ଓଡ଼ିଶା ବିଦ୍ୟୁତ୍ ନିୟାମକ ଆୟୋଗ

ODISHA ELECTRICITY REGULATORY COMMISSION

BIDYUT NIYAMAK BHAWAN

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

TEL. No. 2721048, 2721049

E-MAIL: oerc@odisha.gov.in / orierc@gmail.com

WEBSITE: www.orierc.org

Together, Let us light up our lives

Present : **Shri P.K. Jena, Chairperson**
Shri S. K. Ray Mohapatra, Member
Shri B. Mohanty, Member

CASE NOs. 124 of 2025, 128 of 2025, 132 of 2025 & 136 of 2025

DATE OF HEARING:	**17.02.2026 at 10.30 A.M**	**(TPNODL),**
	23.02.2026 at 10.30 A.M	**(TPWODL),**
	21.02.2026 at 10.30 A.M	**(TPSODL),**
	04.02.2026 at 10.30 A.M	**(TPCODL)**

DATE OF ORDER: **24.03.2026**

IN THE MATTER OF: **Applications of Distribution Companies TPNODL, TPWODL, TPSODL & TPCODL for approval of their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) for FY 2026-27 under Sections 62,64 & 86 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

AND

CASE NOs. 126 of 2025, 130 of 2025, 134 of 2025 & 137 of 2025

DATE OF HEARING:	**17.02.2026 at 10.30 A.M**	**(TPNODL),**
	23.02.2026 at 10.30 A.M	**(TPWODL),**
	21.02.2026 at 10.30 A.M	**(TPSODL),**
	04.02.2026 at 10.30 A.M	**(TPCODL)**

IN THE MATTER OF: **Applications for approval of Open Access Charges applicable for EHT/HT consumers for FY 2026-27 in accordance with Paras 22,23,24 & 25 of Chapter 5 OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020 for approval of Wheeling Charges, Cross Subsidy Surcharge , Additional Surcharge & Standby charges applicable to Open Access Customers for use of intra-state transmission/ distribution system in view of Section 42 of the Electricity Act, 2003 of DISCOMs namely TPNODL, TPWODL, TPSODL & TPCODL.**

AND

CASE NOs. 127 of 2025,131 of 2025,135 of 2025 & 138 of 2025

DATE OF HEARING: **17.02.2026 at 10.30 A.M (TPNODL),**
23.02.2026 at 10.30 A.M (TPWODL),
21.02.2026 at 10.30 A.M (TPSODL),
04.02.2026 at 10.30 A.M (TPCODL)

IN THE MATTER OF: Applications for Determination of Wheeling Charges, Wheeling losses, Cross Subsidy Surcharge for LT Consumers taking power on Open Access permitted under OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 and other related matters of DISCOMs namely TPNODL, TPWODL, TPSODL & TPCODL.

Case No.125 of 2025

DATE OF HEARING : 17.02.2026 at 10.30 A.M

IN THE MATTER OF: TPNODL's application for approval of Truing up of expenses for FY2024-25 along with reconsideration/revisit of Truing up for FY2023-24 under Sections 62 & 86 (1) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.

AND

Case No.129 of 2025

DATE OF HEARING: 23.02.2026 at 10.30 A.M

IN THE MATTER OF: TPWODL's application for approval of Truing up of expenses for the FY 2024-25 along with reconsideration/ revisit of Truing up for the FY2023-24 under Sections 62 & 86 (1) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.

AND

Case No.133 of 2025

DATE OF HEARING: 21.02.2025 at 11.00 A.M

IN THE MATTER OF: TPSODL's application for approval of Truing up for the period of FY 2024-25 along with reconsideration/revisit of Truing up for the FY2023-24 under Sections 62 & 86 (1) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Wheeling

Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.

AND

<u>Case No.139 of 2025</u>

DATE OF HEARING: 04.02.2025 at 11.00 A.M

IN THE MATTER OF: **TPCODL's application for approval of Truing up of expenses forthe FY2024-25 along with reconsideration/ revisit of Truing up for the FY2023-24 under Sections 62 & 86 (1) and all other applicable provisions of the Electricity Act, 2003 read with OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.**

<u>O R D E R</u>

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

Table – 1

Sl. No.	Name of DISCOMS	Licensed Areas (Districts)	Percentage area of the State	Nos. of Consumers (As on 01.04.2025)
1.	**TPNODL**	Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.	**18.0**	**19,99,491**
2.	**TPWODL**	Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonepur and Jharsuguda.	**32.3**	**21,66,514**
3.	**TPCODL**	Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur.	**18.9**	**33,25,438**
4.	**TPSODL**	Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.	**30.8**	**22,58,172**
		Total Odisha	**100.0**	**97,49,615**

The Commission initiated proceedings on the filing of Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2026-27 of these Distribution Licensees under relevant provisions of the Electricity Act, 2003 (hereinafter referred to as 'the Act'). By this common Order, the Commission considers aforesaid Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff applications of the above-mentioned Distribution Licensees along with other tariff related matters.

A. PROCEDURAL HISTORY (PARA 2 TO 20)

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

3. As per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022 (herein after referred to as "OERC Wheeling & RST Regulations, 2022"), the Distribution Utilities i.e. TPCODL, TPWODL, TPNODL and TPSODL have filed their Aggregate Revenue Requirement (ARR), Wheeling Tariff and Retail Supply Tariff (RST) Applications for FY 2026-27 before 30th November, 2025. These applications were duly scrutinized and registered as Case No. 136/2025 (TPCODL), Case No. 124/2025 (TPNODL), Case No. 128/2025 (TPWODL) and Case No.132/2025 (TPSODL).

4. As per the direction of the Commission, the applicants have published the Aggregate Revenue Requirement (ARR), Wheeling & RST tariff Applications and Truing up applications in the prescribed formats in the leading and widely circulated Odia and English newspapers in their area of supply inviting objections/suggestions from the general public. The applications were also posted in the Commission's website (www.orierc.org) and the websites of the DISCOMs. The Commission had also directed the applicants to respond to the objections / suggestions of the Objectors in shape of rejoinder.

5. In exercise of the powers conferred by Section 94(3) of the Act, the Commission appointed m/s Delloite, Gurgaon as the Consumer Counsel to make objective analysis of the claims of the applicants and present their views on the proposals of the

DISCOMs in their ARR Applications keeping in view the interest of the consumers.

