June 8, 2023

File No TPSODL/Regulatory /2023/48/5191

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

Dear Sir

Subject: *An Application for approval of Business Plan for the period FY 2024-25 to FY 2027-28 of TP Southern Odisha Distribution Ltd (TPSODL) under Regulation 2.1 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2022*

We are submitting the above application as attached

We trust our submissions are in order.

Yours faithfully

VHWagle

(Vidyadhar Wagle)
Chief Regulatory Affairs

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venue)
Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004
Website: www.tpsouthernodisha.com Email: tpsodl@tpsouthernodisha.com
Corporate Identity Number (CIN)- U40300OR2020SGC035195

Before the Odisha Electricity Regulatory Commission
Plot No-4, Chunokoli, Shailashree Vihar, Bhubaneswar-751021

Case No: 46 of 2023/829
File No TPSODL/Regulatory /2023/48/5191

In the Matter of	An Application for approval of the Business Plan for the period FY 2024-25 to FY 2027-28 of TP Southern Odisha , Distribution Ltd under Regulation 2.1 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2022
	And
In the Matter of	TP Southern Odisha Distribution Ltd. (Formerly Southco Utility), Corporate Office, represented by its Chief –Regulatory Affairs Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004
	...Petitioner
	And
In the Matter of	All Stake Holders
	...Respondents

Affidavit

I Vidyadhar Hari Wagle, aged about 55 years, S/o. Late Hari Prabhakar Wagle working as the Chief Regulatory Affairs, do hereby solemnly affirm and state as follows:

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

Vidyadhar Wagle
Deponent

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

Verified at Berhampur on this 31st. day of May, 2023.

Identified by:

31-5-2023
Advocate.

DECLARATION
The deponent having been identified by Sri S. R. Mahapatra Advocate Berhampur affirms before me this the 31-05-2023 before the Notary Berhampur A.M/P.M Read over & explained the deponent who seems perfectly to have understood the contents & affidavit
31-05-2023
Aswin Ku Mahapatra
NOTARY BERHAMPUR (GANJAM)

Vidyadhar Wagle
Deponent (TPSODL)

Aswin Ku Mahapatra
M.A., LL.B.
NOTARY, BERHAMPUR (GANJAM)
41333(A) 5-40 Pg
31/5/2023

Before the Odisha Electricity Regulatory Commission
Plot No-4, Chunokoli, Shailashree Vihar, Bhubaneswar-751021

Case No: 46 of 2023/829

File No TPSODL/Regulatory /2023/48/5191

In the Matter of	An Application for approval of the Business Plan for the period FY 2024-25 to FY 2027-28 of TP Southern Odisha , Distribution Ltd under Regulation 2.1 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2022
	And
In the Matter of	TP Southern Odisha Distribution Ltd. (Formerly Southco Utility), Corporate Office, represented by its Chief –Regulatory Affairs Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004
	...Petitioner
	And
In the Matter of	Gridco, OPTCL and All other Stake Holders
	…Respondents

In line with Regulation 2.1 of the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2022 ("Tariff Regulations) , TPSODL is required to file a Long Term Business Plan by 31st January 2023 . The relevant extracts from the Tariff Regulations are as under

2.1.1. The Distribution Licensee shall file for the Commission's approval, not less than 120 days before the commencement of the first year of the Control Period or such other date as may *be directed by the Commission, a Long-Term Business Plan prepared in accordance with these regulations for the entire Control Period.*

The Hon'ble Commission has in Annexure I (of the Tariff Regulations) specified a date of 31st January 2023 for submission of the Business Plan. TPSODL had on 31st January 2023 filed its business plan but for FY 2023-24 only. The said case was registered as Case No 12 of 2023 and was disposed off along with the ARR petition for FY 2023-24.

In the above said petition, TPSODL had sought more time for filing of the projections for FY 2024-25 to FY 2027-28. The Hon'ble Commission considered this and granted time till 30th April 2023 for filing of the above projections. The directions of the Hon'ble Commission in this regard are as follows:

> *79. The Commission has reviewed the application of Business Plan of licensees and found it appropriate to approve the ARR for FY 2023-24 (i.e. first year of the present control period). Considering the prayers made by the licensees. The Commission directed them to submit the business plan for the balance control period by 30th April 2023.*

On a request from the Discoms, the Hon'ble Commission had granted further extension for filing of the Business Plan till 31st May 2023. The Hon'ble Commission in its letter No Dir (T)- 394/2023/692 dated 16th May 2023 had permitted the following:

> In inviting reference to letter of TPCODL on the subject cited above, the Commission allows extension of time upto 31st of May, 2023 to file the Business Plan for the period from FY 2024-25 to FY 2027-28 in respect of TPCODL as well as other three Distribution Licensees (TPWODL, TPNODL, TPSODL). No further extension of time for filing of the Business Plan will be allowed.

In compliance with the above and in line with the requirement of the Tariff Regulations, TPSODL is filing its Business Plan for FY 2024-25 to FY 2027-28 in this petition

A. Prayers

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

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Regd./Corp Office: Kamapally, Courtpeta, Berhampur, Ganjam, Odisha- 760004
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Corporate Identity Number (CIN)- U40109OR2020PLC035195

1. Approve the Business Plan for FY 2024-25 to FY 2027-28
2. Permit making additional submission required in this matter
3. Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

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1. Basis of Business Plan for FY 2024-25 to FY 2027-28

1.1. Business of TPSODL

1. TP Southern Odisha Distribution Limited (TPSODL) is incorporated as a joint venture of The Tata Power Company (51%) and Odisha Government (49%) on the Public-Private Partnership (PPP) model. TPSODL which was formed after the successful completion of competitive bidding process was given the license to distribute electricity in the southern part of Odisha comprising districts of Ganjam, Gajapati, Boudh, Kandhamal, Rayagada, Koraput, Nabarangapur and Malkanagiri, which was earlier served by erstwhile Southco Utility.

2. The core business activities of TPSODL are summarized as follows:

- Operation and maintenance of distribution network
- Expansion of distribution network
- Electricity supply and after sales services
- Connection of new customers to the distribution network
- Meter reading, billing and revenue collection
- Customer complaint resolution
- Restoration of power after interruptions
- General customer care including provision of information on services
- Customer sensitization on energy efficiency, energy losses and safety

1.2. Operation of TPSODL and its Asset Base

3. TPSODL's licensed area is spread over a geographical area of 48751 sq. Km. and it serves a consumer base of around 23.7 lakhs. TPSODL procures power from GRIDCO through Odisha Power Transmission Corporation Limited (OPTCL)'s 220/132/33 kV grid substations at sub transmission voltage level of 33 kV and then distributes the power at 33 kV/11 kV/440 V/230 V depending on the demands of the consumers.

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4. In this process, TPSODL operations include several electrical equipment such as Power Sub Stations (PPS), 33 KV Lines, 11 KV lines, 415 V network and all the associated apparatus. The summary of the various electrical equipment operated by TPSODL is provided in the table below:

Table 1 : TPSODL Equipment Statistics (as on 31st March 2023)

SR.NO	DESCRIPTION	UNIT	CITY	BERHAMPUR	ASKA	BHANJANAGAR	RAYAGADA	JEYPORE	TOTAL
1	No of consumers	No	230977	333165	247300	444275	402250	755198	2413165
2	No of 33/11 kV substations	No	20	31	22	46	56	75	250
3	Power Transformers 33/11 kV	No	48	73	57	97	109	168	552
4	Transformation Capacity 33/11 kV	MVA	275.6	383.25	278.15	435.65	500.75	720.5	2593.9
5	Transformer Distribution 33/0.415 kV ,11/.415/0.230 kV	No	2544	5433	4227	13381	9027	23567	58179
6	Transformation capacity 33/0.415 kV,11/.415/0.230 kV	MVA	289.44	353.97	254.55	431.63	338.27	867.25	2535.11
7	33kv line - O/H	CKM	143.54	383.36	243.04	980.86	822.01	1468.93	4041.74
8	33kv line - U/G	CKM	3.73	0	0.9	0	0	0	4.63
9	11kv line - O/H	CKM	1218.75	3533.9	2730.19	12042.46	8282.01	17400.79	45208.1
10	11kv line - U/G	CKM	28.88	13.41	36.73	22.2	0	0	101.22
11	LT line - Bare	CKM	502.2	1092.5	704.55	1521.275	2738.92	2559.11	9118.555
12	LT line - ABC	CKM	1083.81	3478.2	1710	7178.18	3970.99	13677.24	31098.42

1.3. Requirement of filing the present petition

5. As per the Regulation 2.1 of the Tariff Regulations, TPSODL is required to file the Business Plan for 5 years i.e from FY 2023-24 to FY 2027-28. The extracts related to this provided in **Annexure 1- Extracts from Tariff Regulations related to Business Plan for FY 2023-24** . In compliance with this requirement, we had file the Business Plan for FY 2023-24 along with the ARR petition for FY 2023-24 . We are now filing the Business Plan for the balance period i.e FY 2024-25 to FY 2027-28 (i.e 4 years)

1.4. Basis for Projections

6. The Hon'ble Commission had approved the Tariff Order for FY 2023-24. In the same the Hon'ble Commission had approved the Sales and Estimated Power Purchase amount. Further, the Hon'ble Commission had also approved the O&M Expenditure for FY 2023-24. The projections for FY 2024-25 to FY 2027-28 is based on such approvals.

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7. The Business Plan for this period has been based on the present trend of sales, approved quantum for FY 2023-24 it the recent Tariff Order and expected growth in the years to come. Further, TPSODL on the basis of the requirement of the Vesting Order has planned it Capital Expenditure for the 4 years under consideration in this petition. Further the projections of Other expenditure have been made on the basis of the Tariff Regulations

8. In addition, TPSODL in its ARR petition had sought certain O&M expenditure for FY 2023-24. However, the Hon'ble Commission had not approved the entire quantum of expenditure. TPSODL has represented to the Hon'ble Commission for approval of Higher quantum of O&M Expenditure for FY 2023-24 and has also provided the justification for the same. At the same time, based on the actual expenditure for FY 2022-23, it has optimised the projection of O&M Expenditure for FY 2023-24 and sought an amount for approval which is lower than that considered by it in its ARR petition. For the purpose of projections in this petition, it has considered such lower amount.

9. In the ARR petition filed for FY 2023-24 it had considered certain activities to be covered by outsourced employee. The Hon'ble Commission had approved certain amount towards such Outsourced Employees. Thereafter, TPSODL has revisited this and it has now categorised such activities as " Out sourced Activities" to be included under R&M Expenditure or and A&G Expenditure. Only certain activities have now been considered under "Outsourced Employee" Costs. Based on this recategorization, the amount estimated under "Out Sourced Employees" has considerably reduced and so is the amount. At the same time, the expenses required under R&M Expenditure and A&G Expenditure would correspondingly increase

10. The projections for other elements in estimation of ARR for different years i.e FY 2024-25 to FY 2027-28 have been based on the Tariff Regulation 2022

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2 Planning and Projections of Activities for TPSODL for the period FY 2024-25 to FY 2027-28

2.1 Projection of Sales

i. Consumption Category wise projections

11. The Sale for the period FY 2024-25 to FY 2027-28 has been based on historic trend. We have for the purpose of projections considered a period of 10 years for individual category of sales The Categories as provided in Form T1 submitted to Hon'ble OERC during ARR submissions have been relied upon. The category wise sales over the years is

12. Further, as the Tariff Order for FY 2023-24 has been passed by the Hon'ble Commission recently, the approved amounts of Sale for LT , HT and EHT Categories have been considered as given in the Tariff Order. The sales for individual categories for FY 2023-24 have been worked out on the basis of sales proportion for FY 2022-23 submitted in the ARR proceedings. The category wise Historical sales is given in **Annexure 2- Sales of TPSODL over the period**.

