | 3.16 |
| **C-1/3 rd to be kept as tariff balancing reserve** | | | | 3.16 |
| Sub-Total | **4494.33** | **4875.19** | **4643.91** | **4618.39** |
| Less: Employee cost capitalised | 23.9 | 23.94 | 24 | 23.94 |
| Less: Interest cost capitalised | | 4.14 | | 4.14 |
| **(A)Total expenses** | **4470.43** | **4847.11** | **4619.91** | **4590.31** |
| Defered tax provision | | 4.86 | | |
| Return on equity | 48.00 | | 74.00 | 74.46 |
| Tax on ROE | | | 25 | |
| **(B) Sub total** | 48.00 | 4.86 | 99.00 | 74.46 |
| **TOTAL(A+B)** | **4518.43** | **4851.97** | **4718.91** | **4664.78** |
| Less: Miscellaneous Receipt | 107.21 | 281.37 | 109.49 | 139.98 |
| Gain & Loss due to AT&C loss | | | 3 | |
| Net movement in regulatory deferral balances | | -38.26 | | |
| **Total Revenue Requirement** | **4411.22** | **4608.86** | **4612.42** | **4524.80** |
| **Revenue from Sale of Power** | 4273.00 | 4,622.14 | 4,687.00 | 4,622.14 |
| **GAP(+/-)** | **-138.22** | **13.28** | **74.58** | **97.34** |
| **Provisional Surplus considered** | **140.00** | | | |
| Recovery of ASL paid till FY 23 | | | 229.00 | |
| **Net GAP (+/-)** | **1.78** | | **-154.42** | |

**Table – 87**
**Adjustment towards Power Purchase Cost**
**TPCODL for FY 2022-23**

| | | | |
|---|---|---|---|
| Approved AT &C loss | % | A | 23.70% |
| Normative collection efficiency | % | B | 99.00% |
| Calculated distribution loss | % | C=1-(1-A)/B | 22.93% |
| Actual AT & C loss achieved | % | D | |
| Actual collection efficiency | % | E | |
| Actual distribution loss | % | F | |
| Actual sales | MU | G | 7639 |
| Actual power purchase | MU | H | 9902 |

| | | | |
|---|---|---|---|
| Normative power purchase | MU | I=G/(1-C) | 9911.68 |
| Additional power purchase | MU | J=H-I | -9.68 |
| Approved BSP | Paise/Unit | K | 300 |
| Additional power purchase cost incurred towards deviation from calculated distribution loss | Rs. Cr. | L=JxK/1000 | -2.90 |
| Amount eligible for loss or gain to be borne by distribution licensee | Rs. Cr. | L | -2.90 |

262. The Commission hereby concludes the truing up of expenses of the DISCOMs (TPCODL, TPSODL, TPWODL & TPNODL) upto FY 2022-23.

263. All the four DISCOMs have submitted the truing up application for the FY 2023-24. However, the truing up exercise for all four DISCOMs could not be finalised by the Commission along with ARR for the FY 2025-26 in absence of sufficient information & data, which will be collected from each DISCOM in due course of time and the truing up exercise for the FY 2023-24 would be finalised along with ARR & Tariff determination exercise for the FY 2026-27.

264. The True up expenses for FY 2020-2021, FY 2021-22 and FY 2022-23 has been summarized in the Table below:

**Table - 88**

**(Rs. in Cr.)**

| **Particulars** | **TPWODL** | **TPNODL** | **TPSODL** | **TPCODL** | **Total** |
|---|---|---|---|---|---|
| True up Surplus for FY 2020-21 | 94.86 | 0.00 | 21.68 | -43.46 | 73.08 |
| True up Surplus for FY 2021-22 | 609.96 | 51.77 | 46.29 | 102.13 | 810.14 |
| True up Surplus for FY 2022-23 | 649.76 | 31.58 | -201.18 | 97.34 | 577.51 |
| **Total True up Surplus** | **1354.58** | **83.35** | **-133.21** | **156.00** | **1460.72** |
| Adjusted in ARR 2022-23 | 150.00 | 0.00 | 60.00 | 140.00 | 350.00 |
| Adjusted in ARR 2023-24 | 663.96 | 65.59 | 40.49 | 83.33 | 853.37 |
| Adjusted in ARR 2024-25 | 510.00 | 0.00 | 21.57 | 5.84 | 537.41 |
| **Total True up Surplus adjusted** | **1323.96** | **65.59** | **122.06** | **229.17** | **1740.78** |
| **Available surplus to be carried forward** | **30.62** | **17.76** | **-255.27** | **-73.17** | **-280.06** |

265. The current Retail Supply Tariff Regulation came into force on 20th December 2022. Therefore for the full financial year of FY 2022-23 there was no appropriate provision in Regulation. Hence in absence of regulatory provision the deficit in Truing Up for the year is recognised as a Gap in ARR FY 2025-26 and shall be amortised in due course without carrying cost.

266. Considering the initial period of operation of the DISCOMs and the effective date of new Regulation 2022, the Commission has considered the additional claim in respect of O&M expenditure in the revised submission of the respective DISCOMs for FY 2022-23. However, these expenditures in revised truing up allowed for FY 2022-23 by the

Commission in this order will not form the Base for calculating the O&M expenditure for future years.

## TARIFF DESIGN

### The present Tariff Structure

267. In line with the prevailing tariff design, the Commission has decided to continue with the prevailing practice of single part, two part and three part tariffs for the ensuing financial year. Single part tariff is applicable only to Consumers covered under Kutir Jyoti. All the other categories of Consumers are covered under two-part and three-part tariff structure.

268. Two part tariff covers LT Consumers with connected load/Contract Demand less than 110 kVA and such Consumers will have to pay Monthly Minimum Fixed Charge (MMFC) (Rs. / kW or kVA) and Energy Charge.

269. Three part tariff is applicable to LT, HT and EHT Consumers with Contract Demand of 110 kVA & above. Such Consumers will have to pay Demand Charges (Rs./kVA), Energy Charge (Paise/unit) and Customer Service Charge (Rs./Month).

**LT Consumers**

**Single Part Tariff**

Kutir Jyoti Consumers: Fixed Monthly Charge (Rs./Month) for consumption upto 30 units per month.

**Two Part Tariff – for LT Supply less than 100 KW / 110 kVA**

All classes of Consumers other than Kutir Jyoti

(a) Energy Charge (Paise/kWh)
(b) Monthly Minimum Fixed Charge (MMFC) (Rs./kW/Month)

**Three Part Tariff - LT Consumers with connected load 110 kVA and above**

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kWh)
(c) Customer Service Charge (Rs./Month)

**HT Consumers**

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kVAh)
(c) Customer Service Charge (Rs./Month)

**EHT Consumers**

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kVAh)
(c) Customer Service Charge (Rs./Month)

270. In addition, certain other charges like prompt payment rebate, meter rent, Delayed Payment Surcharge (DPS), over drawl penalty, incentive and other miscellaneous charges, etc. are payable under different circumstances as mentioned in the later part of this order.

271. The Commission has decided that RST structure for the FY 2025-26 will remain unchanged and most of the applicable charges for various category of Consumers will also remain unchanged. The Commission has revised the Re-Connection charges which will be effective from 01.04.2025. Further, the Commission has also introduced application processing fees for various services provided by the DISCOMs. The details of charges applicable to various categories of Consumers classified under the OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

**Tariff for LT Consumers availing Power Supply**

272. The Consumers availing power supply at LT with CD less than 110 kVA or 100 KW have to pay Monthly Minimum Fixed Charge (MMFC) and Energy Charges as described below:

**(I) Monthly Minimum Fixed Charge (MMFC)**

273. The MMFC is payable by the LT Consumers with Contract Demand less than 110 kVA. The Commission has decided that the rate of MMFC determined for FY 2024-25 shall continue for FY 2025-26. Details of the applicable MMFC payable by the Consumers in the FY 2025-26 is as given in the table below:

**Table – 89**
**MMFC for LT Consumers**

| Sl. No | Category of Consumers | Monthly Minimum Fixed Charge (MMFC) for first KW/ KVA or part there of (Rs.)* | Monthly Minimum Fixed Charge (MMFC) for any additional KW/ KVA or part there of(Rs.) |
|---|---|---|---|
| | **LT Category** | **Approved For FY 2025-26** | |
| 1. | Kutir Jyoti (<=30 Units/month) | 70 | - |
| 2. | Domestic (other than Kutir Jyoti) | 20 | 20 |
| 3. | General Purpose LT (<110 kVA) | 30 | 30 |
| 4. | Irrigation Pumping and Agriculture | 20 | 10 |
| 5. | Allied Agricultural Activities | 20 | 10 |
| 6. | Allied Agro-Industrial Activities | 80 | 50 |
| 7. | Public Lighting | 20 | 15 |
| 8. | LT Industrial (S) Supply | 80 | 35 |
| 9. | LT Industrial (M) Supply | 100 | 80 |
| 10. | Specified Public Purpose | 50 | 50 |
| 11. | Public Water Works and Sewerage Pumping <110 kVA | 50 | 50 |

** When agreement stipulates supply in kVA, this shall be converted to kW by multiplying with a power factor of 0.9 as per Regulation 2 (20) of OERC Distribution (Conditions of Supply) Code, 2019.*

274. Some Consumers with connected load less than 110 kVA might have been provided with simple energy meters which can record energy consumption only and not the maximum

demand. But the OERC Distribution (Conditions of Supply) Code, 2019, provides that "Contract Demand for connected loads of 110 kVA and above shall be as stipulated in the agreement and may be different from the connected load. Contract Demand for a connected load below 110 kVA shall be the same as connected load.

275. However, in case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, the above stipulation shall form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA or 100 KW. The licensees are directed to follow the above provision of Regulation strictly.

**(II) Energy Charge (Consumers with Connected Load less than 110 kVA)**

**Domestic**

276. The Commission is aware of the paying capability of Below Poverty Level (BPL) Consumers. Therefore, the Kutir Jyoti Consumers will only pay the MMFC @ Rs.70.00 per month for consumption upto 30 units per month.

277. The Commission is also conscious of the affordability of non-Kutir Jyoti Consumers. Therefore, the Energy Charges for supply to LT domestic Consumers using Low Tension system was reduced by 10 paise per unit in each slab for FY 2024-25 which shall continue in the ensuing FY 2025-26. Details of the slab rate for Domestic consumers, other than Kutir-Jyoti consumers availing power supply at LT level is given in the Table below:

| **Domestic consumption slab per month** | **Energy Charge** |
|---|---|
| Upto and including 50 units | 290 paise per kWh |
| From 51 to 200 units | 470 paise per kWh |
| From 201 to 400 units | 570 paise per kWh |
| More than 400 units consumption | 610 paise per kWh |

278. In accordance with the provisions under the OERC Distribution (Condition of Supply) Code, 2019, initial power supply shall not be given without a correct meter. Load factor billing has been done away with since 1st April, 2004, as stipulated in the Commission's RST Order for FY 2003-04. As such the distribution licensees are directed not to bill any Consumer on load factor basis.

**General Purpose LT (<110 kVA)**

279. The Commission reviewed the existing tariff structure and decided to continue with the existing rate for GP LT category of Consumers.