6. The dates for hearing were fixed and duly notified in the leading English and Odia daily newspapers mentioning the date, time and venue of hearing through hybrid mode along with the names of the Objectors. The Commission issued notice to the Department of Energy representing the State of Odisha to take part in the hearing through their authorized representative in the Tariff proceedings.

7. In response to the above public notices, the Commission received objections/ suggestions from the following individuals / associations/ institutions/ organizations as mentioned below against the respective DISCOMs:

Objections/suggestions on TPNODL's application:

(a) Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, Bhubaneswar,

(b) The Principal Chief Electrical Engineer (TRD), East Coast Railway, Bhubaneswar,

(c) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, Bhubaneswar,

(d) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Bhubaneswar,

(e) M/s. Power Tech Consultants, Bhubaneswar, North Orissa Chamber of Commerce and Industry (NOCCI), Balasore,

(f) M/s. Jindal Stainless Limited, Kalinganagar, Industrial Complex, Jajpur, M/s. Visa Steel Limited, Kalinganagar Industrial Complex, Jajpur,

(g) M/s.Tata Steel Limited, Kalinganagar Industrial Complex, Jajpur, M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), Bhubaneswar,

(h) M/s. GRIDCO Limited, Janapath, Bhubaneswar,

(i) Shri K. Prabhakar Dora, Rayagada,

(j) Shri Ananda Kumar Mohapatra, Kotitirtha Lane, Old Town, Bhubaneswar,

(k) M/s. OPTCL, Janapath, Bhubaneswar, M/s. Indus Towers Limited, Chandrasekharpur, Bhubaneswar,

(l) Sri. Saroj Kumar Rout, Balasore,

(m) Sri. Amarendra Das, Balasore, Sri. Laxmidhar Mohanty, Balasore,

(n) Shri C.P. Bhartia, Managing Director, Jagdamba Polymers (P) Ltd. & Member of NOCCI, Balasore

(o) Shri Priyabrata Sahu, Berhampur, Ganjam,

(p) Shri Panchanan Jena, Working President, Bijuli Karmachari Sangh, Berhampur,

(q) Sri Manoranjan Routray, Advocate, Koraput,

(r) Shri Sudhansu Dash, Bharati Airtel Limited, Bhubaneswar,

(s) Shri Ashok Kumar Bhukta, Rangailunda, Ganjam,

(t) Shri Ali Kishore Patnaik, President, TPSODL Consumers Association, Hillpatna, Berhampur,

(u) M/s. Saraswati Educational & Charitable Trust, Bhubaneswar,

(v) Sri Prasanna Kumar Chhotray, Berhampur, Ganjam.

The CEOs along with other Officers of the four DISCOMs as well as the Addl. Secretary to Govt. of Odisha in the Energy Department and the representatives of M/s GRIDCO along with some Objectors participated in the hearing.

8. None appeared on behalf of the above-mentioned Objectors, namely Shri Priyabrata Sahu, Bijuli Karmachari Sangh, Berhampur, Sri Manoranjan Routray, Bharati Airtel Limited, Shri Ashok Kumar Bhukta, TPSODL Consumers Association, M/s. Saraswati Educational & Charitable Trust, Sri Prasanna Kumar Chhotray. The Commission has extensively heard the applicant, Objectors, the Consumer Counsel and all other who participated in the hearing. Their submissions, both verbal and written, have also been considered by the Commission.

9. **Objections/suggestions on TPWODL's application:**

(a) Shri Alok Kumar Sahu, ADDEE/TrD/SBP on behalf of Principal Chief Electrical Engineer (TRD), East Coast Railway, Bhubaneswar,

(b) Shri Akshya Kumar Sahani, Retd. Electrical Inspector, Bhubaneswar,

(c) M/s. Power Tech Consultants, Bhubaneswar,

(d) M/s. Bhushan Power and Steel Ltd., Lapanga, Sambalpur,

(e) M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), Bhubaneswar,

(f) Er. Dr. P.K. Pradhan, Burla, Sambalpur,

(g) M/s. Vedanta Ltd., Bhubaneswar,

(h) M/s. GRIDCO Limited, Janapath, Bhubaneswar,

(i) Shri K. Prabhakar Dora, Rayagada,

(j) Shri Ananda Kumar Mohapatra, Power Analyst, Bhubaneswar,

(k) Shri Sudhansu Dash, Bharati Airtel imited, Bhubaneswar,

(l) Shri Ashok Kumar Bhukta, Rangailunda, Ganjam,

(m) M/s. Indus Towers Limited, Chandrasekharpur, Bhubaneswar,

(n) Shri Alok Kumar Satpathy,

(o) Sri. Soubhik Das, M/s. Ampin Energy Transition.

(p) Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, Bhubaneswar,

(q) Shri Priyabrata Sahu, Berhampur, Ganjam,

(r) Shri Panchanan Jena, Working President, Bijuli Karmachari Sangh, Berhampur,

(s) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Bhubaneswar,

(t) Sri Manoranjan Routray, Advocate, Koraput,

(u) M/s. OPTCL, Janapath, Bhubaneswar,

(v) Shri Ali Kishore Patnaik, President, TPSODL Consumers Association, Hillpatna, Berhampur,

(w) M/s Saraswati Educational & Charitable Trust, Bhubaneswar,

(x) Sri Prasanna Kumar Chhotray, Berhampur, Ganjam.

10. The CEOs along with other Officers of the four DISCOMs as well as the Addl. Secretary to Govt. of Odisha in the Energy Department and the representatives of M/s GRIDCO along with some Objectors participated in the hearing.

11. None appeared on behalf of the above-mentioned Objectors, namely Shri Basudeb Bhatta, Co-Convenor, Shri Priyabrata Sahu, Bijuli Karmachari Sangh, National Institute of Indian Labour & President, Upobhokta Mahasangha, Sri Manoranjan Routray, TPSODL Consumers Association, M/s Saraswati Educational & Charitable Trust, Sri Prasanna Kumar Chhotra. The Commission has extensively heard the applicant, Objectors, the Consumer Counsel and all others, who participated in the hearing. Their submissions, both verbal and written, have also been considered by the Commission.