13. As the consumption trend can be identified for category of consumers and not with whether they are in LT, HT or EHT, the above data has been regrouped into customer segments that can be used for projections. The base data (from Form T1) and the regrouped data is presented in ***Table 39 : Historical Sales of TPSODL (Regrouped)***

14. With the above trend and also assumptions of the Growth rates for the future, the projected sales of TPSODL for the future is as given in the table below:

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Table 2 :Projection of Category wise sales

Sr No	Category (Categories included as provided in paranthesis)	Sale of FY 2023-24	Sale of FY 2018-19	Sale of FY 2013-14	CAGR (10 years)	CAGR (5 Years)	CAGR to be considered for projections	FY 25	FY 26	FY 27	FY 28
		Mus	Mus	Mus				Mus	Mus	Mus	Mus
1	Domestic (Sr No 1,14)	1914	1342	874	8.1%	7.4%	7.50%	2057	2211	2377	2556
2	Commercial (General Purpose) (SrNo 2,12,19,21,29)	365	329	176	7.6%	2.1%	2.50%	374	384	393	403
3	Industries (Sr No 5,7,8,13,17,20,23,23a, 24, 25, 27,30,33,34,35,35a)	738	504	387	6.7%	7.9%	7.50%	793	853	916	985
4	Agriculture (Sr No 3,4,15,16)	171	90	34	17.4%	13.7%	7.5%	184	197	212	228
5	Railways (Sr No 26,31)	286	158	151	6.6%	12.6%	5.0%	300	315	331	348
6	Others (6,9,10,11,18,22,28,36)	216	133	98	8.2%	10.2%	10.0%	238	262	288	316
7	***Total***	***3690***	***2556***	***1720***	***7.9%***	***7.6%***		***3946***	***4222***	***4518***	***4836***

15. The Growth Rates as considered above for projections are based on the recent trends and overall development visualised by the Discoms. In our humble submission, the impact of Roof Top Solar and Electric Vehicle on the Sales may not be material atleast in the near future and hence we have not separately captured the impact of these two important developments in the projections at present. As there would be developments in the future, the same may be captured and the projections may be revised.

ii. *Sales Projections under LT, HT and EHT Category*

16. Considering the above projections, the same has been reworked into the three major categories viz LT, HT and EHT category as provided in the table below.

Table 3 :Projection of Sales in LT, HT and EHT category

Sr No	Category	Units	FY 24 (Tariff Order)	FY 25	FY 26	FY 27	FY 28
1	LT	Mus	2553	2733	2926	3134	3358
2	HT	Mus	430	461	494	530	569
3	EHT	Mus	707	753	802	854	910
4	**Total**	**Mus**	**3690**	**3946**	**4222**	**4518**	**4836**

17. The basis of breakup and details of the projections is provided in **Table 40 : Category wise proportion used for breakup into LT, HT and EHT Sales** and **Table 41 : Breakup of Sales in LT, HT and EHT Category (Mus)**

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2.2 Projection of Revenue

18. The Revenue from Power Sales for the above categories would be in turn dependent on the Tariff to the categories. We have for the purpose of projections considered the average tariff as discovered by TPSODL for FY 2022-23. The same for the various categories works out to as given in the table below:

Table 4 :Average Tariff for Projections

Sr No	Category	Mus	Rs Cr	Avg Tariff (Rs/Kwh)
1	LT	2027	1046	5.16
2	HT	423	314	7.42
3	EHT	706	455	6.45
4	**Total**	**3156**	**1814**	**5.75**

19. Based on the above Average Tariff considered and the projection of Sales, the Revenue projections (at Existing Tariffs to consumer) for the period FY 2024-25 to FY 2027-28 is as follows:

Table 5 :Projection of Revenues at Existing Tariff (Rs Cr)

Sr No	Category	Avg Tariff (Rs/Kwh)	FY 25	FY 26	FY 27	FY 28
1	LT	5.16	1410	1510	1617	1732
2	HT	7.42	342	367	393	422
3	EHT	6.45	485	517	551	587
4	**Total**		**2237**	**2393**	**2561**	**2741**

2.3 Projection of demand

20. The demand for TPSODL considering the above sales has been worked out on the basis of the above sales. In our humble submission, the demand at Grid Substation (GSS) would be dependent on the Distribution Loss Level and also the Load Factor

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2.3.1 Loss Levels

21. In the vesting Order of TPSODL, the loss level used for Tariff Projections have been specified. We have considered such loss levels for projections of Power Purchase from Gridco. The Vesting Order specifies the AT&C Loss Trajectory till FY 2030-31 and the same upto FY 2027-28 (i.e the last year of projections in the Business Plan) is as given in the table below

Table 6 : Trajectory of Loss Levels for Projections

SrNo	Particulars	Unit	Base Year	1	2	3	4
			FY24	FY 25	FY26	FY27	FY28
1	AT&C Loss for Tariff	%	25.75%	25.35%	25.00%	22.57%	20.38%
2	Collection Efficiency Considered	%	99%	99%	99%	99%	99%
3	Loss for Power Pruchase Projection	%	25.00%	24.60%	24.24%	21.79%	19.58%

22. It is submitted that while at present the AT&C Loss for FY 2022-23 is around 22.7%. However, the Distribution loss (or the loss used for purchase of power and demand) is in line with that of Tariff Trajectory. Hence it may be appropriate to consider such losses for projections

2.3.2 Load Factor for projection of Peak Demand

23. For the purpose of projections of Demand (MW), we have considered the Load Factor as achieved by TPSODL in the past. The historical Load Factor of TPSODL is as provided in the table below:

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Table 7 : Load Factor of TPSODL over the years

YEAR	SMD in MVA	Input in MU	Load Factor
2012-13	510	2930	65.6%
2013-14	532	2916	62.6%
2014-15	533	3193	68.4%
2015-16	556	3283	67.4%
2016-17	569	3268	65.6%
2017-18	588	3468	67.3%
2018-19	634	3639	65.5%
2019-20	614	3469	64.5%
2020-21	600	3599	68.5%
2021-22	650	3942	69.2%
FY 2022-23	721	4188	66.3%
Average			66.4%
Maximum			69.2%

24. We note that mix of industries and commercial load would increase in the future which would in effect increase the Load Factor. Based on the shift of this consumption to industries and commercial loads, it will be appropriate to consider the maximum of Load Factor (69.2%) of TPSODL as worked out in the above table for projections.

2.3.3 Projections of Power Purchase and Demand

25. Based on the projections of the Sales above, the loss levels considered as shown earlier, the projected Distribution Loss of TPSODL and also the Load Factor as worked out above, the projections of TPSODL are as follows:

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Table 8 : Projection of Average Demand (Mus) and Peak Demand (MW) for TPSODL

SrNo	Particulars	Unit	1	2	3	4
			FY 25	FY26	FY27	FY28
1	Sales	Mus	3946.4	4222.1	4518.2	4836.3
2	ATC Loss	%	25.35%	25.00%	22.57%	20.38%
3= 100% - (100%-Sr 2) / 99%	Dist Loss	%	24.60%	24.24%	21.79%	19.58%
4= 1/(100%-3)	**Estimated Purchases from Gridco**	**MUs**	**5233.7**	**5573.2**	**5776.9**	**6013.5**
5	Load Factor	%	69.2%	69.2%	69.2%	69.2%
6	Power Demand	MVA	863.0	919.0	952.6	991.6

2.4 Source of Power Purchase and its costs

26. As per the Bulk Supply Agreement signed with Gridco for Power, TPSODL is required to purchase its requirement from Gridco. Accordingly, the source of Power Purchase would remain with Gridco. Further as per the Bulk Power Transmission Agreement signed with OPTCL, the transmission charges would have to paid for purchase of power using the Transmission Grid. The Bulk Supply Price (BSP) and the Transmission Charges for TPSODL is being determined by the Hon'ble Commission from time to time.

27. The Projection of Power Purchase cost for period FY 2024-25 to FY 2027-28 has been worked out the existing BSP and Transmission Charges. On this assumption, the computations for estimated Power Purchase Costs are as follows :

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Table 9 : Estimation of Power Purchase Cost

Sr No	Particulars	Units	FY 25	FY 26	FY 27	FY 28
1	Quantum of Power Purchase	Mus	5234	5573	5777	6014
A	**Power Purchase from Gridco**					
2	Rate of Purchase	Rs/Kwh	2.10	2.10	2.10	2.10
3	Purchase from Gridco	Rs Cr	1099	1170	1213	1263
B	**Transmission Charges**					
4	Transmission Charges Rate	Rs/Kwh	0.24	0.24	0.24	0.24
5	Trans Charges to OPTCL	Rs Cr	126	134	139	144
C	**SLDC Charges**					
6	Amount per year	Rs Cr	0.76	0.76	0.76	0.76
7	Total Power Purchase Costs	Rs Cr	1225	1305	1353	1408

2.5 Capital Investment Plan

28. Since the commencement of operation on 1st January 2021, TPSODL has been investing in various schemes. In the past TPSODL submitted the CAPEX Plan for FY 2021-22 & FY 2022-23 for Rs. 408.14 Crores & Rs 378.37 Cr to Hon'ble OERC on February'21 & February'22 for approval. The same was approved by the Hon'ble Commission on Sep'21 & July'22 respectively for Rs. 184.65 & Rs 294.82 Cr.

29. As done in the past, for the purpose of Business Plan too, TPSODL has proposed the Capital Investment Plan under six major heads with the objectives of ensuring compliance to the Statutory & safety, reducing AT&C loss, providing reliable power supply, planning the network considering expected load growth, ensuring best customer services to the consumers through extending technology infrastructure and creating good office for staff and its customers. TPSODL proposes such Capital Expenditure with the intention that the proposed projects will contribute in achieving the performance targets mentioned in the vesting order.

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Table 10 : Capital Investment Approach

Sr No	Head	Approach to Capital Investment Plan
1	Statutory and Safety	• Major populated areas and vulnerable locations are identified for improving safety. Cradle Guard for Public places, Market areas, schools, road crossing etc. are considered in Phased manner. • As most of the DSS are without Fencing or have damaged Fencing ,we have planned to install Fencing for Plinth mounted and vulnerable DSS in phased manner. • Intermediate Poles are identified for installing at long spans of the identified feeders to maintain sag as per statutory vertical clearance. • Safety and Electrical Testing equipments are considered judiciously to be equip the operation staff to create the safe work environment to prevent any untoward incident.
2	Loss Reduction	• LT Bare to AB cable replacement is planned in theft prone areas identified from Energy Audit exercise and De-hooking drives undertaken. • TPSODL is considering metering of all 33 KV feeders Incomer to PSS ,11 KV Boundary Meters and has considered that metering for all 63KVA & above DTRs in CAPEX FY 24 for enabling Energy Audit. Metering for 33KV & 11KV Tapping Point and Remaining DTRs will be considered in phased manner in future planning.