**Table – 90**
**Energy Charge for General Purpose LT (<110 kVA)**

| General Purpose consumption slab per month | Energy Charge (paise/unit) |
|---|---|
| Upto & including 100 units | 590 |
| From 101 to 300 units | 700 |
| More than 300 units | 760 |

**Irrigation Pumping and Agriculture**

280. The Commission decides that the Energy Charge for this category of Consumer shall be continued at 150 paise per unit (kWh) for supply at LT level as usual.

**Allied Agricultural Activities**

281. The Commission decides that the existing tariff of this category of Consumer shall continue at 160 paise per unit (kWh) at LT level. Mushroom farming is also included in this category.

**Allied Agro-Industrial Activities**

282. The Commission decides to continue with the existing tariff of 310 paise per unit (kWh) at LT level for FY 2025-26.

**Energy Charges for Other LT Consumers**

283. The Commission, keeping its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following categories of LT Consumers shall continue to pay **Energy Charge of 620 paise per kWh** on the entire consumption of electricity.

a. Public lighting
b. LT industrial(S) supply <22 KVA
c. LT industrial(M) supply >=22 KVA <110 KVA
d. Specified Public Purpose
e. Public Water works and Sewerage pumping < 110 KVA

284. The following categories of LT Consumers shall continue to pay **Energy Charge of 620 paise per kWh** on the entire consumption of electricity.

a. Public Water works and Sewerage pumping >= 110 KVA
b. General Purpose >= 110 KVA
c. Large Industries >=110 KVA

**(III) Other Charges for Consumers at LT level with CD of 110 kVA and above.**

285. **Customer Service Charge & Demand Charge at LT level**

As explained earlier, the LT categories of Consumers with Contract Demand of 110 kVA & above are required to pay three-part tariff. The existing Customer Service Charge and Demand Charge for Consumers with Contract Demand of 110 kVA and above shall continue for FY 2025-26 as given in Table below.

**Table – 91**
**Customer Service Charge at LT level**

| Category | Supply Voltage | Customer Service Charge (Rs. per Month) | Demand Charge (Rs./kVA/Month) |
|---|---|---|---|
| Public Water Works and Sewerage Pumping (=>110kVA) | LT | 30 | 200 |
| General Purpose (=>110kVA) | LT | 30 | 200 |
| Large Industry >=110 kVA | LT | 30 | 200 |

**Tariff for HT & EHT Consumers**

**(I) Customer Service Charge for Consumers with Contract Demand of 110 kVA**

**and above at HT & EHT level**

286. All the Consumers at HT and EHT level having CD of 110 kVA and above are liable to pay customer service charge. This charge is meant for meeting the expenditure of the licensees on account of meter reading, preparation of bills, delivery of bills, collection of revenue and maintenance of customer accounts etc. The licensee is bound to meet these expenses irrespective of the level of consumption of the Consumer. The customer service charges shall remain unchanged for the FY 2025-26. The details are given in the table below:

**Table – 92**

**Customer Service Charge for Consumers with CD > 110 kVA at HT & EHT**

| Category | Voltage of Supply | Customer service charge (Rs./month) |
|---|---|---|
| Bulk Supply (Domestic) | HT | Rs.250/- for all categories |
| Irrigation Pumping and Agriculture | HT | |
| Allied Agricultural Activities | HT | |
| Allied Agro-Industrial Activities | HT | |
| Specified Public Purpose | HT | |
| General Purpose (HT >70 kVA <110kVA) | HT | |
| HT Industrial (M) Supply | HT | |
| General Purpose (=>110kVA) | HT | |
| Public Water Works and Sewerage Pumping | HT | |
| Large Industry | HT | |
| Power Intensive Industry | HT | |
| Mini Steel Plant | HT | |
| Emergency Supply to CGPs | HT | |
| Railway Traction | HT | |
| General Purpose | EHT | Rs.700/- for all categories |
| Large Industry | EHT | |
| Railway Traction | EHT | |
| Heavy Industry | EHT | |
| Power Intensive Industry | EHT | |
| Mini Steel Plant | EHT | |
| Emergency Supply to CGPs | EHT | |

**(II) Demand Charge for HT & EHT Consumers**

287. The Commission examined the existing Demand Charge of Rs.250/kVA/Month payable by the HT and EHT Consumers and Demand Charge of Rs.150/kVA/Month payable by HT Industrial (M) Consumers and decides to continue with the existing rates. The class of Consumers, the voltage level of supply and applicable Demand Charge are listed below.

**<u>HT Category (Rs.250 per KVA per month)</u>**

Specified Public Purpose
General Purpose (>70 kVA <110 kVA)
General Purpose (>=110 kVA)
Public Water Works and Sewerage Pumping
Large Industry
Power Intensive Industry

Mini Steel Plant
Railway Traction

**<u>HT Category (Rs.150 per KVA per month)</u>**

HT Industrial (M) Supply

**<u>EHT Category (Rs.250 per KVA per month)</u>**

General Purpose
Large Industry
Railway Traction
Heavy Industry
Power Intensive Industry
Mini Steel Plant

288. Consumers with Contract Demand 110 kVA & above are to be billed under three-part tariff on the basis of actual reading of the demand meter and the energy meter. They are also allowed to increase their Contract Demand. The Demand Charge reflects the recovery of fixed cost payable by the Consumers as capacity is reserved for them by the licensee. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the Consumer, it is necessary that the Consumer pays at least a certain amount of fixed cost to the licensee. To arrive at Demand Charge, the Commission studied the pattern of demand recorded by the demand meters of all such Consumers of the licensee. Keeping in view the above aspect, the Commission has decided that the existing method of billing the Consumer for the Demand Charge on the basis of the maximum demand recorded or 80% of the Contract Demand, whichever is higher shall continue. The method of billing of Demand Charge in case of Consumers without a meter or with a defective meter, shall be in accordance with the procedure prescribed in the OERC Distribution (Conditions of Supply) Code, 2019. Again, in case of statutory load restriction, the Contract Demand shall be assumed as the restricted demand.

289. As per the OERC Distribution (Conditions of Supply) Code, 2019, for Contract Demand above 70 kVA but below 555 kVA, supply shall be at 3-phase, 3-wire, 11 kV. However, these Consumers connected prior to 01.10.95 may be allowed to continue to receive power at LT level. The Commission decides to continue with the same Demand Charges for following Consumers at HT level.

**Table – 93**
**Demand Charges at HT level**

| Category | (Rs./kVA/month) |
|---|---|
| Bulk Supply Domestic | 20 |
| Irrigation Pumping and Agriculture | 30 |
| Allied Agricultural Activities | 30 |
| Allied Agro-Industrial Activities | 50 |

290. However, the demand in respect of Consumers with Contract Demand less than 110 kVA (for all categories of Consumers) and having static meters shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which

shall require no verification. For billing purpose, the highest demand recorded in a month shall be considered from the month it occurred, till the end of the financial year.

291. Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawal penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy consumption (kVAh) beyond CD shall be Rs. 5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under any other scheme. However, the DISCOMs are not permitted to exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

292. Any Industry (without CGP) connected at 33 kV level with CD upto 10 MVA and willing to avail power from the DISCOM upto double the CD shall be allowed without payment of overdrawal penalty. For this purpose, the Industry has to operate at minimum load factor of 80% for the entire month. The applicable charges for energy consumption (kVAh) beyond 80% of CD shall be Rs. 5.00/ kVAh. Industries availing this benefit shall not be allowed to avail benefit under any other scheme including drawal in Open Access. Such Industry has to enter into an agreement with the DISCOM for the above arrangement. Industries having CD of more than 10 MVA are not permitted to avail this benefit by reducing their CD. DISCOMs are not permitted to exceed their approved SMD while allowing this benefit. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

**Incremental Energy Drawal by Industries under TPA**

293. Any industry having CGP with CD above 20 MW and operating at minimum monthly load factor of 80% shall be allowed to draw power at the rate of Rs. 5.00 per kVAh during Peak & Normal hours and Rs. 4.30 per kVAh during hours other than Peak & Normal hours (i.e. during Solar Hours), for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with the concerned DISCOM and GRIDCO. In such transactions for sale of intermittent incremental surplus power, OPTCL shall get normal transmission charge of 25.5 paise/kWh, GRIDCO shall get 455 paise/kWh (including BSP) during Peak & Normal hours and 400 paise/kWh (including BSP) during hours other than Peak & Normal hours (i.e. during Solar Hours) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. Other observations of the Commission in Case No. 25/2022 regarding this tripartite sale of surplus power shall continue as such. However, the Commission may revisit the matter on application from the DISCOM(s) / GRIDCO, in case of any constraint(s) in implementation of the above scheme to achieve the objective.

**(III) Energy Charge for HT and EHT Consumers**

294. The Commission always aims for rationalisation of tariff structure by progressive introduction of a cost-based tariff and has set the Energy Charge at different voltage levels

to reflect the cost of supply. The principle of higher rate of Energy Charge for supply at low voltage and gradual reduction in rate as the voltage level goes up has been adopted. The Commission has introduced kVAh tariff for HT and EHT Consumers since FY 2021-22. This method of billing for Energy Charge captures both active and reactive energy consumed by the Consumers and the same shall continue for FY 2025-26. For HT Bulk Supply Domestic Consumers, the Energy Charges have been fixed at 490 paise per unit (kVAh).

**Graded Slab Tariff for HT/EHT Consumers**

295. The Commission has decided to continue with the graded slab of tariff structure for HT and EHT Consumers where the Demand Charges are billed on kVA basis as given in Table below:

**Table – 94**
**Slab rate of Energy Charges for HT & EHT (Paise per kVAh)**

| Load Factor (%) | HT | EHT |
|---|---|---|
| =< 60% | 585.00 | 580.00 |
| > 60% | 475.00 | 470.00 |

296. All HT Industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below for the FY 2024-25:

**Table – 95**

| Load Factor | CD upto 6 MVA | CD above 6 MVA |
|---|---|---|
| 65% and above upto 75% | 10% on Energy Charge | - |
| above 75% upto 85% | 15% on Energy Charge | 8% on Energy Charge |
| above 85% | 20% on Energy Charge | 10% on Energy Charge |

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2025-26.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on Energy Charge for entire energy consumption beyond 85% load factor. These industries shall take required measures to avoid injection of harmonics into the grid.

297. All the Industrial Consumers drawing power at EHT level shall be eligible for a rebate of 20 paise per unit (kVAh) for all the units consumed beyond 80% load factor.

298. Load factor has to be calculated as per Regulation 2 (42) of the OERC Supply Code, 2019. However, for such calculation of load factor, the actual power factor of the Consumer and power-on-hours during billing period shall be taken into consideration.

299. Power consumption in hours is defined as total hours in the billing period minus allowable power interruption hour. The maximum allowable power interruption hours in a month shall be 60 hours and the same shall be deducted from the total interruption hour. In case the power interruption hours is 60 hours or less in a month, then no deduction shall be made.