12. **Objections/suggestions on TPSODL's application:**

(a) Shri Priyabrata Sahu, Bijaya Bihar, Berhampur, Ganjam,

(b) Shri Panchanan Jena, Working President, Bijuli Karmachari Sangh, Berhampur,

(c) The Principal Chief Electrical Engineer (TRD), East Coast Railway, Bhubaneswar,

(d) Shri. Akshya Kumar Sahani, Retd. Electrical Inspector, Bhubaneswar,

(e) Shri K C Nanda, Director (Finance) of GRIDCO Limited, Janapath, Bhubaneswar,

(f) Shri K. Prabhakar Dora, Rayagada,

(g) Shri Bibhu Charan Swain, M/s. Power Tech Consultants, Bhubaneswar,

(h) M/s. Utkal Chamber of Commerce & Industry Ltd. (UCCI), Bhubaneswar,

(i) M/s. Bharati Airtel Limited, Bhubaneswar,

(j) Shri Ashok Kumar Bhukta, Berhampur University, Ganjam,

(k) M/s OPTCL, Janapath, Bhubaneswar,

(l) Shri Ali Kishore Patnaik, TPSODL Consumers Association, Berhampur

13. The CEOs along with other Officers of the four DISCOMs as well as the Addl. Secretary to Govt. of Odisha in the Energy Department and the representatives of M/s GRIDCO and M/s OPTCL along with some Objectors participated in the hearing.

14. None appeared on behalf of the above-mentioned Objectors, namely Shri Basudeb Bhatta, Co-Convenor, National Institute of Indian Labour or Upobhokta Mahasangha, Sri Manoranjan Routray, M/s Saraswati Educational & Charitable Trust, Sri Prasanna Kumar Chhotray, M/s Indus Towers Limited and Bijuli Karmachari Sangh. The Commission has extensively heard the applicant, Objectors, the Consumer Counsel and all others, who participated in the hearing. Their submissions, both verbal and written, have also been considered by the Commission.

15. **Objections/suggestions on TPCODL's application:**

(a) Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, Bhubaneswar for self and on behalf of M/s. Saraswati Educational & Charitable Trust, Bhubaneswar,

(b) Shri Umakanta Panda, Sailashree Vihar, Bhubaneswar,

(c) Shri Bijay Kumar Patnaik, Former Chief Secretary, GoO, Bhubaneswar,

(d) East Coast Railways, Bhubaneswar,

(e) Shri A.K. Sahani, Retd. Electrical Inspector, GoO, Bhubaneswar

(f) M/s Seafood Exports Association of India, Odisha Region, Bhubaneswar,

(g) Shri Lalatendu Dikhit, Sarakana, Khordha,

(h) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Bhubaneswar,

(i) Sri Prasana Kumar Biso, Secretary Upobhokta Mahasanga, Begunia, Khordha,

(j) M/s. Jindal Steel Ltd., Chhendipada, Angul,

(k) M/s. Power Tech Consultants, Bhubaneswar,

(l) M/s. Tata Steel Ltd., Athagarh, Cuttack

(m) M/s. Utakal Chamber of Commerce & Industry Ltd. (UCCI), Bhubaneswar,

(n) Shri Baishnab Charan Padhiary, CGM (Finance),

(o) M/s. GRIDCO Limited, Janapath, Bhubaneswar,

(p) Shri K. Prabhakar Dora, Rayagada,

(q) Shri Samish Kumar Mohanty, Bhubaneswar,

(r) Shri Bijan Panigrahi, Bhubaneswar,

(s) Shri Ananda Kumar Mohapatra, Power Analystis, Bhubaneswar,

(t) M/s Bharati Airtel Limited, Bhubaneswar, M/s.

(u) M/s. OPTCL, Janapath, Bhubaneswar,

(v) M/s. Indiano Chrome Private Ltd., Sarua, Khordha,

(w) Mr. Akeel Khan, Lead Regulatory Affairs,

(x) M/s. Indus Towers Limited, Chandrasekharpur, Bhubaneswar,

(y) Shri Paresh Chandra Muduli,

(z) Shri Alekha Chandra Mallick and

(aa) Dr. N.C.Mohapatra, Ex-director (Law), OERC.

16. The CEOs along with other Officers of the four DISCOMs as well as the Addl. Secretary to Govt. of Odisha in the Energy Department and the representatives of M/s GRIDCO and M/s OPTCL along with some Objectors participated in the hearing. The Commission has extensively heard the applicant, Objectors, the Consumer Counsel and all others, who participated in the hearing. Their submissions, both verbal and written, have also been considered by the Commission.

17. In its consultative process, the Commission conducted public hearings at Gita Govinda Sadan, Unit-III, Bhubaneswar on 04.02.2026 for TPCODL, on 17.02.2026 for TPNODL at 'ATRIUM' NOCCI Business Park, Bampada, Chhanapur, Balasore, on 21.02.2026 for TPSODL at Rushikulya Conference Hall, DRDA Office, Chhatrapur, Ganjam and on 23.02.2026 for TPWODL at Biju Patnaik E-Learning Centre Auditorium, VSSUT, Burla, Sambalpur through hybrid mode.

18. The CEOs of the respective DISCOMs made a brief presentation on their applications for approval of ARR, Wheeling & RST FY 2026-27, OA charges for FY 2026-27, True-up expenses for FY 2024-25 along with reconsideration of True-up expenses for the FY 2023-24 at above designated place on the scheduled date followed by presentation by the Consumer Counsel analysing the proposal submitted by the DISCOMs.

19. The Distribution Companies of Odisha have filed their Applications for approval of their ARR, Wheeling and RST for FY 2026-27 and for determination of Open Access Charges for FY 2026-27 in accordance with Regulations 22, 23, 24 & 25 of OERC (Terms and Conditions of Intra-State Open Access Charges) Regulations, 2020, (hereinafter referred to as "OERC OA Regulations, 2020") for approval of Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge & Standby charges at EHT/HT level, applicable to Open Access Customers for use of intra-state transmission / distribution system.

20. TPWODL, TPCODL, TPNODL& TPSODL have also filed applications for determination of open access charges at LT level for consumers opting for Open Access for FY 2026-27 under Section 42 the Act in accordance with OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020 applicable to LT open access consumers for use of intra-State transmission/distribution system and the provisions under the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023. They have filed their applications for approval of Truing up expenses for FY 2024-25 along with reconsideration/ revisit of Truing up for FY 2023-24 which were registered as Case Nos. 125 of 2025, 139 of 2025, 125 of 2025 & 133 of 2025 respectively. These Cases were taken up for analogous hearing with their ARR & RST applications for FY 2026-27 in compliance with the directions of the Commission in their Vesting Orders. The Commission had directed the DISCOMs to publish the Public Notice in widely circulated Odia and English newspapers inviting views / suggestion of the general public. The Commission had also posted a copy of each of the applications in its website.

