

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION BHUBANESWAR

IN THE MATTER OF

An Application for approval of Aggregate Revenue Requirement (ARR) and Retail Supply Tariff for the FY 2022-23, under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

AND

IN THE MATTER OF

TP Southern Odisha Distribution Ltd. (TPSODL)

Corporate Office : Kamapalli, Courtpeta, Berhampur-760004

-----Licensee

The Humble applicant above named respectfully sheweth:

**Chief Executive Officer,
TPSODL**

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Head Office: Kamapalli, Courtpeta, Berhampur-760004

-----Licensee

Affidavit verifying the application for the Aggregate Revenue Requirement and Tariff Application

I, Sri Arvind Singh, Son of Late Virendra Bahadur aged about 60 years, residing at, Courtpeta, Berhampur, do hereby solemnly affirm and state as follows: -

I am the Chief Executive Officer of the TPSODL, Head Office: Kamapalli, Courtpeta, Berhampur-760004

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

Bhubaneswar

Date 30th November 2021

DEPONENT
Chief Executive Officer, TPSODL

CERTIFICATE

Certified that we have not made any change in any row and column of the Formats prescribed by the Commission for the purpose of filing of Aggregate Revenue Requirement for the FY 2022-23 it is also certified that the hard copy is an exact reproduction of the soft copy attached.

**Chief Executive Officer,
TPSODL**

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1. Executive Summary

On 1st April-1999 51% of the shares of GRIDCO in SOUTHCO transferred to BSES Ltd selected through competitive bidding process SOUTHCO continued to managed by BSES Limited and later by its successor R Infra Ltd.

Under Section 19 of the Electricity Act, 2003 (the “Act”), the Commission revoked licensee of SOUTHCO with effect from Mar 2015 and appointed CMD, GRIDCO as the administrator under Section 20(d) of Act and vested the management and control of SOUTHCO Utility along with their assets, interests and rights with the CMD,GRIDCO Limited. The order on revocation of licenses by the Commission was upheld by the Hon’ble APTEL in Appeal No. 64 of 2015 and has also been confirmed by the Hon’ble Apex Court vide their Order dated 24.11.2017 in Civil Appeal No.18500 of 2017.

Thereafter, in terms of Section 20 of Act the Commission initiated a transparent and competitive bidding process for selection of an investor for sale of utility of SOUTHCO and had issued the updated Request for Proposal (the “RFP”) on 14.08.2020.

In response to the said RFP, two bids were received by the bid due date. After detailed evaluation by independent bid evaluation committee setup by Commission, The Tata Power Company Limited (the “TPCL”) was recommended as the successful bidder and Commission accepted the same under Section 20(1)(a) of the Act.

Thereafter, the Commission issued a Letter of Intent (the “Lol”) to TPCL vide Letter No. OERC/RA/SALE of SOUTHCO-34/2020/1386 dated 03.12.2020. TPCL communicated the acceptance of the Lol vide Letter No. T&D /BD/DOM/FY21/OERC/ SOUTHCO/PPP/090 dated 06.12.2020.

That as per the terms of the RFP, upon completion of sale, SOUTHCO Utility shall vest in a special purpose vehicle (the “Project SPV” or “Operating Company”) in which TPCL shall hold 51% (fifty one percent) equity shares and Government of Odisha (“GoO”) shall hold 49% (forty nine percent) equity shares through GRIDCO.

The Commission vide letter no. OERC/RA/SALE OF SOUTHCO-34/2020/1395 dated 04.12.2020 then directed GRIDCO to incorporate the SPV to which the utility of SOUTHCO shall be vested and license of SOUTHCO Utility shall be transferred. TP Southern Odisha Distribution Limited (the “TPSODL”) will be incorporated as a wholly

owned subsidiary of GRIDCO with an authorized share capital of Rs. 1000 crores (Indian Rupee One thousand crores) only and paid-up capital of Rs. 5 lakhs (Indian Rupee Five lakhs only). TPSODL shall be the SPV in which TPCL and GRIDCO shall hold 51% (fifty one percent) and 49% (forty nine percent) equity shares respectively after the completion of sale.

The Commission vide letter no. OERC/RA/SALE OF SOUTHCO-34/2020/1395 dated 04.12.2020 provided GRIDCO/ OPTCL the RFP Documents namely – Share Acquisition Agreement, Shareholders Agreement, Bulk Supply Agreement and Bulk Power Transmission and SLDC Agreement for execution by concerned parties.

TPCL quoted a purchase price of Rs. 250 crores (Indian Rupee Two hundred fifty crores) in its financial Bid in response to the RFP for 100% (one hundred percent) equity in the SPV. TPCL is required to pay 51% (fifty one percent) of the purchase price of Rs. 250 crores (Indian Rupee Two hundred and fifty crores) quoted in its Bid. As per terms of RFP, this amount is required to be deposited by TPCL with the Commission.

The Commission vide letter No. OERC/RA/SALE of SOUTHCO-34/2020/1386 dated 03.12.2020 (LOI) had directed TPCL to submit the Performance Guarantee and deposit the amount equivalent to 51% (fifty one percent) of the purchase price of Rs.250 crores (Indian Rupee Two hundred and fifty crores) with the Commission.

The Hon'ble commission passed vesting order for sale of SOUTHCO to TPSODL in the Sou-motto petition initiated by commission as Case No-83/2020.

TPSODL has been carrying out the business of distribution and retail supply of electricity in the Eight districts of Odisha namely Ganjam, Gajapati, Boudh, Kandhamal, Rayagarda, Koraput, Nabarangapur and Malkanagiri with an aggregate population of 94.38 lakhs over an area of supply of 48,751sq km. This submission is made by the licensee to the Hon'ble Commission for the determination of Aggregate Revenue Requirement and the Retail Supply Tariffs for the Financial Year 2022-23.

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

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

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

That, the Licensee (TPSODL) in accordance with the license conditions, have calculated the total expected revenue from sale of electricity charges in accordance with the provisions of Section 5 Chapter 3 of the OERC (Terms and Conditions for determination of tariff) Regulations 2004 and hereby submitting in the foregoing paragraphs as per the following structure.

- a. A statement with full details of its expected aggregate revenue and costs for the ensuing year FY 22-23 for its Business along with technical, commercial and financial parameters in the formats prescribed by the Hon'ble Commission.
 - b. Statement of allocation of wheeling and retail supply cost as per provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014
 - c. Proposal for tariff rationalisation measures.
 - d. Initiatives of TPSODL after granting of Licence.
 - e. Compliance of the directives issued by the Hon'ble Commission.
- i. While submitting the ARR, the TPSODL has adopted the AT&C loss reduction trajectory as per the Vesting Order.
 - ii. That, the TPSODL has made certain assumptions while projecting its operations for the FY 2022-23. These projections are based upon the best estimates of the operations and prospective plans of at the time of the ARR filing. The actual ARR and the revenue figures would be different from the above estimates due to several external factors such as power purchase cost and change in consumer mix/ consumption etc.
 - iii. Based on estimated Revenue Requirement and Revenue at existing tariff, the revenue
 - iv. Gap for FY 2022-23 works out to **Rs. 347.20 Crore**.

Table 1 : Revenue Gap

Particulars;	Rs Crore
Expenditure including Special Appropriation	1936.46
ROE	64.45
Sub Total	2000.91
Revenue from sale of power at existing tariffs	1618.55
Non Tariff Income	35.16
TOTAL REVENUE GAP	(347.20)

The revenue gap for the FY 2022-23, considering the existing BSP at 2020-21 rate is arrived at **Rs.347.20 Crores**.

Revenue GAP if Railway would avail power supply from other source:

Presently, TPSODL is having 11 Nos of traction load with Contract Demand of 119200 KVA. Considering 1st six months consumption of 120.53 MU the current year's consumption has been estimated as **240.00 MU**. Similarly for the ensuing year FY 2022-23 consumption of 251.00 MU has been projected towards traction.

If railway would be completely availing power supply from other source other than from TPSODL, then the revenue gap would be **470.63 Crs**. Hence the GAP would increase by another **Rs.123.43 Crs**.

Table 1B : Revenue Gap without Railway

	Rs Crore
Expenditure including Special Appropriation	1882.03
ROE	64.45
Sub Total	1946.48
Revenue from sale of power at existing tariffs	1440.69
Non Tariff Income	35.16
TOTAL REVENUE GAP WITHOUT RAILWAY	(470.63)

Therefore the revenue gap for the year 2022-23, with existing BSP rate at FY 2020-21 without railway would **be Rs.470.63 Crores.**

That, it is worth mentioning that as of now, at existing tariffs, the TPSODL is unable to meet its current costs, and unless there is decrease in input costs in FY 22-23 or any grant/ subsidy is provided, the company will not be able to meet its obligations as a distribution company. Accordingly, it is prayed that such exigencies may be considered while processing this Petition.

v. Prayer

In the aforesaid facts and circumstances, it prays that the Hon'ble Commission may be pleased to:

- Take the ARR Tariff Petition on record.
- Approve the Aggregate Revenue Requirement for FY 2022-23
- Bridge the Revenue Gap for the FY 2022-23 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of Odisha as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff.
- To do away with Intra state ABT till generators are involved.

Allow the following Tariff rationalisation measures as proposed

- Direction of inclusion of IMFA & NALCO as consumer of TPSODL.
- Abolish TOD benefit.
- Change of nomenclature from Meter Rent to Recovery of the Cost of the Meter
- Increase in Demand charges to HT medium Industry consumers.
- To increase the Demand charges and monthly minimum fixed charges for recovery of fixed cost.
- Introduction of Amnesty arrear clearance scheme for LT non industrial category of consumer.
- Levy of demand charges on installed capacity instead of contract demand.
- Creation of accidental corpus fund.
- Increase in charges for line extension to LT single phase consumers
- Other Tariff rationalization measures as proposed in this application
- Looking to the geographical area and the consumer mix, the cheap cost of power may be allocated to the TPSODL while finalizing the BSP.
- Allow the Petitioner to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Hon'ble Commission deems fit.

ARR and Tariff proposal for FY 2022-23:

As per provisions of Regulation 53 of OERC (Conduction of Business) Regulations, 2004 and Regulation 6 of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 the Utility are required to file the applications for determination of Aggregate Revenue Requirement (ARR) and revision of Retail Supply Tariff (RST) for the ensuing financial year with the Commission by 30th November of the current year. Accordingly, TPSODL (Petitioner) hereby submits its Application for approval of Aggregate Revenue Requirement and Retail Supply Tariff for the financial year 2022-23. The Petitioner is filing this Petition under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

1.1. Revenues and Costs

The existing tariffs determined on normative AT&C loss levels for TPSODL do not cover costs and affect the financial viability and sustainability of distribution and retail supply operations. The National Electricity Policy aims to achieve financial turnaround and commercial viability of the electricity sector, whereas the objective of the National Tariff Policy is to ensure financial viability of the sector. Thus to ensure financial viability, it is necessary that costs ought to be recovered.

The Petitioner humbly requests the Commission to approve the ARR and Tariff for FY 2022-23 in such a manner to match the expected revenue from the retail supply tariffs with the total Aggregate Revenue Requirement of the Petitioner as approved by the Commission.

The details of category-wise sales mix with No. of consumers, contract demand and percentage change in sales are given in OERC Form: T-1. Further, the expected revenue for the ensuing year from estimated sale at existing RST along with details is also provided in OERC Form No: T-8.

1.2. Review of Operations of the FY 2019-20 to FY 2020-21

The previous year sales performance for the FY 2019-20, FY 2020-21, and expected performance of current year FY 2021-22 are as shown below

Distribution Loss FY 2019-20 to FY 2021-22:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22(Estt.)
Energy Sales in MU	2619.974	2768.942	2929.444
Energy Purchased in MU	3468.628	3599.29	3906.00
Overall Distribution Loss%	24.47%	23.07%	25%

Considering the actual performance till September 2021, and in spite of the fact that large numbers of consumers are under the SAUBHAGAYA scheme. TPSODL has estimated distribution loss of 25.00% for FY 2021-22.

Performance Estimates in FY 2022-23

During FY 2022-23, the sale of energy has been estimated at 3127.707. During FY 2022-23, TPSODL proposes ARR on distribution losses estimated 25.00 % in FY 2021-22 and also 25% for FY 2022-23.