**Supply at HT level for Irrigation Pumping & Agriculture, Allied Agricultural Activities and Allied Agro-Industrial Activities Consumers**

300. The Commission has decided to continue with the present tariff structure in respect of Irrigation Pumping & Agriculture, Allied-Agricultural and Allied-Agro-Industrial Activities categories availing power at HT level. The Energy Charge applicable to them has been fixed as follows:

| **Category** | | **Energy Charge** |
|---|---|---|
| Irrigation Pumping & Agriculture | - | 140 paise per kVAh |
| Allied Agricultural Activities | - | 150 paise per kVAh |
| Allied Agro-Industrial Activities | - | 300 paise per kVAh |

**Industrial Colony Consumption**

301. To encourage the increase in the HT & EHT consumption, the Commission has decided to continue with the existing tariff for the colony consumption attached to the industry and consumption shall be metered separately and such consumption shall be deducted from the main meter reading and billed at 490 paise per unit for supply at HT level and 485 paise per unit at EHT level. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

**Colony / Hostel consumption**

302. The Educational Institution (Specified Public Purpose category Consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawal under HT bulk supply domestic category i.e. @ 490 paise per unit.

**Classification of Consumers**

303. The Regulation 138(a) of Supply Code, 2019 defines Domestic category as a category which relates to supply of power to residential premises for domestic purposes only which may include connected load for non-domestic purposes like offices, consultation chambers and other miscellaneous activities up to 20% of the total connected load. There is certain confusion in the mind of the Distribution service Provider(s) about classification of Consumer under this category. From the reading of the Regulation, it is clear that power supply to any dwelling units utilised solely for residential purpose shall be classified as Domestic category, whether rented or not. This may also include hostels/mess/old-age homes/orphanages/Child Care Institutions let-out by the private parties solely for residential purposes. The hotels/guest houses which are basically for temporary stay of people, are strictly excluded.

304. General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019, the supply for load above 5 KW/ 5.55 KVA upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases.

305. Poultry Farms with attached feed processing units having connected load less than 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General-Purpose category for tariff purpose. If the connected load of the attached feed processing unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

306. The food processing unit attached with cold storage shall be charged at Agro-Industrial tariff if cold storage load is more than 80% of the entire connected load. If the load of the food processing unit (other than cold storage unit) exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be.

307. During the statutory restriction imposed by the Fisheries Department, the Ice Factories (located at a distance not more than 5 KM towards the land from the sea shore of the restricted zone) will pay demand charges based on the actual maximum demand recorded during the billing period.

**Emergency power supply to CGPs/Generating stations**

308. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs for supply of electricity subject to technical feasibility and availability of required quantum of power/energy in the system as per the provision under the OERC Distribution (Condition of Supply) Code, 2019. For such Consumers, a flat rate of (i) 780 paise/kVAh at HT level and (ii) 770 paise/kVAh at EHT level would apply. The industry owning CGP and having zero Contract Demand can draw power supply for its CGP from the Grid maximum upto the electrical energy in kWh limited to 10% load factor of the highest capacity of the Captive Generating unit. Overdrawal of energy beyond 10% of load factor of highest capacity of generating unit for consecutive three months shall be billed on two-part tariff in kVAh per unit with discontinuation of emergency power supply status.

**Green Consumer Certification**

309. The Consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The Consumer has to pay additional 20 paise per unit as premium over and above the normal rate of Energy Charges. This facility shall be in force for one year from the effective date of this Order. The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plant (CGP).

310. The Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2025-26. Accordingly, out of the total projected renewable energy of 4727.61 MU available to GRIDCO for the ensuing year, 1630.40 MU, 1028.39 MU, 1459.97 MU & 597.06 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above

purpose. The DISCOM can sale Green energy to these consumers within their area of operation subject to above limit of RE power allocated by GRIDCO. However, in case of surplus of such renewable energy with one DISCOM and deficit with another, the DISCOM having deficit renewable power may draw more renewable power with consent of the DISCOM having surplus renewable power under intimation to GRIDCO.

**Green Energy for Industries**

311. The Industries can opt for allocation of Green energy by the DISCOM with payment of additional 20 paise per unit as premium over and above the normal rate of Energy Charges. The DISCOM can sale Green energy to these Industries within their area of operation subject to limit of RE power allocated by GRIDCO.

**Special tariff for Industries who have closed their units if reopens.**

312. The DISCOMs proposal for giving incentives to closed Industries is welcome and this scheme would also be beneficial for the overall economy of the state. To promote Industrial growth and revival of closed down industries, the Commission provides the following special scheme.

i. This scheme would be valid only for one year i.e. FY 2025-26.
ii. It is applicable to Industries with CD of 500 kW and above, who have closed their operation prior to take over by the present DISCOM and in whose area of operation the Industry is located.
iii. In order to avail benefit under this scheme, the Industry has to clear all outstanding electricity bills, if any.
iv. The Industry would be eligible for rebate at the rate of 20% on Energy Charge in a month for entire consumption, if it operates at minimum 60% load factor.
v. Industries who opt this scheme would not be eligible for Open Access.
vi. This incentive will be over and above all other existing rebate in the tariff.
vii. Industry availing this benefit shall not be permitted to avail benefit under any other scheme.

**Electric Vehicle**

313. Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs. 5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/ station.

**Mega Lift Points**

314. The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under the irrigation pumping and agriculture category of the Supply Code, 2019 Regulation) connected either to HT or EHT system shall be treated as GP Consumers at that Voltage level and shall not pay any Demand Charges. These Consumers shall get an additional rebate of Rs. 2.00 per unit (kVAh) on the respective Energy Charges.

**Railway Tariff**

315. For the FY 2025-26, the Commission has decided to continue with the rebate of 25 paise per unit for all the units consumed in addition to all other eligible rebates.

**ToD Tariff (Solar, Normal and Peak Hours Tariff)**

316. According to Rule 3 of Electricity (Rights of Consumers) Amendment Rules, 2023 (notified by the Ministry of Power on dt: 14.06.2023, the State Commission shall specify the Time of Day Tariff, for which the hours of a day shall be divided into Solar, Normal and Peak hours. In exercise of the powers conferred under this rule, the Commission decides the Hours in a day shall be designated as follows:

| | |
|---|---|
| 8.00 AM to 4.00 PM | - Solar Hours |
| After 4.00 PM upto 6.00 PM | - Normal Hours |
| After 6.00 PM upto 12.00 Midnight | - Peak Hours |
| After 12.00 Midnight upto 8.00 AM the next day | - Normal Hours |

317. All the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers, are eligible to get a ToD rebate of 20 paise/unit on Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 30 paise/unit on Energy Charge during Peak Hours. The ToD rebate and surcharge shall not be applicable during Normal Hours.

318. For the purpose of OERC (Terms and Conditions for Generation Tariff) Regulations, 2024, the Commission is required to define the Peak Hours which shall be a period of four (4) hours i.e. 'After 6.00 PM upto 10.00 PM' for the FY 2025-26.

**Incentive and Overdrawal Penalty for Consumers with CD > 110 kVA**

319. All the Consumers who pay three-part tariff with CD > 110 KVA are allowed to draw upto 120% of Contract Demand during Normal & Solar hours on payment of Demand Charge basing on the 80% of the Contract Demand or maximum demand drawn during Peak hours, whichever is higher. Provided that the drawal of maximum demand is within CD during hours Peak hours.

There shall be no penalty for overdrawl during Normal & Solar hours, upto 120% of the Contract Demand. However, any Consumer overdrawing during Peak hours shall not be eligible for overdrawl benefit during Normal & Solar hours. In case of Statutory Load Regulation, deemed Contract Demand shall be the restricted Contract Demand.

320. When the Maximum Demand is less than or equal to the Contract Demand during Peak hours, then the Consumer is entitled for overdrawl benefit limited to 120% of Contract Demand during Normal & Solar hours. If Maximum Demand exceeds 120% of Contract Demand during Normal & Solar hours, then the Consumer is liable for overdrawl penalty @ Rs.250/- per KVA per month provided no other penalty due to overdrawl is levied only on the excess demand recorded over 120% of CD. If Maximum Demand exceeds the Contract Demand during Peak hours, then the Consumer is not entitled to get Normal & Solar hours overdrawl benefit, even if the drawl during Normal & Solar hours is within 120% of CD.

321. Demand charge shall be calculated on the basis of 80% Contract Demand (CD) or actual Maximum Demand (MD) whichever is higher during Peak hours. The overdrawl penalty

at the rate of Rs.250/kVA shall be charged on the excess drawl over the 120% CD during Normal & Solar hours.

This benefit will not be available, if one overdraws beyond the CD during Peak hours. In such circumstances, the overdrawal penalty @ Rs.250/kVA shall be levied on the drawl in excess of the CD irrespective of any hours of the day.

This penalty for overdrawal in all the above cases shall be over and above the normal demand charges.

These provisions of ToD as mentioned in the above paragraphs, shall be made effective from 01.07.2025 after configuration of respective meters.

**Metering on LT side of Consumers Transformer**

322. As per Regulation 151 (ix) of the OERC Distribution (Conditions of Supply) Code, 2019 Transformer loss, as computed below has to be added to the consumption as per meter reading.

Energy loss = (730 X Rating of the transformer in kVA) /200.

Demand Loss in the transformer in kVA = Rating of the transformer in kVA / 200

**Incentive for prompt payment**

323. The Commission examined the existing provision for incentive and its financial implications. The Commission has decided to allow incentive for early and prompt payment as follows:

a) A rebate of 10 paise/unit shall be allowed on Energy Charges if the payment of the bill (excluding all arrears) is made by the due date indicated in the bill in respect of the following categories of Consumers.

**LT:** Domestic, General purpose <110 KVA, Irrigation Pumping and Agriculture, Allied Agricultural Activities and LT Industrial (S), Public Water Works and Sewerage Pumping.

**HT:** Bulk supply Domestic, Irrigation Pumping and Agriculture, Allied Agricultural Activities, General purpose >70 & <110 KVA, Public Water Works and Sewerage Pumping.

b) Consumers other than those mentioned at Para 'a' above shall be entitled to a rebate of 1% (one percent) of the amount of the monthly bill (excluding all arrears), if payment is made within 3 working days of presentation of the bill.

324. **Special Rebates**

a. Hostels attached to the Schools recognised and run by SC/ST Department of Government of Odisha shall get a rebate of Rs. 2.40 per unit on Energy Charge under Specified Public Purpose category (LT/HT), which shall be over and above the normal rebate for which they are eligible.

b. All Swajala Dhara Consumers under Public Water Works and Sewerage Pumping installation category shall get special rebate @ 10% on energy consumption over and above normal rebate, if the electricity bills are paid within due date.

c. All rural LT domestic Consumers availing power through correct meter and pay the bill in time shall avail rebate of 10 paise per unit over and above other existing rebate for prompt payment.

d. 4% rebate shall be allowed on the bill to the LT domestic and single-phase General Purpose (GP) category of Consumers only over and above all other rebates, if such Consumer pays the entire amount of the bill through digital mode on or before due date. Such Consumers who pays the entire bill on or before the due date at any other outlet like Jan Seva Kendra, OCAC etc. are eligible for this rebate

e. All the Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

f. LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paisa per unit for all the units consumed, if their monthly operating load factor is more than 40% and Bill is paid within due date.

g. 4% rebate shall be allowed to all pre-paid Consumers on pre-paid amount.

h. A Special rebate to the LT single phase Consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate for the month of March for timely payment of bill.