21. The Commission convened the State Advisory Committee (SAC) meeting on 16.03.2025 at 11.00 AM through hybrid mode for discussion on the ARR, Wheeling Tariff and Retail Supply Tariff applications of the Distribution Utilities for FY 2026-27. The Members of SAC, Special Invitees and the Representative of DoE, Govt. of Odisha participated in the discussion and offered their valuable suggestions & views for consideration of the Commission.

B. ARR & RETAIL SUPPLY TARIFF PROPOSAL OF THE DISCOMs FOR FY 2026-27 (Para 21 to 53)

Energy Sales, Purchase and Distribution Loss

22. DISCOMs have submitted the actual energy purchase quantum along with Energy sales till FY 2024-25. They have also submitted the estimated energy sales for FY 2025-26 based on the actual sales figures for the months from April-2025 to December-2025 and the estimated sale forecast for FY 2026-27. They have estimated the sales under LT, HT and EHT voltage levels for each category of consumers and presented their assumptions in their submission. Details of their submissions along with overall distribution loss are given inTable-2 below;

Table – 2
Energy Sale, Purchase and Loss

DISCOMs	Particulars	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)	2024-25 (Actual)	2025-26 (Rev. Est.)	2026-27 (Est.)
TPCODL	Energy Sale (MU)	6202.32	6728.00	7639.10	8853.40	9691.52	10318.63	11240.94
	Energy Purchased (MU)	8370.43	8817.00	9901.98	11299.17	11981.45	12,457.60	13,248.02
	Overall Distribution Loss %	25.90%	23.69%	22.85%	21.65%	19.11%	17.17%	15.15%
TPNODL	Energy Sale (MU)	3921.63	4346.99	5410.05	5996.36	6468.195	7,142.43	7,801.67
	Energy Purchased (MU)	4941.19	5327.04	6473.32	7047.15	7388.95	8,205.91	8,853.46
	Overall Distribution Loss %	20.63	18.40%	16.43%	14.91%	12.46%	12.96%	11.88%
TPWODL	Energy Sale (MU)	5714	7355.80	10609.62	10643.74	9911.72	9,978.38	10,322.33
	Energy Purchased (MU)	7625	9313.21	13002.41	12752.41	11831.39	11,746.00	11,952.68
	Overall Distribution Loss %	25.07%	21.02%	18.4%	16.54%	16.23%	15.05%	13.64%
TPSODL	Energy Sale (MU)	2768.94	3021.54	3155.37	3194.94	3507.18	3,642.00	3,949.67
	Energy Purchased (MU)	3599.29	3941.54	4188.45	4345.31	4576.24	4,730.00	5,050.00
	Overall Distribution Loss %	23.07%	23.34%	24.67%	26.47%	23.36%	23.00%	21.79%
All Odisha	Energy Sale (MU)	18606.41	21452.34	26813.78	28688.44	29578.61	31,081.44	33,314.61
	Energy Purchased (MU)	24535.74	27398.79	33566.16	35444.05	35778.04	37,139.51	39,104.16
	Overall Distribution Loss %	24.16%	21.70%	20.12%	19.06%	17.33%	16.31%	14.81%

Sale Forecast

23. TPCODL has submitted that the LT sale is expected to be 6168.143 MU in FY 2026-27 and its estimated sale for FY 2025-26 is 5607.403 MU. This is basically attributable to urbanisation & modernization around major urban centers and improved reliability & effective load booking. It has submitted the category wise energy estimation for FY 2026-27 at LT, HT and EHT level. All other LT category of consumers except Domestic category is projected to grow at 14% in FY 2026-27 and the overall growth is projected as 10% in FY 2026-27 over the estimated sale in the current FY 2025-26. It has further submitted that the impact on account of rooftop solar projects (under PMSGY including ULA scheme) has not been taken into account in the projections for FY 2026-27. For projecting the sale at HT level, the consumption of existing and prospective consumers with CD above 1 MVA has been considered. Based on their consumption pattern in the current financial year, TPCODL has projected the HT sale in FY 2026-27 to be 2772.246 MU, which is 10% higher compared to the HT sale estimated for FY 2025-26 (2520.224 MU). It has

estimated EHT sales based on the consumption of existing consumers and also including three new consumers who are expected to be energized in the current FY 2025-26. The EHT sales estimated for FY 2025-26 is 2191.001 MU and TPCODL has projected an increase by 9.9% over these sales for FY 2026-27 as 2300.550 MU.

24. TPNODL has considered actual sales data for the first six months of FY 2025-26 including load growth in the pipeline relying on the past trend of consumption pattern for last ten years. Various other factors have also been considered for projection of sales for the ensuing FY, such as actual addition/reduction of load, present trend of drawl of power through open access, additional drawl on account of special tariff for industries having CGP with CD up to 20MW, Solar Hour Special Tariff, mass prawn cultivation in coastal area, water supply schemes of Govt and Irrigation schemes for farmers. Domestic consumption has been estimated to increase by 5% in the ensuing financial year over the estimated sales for current FY. TPNODL has submitted that many customers, who were previously not being billed, were regularized through structured site verification and consumer indexing process through GIS. The overall LT sales have been estimated with an overall growth of 7.2% in the ensuing FY over the current FY. HT sales have been projected considering the consumption of HT Consumers having CD greater than 1 MVA for FY 2024-25 and H1 of the current FY. Several factors like reallocation of mines, re-establishment of industries and growth in ancillary units have resulted in the increase in consumption at HT level. Considering the trend and current growth, TPNODL has estimated an overall growth of 8.5 % in HT sales, resulting in 1046.001 MU for ensuing FY over the estimated sales for the current FY of 963.905 MU. This estimation also includes sales due to ongoing rural water supply schemes & mega irrigation projects of the Government, massive cultivation of prawn in coastal area and growth of its processing industries and the upcoming HT applications in pipeline. It has submitted that some EHT Consumers have enhanced or planned to enhance their loads and some new Consumers are in pipeline for operation. Further, sales under special tariff have reduced since FY 2023-24 due to increase in special tariff from 430 paise per unit to 500 paisa per unit. However, one industry has further executed an agreement to avail special tariff and considering the continuation of the scheme in the ensuing financial year, additional sales are expected in the ensuing financial year. Additionally, sales projection has also been done considering drawl by Railway Traction from the DISCOM. Considering all

these variables, TPNODL has projected a growth of 11.1 % in EHT category with sales of 3788.305 MU for the ensuing financial year and an overall growth of 9.2 % in the total sales for FY 2026-27 over FY 2025-26.