Distribution Loss of FY 2021-22

	FY 2022-23
Energy Sales in MU	3127.707
Energy Purchase in MU	4170.00
Overall Distribution Loss %	25%

1.3. AT&C Loss in FY 2022-23

The Hon'ble Commission in their Tariff Order for 2003-04, recognised the AT&C Loss concept (in line with Nationwide approach) as distinct from the conventional T&D Loss and adopted the same as a performance parameter. OERC's intent towards 'Performance based regulation', the Licensee is committed to the spirit of reducing the AT&C Loss. Though the Hon'ble Commission has set the AT&C performance targets for measuring, monitoring and controlling the efficiency of the operation of the Petitioner, the Hon'ble Commission has approved ARR and determined RST for FY 2005-06 till FY 2012-13 for the Licensee based on the distribution loss target and not based on the AT&C loss target. The Commission has considered the distribution loss target for ARR determination on the grounds that the AT&C loss shall be the criteria for determination of performance of the DISTCOs that provide them to handle for improvement in the field of distribution loss and

the collection efficiency. For the purposes of tariff determination, the revenue requirement of the DISCOMs has been determined based on accrual of revenue during the financial year based on the set target of T&D loss for the Financial Year without considering actual collection of revenue. The actual collection efficiency of TPSODL during FY 2020-21 was 91% and is expected 91.00% during FY 2021-22. During FY 2022-23, TPSODL proposes to maintain the collection efficiency of 99 %.

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

Table 3: AT&C Loss Trajectory Commitment by TPCL

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

Therefore, the Petitioner proposes recognition of actual AT&C loss levels and setting of the sustainable reduction targets, which is of utmost importance to the survival of business. Accordingly, TPSODL requests the Hon'ble Commission to consider the AT&C Loss as proposed in its ARR application for FY 2022-23.

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

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

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

The actual AT&C loss performance for FY 2020-21 and estimated AT&C loss for FY 21-22 and FY 2022-23 based on the improvements proposed in distribution loss and collection efficiency is given in Table below.

AT & C Loss

	FY 2020-21	OERC (Approved 2021-22)	FY 2021- 22(Estt.)	FY 2022- 23(Estt)
Distribution Loss %	23.07	25%	25%	25%
Collection Efficiency %	91%	99%	91%	99%
AT & C Loss %	29.99%	25.75%	31.75%	25.75%

2. Revenue Requirement for FY 2022-23

This section outlines the assumptions for estimation of Revenue Requirement for FY 2022-23.

2.1. Data Sources

The Petitioner is complying with the information requirements of the Hon'ble Commission for the purpose of making this application for Aggregate Revenue Requirement and Tariff for the FY 2022-23. The schedule of formats submitted along with this proposal is shown in the Table of Contents. The Petitioner accounts up to Sept-21 have been audited. The financial formats prescribed by the Hon'ble Commission and copies of the audited accounts up to March -2021 have been submitted to the Hon'ble Commission.

The Licensee would like to submit that the input cost is the most important cost for TPSODL. For authentication of input cost, the BSP bills on the basis of actual energy received from the bulk supplier, GRIDCO, Transmission Charges on the basis of actual energy received from OPTCL, SLDC charges received from SLDC and deviation/UI computed on the basis of BSP rate has been taken into account.

Thus, the Petitioner submits that the data given by us is authentic and reliable for formulation of Aggregate Revenue Requirement and Retail Supply Tariff Application for the FY 2022-23.

2.2. Sales Forecast

For projecting the consumption of different categories, the Licensee has analysed and relied on the past trends of consumption pattern for last Eighteen years i.e. FY 2001-2002 to FY 2020-21 and actual sales data for the first six months of FY 2021-22, the impact of electrification of new villages under the RGGVY, Biju Saharanchal, Biju Grama Jyoti Yojana, Universal electrification under Saubhagaya Scheme, Lift Irrigation, Mega Lift irrigation Projects and Deep Borewell Project of GoO and actual addition/reduction of loads

and other factors such as recession due to Covid-19 Pandemic situation. The category-wise consumption projected for FY 2022-23 is discussed in following sections.

LT Category

The growth in the domestic category has been estimated at 9% during FY 2022-23 as against the estimated growth of around 1.24% during FY 2021-22.

The growth in the sales of other categories in the LT sector has been estimated in the range 8% during 2022-23 considering the past trends except irrigation and pumping and Allied Agriculture where growth rate has been estimated at 10%. This is mainly due to Lift Irrigation Project of GoO and energisation of community LIP /Deep bore well projects of Goo.

The domestic sales during last three years have increased in higher proportion as compared to previous years due to massive village electrification schemes. The summary of sales projections for LT category is given in following:

Sales	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Domestic	1336.694	1625.016	1645.200	1797.000
General Purpose<100 kw	243.10	235.751	250.809	255.824
Specified public purpose	40.126	31.466	35.311	35.500
Irrigation	81.985	84.242	121.500	130.000
Allied Agro Activities	10.591	12.713	13.000	14.000
Allied Agro Industrial	0.812	0.785	0.893	0.983
LT Industrial	36.579	35.162	34.754	35.781
Public water works	40.995	48.951	49.227	50.439
Public Lighting	27.054	34.817	34.276	34.940
Total	1817.936	2108.903	2184.971	2354.467

HT Category

In projecting the sales in HT Category, the Petitioner analyzed the consumption pattern of each HT consumer. The average sale for HT category consumers has been estimated for the ensuing year and is based on the trend of the FY 2020-21 and actual load for the half year ending Sept'21. Further the Petitioner estimated there will be positive trend in consumption growth in HT Large Industry category mainly restarting of by M/s SARAF INDUSTRIES, Chatrapur after COVID19 Pandemic and pick up drawal from other categories of consumers

under HT category. The Petitioner has estimated positive overall growth of 26.13% under this category during FY 2021-22. So, the estimated growth in consumption in this category for the FY 2022-23 will be 4.63%.

The details are as under.

MU

Sales	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Large Industry	161.362	90.162	123.165	125.500
Medium Industry	48.403	32.956	32.409	33.000
General Purpose	47.552	43.093	54.808	56.000
Others	56.194	55.401	69.131	77.950
Total	313.511	221.612	279.513	292.450

EHT Category

TPSODL has projected 3.40% growth under this category during FY 2022-23 looking to the past trends for the FY 2020-21 and sales up to 1st six months of the current year FY 2021-22. During Jan-21 M/S TATA STEEL availed 12000KVA load from TPSODL. In addition to that two Railway traction S/S BHALUMASKA & LAXMIPUR availed power supply during first half of the current year. In contrast to above by M/S Grasim industries which was drawing power from TPSODL started open access drawl more than 60% of its total drawl requirement from RE sources due to cheaper availability of RE power & no cross subsidy. In addition to above M/S Tata Ferro Alloys Plant at Gopalpur started drawing power from its own CGP as well as from open access RE sources. Further, the pickup drawl due after COVID19 increased drawl is projected in EHT category for 2021-22 & 2022-23. The projection for FY 2022-23 is projected taking into account estimated sales during 2021-22

MU

Sales	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Large Industry	104.181	105.451	139.660	140.630
Railway Traction	197.067	208.287	240.000	251.000
Power Intensive	185.591	122.714	84.000	88.200
Emergency supply to CGP	1.688	1.975	1.300	0.960
Total	488.527	438.427	464.960	480.790

The summary of the sales for all consumer categories has been shown in table below.

Sales	FY 2019-20	FY 2020-21	FY 2021-22	MU FY 2022-23
LT	1772.12	2108.903	2184.971	2354.467
HT	327.644	221.612	279.513	292.450
EHT	456.116	438.427	464.960	480.790
Total	2555.880	2768.942	2929.444	3127.707

2.3. Power Purchase Expenses

The power purchase expenses have been derived from the sales estimates and the distribution loss level. For the year FY 2022-23, energy input of **4170 MU** has been estimated based on the estimated sale of **3127.707 MU** at Distribution Loss level of **25%**. Power purchase cost for the current year is Rs.918.62 Crs and for the FY 2022-23 power purchase cost has been estimated at Rs 980.66 Crores with BSP @ 2.07 paise p.u. and transmission charges @ 28 paise p.u SLDC charges @ Rs 5.90 lakhs per month. The Licensee has considered the actual drawl of 4170 MUs at BST rate for estimating power purchase cost for the FY 2022-23.

SMD Projection

Considering the past record and additional load towards inclusion of BPL and APL consumer under RGGVY, BGJY, SAUBHGAYA & Mega lift Irrigation Project, and addition of EHT load to the system the licensee proposes **720 MVA** as SMD for FY 2022-23 as against the average SMD of 575 MVA during FY 20-21 and 609.520 MVA during 1st half FY-2021-22.

The Petitioner submits that SMD of **720 MVA** projections for the year are estimated based on load mix, consumption patterns and other economic policies, and restricting the SMD of a Utility up-to a particular level without considering the proposal as above and imposing penalty thereof for drawl beyond the approved level, shall put the Petitioner with higher financial burden.

2.4. Employees Expenses

SOUTHCO was formed after unbundling of GRIDCO as per 2nd Transfer Scheme, 1998 and thereby all the personnel deployed in Distribution business were transferred from erstwhile GRIDCO. Initially, the nos. of personnel on roll was around 4510 nos which were inadequate and unevenly distributed to meet the functional requirement. Subsequently, by way of separation due to retirement, resignation and death etc, there has been drastically

reduction of manpower. The utility was transferred to TPSODL vide Case No 83/2020 of vesting order of the Hon'ble commission as per Para 50(b) of the vesting order .

“SOUTHCO Utility had 2,113 (Two thousand one hundred and thirteen) regular employees and 14 (Fourteen) number of contractual employees on its payroll as of 31.03.2020 Scheme.”

As per Para 49(e) of the vesting order

Within 45 (forty-five) days of the Effective Date, TPSODL shall submit a detailed management structure and staff deployment plan.

49(f) TPSODL shall be required to seek Commission's approval on the staff deployment plan from time to time as per the directions of the Commission.

As per direction of the Hon'ble commission TPSODL has submitted its Annual Business Plan before the Hon'ble commission with following submission.

“Total 1999 employees of erstwhile SOUTHCO has been transferred to TPSODL through vesting order which includes 389 executives. Tata Power has already deployed around 60 executives including Senior Management team who are experts in different fields of distribution functions. This team has assessed the existing processes and resource capabilities. Based on detail analysis and subsequent organization design, TPSODL wish to reinforce existing team with additional 695 manpower (all are in executive cadre). Function-wise proposed structure, mapping with existing manpower has been explained in detail in TPSODL Human Resource Plan which is attached. However, TPSODL wish to recruit these new employees this year and around 60 employees shall be deputed from other division of Tata Power to TPSODL. Total Cost of manpower including erstwhile 1999 SOUTHCO employees and newly recruited employees shall be Rs.545.67 Cr. for the period April 2021 to March 2022. Hence, Hon'ble Commission is requested to approve the said employee cost for FY 2021-22 “.

The Hon,ble commission while disposing the above petition which is registered as case No 39/2021 made observation in Para 95 & 96 as follows.

Para 95: The Commission however, observes that the induction of 695 new employees in executive cadre in one year will have a huge impact on the employees cost and consequently on tariff. The Commission is also aware that in the DISCOMs, no new significant recruitments have been made during last 10 years and DISCOMs have appreciable shortage of required manpower. The ratio of the employees vrs. Consumers

has also widened over the years and bringing in new employees will bridge this gap for efficient functioning of the DISCOMs. The Commission is not averse to allowing employee cost which is just and as per the present norms of the relevant industry. At the same time, the Commission is not inclined to fill all the required personnel/ vacancies in one year. Such large scale recruitment in a short period is bound to choke the career growth over the years besides causing tariff shock. Instead, it should be spread over a longer period.

Para 96: The Commission now allows 8% of the total proposed manpower of 2754 (1999+60+695) to be recruited. This will include post facto approval for the 60 persons already recruited without Commission's approval. This would mean additional recruitment of 160(.08X2754-60) employees.

Para 97: The expenses under this head will be allowed only after prudence check at the time of True Up.

TPSODL has filed a review petition for review of the above order before the Hon'ble commission in regard to Case No 39/2021.

TPSODL has proposed to recruit 269 Nos. of employees. In addition to above outsource employees cost of AMC of 33/11 KV substation along with AMC of 11KV lines and LT substation included in outsource employees cost. The cost of meter reading also includes labour intensive activities with manpower engaged in Vigilance & security activities is included in employees cost amounting Rs 607.12 Crores. The above employee cost may please be allowed in view of vast area in operation.