**Reconnection Charge**

325. The Commission has revised the re-connection charges for the FY 2025-26 which shall be effective from 01.04.2025. The revised Re-connection charges are as given in the Table below:

**Table – 96**

**Re-Connection Charges applicable to Consumers w.e.f. 01.04.2025**

| Category of Consumers | Rate Applicable |
|---|---|
| LT Single Phase Domestic Consumers | Rs.300/- |
| LT Single Phase other Consumers | Rs.800/- |
| LT 3 Phase Consumers | Rs.1,200/- |
| All HT Consumers | Rs. 6,000/- |
| All EHT Consumers | Rs. 10,000/- |

*Note: The above charges shall not be applicable to Consumers having Smart Meters. However, if the disconnection was done in the event of tampering of the Smart Meter, the charges would be applicable.*

**Delayed Payment Surcharge**

326. The Commission has examined the present method of raising DPS & its rates. The Commission has decided that if payment is not made within the due date, Delayed

Payment Surcharge shall be paid for every day of delay @ 1.25% per month on the amount remaining unpaid (excluding arrears on account of DPS) in respect of following categories of Consumers:

i. Large industries
ii. LT/HT Industrial (M) Supply
iii. Railway Traction
iv. Public Lighting
v. Power Intensive Industries
vi. Heavy Industries
vii. General Purpose Supply >=110 KVA
viii. Specified Public Purpose
ix. Mini Steel Plants
x. Emergency supply to CGP
xi. Allied Agro-Industrial Activities
xii. Colony Consumption

**Rounding off of Consumers billed amount to nearest rupee**

327. The Commission directs for rounding off of the electricity bills to the nearest rupee and at the same time directs that the money actually collected should be properly accounted for.

**Charges for Temporary Supply**

328. The tariff for the period of temporary connection shall be at the rate applicable to the relevant Consumer category with the exception that Energy Charges shall be 10% higher (in case of temporary connection) compared to the regular connection. Connections, temporary in nature, shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc. The temporary supply connectivity provided to a consumer can be renewed by the DISCOM on application submitted by the Consumer, for a maximum period of six months at a time.

**New Connection Charges for LT**

329. LT single phase Consumers of all categories having CD upto 150 kW, with pole within 30 meters from the Consumer’s premises shall pay new service connection charge, excluding processing fees of Rs.50/-, security deposit and cost of meter (as applicable) as follows.

**Table-97**
**New Service Connection Charges**

| Contract Demand | Service Connection Charges (excluding GST) |
|---|---|
| Upto 2 kW | ₹ 1,500.00 |
| Beyond 2 kW upto 5 kW | ₹ 2,500.00 |
| 5-10 kW | ₹ 4,500.00 |
| 11-20 kW | ₹ 7,000.00 |
| 21-40 kW | ₹ 10,000.00 |
| 41-50 kW | ₹ 19,500.00 |
| 51-100 kW | ₹ 33,000.00 |
| 101-150 kW | ₹ 60,000.00 |
| **Note:** The above charges have been calculated based on an average **30-** | |

| |
|---|
| **meter service length** and the use of armoured cable. |

However, if the line extension is required beyond 30 meters, the Licensee /supplier shall charge @ Rs.8,000/- for every span of line extension in addition to above charges. The service connection charges include the cost of material and supervision charges.

In case of Single-phase LT new or load enhancement Consumers upto 5 kW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

**Meter Rent**

330. The Commission has decided to continue with the existing meter rent for FY 2025-26 which will be effective from 01.04.2025 as follows:

**Table – 98**
**Meter Rent Applicable for Different Types of Meters**

| Sl. No. | Type of Meter | Monthly Meter Rent (Rs.) |
|---|---|---|
| 1. | Single Phase Static Meter | 40 |
| 2. | LT Single Phase Smart Meter | 60 |
| 3. | Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter | 150 |
| 4. | Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant) | 500 |
| 5. | Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV | 1000 |
| 6. | Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV | 2000 |
| 7. | HTTV Meter for Railway Traction | 1000 |

*Note: The Meter Rent shall be collected over a period of 60 months only except in case of Single-Phase Smart Meter, for which the Meter Rent shall be collected over a period of 96 months.*

*However, the Consumers having Smart Meters with Contract Demand upto and including 2 kW shall not pay Meter Rent as per the scheme of Government of Odisha.*

*All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.*

*The pre-paid or post-paid mode for Smart Meters should be as per the option exercised by the Consumer.*

**Application Processing Fees**

331. The Commission has decided to introduce application processing fees for various activities performed by the DISCOMs on applications made by the Consumer. The Application fees for various activities effective from 01.04.2025 is as given in the table below:

**Table-99**
**Application Processing fees for various Services**

| Sl. No. | Purpose of Application | Application Processing charges | |
|---|---|---|---|
| | | LT | HT & EHT |
| 1 | Change of Category | Rs. 50/- | Rs. 1000/- |
| 2 | Change of Contract Demand | Rs. 50/- | Rs. 1000/- |
| 3 | Change/correction of Name or address, Ownership change/modification excluding e-mail ID and Mobile No. | Rs. 50/- | Rs. 1000/- |

332. The printout of the record of the meter relating to MD, PF, number and period of interruption shall be supplied to the Consumer wherever possible with a payment of Rs.500/- by the Consumer for monthly record.

333. **The Tariff as determined above is reflected in Annexure-B. For any discrepancy, Annexure-B is final.**

## H. APPLICATION(s) OF DISCOM(s) FOR APPROVAL OF CAPEX FOR INSTALLATION OF SMART METERS IN CASE Nos. 91, 98, 87 & 102 OF 2024 (Para 334 to 336)

**Proposal**

334. The four DISCOMs namely TPCODL, TPNODL, TPSODL & TPWODL have submitted the application for approval of Capital Investment Plan for installation of smart meters for FY 2025-26 to FY 2031-32 vide Case No. 91/2024, 98/2024, 102/2024 & 87/2024 respectively. This is in line with the directives of OERC in Tariff Order for FY 2024-25 and OERC Distribution (Conditions of Supply) Code, 2019, CEA (Installation and Operation of Meters) (Amendment) Regulations 2022, Electricity (Rights of Consumers) Rules, 2020 and Notification of the Ministry of Power, Government of India dated 23.05.2022.

335. During the continuance of the proceedings in OERC, Government of Odisha, vide Letter No. PTI-ENG-TDER-OERC-0001-2021-3941, dated 21.03.2025, has intimated their views on charging of meter rent as follows:

***" 2. Installation of Smart Meter under CAPEX and Abolition of Meter Rent***

*a. Installation of Smart Meters is considered a good initiative as proposed by the DISCOMs. The Commission may consider towards recovery of meter cost through meter rent as specified in the RST orders for the FY 2023-24 and FY 2024-25. The backend infrastructure for smart metering may be allowed in CAPEX of the DISCOMs. Recovery of meter cost from consumer is also in line with the Electricity (Rights of Consumers) Rules, 2020 and Section 45 of Electricity Act 2003 (Power to recover Charges). However, the modality for installation may need to be prioritized by the Commission to maximize efficiency improvement. In this regard, the MOP Notification No.CG-DL-E26052022-236032 dated 23$^{rd}$ May, 2022 may be referred, a few salient points are cited below:*

- *Installation of meters for all categories of consumers having communication network other than the agricultural consumers.*
- *DT & Feeder metering needs to be completed prior to installation of Smart meter at consumer level.*

*b. In order to reduce the tariff burden on the consumers due to proposed CAPEX Plan of DISCOMs for smart metering, the State Government intends to provide capital subsidy/grant to the DISCOMs, in a phased manner for consumers with CD up to and including 2 kW towards installation of smart meters. Meter rent from such consumers (with CD up to 2 kW) may not be recovered to encourage speedy implementation of smart metering in the state.*

*c. The Commission may review the impact of savings on account of reduction of O&M costs, working capital, etc. as well as the impact of unrecovered meter rent for implementation of smart metering project on yearly basis. Such savings may be adjusted against future subsidy requirement.*

*d. The smart metering plan for consumers with CD above 2 kW may be continued as per prevailing practice of recovery through meter rent."*

**Commission's Observation**

336. In view of the above letter of the State Government, it is understood that Government will provide capital grant for Installation of Smart Meters for the Consumers upto 2kW Contract Demand. Accordingly, Commission directs for waiver of meter rent for the Consumers upto 2 kW as Government will provide capital grant including unrecovered meter rent for installation of Smart Meters for such group of consumers. The consumers with CD upto and including 2 kW constitute about 87% of the entire consumer base of around 95 Lakhs consumers which would be covered under Capital grant for installation of Smart Meter and only 13% of the consumer base would be left out. Further, considering the benefits of Smart Meters in the long run, the Commission is still considering the proposals of the DISCOMs for installation of Smart Meters through capital investment/ other mechanism and abolition of meter rent for all other category of consumers. Therefore, the DISCOMs are directed to submit detail year-wise plan and expenditure requirement including unrecovered meter rent for installation of Smart Meters for Consumers with CD upto and including 2 kW along with the detail year-wise plan and expenditure requirement for Installation of Smart Metres for the remaining population of the consumers with CD > 2 kW and its financial impact on the Consumers to the Commission.

## I. ADDITIONAL CAPEX PLAN OF TPWODL FOR FY 2024-25 & FY 2025-26 IN CASE NO. 50 of 2024 (Para 337 to 346)

**Proposal**

337. The petitioner, M/s TPWODL has filed application dt.12.07.2024 before the Commission for approval of additional Capex plan of Rs.102.14 Cr and Rs.73.79 Cr for the FY 2024-25 and FY 2025-26 respectively. The proposed additional capex plan would cater to the following requirements of Bolangir and Patnagarh towns:

a. For developing 11 kV networking connectivity in town area;

b. Requirement of additional LT Feeders to reduce length of feeder, reduce loading on existing feeders and avoid snapping of conductor thereby minimizing power outages.
c. DTR capacity additions to limit loading of DTRs below its capacity.

338. The Commission while approving the capex proposal for FY 2024-25 and FY 2025-26 in Case No.101 of 2023 has allowed certain long-term provisional amount in the heads such as Technology & Civil infrastructure and Network Reliability, due to absence of adequate information and justification relating to the location/division/sub-division where such work would be implemented. TPWODL had applied for approval of Capex of Rs. 571.97 Cr. for FY 2024-25 and Rs 403.13 Cr. for FY 2025-26. While approving the CAPEX proposal, vide Order dated 12.12.2023, the Commission had disallowed certain CAPEX under various heads amounting to Rs. 78.20 Cr. and Rs. 66.53 Cr. for FY 2024-25 & FY 2025-26 respectively in absence of adequate information and justification.