25. TPWODL has projected the consumption of different categories of Consumers based on the past trends and consumption pattern for first six months of the current FY 2025-26, actual addition/reduction of loads and other important aspect of market condition. The activity of data sanitization is a continual activity and around 2.5 lakhs of ghost consumers have already been identified and removed from the database in the past. As a result, the increase in consumer base has shown insignificant movement as compared to previous year. Consumer growth under irrigation category particularly mega lift point has been envisaged during the ensuing FY as per mega lift scheme of Govt. of Odisha. In absence of separate category for Irrigation under EHT category a mega lift consumer with supply voltage at EHT level with load of 13500 kVA is being billed under HT category tariff and added under HT in the projection. The growth in the domestic category has been estimated at 10.17 %. Other categories in the LT sector have been estimated in the range of 4.27 % considering the past trends except Irrigation & Pumping category of Consumers where growth of 5 % has been estimated. The overall growth under LT has been considered as 7 % for the ensuing year as 3722.848 MU over the estimated sales for the current FY 2025-26 as 3479.297 MU. While projecting the sales in HT Category, TPWODL has analyzed the consumption pattern of each HT Consumer with Contract Demand of more than 1 MVA and considered the bearing of some TPAs undertaken by the licensee with certain consumers as per the Commission's orders in different cases. It has projected an increase in sales under HT category at 4 % for the ensuing financial year as 2610.385 MU over the estimated sales for the current FY 2025-26 as 2509.986 MU. It is submitted that there are certain industrial consumers who were earlier contributing to higher sales and have shifted to open access for their energy requirement maintaining only CD with the licensee. The Licensee has projected EHT sales for the ensuing financial year analyzing the consumption pattern of each EHT consumer. TPWODL has submitted that around 20 Nos. of EHT consumers have their own CGP and other 2 consumers have set up solar plant for their own consumption. Further, the issue of Railways for Deemed Distribution Licensee status is pending at Hon'ble Supreme Court and would affect the EHT sales. Considering the above factors and

certain other variables, TPWODL has considered no increase in the quantum of EHT sales and has proposed 3989 MU for FY 2026-27, which is the same as its estimation for FY 2025-26. The overall sales for the ensuing FY 2026-27 is projected as 10322.332 MU which is only 3.4% more as compared to the sales for FY 2025-26 at 9978.382 MU.

26. TPSODL has submitted that for projecting the category-wise sales, it has taken into account various factors, i.e. actual sales data for first six months of FY 2025-26, actual addition of consumers, load trajectory and other factors, such as extended summer season, urbanisation, industrialisation and modernization, effective load booking etc. The consumer base is continuously being sanitized, defective/obsolete meters are being replaced and the expected number of new connections at LT level has been forecasted. Based on these, domestic consumption is expected to rise by 13.9 % in FY 2026-27. The net LT sales have been projected to increase to 2629.710 MU which is 10.1 % more compared to the estimated sales of 2387.56 MU for the current FY 2025-26. Considering the consumption trend of consumers with CD greater than 1 MVA in FY 2024-25 and H1 of the current FY 2025-26 and considering the increase in Contract Demand (CD) by 15% due to addition of new consumers & reduction of CD by two existing HT consumers, TPSODL has projected the HT sales as 501.08 MU for FY 2026-27 which is 5 % more than the estimated sale for the current FY as 477.08 MU. It has emphasized that the drawl by Railways Traction at EHT level contributes to more than 50% of EHT sales and its drawl in H1 of current FY 2025-26 has increased compared to H1 in FY 2024-25. Further, decrease by 24% has been observed in the consumption of large industries having CD > 1 MVA due to their internal strategic reasons. As a result, overall EHT sales have projected a growth of 5.3 % as 818.88 MU over the estimated EHT sales for FY 2025-26 as 777.36 MU. The overall sales of TPSODL projected for FY 2026-27 is 3949.671 MU which is 8.4% higher than the estimated sale for FY 2025-26 as 3642 MU.

27. TPSODL has submitted that the Alumina Plant of NALCO at Damanjodi and the Ferro Alloys Plant of IMFA at Therubali have been drawing power directly from GRIDCO from a period earlier to the Act was enactment. Since taking over the management of the utility of Southco, TPSODL has been following up with both the parties and GRIDCO to bring them into the TPSODL's billing folder, strictly in compliance with the License Conditions. In view of the development, the Petitioner

anticipates that the resultant increase SMD and MUs on account of the transfer of both of these consumers to TPSODL account shall have a positive impact on the projections.

28. Comprehensive representation of the projections proposed by the Distribution Licensees for the ensuing FY 2026-27 is given in Table-3 below.

Table – 3
Proposed Sales Forecast for FY 2026-27

Licensee	LT Sales for 2026-27 (Estimated)		HT Sales for 2026-27 (Estimated)		EHT Sales for 2026-27 (Estimated)		Total Sales 2026-27 (Estimated in MU)
	(MU)	% Rise over FY25-26	(MU)	% Rise over FY25-26	(MU)	% Rise over FY25-26	
TPCODL	**6168.143**	**10%**	**2772.246**	**10%**	**2300.550**	**5%**	**11240.939**
Remarks	Consumption of other LT category of consumers except Domestic category is projected to grow at 14%. Effect of rooftop solarisation has not been considered in the projection.		Projections done based on consumption of Consumers with CD > 1 MVA and the consumption of new connections have also been taken into account.		Sales have been projected based on the consumption of existing consumers and also including three new consumers who are expected to be energized in the current FY 2025-26.		Estimated 8.9% increase in total sales over estimated sales of 10318.628 MU for FY 2025-26
TPNODL	**2967.366**	**7.2%**	**1046.001**	**8.5%**	**3788.305**	**11.1%**	**7801.672**
Remarks	Normal growth of 5% is estimated for Domestic consumers consumption and 10% for General Purpose consumers consumption.		Reallocation of mining, upcoming rural water schemes of govt., mega irrigation projects, prawn cultivation & upcoming processing industries and past growth trends indicate substantial growth under HT sales.		Load enhancement of industries, applications of new Consumers in the pipeline, consumption of industries from CPPs and Railway traction consumption indicate substantial growth under EHT category		Estimated 9.2% increase in total sales over estimated sales of 7142.427 MU for FY 2025-26
TPWODL	**3722.848**	**7%**	2610.385	**4%**	**3989.099**	**0%**	**10322.232**
Remarks	Estimated increase in consumption of 10.17 % expected in domestic sector, 5 % in irrigation & pumping category and 4% in rest other categories under LT.		Consumption pattern of Mini Steel Plants shows a declined trend due to recession in steel & cement segment. Couple of high value HT Industries have established their own CGPs/behind the meter solar plant.		No TPA sales has been considered in projection, Megalift is billed under HT and industries having CGP or solar plants draw very less compared to their CD, EHT sales is not expected to increase.		Estimated 3.4 % increase in total sales over estimated sales of 9978.382 MU for FY 2025-26
TPSODL	**2629.710**	**10.1%**	**501.08**	**5%**	**818.88**	**5.3%**	**3949.671**
Remarks	Based on past trends and actions taken to arrest theft and installation of new meters has contributed for a considerable growth.		Past trend of consumption under HT sales of consumers with CD > 1 MVA and increase in CD due to new connections indicates reasonable increase in sales for ensuing year.		Increase in EHT sales is projected considering the increase in Railway Traction consumption in H1 of FY 2025-26. Load pattern of each EHT consumer has been studied for forecasting.		Estimated 8.4% increase in total sales over estimated sales of 3642 MU for FY 2025-26