It is an admitted fact that during 1st privatization i.e., on 1st Apr-99, the then licensee was operating with significant no of employees with consumer base of around 3 lakhs only. With no or insignificant recruitments to replenish superannuation as well as cater to higher performance norms as well as increasing no. of consumers, the employee strength has reduced to 50% with increase of consumer base by 7 times (Presently 23 lakh). TPSODL is committed for uninterrupted power supply to its entire category of consumers across 48000 sq km area; to fulfill the customer requirement deployment of adequate manpower is a must.

Considering the Operational and Statutory Compliance challenges, there is a requirement to strengthen the workforce in each of the departments as well as requirement for creation of new departments to transform the Organization into a forward looking, technologically savvy Utility providing safe and reliable power to its customers in an efficient and customer friendly manner.

Presently TPSODL has already recruited 426 Manpower up-to oct-21 & proposed to recruit additional to remaining power 269 during 22-23 to meet the manpower requirement as per our requirement. Further the manpower engaged for 33/11 KV Substations including manpower engaged for AMC contracts are considered for calculation of employees cost under outsource obligation. The Manpower cost of meter reading considered under employee cost.

No. of personnel engaged through Outsourced Agency

S.No.	Description	Employee No of employees			TOTAL
		Highly Skilled	Skilled	Unskilled	
1	33kV lines and PSS AMC	27	179	117	323
2	33/11kV PSS Manpower Contract	19	972	729	1720
3	11kV line & LT Network AMC	155	1876	1900	3931
	Grand Total	201	3027	2746	5974

There are 201 Nos of Highly Skilled 3027 nos skilled manpower and 2756 Nos. of unskilled manpower totaling to 5974 Nos are engaged in 33/11 KV Substations & AMC contracts through different agencies. This due to increase during FY 2021-22 & FY 2022-23 due to increased number of 33/11 KV S/s under ODSSP Scheme.

- Activities of the Discoms are increasing day by day due to implementation of new schemes by the Govt.
- The statistics shows there is continuous reduction of manpower in Utilities where as the assets like consumers, network, DTR, Power Transformer, Sq KM of lines etc are manifold day by day in comparison to 1999 as bench mark.
- No of employee per thousand consumers are in decreasing trend.
- In 1999, the average employee per thousand consumer was 16 where as in 2023 it is 1.01 per thousand of consumers of the TPSODL which is in decreasing trend.
- Further taking into account even the outsource manpower, the average employee per thousand consumer is also in decreasing trend.
- With the depleted manpower the utilities are facing tremendous pressure in meeting the demand of the consumers.
- Non Recruitment will also cause gaps in the operational cadre

The Hon'ble Commission approved Rs.404.76 crores for the year 2021-22 which includes an amount of Rs150.02 Cr towards Terminal Liabilities and however taking into consideration the actual payment made during 1st six months of FY 2021-22, the Petitioner estimated an amount of Rs.443.68 Cr is required to be disbursed on account of total employee cost during the current year.

The details of number of employees to be recruited and retired during the current year and the ensuing year is submitted in the following table.

TPSODL	Executive		Non-Executive		Total
	Technical	Non-Technical	Technical	Non-Technical	
As on 01.04.2021	295	92	1128	454	1969
Recruitment during 21-22	0	0	0	3	3
Retirement during 21-22	4	4	72	30	110
As on 01.04.2022	291	88	1056	427	1862
Recruitment during 22-23	0	0	0	0	0
Retirement during 22-23	3	1	55	19	78
As on 31.03.23	288	87	1001	408	1784

Fresh recruitment proposal is made during FY 2022-23

Manpower recruitment	Category	Nos. to be recruited	Financial impact (Rs.Crs)
2022-23	Executive	269	24.21
	Non Executive	-	-

No of employees retiring during FY 2021-22 and FY 2022-23 and saving on account of same are as follows:

FY	Category	Nos. of employees retiring	Saving on account of retirement (Rs lacs)
2021-22	Executive	8	17.10
	Non Executive	102	106.68
2022-23	Executive	4	8.80
	Non Executive	74	79.72

Expenses Terminal Benefit Liability

As regards to terminal benefits i.e. the contribution to the Pension Fund and Gratuity Fund and Leave Encashment has been proposed for the year 2022-23 based on the actuarial valuation done by M/s Bhudev Chaterjee as on 31.03.2021 and the projections provided for 2021-22 and 2022-23. The details are given in OERC Form: F-12. While computing the contribution

required by the Licensee to fund the employees trust, the Actual investments as on 01.04.2021, estimated Investments as on 01.04.2021, income from the investments during the year 2021-22 and the payments to retired/retiring employees during the FY 2021-22 has been considered. The computation of the employee Terminal Benefit Trusts requirement for the year 2021-22 & 2022-23 amounting to Rs.144.02 Crore and Rs.158.02 Crores respectively is worked out in the following table.

A	Terminal Liability for FY 2021-22	Rs. Crore
1	Employee Trust Valuation as on 31.03.21	1250.68
2	Employee Trust Valuation as on 31.03.20	1228.48
3	Interest on investment during 2021-22 @ 6 %	2.03
4	Estimated payment during 2021-22	123.84
5	Terminal benefit trust funding required for 2021-22 (1-2-3+4)	144.02
B	Terminal Liability for FY 2022-23	Rs. In Crore
1	Employee Trust Valuation as on 31.03.22	1266.16
2	Employee Trust Valuation as on 31.03.21	1250.68
3	Interest on investment during 2022-23 @ 6 %	2.15
4	Estimated payment during 2022-23	145.08
5	Terminal benefit trust funding required for 2022-23 (1-2-3+4)	158.42

The employee cost for FY 2021-22 is Rs 443.68 Crs. **The petitioner proposes the Employee cost aggregating to Rs.607.12 Crs for the FY 2022-23.**

The above cost has been projected considering the effect of 50 % of 7th Pay commission which is due from 1st January 2016 for Executives and from 1st Apr-2015 for Non Executives. To arrive at the basic salary for the FY 2021-22 the existing Basic for FY 2021-22 and 3% increment over the FY 2021-22. Similarly, DA has been considered 28% for FY 2021-22 & 37% for 2022-23 . Arrear due to 7th pay commission for the above period has been taken as Rs.28.61 Crs. which may kindly be considered while approving Employee Cost for FY 2021-22.

In addition to above, TPSODL has considered Contractual, Outsourced and other outsourced activities for Substation maintenance and Spot Billing Expenses for an amount of **Rs.165.05 Cr.**

In view of the above it is humbly submitted before Hon'ble Commission to approve the proposed employee cost of Rs.607.12 Crs for the ensuing year. Details given in Form No. F-12.

2.5. Administrative and General Expenses

The A&G expenses for FY 2021-22 is estimated at **Rs.72.72** Crore based on actual expenses till September 2021 as against the approved A&G expenses of Rs 72.20 Crore. In addition to normal A&G expenses, following additional expenses for aforesaid initiatives has been considered while projecting the total A&G expenses for FY 2021-22. The collection of arrears and current bills is assumed to be used to meet cash deficits during the year 2021-22, to the extent of collected amounts. The Licensee proposes to recover the operational expenses as stated below in the following heads in the ARR for the FY 2022-23.

The Administration and General expenses for the ensuing year have been forecasted for FY 22-23 amounting to Rs 113.82 Crs by considering actual increase of A&G expenses for FY 2022-23 which includes additional expenses Rs.63.12 Crs as detailed in the following paras. The details of expenditure under A&G given below for perusal of Hon'ble commission,

1. Meter Reading and Collection Expenses

Currently, meter reading is assigned to Meter reading agencies across Division /Sub Division on fixed cost basis per reading. Meter reader visit consumer site based on reading route sequence allotted to him in a period of 15 days i.e. from 7th to 22nd of every month. Meter reader after taking punching the reading in spot billing application and deliver the spot bill to the consumer during the same visit. In some divisions, meter reading is also proposed with support of Self Help Group as part of Govt. of Odisha has approved Self Help Groups in Energy Franchise Agreement (SEFA) of Energy in Rural Areas. The meter reading charges are revised by govt of Odisha Rs 8.00 and collection charges Rs10.00. Which have increased the cost of billing and collection charges. This social cost need to be shared by the consumers as society in large benefitted from the entire process.

Above mentioned, this practice, lead to high average and provisional bills around approx. 50% in 19-20 as reading is done only for 15 days, and that too without ensuring minimum wages to meter readers. Therefore, TPSODL has already implemented change the reading cycle from 15 days to 30 days and by implementing the integrated IT system for ensuring timely meter reading with reduction in provisional bills.

Payment collection counters are provided at Division/Sub-Division level for customers to deposit the bills. Currently, the due dates are schedule in short window of 7 days' duration due to which long queue at payment counters during month end is visible. This lead to customer dissatisfaction as customer has to spend time and energy for bill payment.

In addition to payment collection counter, collaboration with many digital payment vendors has been done for accepting electricity payment along with on-line payment options through Website, Payment Wallets like Paytm etc.

Beside above avenues, Business Associates (BAs) have been deployed for visiting the customer premise for collecting the payment from customer mostly by issuing manual receipt. Knocking at all customer's doors during the month is a herculean task with multiple visits to the customers' residences, with eventual result of non-payment of bills. Therefore, performance based contract for Door to Door collection is proposed for ensuring timely recovery of payment. Further, promotional schemes for online payment and counter payment is also proposed.

In view of above, Hon'ble Commission may approve the expenses of Rs. 28.72 Crore under A & G Cost in the ARR achieve the target of Revenue for the ensuing year 2022-23.

Customer Services and Communication Expenses

To improve the customer experience, customer touch points need to be augmented for providing ease of connectivity and single touch point at offices.

Call Centre is a convenient mode for providing service on 24X7 basis thereby customer is not required to go through the hardship of visiting the office. This demands the overhauling of existing infrastructure of call centre in order to improve the Call Centre connectivity. Keeping in mind to provide ease in customer experience, a unified Call.

Meter Management Expenses

To ensure smooth operation of Meter Management and establish a robust supply chain of meters and accessories, meter testing labs need to be developed in 03 locations i.e. Berhampur, Aska and Jeypore with new test bench facility as appraised in table below. These facilities will be developed in phased manner over a period of three years.

Further, to ensure high communication percentage of meters installed with Modem already installed in field, there will be need for rectification / Trouble Shooting of modems and allied accessories like SIMS cards, Antennas etc. It is expected that 5% of modems and accessories will need rectification per month, so a budget of 0.33 Cr has been considered for same. This activity of modem rectification will be handled through performance contract under guidance of MMG TPSODL.

To operate these meters testing facilities and troubleshooting of modem and SIM, funds are required under operational expenditure and same is mentioned below. These costs are on estimated basis

Insurances: As per good Risk mitigation practice, and as required by Lenders, the Company is proposing to take various insurances to ensure coverage of its Fixed Assets, Inventories, Moneys & Employees, etc. The significant Insurance covers would include amongst others, Industrial All Risk Insurance for Fixed Assets, Transportation of Goods, Fire & Allied Perils, Burglary, Money Insurance, Directors & Officers Liability, Cyber Security against Data Breach, Loss due to fraud, etc.,

Legal, Consultancy & Professional Charges: With vesting of SOUTHCO's Utility in TPSODL, a Company incorporated under the Companies Act, 2013, statutory compliance requirements are going up multi-fold, which would entail additional expenditure on Audit, Consultancy and Professional Fee. In addition to the Annual Statutory Audit including ICFR (Internal Control over Financial Reporting) Audit, the Company is subject to Quarterly Reviews by the Statutory Auditors, Tax Audit, Secretarial Audit, Cost Audit, etc. TPSODL was hitherto subject to only the Annual Statutory Audit, and that too at significantly discounted fee.

Further, extensive Data cleaning, data – base creation/ reconciliation etc. is required for migration from the basic Tally Accounting System to the SAP ERP entailing additional costs.

With the Company now being a private company, legal expenses are envisaged to increase with the Company becoming more vulnerable to litigation as well as the requirement to more vigorously protect their and their stakeholder's interests.

IT Consumables: With extensive IT infrastructure being built, the corresponding IT Consumable requirement is expected to increase significantly.

House Keeping Expenses: The offices of the company are in extremely decrepit and shabby condition with virtually no housekeeping. In-order to provide a decent working environment to the employees which is a pre-requisite for ensuring productivity, retention of talent, building employee morale and pride in the Organisation, as well as for Consumers and other stakeholders, a separate budget for House Keeping has been proposed.