339. TPWODL has proposed additional requirement under certain sub-heads such as 4 nos. of DT Repair Workshops - one in each Circle. TPWODL has further proposed additional requirement of DTR augmentation/new addition, 33 kV & 11 kV line new addition, 11 kV line augmentation/new addition and LT AB cable augmentation/new addition in Bolangir and Patnagarh town area. The proposal is summarized in the Table as under:

**Table-100**
**Capex Proposal of TPWODL**

**(Rs. in Cr.)**

| Sl. No | Particulars | FY 2024-25 | | FY 2025-26 | |
|---|---|---|---|---|---|
| | | OERC Disallowance | TPWODL Revised Proposal | OERC Disallowance | TPWODL Revised Proposal |
| 1 | **Network Reliability** | | | | |
| a | Replacement/Addition of network component in 33/11 kV Line | 14.6 | 14.6 | 16.37 | 16.37 |
| b | Replacement/Addition of network component in 33/11 kV Primary Substation - **DT Repair Workshop** | - | 19.8 | - | 19.8 |
| c | **Reliability enhancement for Bolangir Town & Patnagarh Town Areas** | | | | |
| i | Construction of 33 KV New/Link Line and 11 KV New/Link Line | - | 2.76 | - | - |
| ii | Refurbishment/Augmentation Line of 11 KV along 100 sqmm | - | 1.33 | - | - |
| iii | Addition/Augmentation of DTR of various ratings | - | 8.06 | - | - |
| iv | New / Augmentation of LT AB Cable Requirement: | - | 5.44 | - | -- |
| 2 | **Technology & Civil Infrastructure** | | | | |
| a | ***OT Infrastructure*** | | | | |
| | Technology Intervention-GIS, Communication & Other Implementation | 13.5 | 13.15 | 4 | 2.62 |

| Sl. No | Particulars | FY 2024-25 | | FY 2025-26 | |
|---|---|---|---|---|---|
| | | OERC Disallowance | TPWODL Revised Proposal | OERC Disallowance | TPWODL Revised Proposal |
| b | ***Civil, Admin & Other Infrastructure*** | | | | |
| | Improvement of Civil Infrastructure | 37 | 37 | 35 | 35 |
| **Sub-total** | | **65.1** | **102.14** | **55.37** | **73.79** |
| **Total (Rs. Cr.)** | | **175.93** | | | |

340. Accordingly, TPWODL has prayed the Commission for approval of additional capex plan of Rs.175.93 Cr for the FY 2024-25 & FY 2025-26.

**Commission's Observation**

341. The Commission taking into consideration the views of the respondent, M/s GRIDCO, has observed the following:

a. The Commission's Capex approval vis-à-vis the progress of TPWODL is as under:

**Table-101**
**Capex approved by the Commission vis-à-vis Progress by TPWODL**
**(Rs. in Cr.)**

| Financial Year | Minimum CAPEX required as per Vesting Order | CAPEX approved by the Commission as on 30.06.2024 | Capitalization as on 30.06.2024 |
|---|---|---|---|
| 2021-22 | 306 | 333.13 | 330.65 |
| 2022-23 | 500 | 477.72 | 404.49 |
| 2023-24 | 333 | 381.91 | 268.77 |
| 2024-25 | 322 | 493.77 | 14.27 |
| 2025-26 | 202 | 336.6 | - |
| **Cumulative Total** | **1663** | **2023.13** | **1018.18** |

b. TPWODL in the instant case (Case No.50 of 2024) has requested for additional Capex of Rs.175.93 Cr for the FY 2024-25 and FY 2025-26.
c. Under Network Reliability, the augmentation and upgradation of existing undersized feeders with lower size conductor are proposed to handle the yearly load growth. As per the justification submitted by TPWODL along with the location where the work is to be carried out, it is observed that overall the networks are in very poor condition with damaged poles, no (N-1) contingency, poor voltage profile, very long feeders and high technical loss. Upgradation of these networks as proposed will improve the reliability and reduce the technical loss.
d. Under Technology and Civil Infrastructure, TPWODL has proposed new office building and infrastructure, optical fiber connectivity to cover the pending offices. Presently, about 270 Kms of Optical Fiber Cable is deployed across TPWODL area, however, 116 sites of approximately 50 Kms of Optical Fiber deployment is required for faster connectivity and quality customer service. TPWODL has constructed/renovated about 150 buildings across the licensed area, however, civil

work of certain offices and other facilities are still in poor condition making it difficult for daily operational activities. Therefore, it is necessary to mitigate the above issues for better functioning and improved efficiency of TPWODL.

e. TPWODL has further submitted Board approval dt. 19.10.2024 for new additional Capex of Rs 37.39 Cr for FY 2024-25 & Rs 19.80 Cr. for FY 2025-26. The Board has already provided approval while hearing the Case in Case No. 101 of 2023 for the remaining activities proposed for Rs 118.74 Cr in the instant case.

f. TPWODL has been able to capitalize only Rs 149.10 Cr. as on 31.12.2024 (against Commission's approval of Rs 508.77 Cr. for the FY 2024-25 which includes Rs 15 Cr approved vide OERC letter dated 19.11.2024) and the Commission has already approved Rs 336.60 Cr. for the FY 2025-26, and TPWODL has asked for additional Capex for Rs 73.79 Cr. for the FY 2025-26.

342. Considering that the FY 2024-25 is almost over and addition of DT repair workshops would not be possible within such a small span of time, the Commission is not inclined to allow Rs 19.80 Cr proposed under the activity *"Replacement/Addition of network component in 33/11 kV PSS – DT Repair Workshop"* for the FY 2024-25. Further, since the proposed renovation works would not be completed within such a small span of time, the Commission allows in-principle lumpsum amount of Rs 27 Cr (which includes the amount of Rs. 15 Cr. already approved vide this Office letter dated 19.11.2024) under the activity *"Improvement of Civil Infrastructure"* for the FY 2024-25.

343. It is further observed that only 29% of investment under the Capex has been capitalized for the FY 2024-25 as per available information till 31.12.2024. The FY 2025-26 is yet to commence and asking for additional Capex without any expenditure is not desirable. However, considering the importance of activities under Network Reliability and Technology Infrastructure to improve reliability & availability of power as well as voltage profile of the system, the Commission approves in-principle the activities proposed under *"OT infrastructure"* and "*Network Reliability"* for the FY 2025-26. Regarding the proposal of Rs 35 Cr. under the activity "*Improvement of Civil Infrastructure*" for the FY 2025-26, it may be noted that the Commission has already allocated Rs 10 Cr. for "*Improvement of Civil Infrastructure*" for the FY 2025-26 vide its Order in Case no. 101 of 2023. Since this activity is yet to commence, the Commission is not inclined to allow the Capex of Rs 35 Cr. proposed for "*Improvement of Civil Infrastructure*" for the FY 2025-26. However, any additional requirement during the FY 2025-26 will be considered by the Commission at appropriate time taking into account the capitalization and progress for FY 2024-25 & FY 2025-26 along with adequate justification for such requirement.

344. In view of the above observations, the Commission approves in-principle the following Capex in addition to the Capex amount already approved vide Order in Case No. 101 of 2023 for the FY 2024-25 & FY 2025-26:

**Table-102**
**Capex proposed vis-a-vis approved by the Commission for the FY 2024-25**

(Rs. in Cr.)

| | FY 2024-25 (Particulars) | Original Proposal | Approved in Case No. 101/ 2023 | Disallowed | Proposed by Licensee in Case No. 50/ 24 | Approved by OERC |
|---|---|---|---|---|---|---|
| **A** | **Network Reliability** | | | | | |
| a | Replacement/Addition of network component in 33/11 kV Line | 114.55 | 99.95 | 14.60 | 14.60 | 14.60 |
| b | Replacement/Addition of network component in 33/11 kV PSS – DT Repair Workshop | - | - | - | 19.80 | - |
| c | **Reliability enhancement for Bolangir Town & Patnagarh Town Areas** | | | | | |
| i | Construction of 33 KV New/Link Line and 11 KV New/Link Line | - | - | - | 2.76 | 2.76 |
| ii | Refurbishment/Augmentation Line of 11 KV along 100 sqmm | - | - | - | 1.33 | 1.33 |
| iii | Addition/Augmentation of DTR of various ratings | - | - | - | 8.06 | 8.06 |
| iv | New / Augmentation of LT AB Cable Requirement: | - | - | - | 5.44 | 5.44 |
| **B** | **Technology & Civil Infrastructure** | | | | | |
| a | Technology Intervention-GIS, Communication & Other Implementation | 18 | 4.50 | 13.50 | 13.15 | 13.15 |
| b | Improvement of Civil Infrastructure | 47 | 10 | 37 | 37 | 27 |
| | **Total** | | | | **102.14** | **72.34** |

**Table-103**
**Capex proposed vis-a-vis approved by the Commission for the FY 2025-26**

(Rs. in Cr.)

| | FY 2025-26 (Particulars) | Original Proposal | Approved in Case No. 101/ 2023 | Disallowed | Proposed by Licensee in Case No. 50/ 24 | Approved by OERC |
|---|---|---|---|---|---|---|
| **A** | **Network Reliability** | | | | | |
| a | Replacement/Addition of network component in 33/11 kV Line | 92.18 | 75.81 | 16.37 | 16.37 | 16.37 |
| b | Replacement/Addition of network component in 33/11 kV PSS – DT Repair Workshop | - | - | - | 19.80 | 19.80 |

| | FY 2025-26 (Particulars) | Original Proposal | Approved in Case No. 101/ 2023 | Disallowed | Proposed by Licensee in Case No. 50/ 24 | Approved by OERC |
|---|---|---|---|---|---|---|
| **B** | **Technology & Civil Infrastructure** | | | | | |
| 1 | Technology Intervention-GIS, Communication & Other Implementation | 8.5 | 4.5 | 4 | 2.62 | 2.62 |
| 2 | Improvement of Civil Infrastructure | 45 | 10 | 35 | 35 | 0 |
| | **Total** | | | | **73.79** | **38.79** |

345. Accordingly, the cumulative Capex approval considering the additional Capex approval for the FY 2024-25 & FY 2025-26 is as follows:

**Table-104**
**Year-wise and Cumulative Capex approved by the Commission after inclusion of the present additional Capex for TPWODL**

(Rs. in Cr.)

| FY | Minimum CAPEX required as per Vesting Order | Additional Capex approved by the Commission (50/2024) | Total CAPEX approved by the Commission after inclusion of additional Capex |
|---|---|---|---|
| 2021-22 | 306 | - | 333.13 |
| 2022-23 | 500 | - | 477.72 |
| 2023-24 | 333 | - | 381.91 |
| 2024-25 | 322 | 72.34 | 581.11 |
| 2025-26 | 202 | 38.79 | 375.39 |
| **Cumulative Total** | **1663** | **111.13** | **2149.26** |

346. It may further be noted that the amount of Rs. 15 Cr as already approved by the Commission, vide OERC letter dated 19.11.2024, shall be subsumed within the above additional Capex approval of Rs 72.34 Cr for the FY 2024-25. Moreover, the approval of Rs 19.80 Cr. for construction of DT repair workshop for the FY 2025-26 shall only be utilized for construction of DT repair workshops in Rourkela and Bhawanipatna (Kalahandi) which are far away from the existing DT repair workshop in Bargarh.