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Sr No	Head	Approach to Capital Investment Plan
		• TPSODL has completed GIS mapping in 3 Circles and balance 3 circles are considered in CAPEX FY 24.
3	Network Reliability	• Load flow Study carried out and output of overloaded lines and Transformer (PTR, DTR) is used to finalise proposals for conductor upgradation of lines and augmentation of Transformers. • New lines are proposed to segregate Urban /Industrial load from Rural feeders and interconnecting lines are proposed to provide N-1 connectivity. • Addition of PTR is proposed in PSS with Single PTR in phased manner. • LT protection is being introduced for DTR since FY22 and 1579 nos. of LTDB with MCCB are planned in CAPEX FY 24. • Voltage Regulator and Capacitor are proposed to improve Voltage profile at 11kV Feeder • PSS refurbishment and automation activities are planned in CAPEX FY24 in continuation to CAPEX FY 22&23.
4	Load Growth	• Augmentation of PTR & DTR and LT feeder are planned based on Load flow Study and divisional inputs
5	Technology Infrastructure	• Cyber security and Disaster Recovery and Augmentation of Data center are planned.
6	Civil Infrastructure and Administration	• Reconstruction/ Refurbishment of Offices and stores are considered which are in dilapidated condition. DT repair work shop is proposed for

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Sr No	Head	Approach to Capital Investment Plan
		reducing time and cost of DT repairs. Security Surveillance at offices is proposed and Training Center planned for providing training facilities and hostel for new Graduate Engineer Trainees

30. On the basis of the same, TPSODL has planned its Capital Investment in the various broad heads as follows in the future

Table 11 : Capital Investment Plan (Rs Cr)

Sr No	Head of Expenditure	FY 24 Submitted	FY 24 Approved by the Board	FY 25	FY 26	FY 27	FY 28
1	Statutory and Safety	26	26	14	19	20	23
2	Loss Reduction	84	84	31	30	9	8
3	Network Reliability	125	111	125	67	68	89
4	Load Growth	27	27	10	10	33	52
5	Infrastructure- Technology	41	41	26	22	8	14
6	Infrastructure-Civil and Admin	35	49	78	17	15	12
7	**Total**	**338**	**338**	**284**	**166**	**152**	**198**

31. While the order of the Hon'ble Commission for approval of the Capital Expenditure for FY 2023-24 is awaited, we have for FY 2023-24, considered the capex as approved by the Board for workings. Further, on the basis of the capital investment plan, the Capitalisation projected for the period from FY 2024-25 to FY 2027-28 is as follows:

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Table 12 : Capitalisation and Quantum of Financing (Rs Cr)

Sr No	Particulars	Units	Upto FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
1	Capex	Rs Cr	456	362	284	166	152	198
2	Capitalisation	Rs Cr	434.6	320	305	183	154	191
3	Employee Cost Capitalisation	Rs Cr	31.32	30.2	27.4	16.5	13.9	17.2
4	**Total**	**Rs Cr**	**465.9**	**350.2**	**332.4**	**199.9**	**168.2**	**208.5**
5	Add Gridco Equity in form of Assets	Rs Cr	82.8	60.2	57.2	34.4	28.9	35.9
6	**Total for Financing**	**Rs Cr**	**548.7**	**410.5**	**389.6**	**234.2**	**197.1**	**244.3**

32. Considering the above Capitalisation scheduled, the projected addition to GFA over the period is as given in the Table below

Table 13 : Projection of Build up of Gross Fixed Assets over the period

Sr No	Particulars	Units	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
1	Opening Block	Rs Cr	1000	1000	1186	1650	2060	2450	2684	2881
2	Addition	Rs Cr	0	186	464	410	390	234	197	244
3	Closing Block	Rs Cr	1000	1186	1650	2060	2450	2684	2881	3126

2.6 Execution of Government Projects

33. TPSODL is executing several projects on behalf of the Government of Odisha. Such projects are being funded by the Government of Odisha(GOO) and are being implemented for the benefit of the consumers of the Discoms. The GOO has sanctioned the quantum of money towards such projects. The list of various projects and the brief objective of these schemes to be executed during the period FY 2023-24 to FY 2027-28 is as given in **Annexure 3: Details of Government Funded** Schemes

34. Considering the present status of the schemes and the progress, the planned phasing and Capitalisation of the Government Schemes is as given in the table below:

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Table 14 : Phasing and Capitalisation of Government Projects

Sl no.	Name of the Project/work	Cost (Rs Cr)	FY 24	FY 25	FY 26	FY 27	FY 28
1	ODSSP IV	447	100%				
2	SACE(Special Assistance to Capital Expenditure)-I	100	100%				
3	SDMF-1(State Disaster Mitigation Fund)	59	50%	50%			
4	SDMF-2(State Disaster Mitigation Fund)	75			100%		
5	Shifting of Lines & Substation from Schools & AWS centers	18	100%				
6	Socio Economic Transformation & Upliftment (SETU) (FY 23)	13.23	100%				
7	RDSS(Revamped Distribution Sector Scheme)- Disaster Reslient Network	1599	25%	75%			
8	Chief Minister Power Development Programme(CMPDP)	239		100%			
9	SACE(Special Assistance to Capital Expenditure)-II	187	100%				
10	Household Energy Efficiency Programme	198	0%	0%			
11	BGJY	197	100%				
12	Elephant Corridor	34	100%				
13	Total	3166					

			Capitalisation (Rs Cr)				
Sl no.	Name of the Project/work	Total	FY 24	FY 25	FY 26	FY 27	FY 28
1	ODSSP IV	447	447	0	0	0	0
2	SACE(Special Assistance to Capital Expenditure)-I	100	100	0	0	0	0
3	SDMF-1(State Disaster Mitigation Fund)	59	30	30	0	0	0
4	SDMF-2(State Disaster Mitigation Fund)	75	0	0	75	0	0
5	Shifting of Lines & Substation from Schools & AWS centers	18	18	0	0	0	0
6	Socio Economic Transformation & Upliftment (SETU) (FY 23)	13	13	0	0	0	0
7	RDSS(Revamped Distribution Sector Scheme)- Disaster Reslient Network	1599	400	1200	0	0	0
8	Chief Minister Power Development Programme(CMPDP)	239	0	239	0	0	0
9	SACE(Special Assistance to Capital Expenditure)-II	187	187	0	0	0	0
10	Household Energy Efficiency Programme*	0	0	0	0	0	0
11	BGJY	197	197	0	0	0	0
12	Elephant Corridor	34	34	0	0	0	0
	Total	**2968**	**1425**	**1468**	**75**	**0**	**0**

* Assets not considered as they will be distributed to consumers and not maintained by TPSODL

35. The build up of the Gross Block on the basis of the above capitalisation is as given in the table below

Table 15 : GFA of assets out of Government Projects

Sr No	Particulars	Unit	FY 24	FY 25	FY 26	FY 27	FY 28
1	Opening Gross Block	Rs Cr	2406	3832	5300	5375	5375
2	Addition	Rs Cr	1425	1468	75	0	0
3	Closing Gross Block	Rs Cr	3832	5300	5375	5375	5375

2.7 Operation and Maintenance

36. The O&M Expenditure is the most critical expenditure required to maintain efficient operation and adequate amount towards this head needs to be reimbursed through ARR for providing satisfactory services to consumer. The O&M

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Expenditure is further divided into three heads viz a) Employee Expenditure b) R&M Expenditure and c) A &G Expenditure.

2.7.1 Employee Expenditure

2.7.1.1 Projection of Employee Numbers

37. As per the New Tariff Regulations, the recruitment of new manpower would be restricted as provided in the Tariff Regulations . The relevant extracts from the Tariff Regulations are as follows:

Extracts from Tariff Regulations for Employee Recruitment

3.9.11. The employee expense for the ensuing year shall be projected considering cadre / designation wise average existing employee cost for past year where the number of new employees to be added and their associated expenses shall be duly approved by the Commission after prudence check. The projection for the recruitment for a year may be restricted to 1.40 employees (including replenishment of retiring vacancies) per 1000 consumers. In case the ratio has exceeded 1.40, the Distribution Licensee shall bring down the ratio to 1.40 within the control period.

2.7.1.1.1 Erstwhile Employee Strength Projection

38. TPSODL has projected the Employee count of the erstwhile employees for the period from FY 2024-25 to FY 2027-28 based on the retirement of employees and the same has been captured in the table below:

Table 16 : Projection of Employee Strength of Erstwhile Employees

Sr No	Particulars	FY 2020-21 (3 Months)	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
	Executives								
1	Opening Balance	389	387	378	384	378	379	379	378
2	Retirement/Deletion	2	9	-6	6	4	3	4	1
3	Closing Balance	387	378	384	378	374	376	375	377
	Non Executives								
4	Opening Balance	1613	1583	1480	1395	1326	1294	1256	1224
5	Retirement/Deletion	30	103	85	69	32	38	32	29
6	Closing Balance	1583	1480	1395	1326	1294	1256	1224	1195
	Total								
7	Opening Balance	2002	1970	1858	1779	1704	1673	1635	1602
8	Retirement/Deletion	32	112	79	75	36	41	36	30
9	Closing Balance	1970	1858	1779	1704	1668	1632	1599	1572

2.7.1.1.2 New Employee Recruitment Plan

39. Based on the approval of the Hon'ble Commission, TPSODL has been recruiting manpower from time to time since the time of commencement of its operation from 1st January 2021. Further the Hon'ble Commission in the Tariff Order for FY 2023-24 has approved an recruitment of 526 Employees for FY 2023-24. However going further, TPSODL to maintain a lean structure as well contain the cost plans to recruit about 100 employees in the period FY 2024-25 to FY 2027-28, the period of Business Plan in this petition. In addition, it is proposed to replenish the depletion on account of retirements through recruitment to the same number. Considering such recruitment plan, the projected strength of New Employees is as follows:

Table 17 : New Employees Recruitment Plan

Sr No	Particulars	FY 2020-21 (3 Months)	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
1	Opening Balance	0	128	475	908	1434	1570	1711	1847
2	Addition (Net of Attrition/Retirement)	128	347	433	526	136	141	136	130
3	Closing Balance	128	475	908	1434	1570	1711	1847	1977

40. Based on the above projected retirement and the recruitment plan, the position of the Employee Strength vis a vis the employee ratio limit provided in the Tariff Regulations is as follows:

Table 18 : Employee Ratio for various years of Business Plan

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	Opening Balance	No	2687	3138	3238	3338	3438
2	Net Addition	No	451	100	100	100	100
3	Closing Balance	No	3138	3238	3338	3438	3538
4	Estimated No of Consumers*	Lakhs	24.13	24.53	24.93	25.33	25.73
5	Manpower Ratio	No per Thousand	1.30	1.32	1.34	1.36	1.38

* estimated by an addition of 40000 consumer per annum

2.7.1.2 Employee Costs Projection

2.7.1.2.1 Cost of Erstwhile Employees

41. Based on Tariff Regulations under Clause 3.94 to Clause 3.98, the cost of emplpoyee projections of the erstwhile Employees have been made. Further the Hon'ble Commission has approved the employee for FY 2023-24. While granting approval for the same, the Hon'ble Commission has considered an average rate of Dearness Allowance (DA) of 45% for FY 2023-24, a rate higher by 8% ,considered by the Hon'ble Commission for FY 2022-23 (i.e 37%). TPSODL for projections have considered this annual increase while projecting the salaries for FY 2024-25 to FY 2027-28. Based on this and also the considering the various allowance, the retirement benefits the projection of salaries for Erstwhile Employee is as follows

Table 19 : Projection of Salaries of Erstwhile Employees

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	No of Employees (Closing)	No	1704	1668	1632	1599	1572
2	Basic Salary	Rs Cr	92.23	92.99	93.71	94.57	95.76
3	DA	%	45%	53.00%	61.00%	69.00%	77.00%
4	DA	Rs Cr	41.50	49.28	57.16	65.25	73.74
5	HRA	Rs Cr	16.66	16.79	16.92	17.08	17.30
6	Medical Allowance	Rs Cr	4.54	4.65	4.69	4.73	4.79
7	Other Alloance	Rs Cr	7.93	8.33	8.74	9.18	9.64
8	Retirals to Trust and PF	Rs Cr	136.31	134.76	144.15	150.31	157.08
9	**Total Erstwhile Employee Costs**	**Rs Cr**	**299.17**	**306.81**	**325.38**	**341.12**	**358.30**

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2.7.1.2.2 Cost of New Employees

42. The Tariff Regulations 2022 specify the following for estimating cost of the New Employees

3.9.9. The Distribution Licensee shall submit a detailed Manpower Plan including but not limited to management structure and staff deployment plan including implementation timelines, retirement plan, key activities and estimate of expenses that may be incurred in each year of the Control Period in its Business Plan. In the annual ARR filing along with estimate of other expenses, the Distribution Licensee shall provide detailed justification for any deviation from the employee expenses approved by the Commission in the Business Plan.