Rents, Rates and Taxes: With increased no. of employees and to ensure proper seating, etc. for the same, additional space is required to be hired till such time that the Company is able to construct its own offices.

Justification:

The benefits to be accrued on the aforesaid Administrative & General (A&G) Expenses has been described in the aforesaid paras.

The norms specified by the Hon'ble 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 as detailed above, including new expenses (such as Insurance, Audit / Professional Charges, which were hitherto either not or insignificantly being incurred.

The total A&G expenses for FY 2022-23 are projected at Rs 113.82 Crore.

2.5.1. Operational Initiatives

In order to to improve customer services, various initiatives have been proposed by the Petitioner during the ensuing year which are summarised as under:-

- a. Creation of infrastructure to carryout Enterprise wide Energy Audit exercise has been factored in the Capex programme.
- b. Installation of AMR for all 3 Phase Consumers
- c. Focus on Business Analytic and Key Consumer Cell at Field Offices
- d. Intensification of Vigilance and Enforcement activities at the Subdivision Level
- e. Energy Audit of 11 KV feeders

2.6. Repair & Maintenance Expenses

The Hon'ble Commission in the vesting order has also observed that the new licensee is entitled for R&M on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. As per vesting order Annexure-1, Gross block of Assets as on 31st March 20 is ₹.1000.59 crs & has been transferred to TPSODL. Other than the above the assets created out of grant under various govt

projects like, ODSSP, IPDS, RLTA, RGGVY, and DDUGJY etc would be around ₹ 2400 crs in TPSODL area of operation. Even if those assets created against Govt grants are not appearing in its books of accounts(not part of GFA), TPSODL is under an obligation to operate and maintain those assets as these assets are used for distribution of electricity to its consumers. Therefore, TPSODL is entitled R&M expenses for those grant assets

Further While approving the ABP plan the Hon'ble Commission has approved a R&M Expenditure of Rs. 88.57 Cr. for FY 2021-22 for the existing Network, the Hon'ble Commission has erred in not providing additional outlay for the maintenance of the additional assets created by OPTCL, etc. from Govt. Grants which would need maintenance by the Petitioner. Accordingly, normative R&M of 5.4% on such asset base would be around ₹.195 crs (approx).

In view of same, TPSODL proposes following R&M expenses for the year FY 2022-23 for maintenance of the above network assets created by Govt grants.

Following R&M Expenses Cost are requested:

		HF2 (FY21-22)			FY22-23		
R&M (O&M) Budget		STS Amount (in Rs. Crores)	DOS Amount (in Rs. Crores)	Grand Total (in Rs. Crores)	STS Amount (in Rs. Crores)	DOS Amount (in Rs. Crores)	Grand Total (in Rs. Crores)
1	Transformer Maintenance and Repairs						
	PTR/DTR Repairing	0.5	1.66	2.16	1.5	4.16	5.66
	PTR/DT Maintenance	1.25	4.07	5.32	1.33	6.56	7.89
	PTR O-H / DTR -Replacement/Augmentation/Swapping	1.44	1.61	3.05	2	3.22	5.22
	AMC R&M Cost	0	5.12	5.12	0	16.66	16.66
	Sub-Total	3.19	12.46	15.65	4.83	30.60	35.43
2	Sub-Transmission and Distribution line repairs & maintenance						
a	33kV/ 11kV Line maintenance and repairs						
	33kV/11kV Line Maintenance	2.89	2.78	5.67	5	5.57	10.57
	11kV Pole Installation/Replacement and its erection Charges	0	2.97	2.97	0	5.68	5.68
	AMC R&M Cost	1.06	5.12	6.18	6.32	16.66	22.98
	Sub-Total	3.95	10.87	14.82	11.32	27.91	39.23
b	LT Line maintenance and Repairs						
	LT Protection		3.04	3.04		3.04	3.04
	LT Pole Installation/Replacement and its erection Charges		1.73	1.73		3.23	3.23
	LT ABC		3.48	3.48		3.47	3.47
	LT Pole Cleaning		2.06	2.06		5.42	5.42
	AMC R&M Cost		4.82	4.82		15.68	15.68
	Sub-Total		15.13	15.13		30.84	30.84

3	Earthing	0.96	0.77	1.73	2	2.49	4.49
4	VCB Maintenance and Repairs	3.12		3.12	4		4
5	HT (11kV) and LT Underground cable repair		0.3	0.3		0.5	0.5
6	PSS equipment, Protection & Testing, DC system and lighting in PSS	3.91		3.91	8		8
7	Safety						3.86
8	Civil			7			11.46
9	PSCC						0.1
TOTAL (1 to 9)		15.13	39.53	61.66	30.15	92.34	137.91

1. Transformer Maintenance & Repairs

- a) Power Transformers Repair, Maintenance and overhauling: There are more than 505 numbers of power transformers (PTRs) in service in TPSODL. Many of these power Transformers in old Primary sub-stations are very old. These PTRs have multiple issues like oil leakages, low oil BDVs, OTI /WTI not working, rusted bodies, non-functional OLTCs etc. TPSODL is taking the services of expert agency for overhauling, and reconditioning of these PTRs. In FY 22, TPSODL intends to complete 24 Nos. of PTR. Further in FY23, TPSODL intends to complete overhauling of 30 more PTRs. Also, during H1 of FY 21-22, around 12 Nos. of PTR have failed due to various reasons mainly failure of insulation due to aging. These PTRs have to be repaired with repairs agency. Also, lot of PTR spares like Transformer oil, gaskets, breathers, silica gel etc. are required.
- b) DTR Repairing: The failure rate of distribution transformers is 1.97% (in H1 FY21-22) w.r.t Installed Capacity as on 31-March-21. Total 850 Nos. of Transformer are failed in H1 FY21-22. Major reasons of the failure are due to various reasons like insulation failure, lightning, aging of the transformers. Failure of DTs cause power outage to all customers fed from the DT. It also takes time to replace faulty DT thus increasing the equipment downtime. The repairing of these transformers are being done in two methods a) In-House repairing of the DTs and b) DTs getting repaired through the repair Vendors. In FY 21-22, 664 Nos. of DTR repairing is being done through DT repairing vendors.
- c) DSS Maintenance: There are 55,587 Nos. Distribution Substations (DSS) and most of them have earthing system in very bad condition, also AB switches are bypassed and

HG / DD fuses too are bypassed/broken. All of the above makes the DSS prone to interruption and safety hazard for public specially kids, animals and employees.

In such a condition, focused preventive maintenance is mandatorily required to improve the reliability of supply and ensure safety of employees and public at large. The Budget is required for the replacement and repairing of the Faulty equipment's.

- d) DTR Replacement/Augmentation/Swapping: The faulty DTR replacement, DT Augmentation/Swapping have been done including transportation charges, Hydra and Crane charges for lifting the transformer.

2. Sub- Transmission and Distribution Line repairs & maintenance

- a) 33kV Line repairs and Maintenance: The 33kV line network in TPSODL is around 3650 Sq. Km and at many places passing through difficult terrain and forest areas. Many of these lines are in poor condition with more span length, sagging of conductor, tilted poles, damaged cross-arms, worn out conductors and jumpers, old insulators etc. Some existing lines need lot of maintenance to keep them in service. Hence, the material availability like poles, conductors, cross-arms, insulators etc. is to be ensured.

HT Line Maintenance: The 11 kV circuits are radial and very long (total length-42420.65 Ckt.Km) ranging from an average length of 40-50 KMs to 100-110 KMs in rural areas. 11 kV circuits have underrated, uneven sized & worn out bare conductors with extremely long span lengths. The interruption at 11 kV feeder level is too high with respect to present Indian utility standards. Therefore, the network shall be inspected regularly to identify the defects and attend breakdowns in quick time, and perform maintenance activities to enhance system reliability. The faults are majorly due to Pin insulators, discs, poor conductor condition getting faulty due to weather conditions, larger sag in the lines requiring intermediate poles to avoid conductor collision and snapping. Also, there are tilted poles/ V cross arms which needs replacement.

LT Line Maintenance: The LV circuits are also very long and radial (total length- 38523 Ckt.Km).LV circuits have a large number of damaged /bent/tilted poles, compromised safety clearances. For the transformer LT side protection are bypassed or over-rated fuses have been installed, no fuse box/MCCB box have been installed at the site. In place of LT Fuse box/MCCB box, open aluminum wire wound fuse are seen at every

substation at very low height which is highly unsafe. Also, the deteriorated LT ABC and conductors needs to be replaced to maintain the reliable supply.

Lot of jumbling of service connections have been observed on the poles with poor connectivity with the LT ABC and improper no. of connections terminated on each phase, thus leading to transformer load unbalancing, the pole cleaning activity needs to be executed for decreasing the DT failure and also ensuring reliable services to be consumers.

3. AMC Services

33kV Lines and 33kV/11kV PSS: TPSODL has established Annual Maintenance Contract (AMC) for Maintenance of 33kV Lines and 33kV/11kV PSS and also attending to the breakdowns from June 2021 onwards. This AMC is carrying out periodic inspection and maintenance of these 33KV feeders, and equipment of 33/11KV PSS including the breakdown maintenance. This has helped in improving the reliability by reducing the downtime as we as number of triplings.

11kV and LT Network: The Performance Based Maintenance Contract includes 24X7 Breakdowns Crews for restoration of 11KV & LT Lines and DSS equipment. Besides, preventive maintenance activities are being performed as per the maintenance plan and schedule prepared by TPSODL. Annual Maintenance Plan along with standard check list for inspection of 11KV & LT Lines and DSS is being prepared and rolled out in the current FY. Condition based maintenance systems shall also be introduced to identify the maintenance requirements.

4. Vacuum Circuit Breakers Repairs and Maintenance

There are more than 2000 numbers of 33kV and 11kV VCBs taken together in TPSODL out of which around 500 VCBs are either defective or in very poor condition. These VCBs are being repaired in two ways. (1) In house repairing by procuring spares from OEMs like Schneider, Stelmec etc. (2) By outsourced expert agency providing material and services to repair and overhaul the VCBs. We intent to repair these VCB by procuring the VCB spares as well as repair these VCBs through service agencies.

5. HT (11kV) and LT Underground cable repair and Maintenance

The amount of Rs. 0.5 Crs. has been considered against the HT (11kV) and LT Underground cable repair and Maintenance as the cables and joints of the cable get faulty due to aging of the cables and due to external damages.

6. Earthing

Many of the old PSS have very bad earthing values and need renovation or new pit construction on priority. Also, 33kV line poles earthing is also not in good condition.

In Distribution also, the condition of the earthing is not good. Hence reconditioning/ strengthening of earthing is planned in this activity for DSS, HT and LT Line.

7. PSS equipment and Protection and testing repairs and Maintenance

There are at present 243 Nos. of 33kV/11kV PSS. Most of the maintenance materials was not available in stores as a result equipment downtime was high. Now PSS equipment such as AB switch spares, clamps and connectors, lugs and sockets, paints etc. are to be procured under this head. Availability of materials in stores will help to reduce numbers of breakdowns, reduce equipment downtime, reduce unserved energy.

Also, around 185 Nos. of protection relays are defective. Around 90 Nos. are planned to be replaced in FY22. This activity will be continued in FY23. Additionally, repairs to battery chargers will be carried.

8. Safety

The new fiscal has dawned rich with promises for providing a safe workplace and consumer safety at Odisha discoms. Every organization enthusiastically exploring fresh avenues and strategies for further enhancement of safety performance and germinating interesting new approaches to breed a path-breaking safety culture among the employees by adopting robust safety measures and initiatives towards the aim “Mission Zero Harm” with a collaboration of new edge of technology in transmission and distribution business.

In continuation to current practices, we are in the process of providing best enablers to our employees by adopting additional safety interventions with respect to employees as well as public safety by following interventions

Providing of Personal Protective Equipment (PPEs)

Conducting of Safety Promotional Activities:

Conducting of Safety Audits

Conducting of Safety Capability Building / Training:

Conducting of Public Awareness Drive:

Provision of Fire Fighting System:

Taking up Special Improvement Projects

9. Civil Structures repairs & maintenance:

TPSODL have total 211 office establishments such as Circle offices, Divisional offices, Subdivision offices and section offices. These offices being very old and are in dilapidated conditions. Out of 211 offices about 51 offices are taken up for repairs in FY 22 based on their condition. Balance offices excluding rental ones are being planned in phased manner in FY23 & FY24.