System Losses & Collection Efficiency:

29. The actual system loss, collection efficiency and the target fixed by the Commission in respect of AT&C Loss for the four DISCOMs from FY 2019-20 is given in Table-4

below. DISCOMs have projected the loss during FY 2025-26 and FY 2026-27 in their proposals considering the Vesting Orders and collection efficiency of 99%.

Table - 4
System Losses

DISCOMs	Particulars	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)	2024-25 (Actual)	2025-26 (Rev.-Est.)	2026-27 (Est)
TPCODL	Dist. Loss (%)	23.124	25.90	23.69	22.85	21.65	19.11	17.17	15.15
	Collection Efficiency (%)	90.51	95.09	97.36	102.45	100.53	100.21	99.00	99.00
	AT&C Loss (%)	30.42	29.54	25.70	20.96	21.23	18.94	18.00	16.00
	OERC Approved (AT&C Loss %)	23.77	23.70	23.70	23.70	22.00	20.00	18.00	16.00
TPNODL	Dist. Loss (%)	13.19	20.63	18.40	16.43	14.91	12.46	12.96	11.88
	Collection Efficiency (%)	86.38	94.28	94.20	106.06	103.76	99.80	99.00	99.00
	AT&C Loss (%)	25.01	25.17	23.13	11.36	11.71	12.64	13.83	12.76
	OERC Approved (AT&C Loss %)	19.17	19.17	19.17	19.17	17.09	15.00	13.83	12.76
TPWODL	Dist. Loss (%)	18.73	25.07	21.02	18.40	16.54	16.23	15.05	13.64
	Collection Efficiency (%)	87.91	97.71	92.93	100.14	101.23	99.99	99.00	99.00
	AT&C Loss (%)	28.56	26.78	26.60	18.29	15.51	16.23	15.90	14.50
	OERC Approved (AT&C Loss %)	20.40	20.40	20.40	20.40	18.90	17.40	15.90	14.50
TPSODL	Dist. Loss (%)	24.47	23.07	23.34	24.67	26.47	23.36	23.00	21.79
	Collection Efficiency (%)	84.34	91.00	88.06	102.46	100.71	103.31	99.00	99.00
	AT&C Loss (%)	36.30	29.99	32.49	22.81	25.95	20.82	23.77	22.57
	OERC Approved (AT&C Loss %)	26.25	26.25	25.75	25.75	25.75	25.35	25.00	22.57

Revenue Gap Proposed by the DISCOMs

30. The proposed revenue requirement, expected revenue as per the proposed sales at existing tariff and Gap, as submitted by the DISCOMs for FY 2026-27, is summarized in Table-5 below**:**

Table - 5
Proposed Revenue Requirement, Expected Revenue and Gap (Rs. In Crs.)

Description	Proposed for FY 2026-27				
	TPCODL	TPNODL	TPWODL	TPSODL	ALL ODISHA
Total Revenue Requirement	6,851.69	4,956.46	6,444.56	2,534.49	20,787.19
Expected Revenue at Existing Tariff	6,662.22	4,693.77	6,284.29	2,368.40	20,008.68
Surplus / (Gap)	**(189.47)**	**(262.69)**	**(160.27)**	**(166.09)**	**(778.52)**
	Approved for the FY 2025-26				
Total Revenue Requirement	**6,541.22**	**4,471.40**	**6,130.94**	**2,208.57**	**19,352.12**
Expected Revenue at Existing Tariff	6,615.37	4,486.79	6,148.18	2,163.06	19,413.40
Surplus / (Gap)	**74.15**	**15.39**	**(17.24)**	**(45.51)**	**61.28**

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

31. TPWODL has submitted that at existing tariffs, the Company through additional sale, if available and the proposed tariff rationalization measures along with use of surplus from the past true-ups will meet the required ARR without any tariff hike. However, Govt. support and subsidy, if any, shall be an additional help & the benefits shall be passed on to the consumer.

32. TPSODL has submitted that several big industrial projects including Green Ammonia and Green Hydrogen are expected to be commissioned within next 4-5 years and future projects are coming up in Gopalpur within Tata Steel Special Economic Zone Limited (TSSEZL) with an expected demand of 500 MW by FY 2030-31. With such development, a substantial increase in SMD and sales is expected by FY 2028-29 that would enable the distribution operation of TPSODL self-sustainable.

Components of the Aggregate Revenue Requirement Proposals for FY 2026-27

Proposed Power Purchase Expenses

33. DISCOMs have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. Based on the approved AT&C losses for FY 2026-27, the distribution loss has been worked out considering 99% collection efficiency. Accordingly, the quantum of power purchase has been projected considering the sales estimated for FY 2026-27. TPWODL has submitted that according to the in-principle approval to the erstwhile WESCO in Case No. 34 of 2010 dt. 02.11.2010 to procure power from CGP generators connected at 33 kV level and below up to 15 MW at negotiated price limited to Bulk Supply Price, it has purchased 16.594 MU in FY 2024-25 and 10.353 MU in H1 of FY 2025-26 at average hydel price of the State (101.83 paise/unit in the current FY). Accordingly, it has projected 15 MU from such small generators during FY 2026-27. It is submitted that the CGPs collectively have an installed generation capacity of approximately 6200 MVA and their drawl from the DISCOM varies for multiple reasons beyond its (DISCOM's) control. Therefore, the licensee faces challenges in accurately estimating its monthly power purchase requirements despite its repeated efforts to obtain tentative drawl forecast from these industries.