3.9.10. The Commission shall undertake a prudence check of the Manpower plan submitted by the Distribution Licensee while approving the same.

3.9.11. The expenses for the employees recruited after Effective Date shall be determined based on the formula shown below:

$EMP_n = EMP_{n-1} x\ (1+Index_{Escn})$
where,

$EMP_{n:}$ *Employee Cost of Distribution Licensee for the ensuing year;*

$EMP_{n-1:}$ *Approved Employee Cost of Distribution Licensee for the year preceding ensuing year;*

Provided that for first year of the control period EMPn shall mean employee expenses as approved by the Commission for the first year of the Control Period in the Business Plan;

$Index_{Escn} = CPIn$

where,

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'CPIn' (expressed in %) means the average yearly inflation of Consumer Price Index (Industrial workers) over the years for the nth year.
[Source for CPI calculation: Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India {Base Year: 2001=100}]

Provided that CPIn is to be computed based on the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past three Financial Years, at the time of filing of Petition, as per the Labour Bureau, Government of India and such escalation factor so derived to be applied to Operation and Maintenance expenses of each preceding year.

Provided further that, during the Truing-up for any particular year of the Control Period, only CPIn is to be considered based on the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective year of Truing-up.

43. Based on the above, as the rate of increase in Salary for Erstwhile Employee is considered at 8% (i.e increase in DA), we have considered the same at 8% for New Employees too. Further in the earlier section, we have provided the projections of recruitment of new employees. In order to optimise the cost of new employees, we have planned recruitment at lower levels. Further, for projections we have considered that the recruitment would be effective in the middle of the Financial year thereby considering only half the impact in the year of recruitment

44. The projection of Employee Costs for the period FY 2024-25 to FY 2027-28 would be as follows for new employees

Table 20 : Projection of Salaries of New Employees

Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
Count of New Employees	No	1434	1570	1711	1847	1977
Cost of New Employees	Rs Cr	111.55	145.05	167.76	193.18	221.08

2.7.1.2.3 Staff Welfare Cost

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45. The Hon'ble Commission had approved an amount of Rs 20.33 Crores for FY 2023-24 in the Tariff Order. Such expenditure is towards Insurance Premium for Health and Life cover, Annual Health Check up, Providing Medical Facility, Employee Engagement, Employee R&R and Learning and Development. Based on this amount approved , we have projected the expenditure under Staff Welfare for the period FY 2024-25 to FY 2027-28 considering an escalation rate of 5% p.a. The projections are as follows:

Table 21 : Projection of Staff Welfare Expenses

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	Staff Welfare Expenses	Rs Cr	20.33	21.35	22.41	23.53	24.71

2.7.1.2.4 Outsourced Manpower Costs

46. The Hon'ble Commission had approved an expenditure of Rs 95 Crores towards Outsourced Manpower Costs. As mentioned earlier, TPSODL has revisited the activities carried out by Business Associates (BA) and have now clubbed the costs of such manpower towards outsourced activities in R&M Expenditure as well under A&G Expenditure. Based on such recategorization, only very view activities which are manpower-based activity may be considered towards outsourced manpower cost. Further, an escalation of 5% p.a has been considered for projections of the costs. The projection of Outsourced Manpower Costs for the period FY 2024-25 to FY 2027-28 is as given in the table below:

Table 22 : Projection of Outsourced Employee Costs

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	Outsourced Manpower	Rs Cr	8.00	8.40	8.82	9.26	9.72

2.7.1.2.5 Employee Costs Capitalised

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47. The Hon'ble Commission had considered an amount of Rs 30.24 Crores towards Employee Costs to be capitalised in FY 2023-24. This works to about 10% of the quantum of Capitalisation in this FY 2023-24. The amount of Employee Costs to be capitalised for future years i.e FY 2024-25 to FY 2027-28 are based on this and hence we have considered the Employee Cost Capitalisation at the rate of 10% of the Capitalisation of the Assets. .

2.7.1.2.6 Summary of Employee Costs

48. Based on the same, the projection of Employee Costs is as follows:

Table 23 : Projection of Employee Costs for the period FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	Erstwhile Employees	Rs Cr	299	307	325	341	358
2	New Employees	Rs Cr	112	145	168	193	221
3	Welfare Expenses	Rs Cr	20	21	22	24	25
4	Outsourced Manpower	Rs Cr	8	8	9	9	10
5	**Total**	**Rs Cr**	**439**	**482**	**524**	**567**	**614**
6	Less Employee Cost Capitalised	Rs Cr	-30.2	-27.4	-16.5	-13.9	-17.2
7	**Net Cost for ARR**	**Rs Cr**	**409**	**454**	**508**	**553**	**597**

2.7.2 R&M Expenditure

49. TPSODL has taken over the assets of erstwhile Southco Utility on "as is where is" basis. Majority of these assets are not in good operating condition and in a large number of cases, the required safety equipment is not in place. Further the network was old and in majority of cases not compliant to statutory guidelines and poses threat to safety of employees, public at large and animals. One of the major reasons is absence of structured preventive maintenance and systematic investment for past many years. The interruption at 11 kV feeder level is too high with respect to present Indian utility standards.

50. Further, due to lack of maintenance, failure rate of Distribution Transformer is also very high at 3.5%. The scarce resources and lack of preventive maintenance have led to delay in response on Safety Hazards reported by Public and employees.

51. In order to address the issues required to maintain high reliability, TPSODL put in place a dedicated team through Annual Maintenance Contract (AMC) which takes care for the entire 33 KV and 11 KV and LT (415 V and 230 V) network circle wise so that utmost focus can be given to this network for optimised availability.

52. TPSODL has established Performance Based 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 well as number of tripping's.

53. As regards the 11kV and LT Network: The Performance Based Maintenance Contract includes 24X7 Breakdowns Crews for restoration of 11KV & LT Lines and DSS equipment. AMC Staff is available at FCC Centre (Complaint Centre) for attending no current complaints in shifts (24X7 for MC, 16X7 for NAC and 8 x 7 for Rural). Besides, preventive maintenance activities are being performed as per the maintenance plan and schedule prepared by TPSODL. Further, Condition based maintenance systems is being carried out to identify the maintenance requirements.

54. In addition, TPSODL is also operating about 250 PSS across its Licensed Area and is manning the same in three shifts through Business Associates (BA) .The Cost of operating these PSS through BA is also included in the R&M Expenditure .

2.7.2.1 Cost of R&M Expenditure as per Norms

55. It is submitted that the Tariff Regulations stipulate normative amounts of R&M Expenditure. The Tariff Regulations specify the following

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3.9.19. Repair and Maintenance expenses shall be allowed as a % of opening Gross Fixed Assets (GFA) only on assets owned by the distribution company, for each year of the Control Period as provided in the table below:

DISCOMs	TPCODL	TPWODL	TPNODL	TPSODL
FY 23-24	4.20%	4.50%	4.50%	5.40%
FY 24-25	4.00%	4.20%	4.20%	4.50%
FY 25-26	3.50%	4.00%	4.00%	4.20%
FY 26-27	3.00%	3.00%	3.00%	3.50%
FY 27-28 & onwards as per the directives of the Commission	3.00%	3.00%	3.00%	3.00%

3.9.22. The Commission shall allow an amount for maintenance of assets added under State and Central Government Schemes @ 3.00% of the opening GFA of such assets. The Distribution Licensee(s) shall be required to separately submit to the Commission along with ARR, the details of assets taken into service under these Schemes.

3.9.23. The Commission may also allow special R&M, in order to enable the Distribution Licensee to undertake critical activities which are not covered under Capital Investment plan approved by the Commission.

Provided the Commission shall undertake a prudence check before allowing such expenditure.

56. In line with the regulations, the normative amount of expenditure permitted would work to as follows

Table 24 : R&M Expenditure on the Basis of Norms FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
A	**R&M on TPSODL Assets**						
1	Opening Block	Rs Cr	1650	2060	2450	2684	2881
2	Addition	Rs Cr	410	390	234	197	244
3	Closing Block	Rs Cr	2060	2450	2684	2881	3126
4	R&M Norm	%	5.40%	4.50%	4.20%	3.50%	3%
5	R&M on TPSODL Assets	Rs Cr	89.09	92.72	102.90	93.95	86.44
B	**R&M on Government Assets**						
7	Opening Block	Rs Cr	2406	3832	5300	5375	5375
8	Addition	Rs Cr	1425	1468	75	0	0
9	Closing Block	Rs Cr	3832	5300	5375	5375	5375
10	R&M Norm	%	3%	3%	3%	3%	3%
11	R&M on Government Assets	Rs Cr	72.2	114.9	159.0	161.2	161.2
C	**Total R&M Expenditure as per Norms**						
12	Total R&M Expenditure as per Norms	Rs Cr	161.3	207.7	261.9	255.2	247.7

2.7.2.2 Estimated Costs for R&M

57. In this regard it is submitted that TPSODL has in various presentations as well as meetings with the Hon'ble Commission expressed that the R&M Expenditure available to TPSODL through norms would not be adequate to meet the actual expenditure especially for maintaining high reliability. Further, as mentioned, earlier, expenditure as considered towards "Outsourced Employee Costs" has now been recategorized under R&M Expenditure and A&G Expenditure. In view of this, it is imperative that an amount of expenditure higher than available through norm is permitted to TPSODL for carrying out R&M activities efficiently. We require an expenditure of Rs 254 Crores for FY 2023-24 for maintaining efficient operations. Further, through efficiency measures, we would maintain the same at this level for the balance period of FY 2024-25 to FY 2027-28. Based on this, the estimated expenditure for the period under consideration i.e from FY 2024-25 to FY 2027-28 is as follows:

Table 25 : Estimated/Projection R&M Expenditure FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
1	R&M Expenditure as per Norms	Rs Cr	161.3	207.7	261.9	255.2	247.7
2	Estimated Expenditure	Rs Cr	254	254	254	254	254