Further conventional Primary Sub-stations (PSS) are also having old civil structures. These need attentions and the work involved is RCC repairs, repairs to masonry, painting etc. to ensure continued utility of the structures.

Further there are many day-to-day O&M requirements to maintain existing structures, providing hygienic and well ventilated environment to employees. Also for various Stores, maintaining access roads to stores and maintaining sheds etc. for effective functioning is required.

The Hon'ble Commission in the vesting order has also observed that the new licensee is entitled for R&M on existing assets transferred to TPSODL as well as assets created out of grants which are not reflected in the books of accounts. Assets created out of grant under various govt projects like, ODSSP, IPDS, RLTA, RGGVY, and DDUGJY etc would be around ₹ 2400 crs in TPSODL area of operation. So, effectively the asset base as 31st March-21 would be around ₹ 3409.00 crs (appx) which would require R&M by the Utility. Even if those assets created against Govt grants are not appearing in its books of accounts(not part of GFA), TPSODL is under an obligation to operate and maintain those assets as these assets are used for distribution of electricity to its consumers. Therefore, TPSODL is entitled R&M expenses for those grant assets

While the Hon'ble Commission has approved a R&M Expenditure of Rs. 88.57 Cr. for FY 2021-22 for the existing Network, the Hon'ble Commission has erred in not providing additional outlay for the maintenance of the additional assets created by OPTCL, etc.

from Govt. Grants which would need maintenance by the Petitioner. Accordingly, normative R&M of 5.4% on such asset base would be around ₹.195 crs (approx).

The total R&M expenses for FY 2022-23 is projected at Rs.137.91 Crore, which is well within the aforesaid limit of Rs. 195 Crs. Details of R&M expenses is annexed as Form F 13.

2.7. Provision for Bad and Doubtful Debts

In RST Order for FY2004-05, the Hon'ble OERC, vide clause 5.4.8 had specified that the difference between the 100% collection efficiency and collection efficiency as approved by the OERC after provisioning of 2.5% of Accrued Revenue as bad debts to be treated as working capital requirements and carrying cost/interest on working capital has been allowed as a pass through in the ARR.

The Petitioner while estimating the ARR for FY 2022-23 has considered the revenue from sale of power on accrual basis in line with the Commission's Order on ARR and Tariff Petitions for FY 2005-06 to FY 2020-22. However, as it is not feasible for Petitioner to raise finance against huge accumulated Regulatory Gaps to bridge the gap of collection inefficiency, the Petitioner has considered the 1% for bad and doubtful debts while estimating the ARR for FY 2022-23

Considering the proposed collection efficiency of 99% for FY 2022-23, the bad debts of **Rs 16.19Crs** has been considered as part of ARR for FY 2022-23.

2.8. Depreciation

Depreciation has been provided only on assets available at the beginning of the year and also depreciation has been provided on assets created during the year. The method adopted for calculating depreciation is Straight Line Method (SLM) at Pre-92 rates on the opening assets. Further the additional assets which will be capitalized will be added during the year where the depreciation will be calculated as per new rates as per vesting order Case No-83/2020. No depreciation claimed on grant assets.

The numerical details are given in OERC Form: F-19.

The depreciation for FY 2022-23 is projected at **Rs.44.29 Crore** .

2.9. Interest Expenses

Interest expenses are claimed as per the methodology prescribed in Tariff Regulations.

2.9.1 Interest on Security Deposit

Section 47(4) of the Electricity Act 2003 states that “The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security.”

The OERC Distribution (Conditions of Supply) Code 2019, Regulation 57 also mandates the payment of interest on consumer security deposit, the manner in which it is to be administered and penal provisions for delay in making such payments.

The licensees have calculated the interest on security deposit @ 4.25% on the closing balance of security deposit amount for FY 2021-22. The total interest on security deposits considered in ARR for FY 2022-23 works out to **Rs.13.06 Crores**.

2.9.2. Total Interest for Financial Year FY 2022-23

The total interest expenses estimated for FY 2022-23 is given in following Table:

Summary of Interest Expenses

		Rs. In crs.
1	State Bank of India	3.38
2	Union Bank of India (Short Term)	1.91
3	Interest on Security Deposit	13.06
4	Insusind Bank	11.73
5	Kotak Mahindra Bank	8.47
6	CAPEX Loan	32.32
7	Other interest	1.83
8	TOTAL	72.69
9	Less: Interest Capitalized	7.85
10	Net Interest for ARR	64.84

The total interest chargeable to revenue proposed by the licensee for the year FY 2021-22 is **Rs.64.84Crores**.

CAPEX PLAN TPSODL

As per Para 43 of the Vesting order

1. Capital investment plan
 - a) The RFP required the bidders to provide a capital expenditure plan for first 5 (five) years of licensed operations as part of their bid.

- b) In its Bid submitted in response to the RFP, TPCL committed capital expenditure of Rs. 1,166 crores (Indian Rupee One thousand one hundred and sixty six crores) only for period FY 2021-22 to FY 2025-26 as follows:

Table 1: Capital Expenditure Commitment by TPCL

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

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

Table 2: TPCL Cumulative Capital Expenditure for 5 years

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

The Hon'ble commission while approving the capex plan directed in Para 52 & 53 of the tariff order as follows

In view of the necessity of the proposed capital investment plan, the Commission hereby grants in principle approval for an amount of Rs 184.65 crore.

Considering the balance capital expenditure of Rs 42.35 Cr for FY 22 along with the requirement of fresh capital expenditure of Rs 316 Cr for FY 23, the total capital expenditure requirement for FY 23 is computed in the table given below:

Particulars	FY 21-22	FY 22-23
Capital Expenditure as per Vesting Order	227.00	316.00
Capital expenditure carried over to next year	42.35	42.35
Approved Capital Expenditure	184.65	
Total Capital Expenditure Required for FY 23		358.35
Grdico Capex Required in Kind		61.76
Grossing up of Total Capital expenditure with in kind Capex		420.11
Add : 10% of Salary to be Capitalized		28.37
Total Capital Investment		448.47

4.3. Non Tariff Income

The Petitioner has proposed Rs.**35.16 crore** as Non Tariff Income for the ensuing year FY 2022-23.

4.3.1. Return on Equity

The Petitioner submits that the ROE to be allowed on the amount of the equity and the accrued ROE for the previous year. This would increase the availability of more funds for the consumer services. Further the additional capex approved by commission has to be funded in the debt equity ratio 70:30. The counterpart equity will be provided by GRIDCO in shape of kind by means of transferring govt funded assets.

Therefore, the Petitioner has assumed reasonable return amounting to **Rs. 64.45 crore for FY 22-23** as calculated @ 16% on equity capital including the accrued ROE as per the earlier Orders of the Hon'ble Commission with grossing up of RoE by the current tax rate @ 25.17 %.

4.4. Current Year GAP FY 2021-22

Further based on the actual sales, revenue and expenses for the first half of the current year 2021-22 and based on estimates for next half of current year, the uncovered gap for FY 2021-22 is Rs.69.05 Crore as against the surplus of Rs.10.57 Lakhs as approved by Hon'ble Commission.

Statement of Current Years GAP

Truing Up for FY 2021-22				
Particulars	Unit (MU)	OERC (Approval)	Estt.	Diff.
No. of Units - Sale	MU	3037.500	2929.444	108.056
RST per unit	Rs./Kwh	4.52	5.17	(0.65)
Sales	Rs. Crore	1372.94	1514.55	-141.61
Less : Bad Debts	Rs. Crore	11.01	15.15	(4.14)
Net Sales	Rs. Crore	1,361.93	1,499.41	-137.48
Other Income	Rs. Crore	39.77	33.01	6.76
Total Income	Rs. Crore	1,401.70	1,532.41	-130.71
Distribution Loss	%	25.00%	25.00%	0.00%
No. of Units-Purchase	MU	4050.000	3906.000	144.00
BST per Unit	Rs./Kwh	2.169	2.169	0.00
Cost of Power	Rs. Crore	878.26	918.62	(40.36)
Distribution Expenses	Rs. Crore	452.33	578.12	(125.79)
Interest & Finance Charges	Rs. Crore	25.48	31.19	(5.71)
Depreciation	Rs. Crore	29.03	24.93	4.10
Total Expenditure	Rs. Crore	1,385.10	1,552.86	(167.76)
Contingency Reserve	Rs. Crore	-	-	-
Amortisation of Regulatory Assets	Rs. Crore	-	-	-
Reasonable Return	Rs. Crore	6.03	48.61	-42.58
Excess/(Deficit)	Rs. Crore	10.57	(69.05)	(37.04)

The Petitioner has submitted that the Hon'ble Commission may kindly to acknowledge the above factor accordingly.

4.5. Revenue at Existing Tariffs

The Petitioner has estimated the revenue from sale of power considering the sales projected for FY 2022-23 and by applying the various components of existing tariffs. As detailed out in previous sections, the Petitioner has adopted the approach considered by the Commission and estimated the revenue from sale of power on accrual basis. The total revenue based on the existing tariffs applicable for the projected sales is estimated at **Rs 1618.55 Crs.**

The details of estimated revenue from different categories of consumers at existing tariff are provided in Form T-7 & T- 8. The Petitioner humbly requests the Hon'ble Commission to estimate the revenue for estimated sales at existing tariff by duly considering the category-wise and slab wise in the format prescribed by the Hon'ble Commission the tariffs applicable instead of projecting it by applying an average realization rate as the average realization rate does not take into account the impact of variations in sales mix on the estimated revenue. With the implementation of the RGGVY, BGJY and SAUBHAGYA Schemes the sales mix shall be further skewed to the LT subsidized category.

4.6. Summary of Aggregate Revenue Requirement and Revenue Gap

The summary of Aggregate Revenue Requirement, Revenue at Existing Tariffs and Revenue Gap for the ensuing year 2022-23 is provided below.

Revenue Gap without Railway:

Rs Crore	
Expenditure	1882.03
Reasonable return	64.45
Sub Total	1946.48
Revenue from sale of power at existing tariffs	1440.69
Non Tariff Income	35.16
TOTAL REVENUE GAP	(470.63)

Revenue GAP if Railway would avail power supply from other source:

Revenue GAP if Railway would avail power supply from other source:

Presently, TPSODL is having 11 Nos of traction load with Contract Demand of 119200 KVA. Considering 1st six months consumption of 120.53 MU the current year's consumption has been estimated as **240.00MU**. Similarly for the ensuing year FY 2022-23 consumption of 251.00 MU has been projected towards traction.

If railway would be completely availing power supply from other source other than from TPSODL, then the revenue gap would be **470.63 Cr**. Hence the GAP would increase by another **Rs.123.43 Crs**.

Therefore the revenue gap for the year 2022-23, with BSP rate at FY 2021-22 without railway would be **470.63 Crores**.

5. Initiatives by TPSODL:

5.1. Various Payment Options

To improve the reach to the consumers, TPSODL have engaged various service providers for easy payment option to the consumers for payment of Energy Bills through offline/online mode which would enhance the overall collection efficiency. The purpose of such engagement of the service providers is to accelerate the revenue collection by providing the services at the door step of the consumers for any time payment of their Bills and to reduce the door to door collection by the Utility.

Following service providers assigned with the responsibilities for collection of Electricity bills.

- a. **Post Offices**- Collection of cash through Post Offices.
- b. **CSC e-Governance Services India Limited**- Collection of Electricity Bills through CSCs / VLEs.
- c. **ITZ Cash Card**- Prepaid cash card issued by ITZ Cash card and through their various outlets.
- d. **ICICI Bank**- Through Debit / Credit card and Net Banking Services.
- e. **Atom Technology**- Payment Gateway (PG) Services , through Debit / Credit card and Net Banking Services (28 Banks including SBI, UBI, Indian Bank, HDFC Bank)
- f. **Bill desk**
 1. Payment Gateway (PG) Services , through Debit / Credit card and Net Banking Services (50 Banks including SBI, UBI, Indian Bank, HDFC Bank)
 2. EBPP Services- Through Airtel Money & Vodafone m-paisa
- g. **M/s Oxygen**- For mobile collection of Electricity Bills from the consumers through their hand hold machines.
- h. **Pay-TM**: The Utility in association with PayTM providing application for payment of electricity bills through unified mobile app of PayTM. The response is very encouraging.
- i. **Union Bank**: The Utility in association with Union Bank providing application for payment of electricity bills through unified mobile app of of union Bank. The response is very encouraging.
- j. **Digital Payment & progress**: During the COVID-19 pandemic the digital payment by the consumer is very encouraging. More people preferred to make payment digitally through contact less means instead of making payment through cash. The detail progress is submitted below for perusal of Hon'ble commission. So this will give new direction in the future years with 2% incentive given as per tariff.