Proposed Simultaneous Maximum Demand (SMD)

34. The Distribution licensees have projected their SMD for FY 2026-27 based on load mix, consumption patterns and other economic policies. TPNODL has submitted that based on the past trends of consumption, new applications and load mix, it has considered a load factor of 68% while projecting the SMD. TPWODL has submitted that the projected SMD for FY 2025-26 is without considering TPA power. It has further submitted that the maximum SMD of 1963 MVA occurred in April 2025 against the Commission's approval of 1904 MVA for FY 2025-26. It has submitted that restricting the SMD of the utility at a particular value without considering its submissions and imposing penalty thereof for drawl beyond the approved value, puts the Utility with higher financial burden. TPSODL has emphasized that its SMD as recorded by GRIDCO is without deducting the demand component of open access drawl by industries. The details of power purchase cost and SMD proposed by the licensees are shown i Table-6 given below:

Table - 6
Proposed SMD and Power Purchase Cost for FY 2026-27

DISCOMs	Estimated Power Purchase in (MU)	Estimated Sales (MU)	Distribution Loss	Current BSP (Paise/Unit)	Estimated Power Purchase Cost (Rs.in Cr.) (BSP +Transmission charges + SLDC Charges)	Proposed SMD (MVA)
TPCODL	13248.015	11240.939	15.15%	315	4513.16	2752
TPNODL	8853.463	7801.672	11.88%	360	3414.35	1641
TPWODL	11952.677	10322.332	13.64%	385	4903.85	1989
TPSODL	5050.000	3949.671	21.79%	190	1089.05	900

Proposed Employees Expenses

35. The Petitioners while projecting the employee expenses for FY 2026-27 and revised estimates for FY 2025-26 have considered various factors such as, Basic pay & DA increments, wage revisions, employee health & wellness programs, impact of cadre restructuring, recruitment plans, retirements and expenses towards terminal benefits. The employee liabilities disbursed towards terminal benefits such as Provident Fund Employer Contribution, pension, gratuity, leave encashment and rehabilitation liabilities etc. will be allowed on cash out go basis in the ARR as per OERC's Wheeling & Retail Supply Tariff Regulations, 2022 which has been projected as Rs. 285.26 Crs. by TPCODL, Rs. 236.44 Crs. by TPNODL, Rs. 138.7 Crs. by TPWODL and Rs. 135.52 Crs. by TPSODL for the FY 2026-27.

36. TPNODL has projected Employee Cost of Rs. 590.62 Crs for FY 2026-27 considering 3% annual increment on Basic pay over FY 2025-26, DA considered at 3% w.e.f. Jan’26 and Jul’26 respectively over existing DA rates, Housing Rent allowance considered at 20% of Basic Salary, Reimbursement of Medical expenses considered at 5% of the basic Salary, Nominal escalation of 10% considered for other employee allowances, Impact of cadre restructuring and wage revision have been considered. The Employee expenses also include terminal benefit expenses, 183 Nos. of recruitment with an estimated attrition of 99 Nos. While claiming to have taken steps for optimisation of manpower, TPNODL has estimated the probable outgo of terminal liabilities as Rs. 236.44 Cr. for FY 2026-27.

37. TPCODL has considered 3% escalation on Basic Salary over FY 2025-26 in FY 2026-27. Its has proposed for recruitment of 220 No. of Operation / Distribution Technician Trainees and 70 officers in FY 2026-27. It has proposed employee expenses of Rs. 964.80 Crs. which includes House Rent Allowance, DA, Medical Allowance, Terminal benefits, Ex-Gratia, Staff welfare expenses and other allowances. The terminal liabilities estimated for FY 2026-27 is Rs. 285.26 Cr. It is submitted that the expenses have been considered considering the cost of erstwhile employees, inherited outsourced employees, CTC employees and new recruits.

38. TPWODL has submitted that for optimizing the manpower cost, it has been recruiting majorly trainees - Graduate Engineer Trainees, Diploma Engineer Trainees and Commercial Trainees. It has been recruiting skilled manpower within the approved ration of 1.40 employees per 1000 customer. It is submitted that the female gender ratio has increased from earlier 5% to 8%, TPWODL has emphasized that 88% of the employees are from the State domicile of which, 50% of employees are from the western Odisha and the rest 37% are from other parts of the State. TPWODL has proposed employee expenses of Rs. 596.40 Cr. for FY 26-27 which includes the salary of employees, training & development expenses, terminal benefits expenses and other employee expenses. The terminal benefits estimated on cash outgo basis for FY 2026-27 is Rs. 138.70 Cr. It has submitted the details of outsourced employees engaged in various activities.

39. TPSODL has projected its expenses considering the expenses of the erstwhile employees of the SOUTHCO, new employees recruited and outsourced & contractual manpower. The effective manpower per 1000 consumers is 1.32 with a large consumer base of 23.10 lacs. TPSODL has considered 3% and 4% (half-yearly) escalation on Basic pay & DA respectively, HRA at 20% of basic pay, reimbursement of medical expenses at 5% of basic salary and nominal escalation of 7% for other allowances. It has proposed employee expenses of Rs. 584.02 Crs. which includes terminal liability of Rs. 135.52 Cr. for FY 2026-27.

40. The Revised estimated Employee Expenses current year vis-à-vis the projected employee expenses for ensuing financial year is summarized in the table below:

Table -7
Proposed Employee Expenses for current FY 2025-26 and ensuing FY 2026-27

(Rs. In Cr.)

	Description	TPCODL	TPNODL	TPWODL	TPSODL
A	Employee Expenses in FY 2025-26	923.99	567.62	579.19	579.58
B	Employee Expenses in FY 2026-27	999.16	610.92	623.34	619.39
C	Employee Cost capitalised in FY 2025-26	31.24	18.18	25.66	41.38
D	Employee Cost capitalised in FY 2026-27	34.4	20.30	26.94	35.37
	Net Employee Expenses after capitalisation				
E	Net Employee Expenses in FY 2025-26 (A-C)	892.75	549.44	553.53	538.20
F	Net Employee Expenses in FY 2026-27 (B-D)	964.80	590.62	596.40	584.02

41. **Administrative and General Expenses**

As per OERC (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations, 2022, 7% escalation factor needs to be considered on the approved A&G Expenses (excluding additional or special A&G expenses) to arrive at permissible A&G expenses for each year of the control period, i.e. FY 2022-23 to FY 2027-28.