2.7.3 A&G Expenditure

58. Administrative and General Expenditure (A&G) is an essential part of the operations of a Distribution Company like TPSODL. While it may be called as "A&G", the broad categories under this head will indicate that the expenditure is imperative for efficient running of the operation particularly for the initial few years. This head includes
    a. Customer related expenditure such as Meter Reading, Billing and Collection Expenditure, and for Meter Testing
    b. Statutory and Mandatory Finance Expenditure such as Auditors Remuneration, Bank Charges, Consultant Fees , Insurance , License Fees and Legal and Professional Charges
    c. IT Related expenses for maintaining proper communication links, maintaining licenses, data base and data centre and providing a firewall for protection of data
    d. Administrative Expenses towards rents of offices, electricity consumption, maintaining of Guest House, Travelling, Facility Management and House Keeping and Office Expenses and finally
    e. Other expenses for advertisement for inviting tenders, objections and suggestions in ARR, and Food and conveyance

59. The present regulations categorises the expenditure under two heads viz a) normal A &G and b) Special A&G expenditure In our view, the normal A&G include those under c) , d) and e) above . Such expenditure may need to be optimised and controlled. Hence the quantum for FY 2023-24 may be escalated by 7% p.a . Some of the A&G comprises Statutory and Mandatory A&G (Sr No b of above Para) As regards the Statutory A&G expenses given above, such expenditure is compulsory and governed by various statutes and is not controllable as such. Hence the same should be allowed at actuals. For the purpose of projections , we have escalated the amount estimated for FY 2023-24 at the rate of 7.% p.a

60. Since the time of its commencement, TPSODL has taken several measures to improve the services to the consumers. Further it has taken many measures to reduce the AT&C loss. This was achieved through various measures in area of

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billing and collection. Some of the measures undertaken to reduce the AT&C Loss are as follows:

Billing Area Improvement

a. Standalone & Offline (Crest Logistics) Billing System has been replaced with Real Time Fluent Grid Billing System
b. Spot Billing moved towards Error free, Time Stamping, GPS Co-ordinates, Meter Location
c. Deployed Special Task Force for Bill Revision Activities
d. Ebill Facility through Whatsapp, Email and SMS
e. Optical Character Reading (OCR) has been introduced
f. Camps for Resolution of Disputed Bills – Project "Samadhan"
g. Implementation of Smart Metering Technology
h. Pre-paid metering for Government and Institutional Consumers
i. Replacement of Defective and Electromechanical Meters
j. Four Customer Relation Centres(CRC) made operational
k. Energy Audit in progress - Noted discrepancy at Boudh GSS
l. Dedicated BA for reduction of cycle time for replacement of Defective Meters
m. Dedicated BA for identification of "Ghost Consumers"- Project Satyapan
n. Consumer Indexing of 9 Lakh consumers (3 Circles) through GIS Technology
o. Reduction in Technical Losses
    - Upgradation of 33 KV & 11 KV lines
    - Augmentation of Overloaded PTR & DTR
    - Undersize Bus bar replacement, Clamps & Connectors replacement
p. Load Balancing of DTs
q. Dedicated Dehooking drives- Followed by New Connection Camps
r. Fifty (50) Seater Call Centre Made Operational - Early resolution of Billing Disputes
s. Implementation of Commercial Organisation Structure
    - Connection Management Group (CMG)
    - Meter Management Group (MMG)
    - Meter Reading Group (MRG)
    - Revenue Billing Group (RBG)
    - Key Consumer Group (KCG)

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- Govt & Institutional Group (G&I)
- Customer Services (CS)
- Enforcement Group

Improvement in Collection

a) 100% Online Cash Collection through “Sangrah” Mobile App
b) 33 Digital Payment Avenues added for consumers
c) Several Collection Points
d) 119 Cash Collection Counters
e) 966 Fuse Call Centres
f) 1652 SBI Collection Points
g) 1700 OCAC (Odisha Computer Application Centre)
h) 4500 CSC (Customer Services Centre)
i) 2800 IndusInd Bharat Money Stores
j) Mass Disconnection Drives
k) . Focused Group for collection
l) Revenue Collection Group (RCG)
m) Revenue Recovery Group (RRG)
n) Revenue Management Group (RMG)
o) Data Analytics Group (DAG)
p) Govt & Institutional Group (G&I)
q) Skill Development to WSHGs engaged in MBC Activity
r) Improvement in Digital Literacy and Digital Penetration in Rural Areas
s) Special Initiative to create Model Gram Panchayats
t) Focused Recovery from Rural Areas through Gram Panchayat Level collection Teams
u) Initiative to liquidate the arrears in urban area – Operation “Clean Slate”
v) Monthly Target Setting Workshops at Circle and Daily collection MIS Review
w) . Installation of Smart Meters, Pre paid and Disconnection facility
x) Reward and Recognition (R&R) for WSHGs and collection teams
y) R&R for regular employees to create healthy competition amongst sections
z) 4200 m-POS for Spot Collection deployed – Eliminates collection through Manual Receipts and enhances Digital Payments
aa) Special Initiatives for Collection through OTS

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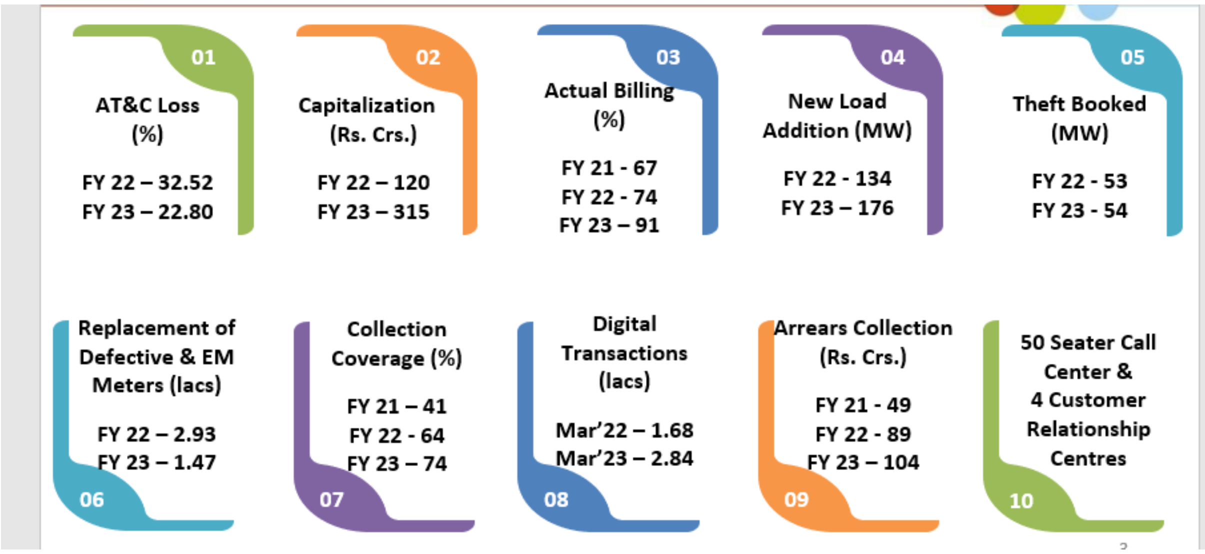
61. The improvements made since the time of commencement of operation are captured in the following exhibit

Exhibit: Improvement by TPSODL since commencement of Operation



62. The initiatives would continue in future to meet the stiff targets in Vesting Order. It is therefore submitted that adequate expenditure is allowed for providing good services as well continue to make improvement in the AT&C Loss.

63. As can be seen, the AT&C loss for the FY 2022-23 was lower than the loss of FY 2021-22 by about 10%. It is therefore submitted that adequate A&G expenditure is allowed to be incurred by TPSODL for providing an efficient service. In addition, as explained earlier, the some of the expenditure under "Out sourced Manpower" has now been categorised under A&G Expenditure thereby entitling TPSODL for an amount higher than approved by the Hon'ble Commission for FY 2023-24 on this account.

64. As FY 2022-23 has been completed, it represents a stabilised level of expenditure. Based on such amounts for FY 2022-23 and also the above recategorization, TPSODL has made representations to the Hon'ble Commission to allow an amount higher than that approved for FY 2023-24. TPSODL has also attempted to optimise

the MBC expenditure. For projections however, we have need to account for increase in cost of such MBC @ 7 % p.a. At the same time, TPSODL proposes to bring in efficiency to the extent of 5% per annum for the next two years i.e FY 2024-25 and FY 2025-26. Hence, we have considered an escalation of 2% for the year FY 2024-25 and FY 2025-26. Thereafter, we have considered an escalation of 3% for FY 2026-27 and FY 2027-28 (i.e efficiency of 4%). Based on the such optimised expenditure, the estimated expenditure for the period under consideration i.e FY 2024-25 to FY 2027-28 is as follows:

Table 26 : Estimated/Projected A&G Expenditure FY 2024-25 to FY 2027-28

Sr No	Category of A&G Expense	FY23	FY 24*	FY25	FY 26	FY 27	FY 28
1	Normal A&G	59.7	59.7	63.9	68.4	73.1	78.3
2	Statutory A&G	19.7	19.7	21.1	22.5	24.1	25.8
3	MBC Expenses and Other Expenditure related to consumers	121	101	103	105	108	111
4	**Total**	**199.9**	**179.9**	**187.5**	**195.4**	**204.9**	**215.0**

* Revised amount sought based on FY 23 actuals and also recategorisation of Outsourced Employee expenditure

2.8 Interest on Loan Capital

65. The Tariff Regulations permit 70% of the Capitalisation to be funded through Debt. Further Interest on such Debt has been allowed on the basis of Paragraph 3.7 of the Tariff Regulations. Considering the above, the proposed capitalisation and expected interest rate for the future, the projections for Interest on Loan Capital for the period FY 2024-25 to FY 2027-28 would be as follows:

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Table 27 : Interest on Loan Capital FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 24	FY 25	FY 26	FY 27	FY 28
A	**Capitalisation for determination of Debt**						
1	Capitalisation for the year	Rs Cr	350.24	332.44	199.87	168.15	208.48
2= 17.2 % of 1	Add Capitalisation due to Gridco Contribution in Kind	Rs Cr	60.24	57.18	34.38	28.92	35.86
3=1+2	Total Capitalisation for Debt and Equity	Rs Cr	410.48	389.62	234.25	197.08	244.34
b	**Debt Capital for Capitalisation**						
5	Opening Debt	Rs Cr	359.0	611.1	830.0	925.5	984.9
6=70%x 3	Addition	Rs Cr	287.3	272.7	164.0	138.0	171.0
7	Repayment= Depc on assets created after 1st Jan 21	Rs Cr	35.21	53.89	68.46	78.53	88.84
8=5+6-7	Closing Debt	Rs Cr	611.1	830.0	925.5	984.9	1067.1
9=(5+8)/2	Average Balance	Rs Cr	485.1	720.5	877.7	955.2	1026.0
b	**Interest on Debt**						
10	Rate of Interest	%	7.5%	7.5%	7.5%	7.5%	7.5%
11	Interest on Debt	Rs Cr	36.38	54.04	65.83	71.64	76.95

2.9 Interest on Working Capital

66. Interest on Working Capital is allowed as per the norms provided in the Tariff Regulations. The Tariff Regulations provide the following with regards to Interest on Working Capital

*3.10. **Interest on Working Capital***

3.10.1. The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:

a. Operation and maintenance expenses for one month; plus
b. Maintenance spares @ twenty (20) % of average R&M expense for one month;

plus

c. Power Purchase Cost for one (1) month

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Working Capital requirement of the Distribution Licensees may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the Vesting Orders and as approved by the Commission.