Revenue collection through SANGRAHA APP:

The three companies has developed own in house collection application which will work both online & off line. The previous application RCS has a short coming can be used only on online mode. Previously, we used to make electronic mode of revenue collection in RCS application which was a mobile based collection app. But this RCS app was successful in no internet network area like Malkangiri Jeypore and Pked , Red and Koraput with other remote area(which have no internet) . So, we used manual money receipt for making revenue collection, therefore process of collection and record keeping was in delay.

To overcome above difficulties and replacement of manual money receipt we introduced the A New Mobile Based Application name SANGRAHA APP. The features and operation are as good as to RCS app but different one is, it works in no network zone and after coming into network zone, all of Data are automatically uploaded in the FG server. The application now used all over TPSODL. Some of features are given below.

1. We recharge towards Top-up Amount to MBC agencies what they deposited towards SD. It means deposit balance is always equal to recharges to them. And with the available Top-up they make collection by door to door.
 2. We also have given mobile with printer to our Staff stead in manual money receipt for revenue collection.
 3. We also use the application in our dedicated cash collection counter .
- b.** The system is in operation in TPSODL along with other two Utilities. The system works online and offline the receipt is generated online. A dedicated I.T back bone and sever utilized for the above purpose to make the system hassle free. About Rs15.00 crores has been collected by RCS & presently used sangrah application per month and around 4.5Lakh consumer are paying through the module .All circles of TPSODL covered under presently developed sangrah application. . The aim is to reach the unreached and boost up the collection as well as to digitize collection. The progress during 2020-21 is detail below for perusal .

RCS INTERNAL & EXTERNAL COLLECTION FOR 2020-21

MONTH	INTERNAL MR	INTERNAL TRANS. TOTAL	EXTERNAL MR	EXTERNAL TRANS TOTAL	TOTAL MR	TOTAL TRASACTION
Apr-20	3929	4080392	64764	11734770	68693	15815162
May-20	96862	78028291	360994	153196477	457856	231224768
Jun-20	44493	41255201	323628	92630305	368121	133885506
Jul-20	28227	28895207	243500	73989947	271727	102885154
Aug-20	39524	35542072	355089	118162937	394613	153705009
Sep-20	44677	37920801	365294	102209920	409971	140130721
Oct-20	87903	55981606	353037	96069137	440940	152050743
Nov-20	67453	62538657	358854	97815751	426307	160354408
Dec-20	53949	40998196	367305	85685100	421254	126683296
Jan-21	56499	37505226	358222	83350036	414721	120855262
Feb-21	76238	54081080	422850	90275402	499088	144356482
Mar-21	91055	76990070	436909	101583817	527964	178573887

5.2. Past Performances & Initiatives:

(a) Mobile Phone Based Billing in hose integrated FG billing software :

The petitioner has implemented online billing module in FG system instead of old billing . The billing on this modue has no of advantages

(b) Implementation Key consumer of High Revenue Base Cell :(KCG &HRB cell):

To focus on high valued consumers (3 Ph, HT & EHT), a dedicated cells as “Key Consumer Group & High Revenue Base” (KCG & HRB) is being functioned at Corporate Office, Berhampur. Earlier this cell was also called as KCBAC, i.e. “Key Consumer Business Analytics Cell”.

This group is created to enhance the services to High Valued Consumers with more reliability, flexibility & transparency. The role & achievement of KCG and HRB cell is as following-

1. Analyzing the Meter dump data received from field unit (MRT) on TOD, MD, PF, Load Survey, Events, Flags etc. w.r.t. Electricity Bill.
2. Analyzing MF, TOD, Load Factor etc. of Electricity Bill.
3. Consolidating findings & initiate short/excess claim assessment.
4. Maintaining the detailed MIS on above.
5. Abstracting the reading parameters manually from Meter Dump data received from MRT & from genus MDMS also and providing to billing center in ASCII format for generation of HT/EHT bill up to Mar 2021.
6. From Apr 2021 onwards, a new billing system has been implemented i.e., Fluent Grid (F.G.). It's cloud hosted billing and customer care solution which is now a case study under the UDAY Scheme of Government of India which is helping to achieve targeted reduction in AT&C losses due to increased billing and collection efficiency. It enables the following more effectively – Bill generation, collection, bill revision, permanent disconnection, allocating a new connection, and meter replacement. Electricity theft and malpractices can be minimized by its implementation.

Reading parameters for Billing are downloaded from Genus MDMS and abstracted by manually & also by means of a software from Meter Dump data and preparing in the proper format to upload in FG software for generation of HT/EHT Bill.

7. During the FY 2021-22, the cell has analyzed data of more than 900 consumers and had taken suitable action against 215 erring consumers and realized revenue to the tune of Rs.1.02 Cr.

8. During last seven months (From Apr 21 to Oct 21), the cell has analyzed data of more than 350 consumers and had taken suitable action against more than 24 erring consumers and realized revenue to the tune of Rs.0.85 Cr.

Keeping in view the above performance, management is planning to upgrade & to renovate the Genus MDMS and also to initiate a new software so as to make easy analysis & to achieve more output in next FY.

And to facilitate direct monitoring of High Valued Consumers' grievances a new branch is established at Corporate Office, Berhampur in the name of "Key Consumer Group & High Revenue Base (KCG & HRB)".

1.1 The key functional role of KCG & HRB is as following details-

1. Handling complete Revenue Cycle Management
2. Data mining and MIS generation
3. Follow up for Meter Management
4. Ensure Meter reading as per process.
5. Build long-term relationships with key clients.
6. Collaborate with internal teams.
7. Ensure revenue collection.
8. Travel to meet clients.
9. Ensure customer satisfaction as per standards.

1.2 Key Consumer Strategy: -

Consumer segment bases on:

1. Consumer expectation -
 - 1.1 Personalize complaint and query handling.
 - 1.2 Quality of relationship building initiatives
 - 1.3 Quality of metering/ billing.
 - 1.4 Reliable quality service delivery, Accurate billing.
2. Organization Requirements -
 - 2.1 Consumer retention.
 - 2.2 Relationship approaches.
 - 2.3 AT&C loss control.
 - 2.4 Strengthening joint review mechanism

(D) Intensification of Vigilance & Enforcement activities at Section level:

In order to combat power theft and to strengthen the vigilance activities, an independent cell in the name & style of “Vigilance & Enforcement cell” has been operational at each electrical Circle office under TPSODL. The Engineering personnel and technicians attached to these cells are moving around the Divisions and subdivisions coming under the jurisdiction of the Circle to keep vigil over the suspected / erring consumers. This cell has been playing vital role in reduction in loss coupled with revenue augmentation. In order to further strengthen the activities manpower support services are been provided for above activities.

The main functions of the cell are:

- Checking / raid of all single & three phase consumers.
- Conducting de-hooking squad by deploying Ex-Army personnel.
- Ensuring billing of consumers as per correct meter reading.
- Ensuring sealing of all working meters.
- Analysis of power consumption.
- Ensuring replacement of defective meters.
- Analysis of the findings of spot billing agency and taking corrective measures.
- Prevention of unauthorized use of power, extension of load and assessment under Section 126 & 135 of Electricity Act, 2003.

The detail status of operation of the vigilance cell operating at circle level of the TPSODL Utility of last one year are reproduced here under. Further due to COVID-19 Pandemic the vigilance activity was not able to take place during FY 2020-21

Details of Enforcement Activity of Electrical Circle under TPSODL, Berhampur																				
Month	Name of the Circle	No. of Cons. Checked	Abnormality								Action Taken (Amount in lakhs)									
			Tampered	By-pass	Unauthorised Used	Slow	Defective	Load Enhanced	Tariff Change	Total	No. of FRs	No. of prov. Asst.	Prov.Ass t. Amount	No. of final asst.	Final asst. Amts	No. of Cons. Paid	Coll. Amts	No. of D/C	No. of R/C	No. of def. meter changed.
Apr.-20 to Mar.'21	Aska	3727	573	345	11	117	202	126	79	1453	0	1114	215.74	1089	110.66	560	36.75	0	0	370
	Bhanjagar	1216	61	131	68	7	76	125	31	499	0	333	89.40	196	20.83	186	19.48	0	0	17
	City Circle	5554	39	55	7	121	255	81	146	704	0	406	109.40	534	83.54	500	56.97	5	5	214
	Berhampur	3489	732	444	79	0	118	336	99	1808	1	1587	322.75	1094	144.66	729	90.21	0	0	107
	Rayagada	1319	12	12	6	0	56	510	61	657	0	645	34.50	594	19.33	286	11.05	0	0	5
	Jeypore	1953	28	122	55	0	108	275	73	661	0	591	78.76	214	10.91	168	10.53	0	0	0
	Total	17258	1445	1109	226	245	815	1453	489	5782	1	4676	850.55	3721	389.93	2429	224.99	5	5	713

TPSODL wishes to replicate this model at the Subdivision level. Each vigilance wing at the subdivision level will be led by a Asst. Engineer. Other resources will be (1) Two Technical

Asst. preferably ITI (2) Two nos Lineman C (3) One Vehicle with driver (4) One Computer with Printer and One accucheck Out of the above the resources mentioned at SI No 1, 3 & 4 will be hired/engaged through outsourcing agencies.

The details expenses shall be incurred for operation of the cell are as under.

TPSODL proposes that Hon'ble Commission may approve an amount of Rs 7.11 Cr against the Vigilance and Enforcement Activities.

Category wise modem installation Status as on Sep-21

CONSUMER CATEGORY	TOTAL NO OF CONSUMERS COVERED WITH AMR
3-phase	
Domestic	706
GP(LT)	4939
OLI	338
PLI	2080
Agro Agri	102
Agro Ind	18
PWW	1335
IND (Small)	1486
IND (Medium)	1450
PUB LTG	36
SPP	440
TOTAL 3Ph	12930
HT consumer	
DBS	13
GP	89
OLI	15
PLI	0
Agro Ag	70
Agro IND	5
LIND	225
Traction	6
PWW	36
SPP	53
Heavy IND	2
PIInd	1
TOTAL HT	515
TOTAL	13445

5.2.1. Micro Franchisee (SHG)

Licensee have also made efforts for development of Micro Franchisee in the Distribution Sector as mandated by the Hon'ble Commission, not only through NGOs, Cooperatives but also through Women Self Help Group (WSHG) or its federations at its own or through the District Administration support. Energy Department in consultation with Women and Child Development Department formulated a scheme known as "SHG ENERGY FRANCHISEE ARRANGEMENTS" (SEFA) for development of Micro Franchisee throughout the State with the help of WSHGs.

Licensee TPSODL on its part has made commendable progress through employing WSHGs as Micro franchisees through SEFA arrangement covering its entire area of operation. It has around 398 Micro Franchisees collecting monthly revenue of around Rs.10.00 crores which is around 10 % of the total LT revenue collected. Recently the govt of odisha has increased the remuneration of SHG to Rs10.00 per collection & Rs 8.00 per billing.

5.3. Automated Meter Reading System:

In order to improve the revenue and proper billing, Automatic Meter Reading (AMR) is planned to be implemented for all 3-Ph consumers. The total number of consumers targeted is 26180 Nos. Out of which AMR has been implemented in 13445 Nos. The consumer category wise is as follows. Action plan is initiated to complete 100 % installation for remaining OLI and PLI consumers, as well as it is planned to install Smart meters for the balance of the total consumers

Proposal for using Integrated Group Metering Scheme (AMR) for Auditing:

While we are ensuring metering of all feeders at the sending end and PSS end. In order to move to the next stage of 100% energy audit and also to ensure that the theft of electricity is captured and arrested in time, it is proposed to implement 'Integrated Group Metering Scheme (IGMS)' in Aska circle on pilot basis.

11KV College Square feeder at Aska is selected for the proposed pilot of "Integrated Group Metering Scheme". As this is known as a high loss feeder, detailed discussions were held with AED – 1 team to identify the 100 KVA DT had burnt twice in last two years on overload. This will enable us to monitor and identify tampering / pilferage amongst these suspected consumers. There are around 110 consumers on 19 poles under one DT. It is proposed to carry out IGMS pilot with 20 units of clustered metering with 6 meters per unit and/or 12 meters per unit.

The proposed 12 in one and 6 in one meter box units are offered for inspection by the vendor, post which they will be installed at the proposed site of 100 KVA DT of 11KV College Square feeder at Aska.