## J. DIRECTIONS AND EXPECTATIONS OF THE COMMISSION FROM THE DISCOMs (Para 347 & 348)

347. In the Tariff Order for the FY 2025-26, there is marginal rise in BSP of two DISCOMs (TPNODL & TPWODL) and reduction in BSP for TPSODL, where as there is no change in BSP for TPCODL. In spite of change in BSP, the RST has remained unchanged for last four (4) years, rather there is reduction in tariff under domestic category. A number of tariff rationalization measures have been approved for all category of consumers by providing various incentives, particularly with the objective to promote industrial growth

by increasing their consumption. In this process, the energy Sales and Revenue are likely to increase benefitting both DISCOMs as well as GRIDCO. At the same time the Domestic consumers have been provided with various rebates, like rebate on digital payment for timely payment of electricity dues in addition to other rebates & use of more solar power during day time etc. The consumes having CD upto 2 KW, which covers about 87% of consumer base, will not have to pay meter rent after installation of smart meters and a suitable mechanism is under consideration for introduction of rent free smart meter installation for other consumers.

348. Distribution system is vital in the power delivery chain and establishes the last mile connectivity with the ultimate consumers who, are the source of revenue for the power system. In last 3 to 5 years of operation in Odisha, the Distribution service providers (TPNODL, TPWODL, TPSODL, TPCODL) have taken number of good initiatives for system improvement, reduction in distribution losses, improving safety of man & machine and resolving the meter & billing related issues etc. The efforts of DISCOMs have been well appreciated at National level and they have been ranked accordingly among the excellent performing DISCOMs in the country. Considering the consumer density and consumer mix dominated by domestic consumers, lot more actions are still required to be taken by licensees for addressing the low voltage issue, high LT loss, reliability & availability of power supply & satisfying the consumers' expectations etc. and ultimately to become operationally & financially stable. With the above backdrop, the Commission has following observations and directions:

(a) As on 31.03.2024, the Commission has approved cumulative CAPEX of Rs. 6914.03 Crs. out of which Rs. 3518.61 Crs. has already been capitalized since taking over the responsibility of operation of Distribution system in Odisha by all four (4) DISCOMs. In addition to above, GoO has also provided capital subsidy for strengthening of distribution network of the State. However, it is observed that investments made under IT infrastructure is quite good, whereas the investment under network development (under loss reduction, load growth, reliability improvement) is not upto mark, though such investment is very much required to strengthen the existing network, to reduce technical loss and to improve reliability & availability of power supply to ultimate consumer. The detail break up of investment under each Circles of all four (4) DISCOMs need to be submitted to the Commission giving break up of investment in respect of following assets, (a) PSS (b) HV Distribution Lines (overhead lines, cables) at 33 kV & 11 kV levels (c) LT lines (overhead lines, ABC. etc.) (d) PTRs (e) DTRs (f) associated equipment (CB, DS, CT, PTs, SA, protection equipment, earthing etc.) & material (g) RMU, Auto Reclosure (AR), Sectionaliser, FPI, LT Distribution board (h) HT & LT poles/towers (i) conductors (New Conductor and for replacement of old conductors) (j) Protection system in PSS for feeders & PTRs (k) any other items, relating to Distribution network, etc. DISCOMs are directed to intimate about the technical loss reduction at 33 kV, 11 kV and LT level separately and inform the constraint/ bottleneck in development of network infrastructure of Distribution system.

(b) It is further observed that decapitalization of replaced assets are not being done properly. The details of GFA need to be submitted to the Commission by all four DISCOMs under the heads (a) assets created through own investment under CAPEX (b) assets inherited from erstwhile DISCOMs (c) assets created through Govt.'s aid/grant (Govt. of Odisha & Govt. of India) (d) assets decapitalized.

(c) It is also observed that most of the assets (equipment & material) required for R&M are being covered under CAPEX. The norms for segregation of items/ assets covered under CAPEX & R&M need to be submitted to the Commission along with type and list of material/ assets being considered for R&M.

(d) The A&G and R&M expenses of DISCOMs are increasing year after year, thereby increasing burden on consumer. The manpower expenses factored in A&G and R&M expenses is observed to be exorbitantly high and are increasing year after year. Adequate justification is not being providing for increase in such expenses. It has become matter of concern to manage the deficit at the time of true up. The DISCOMs are directed to provide the norms for engagement of (a) Contractual personnel (b) Outsourced personnel engaged through Business Associates giving details of number persons engaged for different activities like MBC, maintenance of PSS & distribution lines, watch and ward activities (securities) etc. (c) No. of different categories of employees at executive and non-executive level (inherited employees and new employees covered under CTC separately). The asset components and expenditure for manpower in R&M need to be segregated giving cost and type of assets covered under R&M. In view of increase in expenses under A&G and R&M, DISCOMs are directed to take adequate measures to curtail/optimize the manpower (outsourced personnel engaged through BA) expenses under A&G and R&M.

(e) During previous FY 2024-25 and ensuing FY 2025-26, the BSP of TPSODL has been reduced by 10 paise/unit over previous year to support the operation of the TPSODL considering large tribal population (dominated by domestic consumers with low paying capability) and low consumer density per sq.km. of operating area because of dispersed/scattered settlement. However, TPSODL is increasing its A&G expenses year after year, which is observed to be very high compared to other DISCOMs and such expenses has become a matter of concern to manage deficit at the time of true up realization. This approach defeats the very purpose of providing special assistance & financial support to TPSODL in terms of reduction in BSP. Therefore, it is directed that TPSODL should take adequate measures to reduce the A&G expenses by curtailing/optimizing the expenditure on outsourced manpower engaged through Business Association and optimizing the other manpower expenses under R&M & employee cost till the DISCOM becomes operationally & financially stable.

(f) The Commission observes that MBC expenses (under A&G expenses) of the DICOMs are on rising trend on year on year basis. But the corresponding Billing Efficiency (BE) of all four DISCOMs are below 75% (even less than 65% in case of TPWODL) for the FY 2023-24, which is not satisfactory, even after operation for more than three to five years. The DISCOMs need to take necessary action to increase BE to 85% or more for the FY 2025-26.

(g) Small value items including tools & tackles such as discharge rods, neon testers, safety helmets, PPE kits, replacement of jumpers, clamps connectors etc. which are required for maintenance of line network and substations in order to provide uninterrupted power supply to the consumers are to be met out of the R & M expenditure allowed in this order. Further, repairs like white washing, minor modification, facelifting of office ambiance and repair for boundary wall of PSS & offices etc. should be met out of R&M expenditure. Such item/activity should not be considered/accounted as capital items and capitalized. However, the detailed list with the purchase value of such items/activity should be recorded in SAP system.

(h) Three DISCOMs (TPCODL, TPWODL, TPSODL) have already completed more than 4 years of operation and one DISCOM (TPNODL) has completed more than 3 years of operation. It is observed that the metering of (a) PTRs & DTRs (b) 33 kV & 11 kV feeders are yet to be completed by most of the DISCOMs for which Energy Audit is not possible to assess the actual HT loss, LT loss of each section and to identify high loss area. DISCOMs are directed to complete installation of such meters on priority basis so that meters are in place for energy audit and target for completion of installation of these meters need to be furnished.

(i) DISCOM need to plan for construction of all new PSS with indoor 33 kV & 11 kV switchgear/indoor GIS and for conversion of important outdoor PSS in cyclone prone area to GIS.

(j) DISCOM is directed to intimate about the status of (a) replacement of porcelain insulators by polymer insulator in coastal areas, (b) conversion of overhead lines to underground cable system in urban areas & cyclone prone area and (c) use of ABC in rural areas to avoid theft & accidental death.

(k) The DISCOMs have to play a vital role in implementing PM-Surya Ghar Muft Bijli Yojana (PMSGMBY). MNRE, Govt. of India has estimated incentive of about Rs.2.4 Crores under such Scheme for all four DISCOMs of Odisha for the FY 2023-24. Good Response from consumers of the State is expected considering the subsidy being provided by Govt. of Odisha and Govt. of India. DISCOMs are directed to provide total number of house hold consumers benefited from the scheme and total installed capacity of RTS system & energy generated by such consumers.

(l) The Commission has revised the tariff of Kusum A Scheme of MNRE, Govt. of India from Rs.3.30/kwh to Rs.4.40/kwh (discovered through competitive bidding process) to make the Scheme viable and also to motivate formers/Developers for solarization of agriculture sector benefiting DISCOM in reduction of LT loss & subsidy burden on subsidizing consumers, etc. DISCOM is directed to inform about response & status of such scheme including installed capacity after revision of the tariff. Similarly, the progress in implementation of KUSUM C scheme may be informed to the Commission.

(m) DISCOMs are directed to provide the details of fixed cost recovery of Distribution network in terms of Demand Charge, Minimum Monthly Fixed Charge (MMFC) etc. from different category of consumers at LT, HT & EHT level separately for analysis of revenue realization.

(n) The CSR expenditure incurred by the DISCOMs should be out of the profit of DISCOMs and should not be claimed by the DISCOMs in the future ARR.

(o) The DISCOMs need to work in coordination with OPTCL to explore the possible use of Potential Voltage Transformer (PVT) upto 500 KVA as pilot project for extending power supply to remote rural areas where GSS of OPTCL or PSS of DISCOM is not available in the nearby area. Stepping down of transmission voltage (132 kV/220 kV/400 kV) directly to low voltage level (415 V) using PVT may be an economical alternative to extension of Distribution network to such area.

(p) In some cases it is observed that some rural consumers applying for New LT connection for a CD of 1 KW is not getting connection because of non-availability of LT network of DISCOMs in the nearby area. In such cases without exploring various alternatives, DISCOM is either asking the consumer to withdraw application or to deposit additional amount as per Regulation to get connected to nearby LT network, which may require 5 to 6 additional spans (about Rs.50,000), the cost of which is quite high for such a consumer and he is being deprived of electricity supply. Considering the paying capability of such consumer, DISCOM(s) is directed to explore various alternatives e.g. use of HT pole, if available in the nearby area, to extend power supply to such consumers as a temporary arrangement till the LT network is extended to nearby area as in such case Govt. support is not expected because number of such cases are limited.

(q) Use of STATCOM in PSS may be taken up as pilot project to control reactive power.

**Effective date of Tariff**

349. The tariff schedule and all the applicable charges as stipulated in this Order shall be made effective from 01.04.2025 and shall remain in force until further order of the Commission. The DISCOMs should ensure that the billing cycle of any Consumer should not be disturbed due to the above stipulations.

350. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this Order (in Case Nos. 118, 121, 124 & 127 of 2023) shall be made effective from 01.04.2025 and shall be in force until further order. The cases are disposed of accordingly.

351. The Truing Up applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 90, 97, 86 & 101of 2024 respectively are disposed of accordingly.

352. The applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 91/2024 (TPCODL), 98/2024 (TPNODL), 87/2024 (TPWODL) and 102/2024 (TPSODL) for approval of Capital Investment Plan for Installation of Smart Meters for the FY 2025-26 to 2031-32 are disposed of accordingly.

353. The application of TPWODL in Case No. 50 of 2024 for approval of additional CAPEX Plan for FY 2024-25 & 2025-26 is disposed of accordingly.