Shortfall in meeting the working capital requirement as mentioned above shall be allowed. The interest on the working capital shall be at a rate equal to the SBI Base Rate or any replacement thereof by SBI from time to time (being in effect applicable for 1 year period) as applicable as on 1stApril of the Financial Year (for which Truing Up shall be done) plus 300 basis points or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the Distribution Licensee(s), whichever is lower:

67. Based on the above, the projection of Interest on Working Capital is as follows for the period FY 2024-25 to FY 2027-28.

Table 28 : Interest on Working Capital for FY 2024-25 to FY 2027-28

Sr No	Particulars	Unit	FY24	FY25	FY26	FY27	FY28
A.	**Computation of Working Capital**						
1	Power Purchase Costs (1 Month)	Rs Cr	86.1	102.1	108.7	112.7	117.3
2	O&M Expenditure (1 Month)	Rs Cr	63.08	74.63	79.78	84.35	88.80
3	Maintenance Spares (20% of R&M Expenditure for month)	Rs Cr	2.54	4.23	4.23	4.23	4.23
4	Total	Rs Cr	151.72	180.99	192.75	201.29	210.36
5	*Less Depreciation Allowed on Old Assets*						
a	FY 2022-23	Rs Cr	16.11				
b	FY 2023-24	Rs Cr	14.71				
c	FY 2024-25	Rs Cr		14.71			
b	FY 2025-26	Rs Cr			14.71		
c	FY 2026-27	Rs Cr				14.71	
b	FY 2027-28	Rs Cr					14.71
	Total	**Rs Cr**	**30.82**	**14.71**	**14.71**	**14.71**	**14.71**
6	Net Working Capital	Rs Cr	120.90	166.28	178.04	186.58	195.65
B.	**Applicable Rate of Interest**						
7	Interest on Working Capital	%	11.00%	11.0%	11.0%	11.0%	11.0%
8	SBI Base Rate as on 1st January	%	8.00%	8.00%	8.00%	8.00%	8.00%
C	**Interest on Working Capital**						
9	Interest on Working Capital	Rs Cr	13.299	18.291	19.585	20.524	21.521

2.10 Interest on Security Deposit

68. The projections for the Interest on Security Deposit has been done on the basis of the amount approved by the Hon'ble Commission for FY 2023-24. For the purpose of projections, TPSODL has considered a rate of **6.75%** p.a **,** a rate which was considered by the Hon'ble Commission while working out the Interest for FY 2023-24. The quantum of Security Deposit has been enhanced in the proportion the Sales. On the basis of the same, the Interest on Security Deposit is as provided in the table below:

Table 29 : Interest on Security Deposit for FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
1	Revenue	Rs Cr	1814		2237	2393	2561	2741
2	Deposits	Rs Cr	323		398	426	455	487
3	Interest on Sec Deposit	%		6.75%	6.75%	6.75%	6.75%	6.75%
4	**Interest on Sec Deposit**	**Rs Cr**		**21.78**	**26.86**	**28.73**	**30.74**	**32.90**

2.11 Return on Equity

69. The Tariff Regulations provide the following for working out the Return on Equity

3.6.1. Return on equity on approved reserve price (INR 300 Crore for TPCODL, INR 300 Crore for TPWODL, INR 250 Crore for TPNODL and INR 200 Crore for TPSODL) for the utilities (TPCODL, TPWODL, TPNODL & TPSODL) of the erstwhile Distribution utilities as on effective date in terms of the provisions of Vesting Orders:

Return on equity shall be allowed on the approved reserve price of the utility from the effective date of operation at the rate of 16% per annum (post tax), in Indian Rupee terms on pro-rata basis as per Vesting Order.

…

…

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

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Return on equity on assets put to use under these Regulations shall be computed on the paid-up equity capital determined in accordance with these Regulations and shall be allowed at the rate of 16% per annum (post tax), in Indian Rupee terms:

Provided further that for the purpose of truing up for the Distribution Licensee, return on equity shall be allowed from the date of commercial operation on pro-rata basis based on documentary evidence provided for the assets put to use during the year in absence of which the assets shall be considered to be added in the mid of the year.

Provided further that asset funded by consumer contributions, capital subsidies/ Government grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

70. Based on the Capitalisation proposed in the period under consideration, the projected Return on Equity for the period FY 2023-24 to FY 2027-28 is as provided in the table below

Table 30 Return on Equity for the period FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
A	**Capitalisation for determination of Equity**									
1	Capitalisation for the year	Rs Cr	0	121.726	344.189	350.240	332.442	199.868	168.155	208.478
2= 17.2 % of 1	Add Capitalisation due to Gridco Contribution in Kind	Rs Cr	0	23.490	59.290	60.241	57.180	34.377	28.923	35.858
3=1+2	Total Capitalisation for Debt and Equity	Rs Cr	0	145.22	403.48	410.48	389.62	234.25	197.08	244.34
B	**Equity**									
5	Opening Equity	Rs Cr	200	200.0	243.6	364.6	487.8	604.6	674.9	734.0
6=30%x 3	Addition	Rs Cr	0.0	43.56	121.04	123.14	116.89	70.27	59.12	73.30
7=5+6	Closing Equity	Rs Cr	200.0	243.6	364.6	487.8	604.6	674.9	734.0	807.3
C	**Return on Equity**									
8	On Opening Equity @ 16%	Rs Cr	32	32	39.0	58.3	78.0	96.7	108.0	117.4
9	On addition (16%/2=8%)	Rs Cr	0	3.49	9.68	9.85	9.35	5.62	4.73	5.86
10=8+9	Total ROE	Rs Cr	32	35.49	48.65	68.19	87.39	102.36	112.72	123.31

2.12 Depreciation

71. The projection for Depreciation for the period FY 2024-25 to FY 2027-28 is based on the Tariff Regulations which stipulate the following for working out the Depreciation

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3.8.4. For the assets of erstwhile DISCOMs transferred to the new Distribution Licensees through the Vesting Orders, the depreciation shall be calculated on the pre-up valued cost of assets at pre-1992 rate on the asset base approved by the Commission.

3.8.5. For assets achieving date of commercial operation (COD)in this control period, depreciation shall be computed in the following manner:

a. The approved original cost of the project/fixed assets shall be the base value for calculation of depreciation;

*b. Depreciation shall be computed annually based on the straight-line method at the rates specified in the **Annexure II** to these Regulations:*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 15 years from date of commercial operation shall be spread over the balance useful life of the assets:

*Provided that the rate provided in **Annexure II**, are the upper ceiling of the rate of depreciation to be provided up to 15th year from the date of commercial operation and the Distribution Licensee shall have the option of indicating, while seeking approval for tariff, lower rate of depreciation, subject to the aforesaid ceiling and the same will be considered for computation of normative loan as per Regulations.*

72. The Rates used for projections are as given in the following table.

Table 31 Rates of Depreciation to be used for Projections

Sr No	Asset Class	Rates for assets created prior to 1st January 2021)	Rates applicable for assets created after 1st January 2021
1	Buildings	1.80%	3.34%
2	P&M	3.80%	4.67%
3	Office Equipments	9.00%	4.67%
4	Furniture and Fixtures	4.55%	6.33%
5	Vehicles	12.86%	9.50%
6	Computers		15%
7	Softwares		15%

73. The Depreciation has been worked out on the basis of the above rates. However, the Hon'ble Commission while approving the Depreciation for FY 2023-24 has considered the quantum of Government Funding and approved an amount of Rs 14.71 Crores towards Depreciation for this year on assets created prior to 1st January 2021. TPSODL for the purpose of projections has considered this amount towards Depreciation.

74. Further, for assets added thereafter i.e 1st January 2021, TPSODL has considered the above rates. As the assets are pre-dominantly under Plant and Machinery, the average rate of 4.67% p.a may be made applicable for projections. Based on this, the projected Depreciation for FY 2024-25 to FY 2027-28 are as follows:

Table 32 Depreciation Projections for FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY24	FY25	FY26	FY27	FY28
A	**Assets Created Prior to Take over**						
1	GFA	Rs Cr	1000	1000	1000	1000	1000
2	Depreciation (As given in the Tariff Order for FY 2023-24)	Rs Cr	14.71	14.71	14.71	14.71	14.71
B	**Assets Created after Take over**						
3	Opening GFA	Rs Cr	549	959	1349	1583	1780
4	Addition	Rs Cr	410	390	234	197	244
5	Closing GFA	Rs Cr	959	1349	1583	1780	2024
6	Depreciation (4.67% on Opening and 4.67%/2 on Addition)	Rs Cr	35.2	53.9	68.5	78.5	88.8
7=2+6	**Total Depreciation**	**Rs Cr**	**49.92**	**68.60**	**83.17**	**93.24**	**103.55**

2.13 Income Tax

75. For the purpose of projections, TPSODL has worked out the Income tax on basis of ROE and the tax rate of 25.17%. The Tax for each year is projected using the following formula

$$Income\ Tax = \frac{Return\ on\ Equity\ x\ Tax\ Rate}{(100\% - Tax\ Rate)}$$

76. Based on this , the Income Tax projections for the period FY 2024-25 to FY 2027-28 would be as follows:

Table 33 Income Tax Projections for FY 2024-25 to FY 2027-28

Sr No	Particulars	Units	FY 25	FY 26	FY 27	FY 28
1	Return on Equity	Rs Cr	87.39	102.36	112.72	123.31
2	Income Tax	Rs Cr	29.39	34.43	37.91	41.47

2.14 Provision for Doubtful Debts

77. As per the Tariff Regulations, the following is stipulated for Provisioning for Doubtful Debts:

The Commission shall allow provisioning for bad debts as a pass through in the Aggregate Revenue Requirement, as a prudent commercial practice in the revenue requirement of the licensee. The Bad and Doubtful debt during this control period shall be allowed on normative basis of 1% of the total annual revenue billed for sale of electricity.

Provided that during True-Up, the DISCOMs shall submit the audited annual accounts depicting provision for bad and doubtful debt for the respective years and provisioning for bad debt shall be allowed subject to ceiling of @ 1% of the total annual revenue billed for sale of electricity and provisioning of bad and doubtful debt mentioned in the audited annual accounts whichever is lower.

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised.

Based on the above , the Provisioning for Doubtful Debts for the period FY 2024-25 to FY 2027-28 is as follows:

Table 34 Provision for Doubtful Debt

Sr No	Head	Unit	FY 25	FY 26	FY 27	FY 28
1	Sales	Rs Cr	2237	2393	2561	2741
2	Provision for DD	Rs Cr	22.37	23.93	25.61	27.41

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2.15 Non Tariff Income

78. The Tariff Regulations provide the following to be considered as Non Tariff Income:

5.9.2. The indicative list of various heads to be considered for Non-Tariff Income shall be as under:

a. Income from rent of land or buildings or other assets;

b. Income from sale of scrap pertaining to period prior to effective date and Profit / Loss from sale of scrap of assets created after effective date;

c. Income from statutory investments;

d. Income from interest on Fixed Deposits (including contingency reserve investment);

e. Interest on Security Deposits not passed on to the consumers

f. Interest on advances to suppliers/contractors;

g. Income from rental from staff quarters;

h. Income from rental from contractors;

i. Income from hire charges from contactors and others;

j. Income from advertisements, sale of tender documents etc.;

k. Service charges;

l. Income from customer Charge

m. Miscellaneous receipts;

n. Deferred Income from grant, subsidy, etc., as per Annual Accounts;

o. Prior period income;

p. Supervisory charges for contractual works;

q. Delayed payment surcharge recovered from the consumers after netting-off rebate allowed to the consumers

r. Rebate as per Regulation 3.12 for payment of bills of GRIDCO, generation & transmission utilities, SLDC, RLDC etc.;

s. Any Other Non-Tariff Income;

79. We have made our projections on the basis of the Non Tariff Income for FY 2022-23.

80. As can be seen from the above, the Delayed Payment Surcharge is netted off against the Rebate offered to consumers (Sr No q above). The Income from Fixed

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Deposits are linked to the Consumer Security Deposits. The Income from FDs (Sr No d) is worked out at rate which is 1% lower than rate used for projections of Interest on Security Deposits.