The above pilot group metering scheme will be read through AMR along with the LTCT Check meter on the respective DT and will enable to generate energy audit report specific to these group of 110 consumers. This will enable us to monitor and identify tampering / pilferage amongst these suspected consumers.

TPSODL plans to commission such metering schemes on similar identified high loss feeder DTs, post sharing the findings of this pilot project.

5.4. Consumer Indexing

TPSODL, although initiated the process of consumer indexing, could not implemented the same due to lack of funding. This year TPSODL submitted the expensed in the head of Admn and general expenses and shall implement the consumer indexing on approval the expenses. The POA for implementing the Consumer indexing is given below.

The Consumer Indexing would be a onetime activity aimed to identify all the existing consumers receiving supply from individual Distribution Transformer and creation of network diagrams and asset details with an arrangement for regular updation in future. This will involve door to door survey so as to identify consumers receiving electrical supply from each DTR, preparation of LT line network diagram, preferably with GIS, and building database of DTR wise consumer indexing. The activities will include the following

i) Consumer & Network survey:

- Door-to door survey for identification of all consumers connected to each DT separately which will include gathering of information related to the consumer and meter details, details of landmark to identify DTR and Pole location.
- Electrical addressing through pole scheduling of all consumers.
- Preparation of network details viz. 11 KV Feeder, DTR (capacity, location etc.), LT circuits (conductor size, line configuration- horizontal/ vertical- single phase 2wire/ 3wire, 3phase 4wire/ 5wire, span size etc.), Pole type and no. of services from each pole.

ii) Building database and Indexing of Consumer:

- Development of a consumer data base as a backup to a GIS facility which will include indexing a consumer to the DTR's and 11 KV feeders allocating an

alphanumeric code to each consumer following approved coding structure from the DISCOMs.

- Development of software tools for viewing consumer details, network details, DTR details etc. with various summaries and linked information with facilities for editing, modifying any data relating to consumer, network, at a later stage according to changes taking place.

5.5. Energy Audit of 33 KV and 11 KV feeders:

TPSODL is having 794 Nos of 11KV feeders. Out of 794 feeders 664 feeders are metered. Against 110 Nos 33KV feeders 95 nos of 33KV feeders are metered. TPSODL has already conducted energy audit of 274 nos of 11KV feeders and 59 nos of 33KV feeders. Further energy meters are also installed on 894 nos available at DTR points. Substantial amount is required for installation of feeder and DTR meters.

TPSODL has conducted energy audit at both 33KV and 11KV feeder level. the details are as under

DIVISION	NO. OF 33 KV FEEDER	33KV Metered Feeders	NO. AUDITED	NO. OF 11 KV FEEDER	11KV Metered Feeders	NO. AUDITED	DTR Metering	No.of DTRs under audit
BED-I, BERHMAPUR	6	6	5	30	27	11	447	0
BED-II, BERHAMPUR	3	3	3	17	17	9	217	0
BED-III, BERHAMPUR	2	2	2	19	19	17	148	0
City Circle	11	11	10	66	63	37	812	0
GNED, CHATRAPUR	8	6	6	38	38	34	27	0
PSED, PURUSOTTAMPUR	6	6	5	31	29	27	0	0
HED, HINJILICUT	3	3	3	26	25	19	36	0
Berhampur Circle	17	15	14	95	92	80	63	0
AED-I, ASKA	3	3	3	19	19	15	4	0
AED-II, ASKA	4	4	2	20	19	8	9	0
GSED, DIGAPAHANDI	6	6	4	32	32	17	5	0
Aska Circle	13	13	9	71	70	40	18	0
BNED, BHANJANAGAR	5	5	4	39	31	13	0	0
PED, PHULBANI	5	5	5	79	69	39	0	0
BOED, BOUDH	5	5	4	44	38	32	0	0
Bhanjanagar Circle	15	15	13	162	138	84	0	0
JED, JEYPORE	10	10	3	64	51	0	0	0
NED, NABARANGPUR	13	5	1	72	32	0	0	0
MED, MALKANGIRI	5	3	0	54	36	0	0	0
KED, KORAPUT	8	5	1	56	43	0	0	0
Jeypore Circle	36	23	5	246	162	0	0	0
RED, RAYAGADA	8	8	3	66	61	13	0	0

GED, GUNUPUR	3	3	0	30	28	8	1	0
PKED, PARALAKHEMUNDI	7	7	5	58	50	12	0	0
Rayagada Circle	18	18	8	154	139	33	1	0
TOTAL	110	95	59	794	664	274	894	0

Proposal for carrying out of Energy Audit in complete shape:

The feeder metering under DDGJY & IPDS Schemes is in progress and target is to complete the same by Dec-2020.

5.6. Standard of Performance Audit by 3rd Party.

As per the direction of Hon'ble Commission, TPSODL Utility have engaged One Outside agency M/s Power Tech consultant to conduct SoP Audit for FY 2019-20 in respect 3 Divisions namely BED-III, Aska-II, and PSED, Purusottampur. They shall verify 100% records of Overall Standard of Performance and Guranteed Standard of Performance and shall report to the Commission.

Functioning of Customer relation(CRC) at TPSODL

TPSODL committed to provide facility to consumers for resolution of all Queries/Complaints & energy bill payment facility under one roof. In first phase, TPSODL has planned to open 6 nos. of CRC's (one/circle) in FY-22. One additional CRC is also planned in Hinjilicut Division to be made operative by end of FY-22 as its require minimum 6 months construction time. These CRC' shall be aesthetically designed reflecting architecture of care and equipped with trained staff and other amenities like drinking water, air condition, washrooms, waiting area, Q management system, self-help kiosk and led screen for dissemination of safety and other information. Customer at liberty to approach any Customer Relations Centre (CRC) irrespective of his/her for resolution of queries/complaints & bill payments. While designing CRCs Safety measures for Staff & Consumers being ensured including Covid protocol. On site arrangements made for regular training of staff posted at CRC. This includes soft skill and process related training on regular basis. All woman staff shall manage some of the CRC. Feedback from customer shall also be taken in Feedback Form post service delivery for acquiring in depth information of processes & systems for corrective action thereby enabling superior service experience. For information and awareness of consumers, posters and banners shall be posted aesthetically. These shall be related to Energy Conservation/Demand Side Management, Rooftop solar home automation, safety etc. Details of all consumer visits shall be uploaded on "MO SARA KAR" portal. One such CRC in City Circle at Courtpetta, City Circle of Berhampur is functional. Few photographs of this CRC attached.



Below is a brief on CC:-

TPSODL Call Center was established on 1st April-21 & runs 24X7 throughout the year. The Call Center solution is cloud based & includes IVR, Call Recording, Conferencing & GSM wireless phones with headsets. There are in total 120 PRI Channels which runs through Cloud. Customer Complaints & Queries are being recorded through CRM application with all mandatory details. We have multilingual IVR option (Odia, English & Hindi) for customer convenience.

Consumers can connect with us at our Toll free no's 1800-345-6797/ 1912 for any Query & Complaint related to following Services:-

1. Power Supply or any other technical complaint
2. Fire & any other Safety related complaint
3. New connection/ Change in Load, Category, Name etc.
4. Billing, Reading, Metering & Payment related complaints
5. To know Complaint Status
6. Theft, Harassment & Ethics also

To speak to an agent directly the customer can press 9 after dialing to our Toll free no's.

Compliance to Directions of Hon'ble OERC

Hon'ble Commission has given certain direction in the Vesting order dt.28.12.2020

As per the direction of the Hon, ble commission TPSODL had submitted the audited accounts of southco utility as of 31.12 2020 in the month Oct-21.

Segregation of Wheeling and Retail Supply Business:

Para 366. All discom utilities of odisha have filed their aggregate revenue Requirement (ARR) wheeling and retail supply tariff application for the financial year 21-22. In pursuance to 6(1) of terms and condition of determination of wheeling and retail supply tariff regulation within 30 th Nov 2020-----

- . **Compliance:** Regarding segregation of books of accounts of the utility it is to submit that soon after revocation of license of the holding company of M/s TPSODL Ltd on 4th March-2015 the assets are yet to be transferred to the Utility, In such scenario segregation of accounts with present arrangement is not possible. Apart from the above to segregate wheeling from retail supply the cut-off point of metering arrangement is yet to be formulated. Therefore the Utility submits that till such time segregation may kindly be considered on the basis of allocation statement.

7. Allocation of Wheeling and Retail Supply Cost :

Hon'ble Commission has formulated Regulation for bifurcation of Wheeling and Retail supply business vide notification dated 14th Nov-2014. According to the said regulation the Utility is required to file its ARR application as per the amended regulation. In line with the same as per clause 4.3 and 4.4 of the Regulation for such period until the accounts are segregated, the Utility shall prepare an allocation statement to apportion cost and revenues to wheeling and Retail supply business and submit it along with ARR for approval of Hon'ble Commission. In view of the same, the Utility is proposing the following allocation statement for kind approval of Hon'ble Commission.

Statement of allocation of Wheeling & Retail Supply Cost						
(Rs. In Crore)						
Sl. No	Cost/Income Components	ARR for FY 2021-22	Assumption Ratio for consideration of Wheeling Business	Assumption Ratio for consideration of Retail Supply Business	Wheeling Cost for FY 21-22	Retail Supply Cost for FY 21-22
1	Power Purchase Cost					
	BSP	863.19	0%	100%	59.03	804.16
	Transmission Charges	116.76	0%	100%	7.38	109.38
	SLDC Charges	0.71	0%	100%	0	0.71
	Total Power Purchase cost	980.66			66.41	914.25
2	O & M Expenses					
	Employee Cost	578.76	60%	40%	347.25	231.5
	A&G Expenses	113.82	40%	60%	45.53	68.29
	R & M Expenses	137.91	90%	10%	124.12	13.79
	Bad & Doubtful Debt inc	16.19	0%	100%	0	16.19
	Depreciation	44.29	90%	10%	39.86	4.43
3	Capital Cost					
	Interest on Working Cap	27.28	10%	90%	2.73	24.55
	Interest on Capital Loan	24.47	90%	10%	22.02	2.45
	Interest on Security Depo	13.06	0%	100%	0	13.06
	ROE	64.45	90%	10%	58.01	6.45
4	Special Appropriation					
	Appropriation of Regulate	0	25%	75%	0	0
	True up of Current Year C	0.00	25%	75%	0	0
	Contingency Reserve	0.00	90%	10%	0	0.02
	Grand Total	2000.88			705.93	1294.98
5	Miscellaneous Receipt					
	Non-Tariff Wheeling Income		As per actual assumption	As per actual assumption		
	Non-Tariff Retail Income	35.16	As per actual assumption	As per actual assumption		

8. Tariff Rationalization Measures

Hon'ble commission in each and every RST order is providing their observation w.r.t the proposal of licensee towards tariff rationalization measure. Some are being accepted and the ones which are denied are with reasons.

During the ensuing year the utility is proposing certain tariff rationalization measures in the following paragraph. Some are new and some are repeated in nature with justification is being appended.

8.1. Inclusion of M/S NALCO & IMFA as consumer of TPSODL

The operational control of SOUTHCO Utility has been transferred to TPSODL vide Order dated 28.12.2020 in Case No.83/2020. Hence, the Commission is mandated under Regulation 9.3 of OERC (Conduct of Business) Regulation, 2004 to impose suitable Licence Conditions. Hence, it is necessary that the Licence transferred to TPSODL be amended considering the fresh Conditions in the Commission's order dated 28.12.2020, so that TPSODL, the successor of SOUTHCO Utility, performs its obligation successfully as a Licensee pursuant to its commitment

As per Clause-2 TPSODL license conditions " The area of operation of Licensed Activity of the Licensee shall comprise the Electricity Distribution Circles of City, Berhampur, Aska, Bhanjanagar, Jeypore and Rayagada existing as on date, excluding any cantonment, aerodrome, fortress, arsenal, dockyard or camp or any building or place in occupation of the Central Government for defence purposes."

As per Clause 3.3 of TPSODL license conditions "Area of Distribution" or "Area of Supply" means the area of Distribution stated in Condition No. 2 of these within which the Distribution Licensee is authorised to establish, operate and maintain the Distribution System and supply electricity.

NALCO & IMFA two consumers of TPSODL area where NALCO plant is situated at Damanjodi & IMFA at Theruvalli availing power supply directly from GRIDCO through OPTCL distribution system.