354. The applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 88/2024 (TPCODL), 95/2024 (TPNODL), 84/2024 (TPWODL) and 99/2024 (TPSODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2025-26 are disposed of accordingly.

355. The Retail Supply Tariff and the applicable charges as stipulated in the order shall be effective from 1st April, 2025 and shall remain in force until further orders.

| | |
|---|---|
| Sd/- | Sd/- |
| **(S. K. RAY MOHAPATRA)** | **(G. MOHAPATRA)** |
| **Member** | **Officiating Chairperson** |

**Annexure-A**

## REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2025-26 (Rs. In Cr.)

| Expenditure | TPWODL | | | TPNODL | | | TPSODL | | | TPCODL | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Approved 2024-25** | **Proposed 2025-26** | **Approved 2025-26** | **Approved 2024-25** | **Proposed 2025-26** | **Approved 2025-26** | **Approved 2024-25** | **Proposed 2025-26** | **Approved 2025-26** | **Approved 2024-25** | **Proposed 2025-26** | **Approved 2025-26** | **Approved 2024-25** | **Proposed 2025-26** | **Approved 2025-26** |
| Cost of Power Purchase | 4,555.95 | 4,384.72 | 4,792.13 | 2,857.05 | 3,051.57 | 3,138.84 | 984.80 | 1,012.43 | 961.78 | 3,941.60 | 4,354.16 | 4,354.25 | 12,339.40 | 12,802.88 | 13,247.00 |
| Transmission Cost | 286.56 | 276.84 | 315.64 | 195.91 | 209.25 | 222.33 | 118.18 | 121.49 | 129.08 | 300.31 | 331.75 | 352.49 | 900.96 | 939.33 | 1,019.54 |
| SLDC Cost | 2.33 | 2.34 | 1.91 | 1.60 | 1.60 | 1.34 | 0.97 | 0.96 | 0.78 | 2.45 | 2.45 | 2.13 | 7.35 | 7.35 | 6.16 |
| **Total Power Purchase, Transmission & SLDC cost(A)** | **4,844.84** | **4,663.90** | **5,109.68** | **3,054.56** | **3,262.42** | **3,362.51** | **1,103.95** | **1,134.88** | **1,091.64** | **4,244.36** | **4,688.36** | **4,708.86** | **13,247.71** | **13,749.56** | **14,272.70** |
| Employee costs | 543.75 | 586.60 | 548.65 | 524.09 | 561.36 | 528.06 | 501.36 | 626.57 | 546.91 | 814.29 | 962.68 | 878.10 | 2,383.49 | 2,737.21 | 2,501.73 |
| Repair & Maintainance expenses | 244.24 | 326.79 | 270.14 | 230.24 | 288.70 | 252.66 | 165.24 | 214.18 | 166.15 | 261.52 | 428.23 | 315.39 | 901.24 | 1,257.90 | 1,004.35 |
| Administrative and General Expenses | 169.19 | 232.99 | 181.03 | 128.53 | 186.82 | 137.53 | 120.54 | 173.09 | 128.98 | 151.95 | 250.35 | 162.59 | 570.21 | 843.25 | 610.12 |
| Provisions for Bad and Doubtful Debts | 57.39 | 58.91 | 61.48 | 40.49 | 44.99 | 44.87 | 20.24 | 22.52 | 21.63 | 58.26 | 67.20 | 66.15 | 176.38 | 193.62 | 194.13 |
| Depreciation | 82.35 | 155.45 | 118.11 | 55.56 | 127.30 | 92.59 | 67.15 | 134.65 | 105.05 | 99.00 | 153.58 | 141.64 | 304.06 | 570.98 | 457.39 |
| Interest on loan and S.D | 190.05 | 186.39 | 166.94 | 125.58 | 182.68 | 143.48 | 82.36 | 136.76 | 109.21 | 193.50 | 224.34 | 214.10 | 591.49 | 730.17 | 633.73 |
| **Total Operation & Maintenance and other cost** | **1,286.97** | **1,547.13** | **1,346.35** | **1,104.49** | **1,391.85** | **1,199.19** | **956.89** | **1,307.77** | **1,077.94** | **1,578.52** | **2,086.38** | **1,777.97** | **4,926.87** | **6,333.13** | **5,401.45** |
| Less: Employee Cost capitalised | 20.09 | 25.66 | 25.66 | 16.99 | 18.18 | 18.18 | 35.90 | 37.38 | 37.38 | 28.93 | 31.24 | 31.24 | 101.91 | 112.46 | 112.46 |
| Less: Interest capitalised | 13.53 | 5.51 | 5.51 | | 0.30 | 0.30 | | | | | | | 13.53 | 5.81 | 5.81 |
| Return on equity | 94.87 | 161.46 | 115.18 | 68.53 | 127.80 | 90.91 | 73.12 | 110.41 | 96.90 | 115.79 | 144.55 | 143.58 | 352.31 | 544.22 | 446.57 |
| Tax on ROE | 26.09 | 54.31 | 28.99 | 18.84 | 42.98 | 22.88 | 20.11 | 37.14 | 24.39 | 31.84 | 48.62 | 36.14 | 96.88 | 183.05 | 112.39 |
| Carrying cost on ASL | | 9.77 | | | 13.56 | | | | | | | | | 23.33 | |
| True-up earlier surplus | | (118.44) | | | | | | | | | | | | (118.44) | |
| Carrying cost | | | | | 12.00 | | | | | | | | | 12.00 | |
| **True-up** | | | | | | | | | | | | | | | |
| **Total Distribution Cost** | **1,374.31** | **1,623.06** | **1,459.36** | **1,174.87** | **1,569.71** | **1,294.51** | **1,014.22** | **1,417.94** | **1,161.84** | **1,697.22** | **2,248.31** | **1,926.44** | **5,260.62** | **6,859.02** | **5,842.15** |
| Less: Non-Tariff Income | 386.02 | 395.62 | 438.10 | 206.65 | 181.69 | 185.63 | 54.61 | 62.81 | 44.92 | 114.00 | 74.13 | 94.09 | 761.28 | 714.25 | 762.73 |
| **Net Distribution Cost (B)** | **988.29** | **1,227.44** | **1,021.26** | **968.22** | **1,388.02** | **1,108.88** | **959.61** | **1,355.13** | **1,116.93** | **1,583.22** | **2,174.18** | **1,832.35** | **4,499.34** | **6,144.77** | **5,079.42** |
| **Total Revenue Requirement (A+B)** | **5,833.13** | **5,891.34** | **6,130.94** | **4,022.78** | **4,650.44** | **4,471.40** | **2,063.56** | **2,490.01** | **2,208.57** | **5,827.58** | **6,862.54** | **6,541.22** | **17,747.05** | **19,894.33** | **19,352.12** |
| **Expected Revenue (full year)** | **5,738.59** | **5,891.34** | **6,148.18** | **4,049.39** | **4,499.33** | **4,486.79** | **2,023.54** | **2,209.06** | **2,163.06** | **5,826.21** | **6,720.39** | **6,615.37** | **17,637.73** | **19,320.12** | **19,413.40** |
| **GAP(+Surplus/-Deficit)** | **(94.54)** | **-** | **17.24** | **26.61** | **(151.11)** | **15.39** | **(40.02)** | **(280.95)** | **(45.51)** | **(1.37)** | **(142.15)** | **74.15** | **(109.32)** | **(574.21)** | **61.28** |

*Approved Energy Sales for the FY 2025-26 are: TPWODL-10,515.447 MU, TPNODL-7,588.823 MU, TPSODL- 3,835.087 MU, TPCODL- 11,449.380 MU and total Energy sales for the state is 33,388.737 MU.

**Annexure-B**

# RETAIL SUPPLY TARIFF EFFECTIVE FROM 1st APRIL, 2025

| Sl. No. | Category of Consumers | Voltage of Supply | Demand Charge (Rs./KW/ Month)/ (Rs./KVA/ Month) | Energy Charge | Customer Service Charge (Rs./Month) | Monthly Minimum Fixed Charge for first KW/kVA or part there of (Rs.) | Monthly Fixed Charge for any additional KW/ kVA or part there of (Rs.) | Rebate (P/kWh/ kVAh) / DPS |
|---|---|---|---|---|---|---|---|---|
| | **LT Category** | | | **(P/kWh)** | | | | |
| 1 | Domestic | | | | | | | |
| 1.a | Kutir Jyoti <= 30 Units/month | LT | FIXED MONTHLY CHARGE--> | | | 70 | | |
| 1.b | Others | | | | | | | Rebate 10 |
| | (Consumption <= 50 units/month) | LT | | **290.00** | | 20 | 20 | |
| | (Consumption >50, <=200 units/month) | LT | | **470.00** | | | | |
| | (Consumption >200, <=400 units/month) | LT | | **570.00** | | | | |
| | Consumption >400 units/month) | LT | | **610.00** | | | | |
| 2 | General Purpose < 110 KVA | | | | | | | Rebate 10 |
| | Consumption <=100 units/month | LT | | **590.00** | | 30 | 30 | |
| | Consumption >100, <=300 units/month | LT | | **700.00** | | | | |
| | (Consumption >300 units/month) | LT | | **760.00** | | | | |
| 3 | Irrigation Pumping and Agriculture | LT | | **150.00** | | 20 | 10 | Rebate 10 |
| 4 | Allied Agricultural Activities | LT | | **160.00** | | 20 | 10 | Rebate 10 |
| 5 | Allied Agro-Industrial Activities | LT | | **310.00** | | 80 | 50 | Rebate/DPS |
| 6 | Public Lighting | LT | | **620.00** | | 20 | 15 | Rebate/DPS |
| 7 | L.T. Industrial (S) Supply <22 KVA | LT | | **620.00** | | 80 | 35 | Rebate 10 |
| 8 | L.T. Industrial (M) Supply >=22 KVA <110 KVA | LT | | **620.00** | | 100 | 80 | Rebate/DPS |
| 9 | Specified Public Purpose | LT | | **620.00** | | 50 | 50 | Rebate/DPS |
| 10 | Public Water Works and Sewerage Pumping <110 KVA | LT | | **620.00** | | 50 | 50 | Rebate 10 |
| 11 | Public Water Works and Sewerage Pumping >=110 KVA | LT | 200 | **620.00** | 30 | | | Rebate 10 |
| 12 | General Purpose >= 110 KVA | LT | 200 | **620.00** | 30 | | | Rebate/DPS |
| 13 | Large Industry >=110 KVA | LT | 200 | **620.00** | 30 | | | Rebate/DPS |
| | **HT Category** | | | **(P/kVAh)** | | | | |
| 14 | Bulk Supply - Domestic | HT | 20 | **490.00** | 250 | | | Rebate 10 |
| 15 | Irrigation Pumping and Agriculture | HT | 30 | **140.00** | 250 | | | Rebate 10 |
| 16 | Allied Agricultural Activities | HT | 30 | **150.00** | 250 | | | Rebate 10 |
| 17 | Allied Agro-Industrial Activities | HT | 50 | **300.00** | 250 | | | Rebate/DPS |
| 18 | Specified Public Purpose | HT | 250 | **As indicated in the notes below** | 250 | | | Rebate/DPS |
| 19 | General Purpose >70 KVA < 110 KVA | HT | 250 | | 250 | | | Rebate 10 |
| 20 | H.T Industrial (M) Supply | HT | 150 | | 250 | | | Rebate/DPS |
| 21 | General Purpose >= 110 KVA | HT | 250 | | 250 | | | Rebate/DPS |
| 22 | Public Water Works & Sewerage Pumping | HT | 250 | | 250 | | | Rebate 10 |
| 23 | Large Industry | HT | 250 | | 250 | | | Rebate/DPS |
| 24 | Power Intensive Industry | HT | 250 | | 250 | | | Rebate/DPS |
| 25 | Mini Steel Plant | HT | 250 | | 250 | | | Rebate/DPS |
| 26 | Railway Traction | HT | 250 | | 250 | | | Rebate/DPS |
| 27 | Emergency Supply to CGP (kWh) | HT | 0 | **780.00** | 250 | | | Rebate/DPS |
| 28 | Colony Consumption (Both SPP & Industrial) | HT | 0 | **490.00** | 0 | | | Rebate/DPS |
| | **EHT Category** | | | **(P/kVAh)** | | | | |
| 29 | General Purpose | EHT | 250 | **As indicated in the notes below** | 700 | | | Rebate/DPS |
| 30 | Large Industry | EHT | 250 | | 700 | | | Rebate/DPS |
| 31 | Railway Traction | EHT | 250 | | 700 | | | Rebate/DPS |
| 32 | Heavy Industry | EHT | 250 | | 700 | | | Rebate/DPS |
| 33 | Power Intensive Industry | EHT | 250 | | 700 | | | Rebate/DPS |
| 34 | Mini Steel Plant | EHT | 250 | | 700 | | | Rebate/DPS |
| 35 | Emergency Supply to CGP (kWh) | EHT | 0 | **770.00** | 700 | | | Rebate/DPS |
| 36 | Colony Consumption | EHT | 0 | **485.00** | 0 | | | Rebate/DPS |