81. Further, in the Tariff Order for FY 2023-24, the DPS has now been waived for LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumer. Hence, we have considered only 50% of the DPS earned for FY 2022-23 for projections. As regards the Discount/Rebate given to consumers, we have taken a rebate rate of of the Revenue billed, a rate worked out for FY 2022-23. Based on the same, the Non Tariff Income Projections for FY 2024-25 to FY 2027-28 is as follows:

Table 35 Projection of Non Tariff Income

Sr No	Particulars	Unit	FY 24	FY 25	FY 26	FY 27	FY 28
1	Non Tariff Income Other than DPS and Interest on FD	Rs Cr	-39.05	-39.05	-39.05	-39.05	-39.05
2	Projected Interest on Fixed Deposit	Rs Cr	-18.55	-22.88	-24.47	-26.19	-28.03
3	Projected DPS	Rs Cr	(6.82)	(6.82)	(6.82)	(6.82)	(6.82)
4	Net of Discount	Rs Cr		26.0	27.8	29.7	31.8
5	**Projected Non Tariff Income**	**Rs Cr**	**-64.42**	**-42.79**	**-42.58**	**-42.35**	**-42.10**

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3 Projection of ARR and Resultant Gap

3.1 Gap Computation

82. In the previous section, TPSODL has worked out the estimated expenses of various elements of the Aggregate Revenue Required (ARR). Based on such workings, the ARR for the period under consideration and the resultant Gap arising out difference in the Revenue expected to be earned and the ARR is also worked out. The workings are as given in the table below

Table 36 Projection of ARR and the Gap for the period FY 2024-25 to FY 2027-28

Sr No	Head	Unit	FY 25	FY 26	FY 27	FY 28
A	**Revenue from Power Supply**					
1	Revenue from Power Supply	Rs Cr	2237	2393	2561	2741
B	**ARR**					
2	Power Purchase Costs	Rs Cr	1225	1305	1353	1408
3	Employee Expenditure	Rs Cr	454	508	553	597
4	R&M Expenditure	Rs Cr	254	254.0	254.0	254.0
5	A&G Expenditure	Rs Cr	187	195	205	215
6	Interest on Long Term Debt	Rs Cr	54.04	65.83	71.64	76.95
7	Interest on Working Capital	Rs Cr	18.29	19.58	20.52	21.52
8	Interest on Security Deposit	Rs Cr	26.86	28.73	30.74	32.90
9	Depreciation	Rs Cr	68.60	83.17	93.24	103.55
10	Return on Equity	Rs Cr	87.39	102.36	112.72	123.31
11	Income Tax	Rs Cr	29.39	34.43	37.91	41.47
12	Provision for Doubtful Debts	Rs Cr	22.37	23.93	25.61	27.41
12	Non Tariff Income	Rs Cr	-42.79	-42.58	-42.35	-42.10
13	Total ARR	Rs Cr	2385	2578	2715	2859
C	**Gap/ (Surplus)**					
14	Gap/ (Surplus)	Rs Cr	148	185	154	118

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4 Annexure 1- Extracts from Tariff Regulations related to Business Plan for FY 2023-24

The Distribution Licensee shall file for the Commission's approval, not less than 120 days before the commencement of the first year of the Control Period or such other date as may be directed by the Commission, a Long-Term Business Plan prepared in accordance with these regulations for the entire Control Period. The Business Plan shall be filed for the wheeling and retail supply business and shall, inter alia, contain:

1) *Sales/Demand Forecast for each consumer category and sub-category for each year of the Control Period;*

2) *Distribution loss reduction trajectory and collection efficiency for each year of the Control Period;*

3) *Power Procurement Plan including details of availability of power from renewable energy source as concurred by GRIDCO for each year of the business plan period as per the terms of Vesting Orders. [The Distribution Licensee shall project the power purchase requirement based on the Quantum of Renewable Purchase Obligation (RPO), and the target set, if any, for Energy Efficiency (EE) and Demand Side Management (DSM) schemes. GRIDCO shall intimate the DISCOMs of its ability and readiness to procure power to meet the forecasted / projected Demand of electricity and the energy requirement of the State, failing which the DISCOMs shall provide their Plan to the Commission for meeting their demand.];*

4) *The Capital Investment Plan of the Distribution Licensee shall be prepared in accordance with the sales/demand forecast, power procurement plan, distribution loss trajectory, targets for quality of supply etc. The Capital investment plan shall be consistent with the perspective plan developed by the State Transmission Utility (STU) based on the data submitted by the Distribution Licensees and Load Flow studies conducted in line with the requirements of the State Grid Code. The planning of Distribution network, based on load flow study, shall be carried out for minimum five (5) year time frame and shall form the basis for capital investment. The investment plan should also include yearly phasing of capital expenditure along with the financing plan*

and corresponding capitalization schedule with due consideration of capital expenditure as per the Vesting Order. The capital investment plan shall show separately, on-going projects that will spill over into the Control Period, and new projects (along with justification) that will commence in the Control Period but may be completed within or beyond the Control Period. The Commission shall consider and approve the capital investment plan for the Wheeling Business and Retail Supply Business of the Distribution Licensee. The Commission, for its satisfaction, may require the Distribution Licensee to provide relevant technical and commercial details.

5) *The purpose of investment shall be strengthening of distribution network, creation of new assets or augmentation / replacement of existing assets, meeting load growth, technical loss reduction, non-technical loss reduction including improvement in collection efficiency, meeting energy requirement, custom service improvement in terms of quality & reliability of supply including energy audit, asset mapping and consumer indexing, etc.*

6) *The Distribution licensee shall focus on (a) safety of human, animal and equipment including implementation of protection system (b) strengthening of distribution network (c) standardisation of equipment & material and standardisation of technical specification in line with national regulations & national standards to ensure use of good quality equipment & material, facilitate interchangeability and faster delivery (d) optimum utilisation of assets i.e. avoid underutilisation of assets (e) adoption of state-of-art technology including SCADA & Automation system, smart metering and use of modern diagnostic tools for monitoring of health of distribution assets etc. with objective to improve reliability, safety, providing uninterrupted (24x7) quality power to all and better customer service*

7) *The appropriate capital structure and cost of financing (interest on debt) and return on equity, terms of the existing loan agreements, etc;*

8) *The Operation and Maintenance (O&M) costs estimated for each year of the Business Plan Period based on the proposed efficiency in operating costs, norms for O&M cost allowance including indexation and other appropriate mechanism, if any;*

9) *Details of depreciation based on useful life of the assets and capitalization schedule for each year of the control period.*

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10) *A set of targets proposed for other controllable items such as working capital, quality of supply etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;*

11) *Proposals for other items such as external parameters used for indexation (inflation, etc);*

12) *The Distribution Licensee shall forecast expected revenue from prevailing tariff and charges based on the estimates of quantum of electricity to be supplied to consumers and to be wheeled on behalf of Distribution System Users for ensuing Financial Year within the Control Period as on the date of making the application.*

13) *The Distribution Licensee shall provide voltage wise cost of supply for each year of the control period.*

14) *The filings in addition to the Business Plan period shall also contain the data for the cost and revenue parameters for the previous five years period.*

15) *The Applicant shall provide full details, supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.*

5 Annexure 2- Sales of TPSODL over the period

Table 37 : Historical LT Sales of TPSODL

SL. NO	CATEGORY OF CONSUMERS	FY 24 (As considered by OERC)	FY 23 (based on 9 Months)	FY 22	FY 21	FY 20	FY 19	FY18	FY 17	FY 16	FY 15	FY 14
	LT CATEGORY											
1	DOMESTIC											
	0<=50KWH	119.2	191.890	254	785.0	595.1	616.6	546.4	476.0	440.6	442.9	433.7
	>50<=200	686.9	704.497	704	493.9	437.2	440.2	435.7	401.0	356.5	350.4	235.3
	>200<=400	442.9	327.713	292	127.2	88.5	79.2	81.4	75.0	69.1	54.0	42.7
	More than 400 KWH (SLAB)	636.8	340.970	306	91.1	60.8	48.1	71.7	65.8	83.0	31.8	17.9
	Total Domestic	**1905.8**	**1578.9**	**1592.7**	**1625.0**	**1336.7**	**1335.1**	**1275.7**	**1226.8**	**1177.0**	**1065.1**	**866.2**
2	General Purpose <100 KVA											
	Total General Purpose	**305.0**	**310.6**	**280.4**	**235.4**	**242.8**	**224.3**	**211.5**	**195.6**	**183.1**	**161.4**	**144.1**
3	Irrigation Pumping & Agriculture	121.50	97.989	107.00	84.2	82.0	71.1	64.0	47.4	42.2	32.3	30.3
4	Allied agricultural activities	20.89	5.318	5.19	12.7	10.6	9.8	6.8	5.9	3.6	2.8	1.8
5	Allied Agro-Industrial Activities	1.80	0.620	0.65	0.8	0.8	0.9	0.7	0.6	1.0	0.4	0.4
6	Public Lighting	34.68	32.996	36.61	34.8	27.1	22.8	21.9	20.4	20.6	18.2	16.0
7	LT Industrial (S) Supply < 22KVA	14.54	11.213	12.87	11.0	12.2	12.5	12.6	12.5	12.5	13.3	13.4
8	LT Industrial (M) Supply >= 22KVA	28.93	23.302	26.52	24.1	24.3	22.2	22.3	23.8	20.3	18.2	17.7
9	Specfied Public Purpose	48.00	46.260	33.37	31.5	40.1	34.4	35.5	31.7	29.1	25.6	21.5
10	Public Water Works <100 KW	68.55	63.680	61.30	47.3	39.4	37.1	33.5	29.9	27.5	25.7	21.5
11	Public Water Works >=100 KW	2.25	1.879	1.77	1.7	1.6	1.5	1.6	0.5	1.7	1.6	1.4
12	General Purpose >=110KVA	0.80	0.651	0.41	0.3	0.3	0.4	0.4	0.4	0.5	0.4	0.4
13	Large Industry	0.00	0.132	0.00	0.1	0.1	0.1	0.1	0.8	0.4	0.3	0.4
	Sub Total----->	**2552.8**	**2173.6**	**2158.8**	**2108.9**	**1817.9**	**1772.1**	**1686.5**	**1596.3**	**1519.5**	**1365.3**	**1135.1**

Table 38 : Historical Sales of TPSODL (HT, EHT and Total)