As per the observation of Hon'ble commissions in Para 194 of GRIDCO ARR 2021-22 "Having determined the quantum of power purchase for the DISCOMs, the Commission has estimated the quantum of energy lost on account of transmission at EHT within the State for delivery to the DISCOMs. The Commission has taken into account the sale of emergency power to CGPs and approves the same at 60 MU for 2021-22 based on the submission of GRIDCO. The actual sale of 32.03 MU to the CGPs (NALCO & IMFA) towards emergency

power during the first six months of the current FY 2020-21 has been taken into consideration.”

The Hon'ble commissions in Para-352 of GRIDCO ARR 2021-22 “During the FY 2021-22 GRIDCO expects to earn an amount of Rs.42.90 Crore at existing approved BSP @ 7.15 P/U towards Emergency Sale of Power) from the proposed emergency sale of 60 MU to Long Term Customers like NALCO and IMFA for meeting their emergency & back-up power requirements as per the MOU signed with them. The commission approves an amount of Rs.44.52 Crore towards the miscellaneous revenue for the FY 2021-22”.

TPSODL has taken up the matter with regarding above sale of power directly to IMFA & NALCO with Gridco Vide L.No-6829(2) Dt-24.08.2021.

In view of the Clause-2, 3.3 & 7.10 of the licence conditions TPSODL prays before the Hon'ble commission kindly issue suitable direction to the deemed consumer NALCO, Damanjodi & IMFA, Theruvalli to execute necessary agreement with TPSODL for routing their demand through TPSODL in order to reduce revenue loss by TPSODL & make the Discom viable.

8.2. Withdrawal of TOD Benefit :

As per RST order TOD benefit is being extended to Three phase consumers except public lighting and Emergency Supply category of consumers having own CGP for the consumption during off peak hour. Off peak hour for this purpose is from night 12.00 PM to morning 6 AM of next day. Now with the introduction of frequency based tariff significance of Off peak hour(TOD) consumption has been lost. Consumers are reaping the benefit of frequency based tariff and intends to use accordingly as a result the load curve of most of the industries are almost flat. In such scenario continuance of TOD benefit is no more required. If continuance of TOD benefit is being permitted to the consumers, similarly the Utility's BSP may also be permitted to reduce for TOD consumption during off peak hour. Further, consumers having contract demand more than 110Kva and above are also availing off peak hour benefit towards drawal to the extent of 120% of their contract demand without levy of penalty. So, further continuance of TOD benefit would be a double benefit for the same cause which may kindly be withdrawn.

8.3. Recovery of Cost of the Meter:

Hon'ble Commission has approved recovery of Monthly Meter Rent from various categories of consumers in different rates on the basis of types of meter. Recovery of the same is permitted for a period of 60 months i.e till the cost of the meter is recovered. Statutory levy required to be collected in addition to meter rent. Statutory levy indicates

collection of GST. Now, consumers are being billed on monthly basis along with meter rent, statutory dues i.e GST also due on the basis of monthly/bi monthly billing. All the licensees are struggling in collection from the LT category of consumers. Unless amount is being collected fully, deposit of same would affect the fiancé of the utility. In addition to same consumers would require to be burdened additionally towards GST component. It is pertinent to mention here that, metering is inevitable equipment for measurement of electrical energy. Hon'ble Commission also permitted recovery of meter cost. Hence, it is humbly submitted that the utilities may be permitted to recover meter cost on the approved rate for a period of 60 month. It is not meter rent, meters are part of the Network assets. The licensee are not installing on consumer premises on lease basis. Hence the term meter rent may kindly be replaced with recovery of meter cost.

8.4. Demand charges to HT Medium category of consumers

Hon'ble Commission vide Para 331 of RST order has observed that "The demand charges for HT medium category of consumers are a separate category of consumers who have CD<110 KVA. They are small industrial consumers. Their viability cannot be compared with large industry consumer. Therefore, the Commission have been consciously keeping demand charges lower for this category."

It is our humble submission that the utility is not denying the judicious decision of Hon'ble Commission. However, it is our repeated submission that similarly placed General purpose category with load of >70 Kva & <110 Kva and Specified Public Purpose category are paying demand charges @ Rs.250 per Kva p.m. whereas This is discrimination among consumers availing power supply under HT category and also providing scope to become Medium industry to avail such benefit. With such wide GAP between Demand charges, consumers under HT medium category just below 110Kva are always trying to avail demand benefit even though their actual connected load is more than 110Kva and above. To curb such type of disparity in demand charges the licensee submit before Hon'ble Commission to fix demand charges for HT Medium category of consumers @ Rs.250 per Kva p.m. Previously Hon'ble Commission has also fixed demand charges @ Rs.250 per Kva p.m. for HT category of consumers equivalent with large industry during FY 2012-13. In addition to above, to avail HT supply with connected load or contract demand <110 Kva installation of transformer capacity may be limited to 100Kva only. Consumers, having transformer of more than 100Kva and billed under <110Kva should be brought into large category of consumers immediately. Necessary suitable direction may kindly be given in this regard.

8.5. Demand Charges and Monthly Minimum Fixed Charges

The Licensee submits that 90% of the Distribution costs are fixed cost in nature. The distribution cost of the License which is a fixed cost has increased many folds during the recent years, the said cost normally required to be recovered from the Demand Charges. The fixed cost of the power procurement by way of payment towards capacity charges has also increased during last few years. The revenue recovery on account of the demand charges and monthly minimum fixed charges is approximately Rs.211.31 crore for the ensuing year at the existing tariff whereas the fixed distribution cost is around Rs.625.29 crore (Employee cost, R&M, A&G and Interest cost) which is more than double the amount recovery.

In view of the above, the Licensee proposes to recover the full fixed distribution costs by suitably revising the Demand charges and monthly minimum fixed charges as proposed in earlier section , as applicable to the respectively category during the ensuing year.

8.8 Levy of demand charges on installed capacity instead of contract Demand

It is seen that most of the neighboring states are charging demand charges on the basis of the installed capacity of the consumer and also it is very high as compared to Odisha. Presently, due to increase of LT consumer base as well as increase of BST cost (which is the composite of demand and energy) the licensee is not in a position to liquidate the fixed cost like Employee cost, R&M, A&G , interest after payment of BST and transmission charges. Therefore, with increased BST cost unless demand charges are increased then the licensee could not able to operate in sustainable mode to provide uninterrupted power supply to the consumers. For your kind perusal the tariff structure in few neighboring states are appended below

States Demand Charges	Energy Charges
1) ChhatisgarhRs.350/-per KVA per month	Rs. 4.20 per KVAh
2) AndhrapardeshRs.350/-per KVA per month	Rs. 3.75 per KVAh
3) Jharkhand Rs.350/-per KVA per month	Rs. 4.60 per KVAh
4) MadhyapradeshRs.310/-per KVA per month	Rs. 5.90 per KWH

(Precondition of minimum off take of 1500 unit Per KVA per annum)

In case of Chhatisgarh demand charges are on the basis of installed capacity.

In view of the above the utility humbly submits before Hon'ble Commission to kindly allow some enhancement in demand charges. The present demand charges of Rs.250/- per Kva per month on the basis of 80% of CD or MD whichever is higher. Alternately, the

demand charges may kindly be permitted to levy on 85% of CD or demand charges whichever is higher.

8.9. Introduction of Amnesty Arrear Clearance Scheme for LT Non Industrial category of consumers.

Presently, the utility is having outstanding of more than Rs.1499.00 crores under LT non industrial category as on 30th Sep-2019. Out of the same more than Rs.351.00 crs are under disconnected category. Most of the consumers, after accumulation of huge outstanding are trying to get another connection and putting the other one under Permanently Disconnected Consumers (PDC). The utility is also suffering from huge financial loss on account of low collection efficiency and coverage in Domestic and Commercial category of consumers. Hon'ble Commission has also directed to conduct receivable audit of the outstanding amount as on 31.03.2015 of the utilities through Chartered Accountants and Cost accountants. Considering the same, it is submitted before Hon'ble commission to approve an arrear collection scheme for LT non industrial category of consumers in line with OTS scheme earlier approved for FY 2011-12. Depending upon the outstanding and paying ability of the consumer's 6 to 12 monthly installments may be fixed to clear the outstanding and avail benefit of withdrawal of DPS and certain percentage of waiver on outstanding amount. As a result cash flow of the Utility will also improve and able to clear its outstanding dues to GRIDCO as well as Employees terminal liabilities.

8.10. Discount to Rural consumers

Hon'ble Commission has allowed special rebate for Rural LT domestic consumers @ 5 paise per unit in addition to existing prompt payment rebate who draw their power through correct meter and pay the bill in time. In line with the above the licensee is intending to increase the special rebate of @ 5 paise per unit to @ 10 paise per unit for the LT Rural Consumers in addition to the existing prompt payment rebate & digital rebate who draw their power through correct meter and pay the bill in time. Hon'ble Commission may take a decision in this regard.

8.11 Increase in Charges for line extension to LT Single Phase connection up to 5KW

Hon'ble Commission in the RST orderDT.22.04.2020 vide Annexure-B para (vii) has allowed to recover the following charges for LT Extension:-

LT Single Phase consumers of all categories having CD upto 5 KW with pole within 30 meters from the consumer premises

Upto 2 KW : Rs.1,500/-

Beyond 2 KW upto 5 KW: Rs.2,500/-

Provided that if the line extension is required beyond 30 meters, the licensee/supplier shall charge @ Rs.5,000/- for every span of line extension in addition to the above charges.

Now, it is seen that the actual cost is much higher in many cases. In case of urban areas it is somehow possible, but in case of rural area it is not at all feasible. Even if for single pole or two poles cases the transportation, loading & unloading, erection cost is much higher. Further the AB cable must be in higher size for further extension of load along with stay in case of last span. Therefore, it is humbly submitted that in case of rural areas it may be fixed as Rs.12,500/- per span.

8.12 For Industries having CGP benefit of leading PF may abolished.

Hon'ble Commission has pleased to introduce kVAh billing to all consumers other than LT consumer w.e.f. 4th April 2021. Accordingly, all the consumers under HT and EHT category are being billed on kVAh basis from 4th April, 2021. The licensee has also educated all such consumers the benefit of kVAh billing. Hon'ble Commission has also abolished power factor incentive & penalty w.e.f FY 2021-22 since kVAh reading captures both active and reactive power drawal.

While doing so Hon'ble Commission has directed that in case of leading power factor whose instances are relatively few when kVArh are injected into the system from consumer side, in that event the kWh drawal reading shall be taken and billed as per the kVAh tariff.

kVAh billing has an inherent mechanism to incentivize or penalize consumers according to their power factor. The Prime Objective of the kVAh based billing is to encourage the consumers to maintain near unity Power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile. A leading power factor may be disruptive to the other local customers, so in general it is to be avoided.

10. Formats

The following filled in formats will form a part of the ARR and Tariff Application for FY 2020-21 as annexures:

- 9.1. Commercial/Technical Formats T1-T9**
- 9.2. Financial Formats F1-F27**
- 9.3. Details Performance Formats (P1-P17) in Vol- II**

10. Prayer

In the aforesaid facts and circumstances, the licensee prays that the Hon'ble Commission may be pleased to:

- Take the ARR Application and Tariff Petition on record.
- Approve the Aggregate Revenue Requirement for FY 2021-22
- Bridge the Revenue Gap for the FY 2021-22 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of Odisha as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff.
- To consider the AT & C Loss for the ensuing year.
- To do away with Intra state ABT till generators are involved.

Allow the following Tariff rationalisation measures as proposed

- Inclusion of M/S NALCO & IMFA as consumer of TPSODL and issue of suitable direction in the tariff order.
- Abolish TOD benefit.
- Change of nomenclature from Meter Rent to Recovery of the Cost of the Meter
- Increase in Demand charges to HT medium Industry consumers.
- To increase the Demand charges and monthly minimum fixed charges for recovery of fixed cost.
- Introduction of Amnesty arrear clearance scheme for LT non industrial category of consumer.
- Levy of demand charges on installed capacity instead of contract demand.
- Creation of accidental corpus fund.
- Increase in charges for line extension to LT single phase consumers
- Other Tariff rationalization measures as proposed in this application
- Looking to the geographical area and the consumer mix, the cheap cost of power may be allocated to the TPSODL while finalizing the BSP.
- Allow the TPSODL to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Hon'ble Commission deems fit
- A true-up petition will be filed separately.

Dated: 30.11.2021

By the Applicant
Through its Chief Executive Officer