**Note:**

**Slab rate of Energy Charges for HT & EHT (Paise/kVAh)**

| Load Factor (%) | HT | EHT |
|---|---|---|
| = < 60% | 585.00 | 580.00 |
| > 60% | 475.00 | 470.00 |

(i) Energy Charges for all LT Consumers shall continue to be billed on the basis of kWh whereas the Energy Charges for HT and EHT Consumers shall be billed on the basis of kVAh drawal. All open access transaction will be maintained in kWh only and kVAh based transaction shall be converted into kWh based on the power factor for the month provided in the energy bills if necessary. For the purpose of calculation of Electricity Duty (ED), kWh shall be the unit for the Consumers for whom ED is levied on the per unit basis. For calculation of load factor, kWh reading shall be taken into consideration.

(ii) All HT industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below:

| Load Factor | CD upto 6 MVA | CD above 6 MVA |
|---|---|---|
| 65% and above upto 75% | 10% on Energy Charge | - |
| Above 75% upto 85% | 15% on Energy Charge | 8% on Energy Charge |
| Above 85% | 20% on Energy Charge | 10% on Energy Charge |

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2025-26.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on Energy Charge for entire energy consumption beyond 85% load factor.

(iii) All the Industrial Consumers drawing power at EHT level shall be eligible for a rebate of 20 paise per unit (kVAh) for all the units consumed beyond 80% load factor.

(iv) LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paise per unit for all the units consumed, if their monthly operating load factor is more than 40% and the Bill is paid within due date.

(v) Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawal penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy consumption (kVAh) beyond CD shall be Rs. 5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under other scheme. However, the DISCOMs are not permitted to exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

(vi) Any industry having CGP with CD above 20 MW willing to avail power from DISCOMs and operating at minimum monthly load factor of 80% shall be allowed to draw power at the rate of Rs. 5.00 per kVAh during peak & normal hours and Rs. 4.30 per kVAh during hours other than peak & normal hours, for all incremental energy drawal above 80% load factor. No overdrawal penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with DISCOMs and GRIDCO.

(vii) Any Industry (without CGP) connected at 33 kV level with CD upto 10 MVA and willing to avail power from the DISCOM upto double the CD shall be allowed without payment of overdrawal penalty. For this purpose, the Industry has to operate at minimum load factor of 80% for the entire month. The applicable charges for energy consumption (kVAh) beyond 80% of CD shall be Rs. 5.00/ kVAh. Industries availing this benefit shall not be allowed to avail benefit under any other scheme including drawal in Open Access. Such Industry has to enter into an agreement with the DISCOM for the above arrangement. Industries having CD of more than 10 MVA are not permitted to avail this benefit by reducing their CD. DISCOMs are not permitted to exceed their approved SMD while allowing this benefit. The DISCOM must ensure that for such overdrawal, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

(viii) All the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers, are eligible to get a ToD rebate of 20 paise/unit on Energy Charge during Solar Hours. The above Consumers shall pay a ToD surcharge of 30 paise/unit on Energy Charge during Peak Hours. The ToD rebate and surcharge shall not be applicable during Normal Hours. For this purpose, the hours in a day are defined as follows:

| | | |
|---|---|---|
| 8.00 AM to 4.00 PM | - | Solar Hours |
| After 4.00 PM upto 6.00 PM | - | Normal Hours |
| After 6.00 PM upto 12.00 Midnight | - | Peak Hours |
| After 12.00 Midnight upto 8.00 AM next day | - | Normal Hours |

This provision of ToD shall be made effective from 01.07.2025.

(ix) Drawal by the Industries upto 120% of Contract Demand shall be allowed during Normal Hours and Solar Hours without levy of any penalty. The Industries who draw beyond their Contract Demand during Peak Hours shall not be eligible for this benefit. If the drawal during the Normal Hours & Solar Hours exceeds 120% of the Contract Demand, overdrawal penalty shall be charged on the drawal over and above the 120% of Contract Demand. If Statutory Load Regulation is imposed, then restricted demand shall be treated as Contract Demand. This provision of ToD shall be made effective from 01.07.2025.

(x) Railway Traction category shall get a rebate of 25 paise per unit for all the units consumed in addition to all other rebates they are eligible to avail.

(xi) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, this shall also form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA.

(xii) The billing in respect of Demand Charge for Consumer(s) with Contract Demand less than 110 KVA shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.

(xiii) General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019, the supply for load above 5 KW/ 5.55 KVA upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases.

(xiv) The Reconnection Charges w.e.f. 01.04.2025 shall be as follows:

| **Category of Consumers** | **Rate Applicable** |
|---|---|
| LT Single Phase Domestic Consumers | Rs.300/- |
| LT Single Phase other Consumers | Rs.800/- |
| LT 3 Phase Consumers | Rs.1,200/- |
| All HT Consumers | Rs. 6,000/- |
| All EHT Consumers | Rs. 10,000/- |

*Note: The above charges shall not be applicable to Consumers having Smart Meters. However, if the disconnection was done in the event of tampering of the Smart Meter, the charges would be applicable.*

(xv) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.

(xvi) The Meter Rent w.e.f. 01.04.2025 shall be as follows:

| **Sl. No.** | **Type of Meter** | **Monthly Meter Rent (Rs.)** |
|---|---|---|
| 1. | Single Phase Static Meter | 40 |
| 2. | LT Single Phase Smart Meter | 60 |
| 3. | Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter | 150 |
| 4. | Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant) | 500 |
| 5. | Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV | 1000 |
| 6. | Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV | 2000 |
| 7. | HTTV Meter for Railway Traction | 1000 |

*Note: The Meter Rent shall be collected over a period of 60 months only except in case of Single-Phase Smart Meter, for which the Meter Rent shall be collected over a period of 96 months.*

*However, the Consumers having Smart Meters with Contract Demand upto and including 2 kW shall not pay Meter Rent as per the scheme of Government of Odisha.*

*All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.*

(xvii) The Educational Institution (Specified Public Purpose category Consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawal under HT bulk supply domestic category.

(xviii) Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha shall get a rebate of Rs.2.40 per unit in Energy Charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.

(xix) Swajala Dhara Consumers under Public Water Works and Sewerage Pumping Installation category shall get special rebate @10% on the energy bill over and above normal rebate, if electricity bills are paid within due date.

(xx) During the statutory restriction imposed by the Fisheries Department, the Ice Factories (located at a distance not more than 5 KM towards the land from the sea shore of the restricted zone) will pay demand charges based on the actual maximum demand recorded during the billing period.

(xxi) Poultry Farms with attached feed processing units having connected load less than 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General-Purpose category for tariff purpose. If the connected load of the attached feed processing unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

(xxii) The food processing unit attached with cold storage shall be charged at Agro-Industrial tariff if cold storage load is more than 80% of the entire connected load. If the load of the food processing unit (other than cold storage unit) exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be.

(xxiii) The rural LT domestic Consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.

(xxiv) 4% rebate shall be allowed on the bill to the LT domestic and single-phase general-purpose category of Consumers only over and above all other rebates, if such Consumer pays the entire amount through digital mode before the due date. The Consumers who pays the entire bill before the due date at any other outlet like Jan Seva Kendra, OCAC etc. are eligible for this rebate.

(xxv) 4% rebate shall be allowed to all pre-paid Consumers on pre-paid amount.

(xxvi) All the Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill.

(xxvii) A Special rebate to the LT single phase Consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate for the month of March for timely payment of bill.

(xxviii) The printout of the record of the meter relating to MD, PF, number and period of interruption shall be supplied to the Consumer wherever possible with a payment of Rs.500/- by the Consumer for monthly record.

(xxix) Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs. 5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

(xxx) The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any demand charges and shall get an additional rebate of Rs. 2.00 per unit (kVAh) on the respective Energy Charges.

(xxxi) Tariff as approved shall be applicable in addition to other charges as approved in this **Tariff order w.e.f. 01.04.2025.**

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**Annexure C**

1. The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2025.

**Surcharge, Wheeling Charge & Transmission Charge for Open Access Consumer 1MW & above**

| Name of the licensee | Cross Subsidy Surcharge (P/U) | | Wheeling Charge P/U applicable to HT Consumers only | Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers) |
|---|---|---|---|---|
| | EHT | HT | | |
| **TPCODL** | 161.98 | 74.36 | 102.55 | The Open Access customer availing Open Access shall pay Rs.6120/MW-day (Rs.255/MWh) as transmission charges. |
| **TPNODL** | 130.48 | 2.41 | 156.41 | |
| **TPWODL** | 112.98 | 19.73 | 104.51 | |
| **TPSODL** | 249.48 | 119.41 | 174.06 | |

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (8%) are applicable for the year 2025-26.

3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be paid to the embedded licensee.

4. The Consumers availing renewable power through open access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to Consumers availing conventional power.

**Exemption under Odisha renewable Energy Policy 2022:**

(1) Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

(2) No Cross-subsidy surcharge are payable by the Industries in the State availing Renewable power from GRIDCO (with GRIDCO acting as a demand aggregator).

(3) 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period for Fifteen (15) years.

(4) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access Consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. This exemption shall be extended for five (5) more years in case of projects commissioned before 31.03.2026.

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