SL. NO	CATEGORY OF CONSUMERS	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY18	FY 17	FY 16	FY 15	FY 14
	HT Category											
14	Bulk Supply - Domestic	7.804	7.375	7.01	6.3	6.5	6.9	7.3	9.0	13.9	13.4	8.2
15	Irrigation Pumping & Agriculture	1.713	1.619	1.99	2.3	1.6	0.1	0.0	0.0	0.0	0.0	0.0
16	Allied agricultural activities	26.604	25.140	24.18	10.0	8.3	8.9	6.5	4.8	4.1	3.1	2.3
17	Allied Agro-Industrial Activities	2.313	2.185	2.00	1.3	1.2	0.9	0.8	0.4	0.0	0.0	0.2
18	Specfied Public Purpose	31.206	29.489	20.44	12.8	18.8	15.3	13.8	11.9	10.6	9.8	9.1
19	General Purpose 70> KVA<110KVA	14.195	13.414	9.49	7.8	9.5	8.1	6.9	6.6	6.9	6.7	6.7
20	HT Industrial (M) Supply	36.412	34.409	40.41	35.3	38.0	37.6	35.9	30.8	31.2	29.9	30.6
21	General Purpose >=110 KVA	45.366	42.870	32.93	33.0	48.4	96.0	34.5	30.3	30.5	27.6	24.3
22	Public Water Works	31.448	29.718	27.13	22.7	19.8	19.5	18.8	19.7	19.5	17.7	17.9
23	Large Industry	227.260	214.757	159.74	89.7	161.1	134.3	123.2	95.1	91.8	86.9	80.8
23a	Megalift	5.679	5.367	0.00								
24	Power Intensive Industry	0.000	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Mini Steel Plant	0.000	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Railway Traction	0.000	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Emerg. Supply to CGP	0.000	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Colony Consumption	0.000	0.000	0.00	0.4	0.2	0.2	0.4	0.4	0.4	0.4	0.6
	Sub Total----->	**430.00**	**406.34**	**325.33**	**221.6**	**313.5**	**327.6**	**248.2**	**209.0**	**208.8**	**195.6**	**180.7**
	EHT Category				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	General Purpose	0	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Large Industry	125	124.635	112.18	98.0	98.1	117.0	105.7	105.2	106.2	111.6	116.6
31	Railway Traction	286	286.148	262.35	208.3	197.1	158.2	148.7	136.5	122.2	138.9	151.2
32	Heavy Industry	0	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Power Intensive Industry	139	138.559	132.90	122.7	185.6	176.6	135.7	85.4	112.4	123.2	126.7
34	Mini Steel Plant	0	0.000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	Emerg. Supply to CPP	8	7.693	29.94	2.0	1.7	1.9	1.8	1.5	1.1	4.8	0.0
35a	Large Industry CGP	150	149.913									
36	Colony Consumption	0	0.000	0.00	7.5	6.1	2.3	7.5	7.1	7.5	8.2	10.0
	Sub Total----->	**706.9**	**706.9**	**537.4**	**438.4**	**488.5**	**456.1**	**399.4**	**335.8**	**349.5**	**386.8**	**404.6**
	GRAND TOTAL	**3689.7**	**3286.9**	**3021.5**	**2768.9**	**2620.0**	**2555.9**	**2334.1**	**2141.2**	**2077.9**	**1947.7**	**1720.4**

TPSODL

Table 39 : Historical Sales of TPSODL (Regrouped)

Category for projections	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19	FY18	FY 17	FY 16	FY 15	FY 14
Domestic (Sr No 1,14)	1913.6	1586.3	1599.7	1631.3	1343.2	1342.0	1283.0	1235.7	1190.9	1078.5	874.4
Commercial (General Purpose) (SrNo 2,12,19,21,29)	365.4	367.5	323.2	276.5	301.0	328.8	253.3	232.9	221.0	196.2	175.6
Industries (Sr No 5,7,8,13,17,20,23,23a, 24, 25, 27,30,33,34,35,35a)	737.7	712.8	517.2	385.0	523.2	504.0	438.8	356.2	376.9	388.7	386.8
Agriculture (Sr No 3,4,15,16)	170.7	130.1	138.4	109.2	102.5	89.9	77.3	58.1	50.0	38.2	34.4
Railways (Sr No 26,31)	286.1	286.1	262.4	208.3	197.1	158.2	148.7	136.5	122.2	138.9	151.2
Others (6,9,10,11,18,22,28,36)	216.1	204.0	180.6	158.7	153.0	132.9	132.9	121.7	116.8	107.3	97.9
Total	**3689.7**	**3286.9**	**3021.5**	**2768.9**	**2620.0**	**2555.9**	**2334.1**	**2141.2**	**2077.9**	**1947.7**	**1720.4**

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Table 40 : Category wise proportion used for breakup into LT, HT and EHT Sales

LT/HT/EHT	Category	Mus	Proportion
LT	Domestic	1906	99.6%
HT	Domestic	8	0.4%
EHT	Domestic	0	0.0%
LT	Commercial /General Purpose	306	83.7%
HT	Commercial /General Purpose	60	16.3%
EHT	Commercial /General Purpose	0	0.0%
LT	Industries	45	6.1%
HT	Industries	272	36.8%
EHT	Industries	421	57.0%
LT	Agriculture	142	83.4%
HT	Agriculture	28	16.6%
EHT	Agriculture	0	0.0%
LT	Railways	0	0.0%
HT	Railways	0	0.0%
EHT	Railways	286	100.0%
LT	Others	153	71.0%
HT	Others	63	29.0%
EHT	Others	0	0.0%
	Total	**3690**	

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Table 41 : Breakup of Sales in LT, HT and EHT Category (Mus)

Sr No	Category	FY 24	FY 25	FY 26	FY 27	FY 28
1	Domestic	1914	2057	2211	2377	2556
2	Commercial /General Purpose	365	374	384	393	403
3	Industries	738	793	853	916	985
4	Agriculture	171	184	197	212	228
5	Railways	286	300	315	331	348
6	Others	216	238	262	288	316
7	**Total**	**3690**	**3946**	**4222**	**4518**	**4836**
A	**LT Category**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**
LT	Domestic	1906	2049	2202	2368	2545
LT	Commercial /General Purpose	306	313	321	329	338
LT	Industries	45	49	52	56	60
LT	Agriculture	142	153	165	177	190
LT	Railways	0	0	0	0	0
LT	Others	153	169	186	204	225
	Total	**2553**	**2733**	**2926**	**3134**	**3358**
B	**HT Category**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**
HT	Domestic	8	8	9	10	10
HT	Commercial /General Purpose	60	61	63	64	66
HT	Industries	272	292	314	337	363
HT	Agriculture	28	30	33	35	38
HT	Railways	0	0	0	0	0
HT	Others	63	69	76	83	92
	Total	**430**	**461**	**494**	**530**	**569**
C	**EHT Category**					
EHT	Domestic	0	0	0	0	0
EHT	Commercial /General Purpose	0	0	0	0	0
EHT	Industries	421	452	486	523	562
EHT	Agriculture	0	0	0	0	0
EHT	Railways	286	300	315	331	348
EHT	Others	0	0	0	0	0
	Total	**707**	**753**	**802**	**854**	**910**
D	**Grand Total**	**3690**	**3946**	**4222**	**4518**	**4836**

6 Annexure 3: Details of Government Funded Schemes

Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
1	ODSSP IV	447	• New PSS and associated 33kV&11kV Lines Independent 33kV Lines	• To address Low voltage pockets and improvement of reliability in Rural area of TPSODL
2	SACE(Special Assistance to Capital Expenditure)-I	100	• 33 KV Lines upgradation • 11 KV Lines upgradation • Addition / Upgradation of Components in Primary Sub-Station (PSS) Distribution Sub-Station (DSS) Upgradation Power supply to unelectrified school and Hospitals	• Improvement of reliability and Quality of power supply, safety enhancement in network in 6 districts(Rayagada,Parlekhamundi,Kandhamal,Koraput,Nabarangapur,Malkangiri) of TPSODL.

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Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
3	SDMF-1(State Disaster Mitigation Fund)	59	• Strengthening of 33kV Network in 1st 20 KM of the coastal area • Strengthening of 11kV and below Network in 1st 20 KM of the coastal area • Conversion of LT Bare to LT AB Cables • Pole mounted DT to Elevated plinth mounted DT • Strengthening of Lines using Rey Bar Lacing (RLP) Pole • Strengthening of River crossing infrastructure	• Cyclone Resilient Network for critical installations in 0-20 KM from Coast. Flood impact mitigation plan by Strengthening of River crossing infrastructure.
4	SDMF-2(State Disaster Mitigation Fund)	75	• Strengthening of 33kV Network in 20-60 KM of the coastal area Strengthening of 11kV Network in 20-60 KM of the coastal area	• Cyclone Resilient Network for critical installations in 20-60 KM from Coast.

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Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
			Conversion of LT Bare to LT AB Cables	
5	Shifting of Lines and Substation from Schools and Aanganwadi	18	• Erection of additional 11 KV and 33 KV lines • Shifting of DT and its structure • Conversion of Bare Conductor to LT AB Cable	• To Create Safe Work area for Children and the associated staff
6	Socio Economic Transformation and Upliftment (SETU)	13	• Supply and Installation of 11 KV DTR and associated LT Lines • Conversion of 2P DTRs to 3 P DTRs and LT Bare to LT AB Cables • Electrification of Households through Solar Off Grid Power Projects	• For Electrification of Household and System Strengthening of Electrical Infrastructure in Swabhiman Anchal in Chitrakonda Block of Malkangiri District

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Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
5b	RDSS(Revamped Distribution Sector Scheme)- Disaster Reslient Network	1599	• 33kV &11KV networks considered OH to UG conversion. Conversion from Outdoor to Indoor PSS Pole mounted DT to Elevated plinth mounted. Conversion of LT Bare to LT AB Cable 33kV & 11kV Old conductor replacement	• Cyclone Resilient Network
6	Chief Minister Power Development Programme(CMPDP)	239	• 1.Strengthening of 33kV and 11kV conductors 2. Up-gradation / replacement of Distribution Transformers (DTRs) in low voltage pockets 3. Conversion of single-phase network to 3-phase network 4. Replacement of damaged/	• Mitigation of Low Voltage Pockets Improvement of reliablity and Quality of power supply safety enhancement in network

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Corporate Identity Number (CIN)- U40109OR2020PLC035195

Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
			undersize/ worn out LT conductors in low voltage pockets 5. New 33/11kV Primary Substations (PSS) in needy areas 6. Voltage Regulator (VR) for 11 kV feeders 7. Capacitor Bank for 11 kV feeders	
7	SACE(Special Assistance to Capital Expenditure)-II	187	• 33/11 kV New PSS 33 KV Lines upgradation 11 KV Lines upgradation Addition / Upgradation of Components in Primary Sub-Station (PSS) Distribution Sub-Station (DSS) Upgradation	• Improvement of reliablity and Quality of power supply and safety enhancement in network FOR AL districts of TPSODL.

Sl no.	Name of the Project/ work	Total Cost (Rs Cr)	Scope	Purpose
8	Household Energy Efficiency Programme	197.63	To Provide BLDC fan and Inverter LED Bulb to Domestic Consumers of TPSODL.	The objective of this program is to promote use of energy efficient home/ household appliances in order to address low voltage issues.
9	BGJY	197	• Supply and Installation of DTRs, 11 KV Line and associated LT Line with Service Connection	Electrification of 64991 No of Un Electrified House Holds
10	Elephant Corridor	34	• Installation of HT/LT intermediate poles • Conversion of LT and HT lines from Bare Conductor to AB Cables/Covered Conductor • Fencing of DSS	Strengthening of Electrical Infrastructure in Elephant Corridor and movement area
	Total	**3165**		

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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