TPWODL has submitted that the A&G cost of the Licensee is towards license fees, rent, rates & taxes, insurance, vehicle hire charges, consultancy charges, electricity charges, travelling & conveyance, advertisement, Meter reading billing and collection (MBC), collection cost for current including arrear, enforcement & vigilance, watch & ward, IT automation, energy audit, shifting of meters from inside to outside premises, safety and statutory requirement, audit fees and expenses, legal expenses, GIS, SCADA & data communication &maintenance cost etc. Further, It is submitted that the minimum wages of Unskilled, Semiskilled, Skilled and Highly Skilled categories of employees have been increased *vide* Labour Commissioner, Govt. of Odisha Notifications No. 5308 dated 18.07.2024 and 6432 dated 30.09.2024. Further, as per Order No. 1047 dated 21.02.2024 of Labour Commissioner, the employees engaged i.e. Meter Readers & Bill Collectors will be covered under “Skilled Category”. Besides, the Labour & ESI Department of Government of Odisha *vide* Gazette Notification No. 1367 dated 18th July 2024, revised the minimum wages payable to various categories of manpower (unskilled, semi-skilled, skilled, and highly skilled) with effect from 18th July 2024. The wage revision and category upgradation have resulted in increase of A&G expenses in the current FY which qualifies for “Change in Law” event in line with established regulatory principles. Considering these aspects, TPWODL has proposed A&G expenses of Rs. 272.14 Cr. for FY 2026-27 considering the escalation on the actual estimated expenses for FY 2025-26.

It is on behalf of TPCODL that the A&G expenditure of Rs 163 Cr. approved for FY 2025-26 cannot be considered as a base for escalation since it does not contain the abnormal factor of wage revision notified by the Govt. of Odisha vide notifications dated 18.07.2024, 30.09.2024 and 30.04.2025. The revised base should be the actual estimated expenditure of Rs.208 Cr. to be incurred for FY 2025-26 without the Pre-Vesting Period related expenditure. TPCODL has considered a 7% escalation on the actual A&G expenses estimated for FY 2025-26 resulting in A&G cost of Rs. 228 Cr. for FY 2026-27. TPCODL has submitted that the Accounting Standards do not provide for a nomenclature such as “ASL” and such Pre-Vesting Period related payments (not part of opening liability) are presently charged to P&L account under the head of “Other Expenditure”. It has proposed an amount of Rs. 14.45 Cr. for FY 2025-26 and Rs. 20 Cr. for FY 2026-27. The total A&G expenses proposed by TPCODL for FY 2026-27 is Rs. 248.71 Cr.

TPNODL has submitted that it has envisaged expenses towards meter reading, billing, collection, IT Automation, AMI operational expenses, Insurance expenses, Professional Charges, Enforcement activities, Customer Care & Call center expenses and also compensation towards electrical accidents etc. It has put in place new MBC contract where meter reading-billing and collection contact were separated to increase the consumer coverage in both Billing & Collection aspect. The Billing Efficiency & Collection Efficiency (LT level) have been maintained at more than 88% & more than 95% respectively. Percentage of provisional bills has been brought to 1.01% during

H1 of FY 2025-26. The licensee has estimated A&G expenses of Rs. 157.82 Cr. in the current FY 2025-26 and Rs.163.41 Cr. for FY 2026-27 on the basis of actual commitments and various activities planned for FY 2026-27 for reducing the AT&C loss and improving the performance standards.

TPSODL has submitted that various activities are being undertaken to reduce AT&C loss like recovery of arrears and for surveillance of defaulter consumers, Division wise Revenue Recovery Teams have been deployed with proper system-based execution & monitoring application, field teams at Circle, Division, Sub-Division & Sections are empowered to resolve billing issues of consumers and more than 95% OCR based billing for Single Phase consumers has led to actual billing to reach 95%. The licensee has estimated A&G expenses of Rs. 165.85 Cr. for the current FY 2025-26 and projected Rs.177.29 Cr. for FY 2026-27 and submitted its initiatives for A&G expenses optimization.

The approved and revised estimates of A&G expenses for FY 2025-26 and proposed A&G expenses for FY 2026-27 submitted by all the four distribution licensees are summarized Table-8 below:

Table - 8
Proposed A&G Expenses for FY 2026-27 (Rs. In Cr.)

A&G Expenses	TPCODL	TPNODL	TPWODL	TPSODL
A&G expenses approved by OERC for FY 2025-26	162.59	137.53	181.03	128.98
Revised estimated A&G expenses for FY 2025-26	223	157.82	254.34	165.85
Proposed Normal A&G expenses for FY 2026-27	228.71	163.41	272.14	177.29
Pre-Vesting Period expenses for FY 2026-27	20			
Total A&G expenses proposed in ARR for FY 2026-27	248.71	163.41	272.14	177.29

TPCODL has further submitted that the Government of India has announced the implementation of the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 with effect from 21st November 2025, rationalizing 29 existing labour laws. TPCODL has requested the Commission to consider the impact on account of this uncontrollable factor under *change in law* by way of additional allowance (beyond normative allowance) at time of truing up.

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

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

TPCODL has submitted that it has considered the Gross Fixed Assets (GFA) in the books as on 31.03.2025 appearing in the audited financial statement for FY 2024-25 and the estimated capitalization for FY 2025-26 for calculating R&M on own assets. It is further submitted that there are significant assets arising out of many Government-funded Schemes, ownership of which have not been transferred to TPCODL. However, these assets are being used and maintained by TPCODL. For computing GFA of such assets, the licensee has relied on the data provided by OPTCL on the status of Govt.-funded projects as on 31.03.2024 that are being implemented under OPTCL. There are certain Schemes which were executed by Central agencies (PGCIL and NTPC). The details of assets created under these projects were placed in the MoM in the First meeting of the Committee for Development of Protocol for Asset Management of GOI/GoO Funded Scheme, held on 12.10.2023. Certain government funded schemes are also being implemented by TPCODL. The R&M on all these assets created against government funded schemes has been proposed as per relevant Regulations. TPCODL has further submitted that as per the directive received in SAC meeting, two shift operation of FCC of all rural areas has been implemented. Additionally, as per the directive of Principal Chief Conservator of Forest (PCCF), in elephant movement areas regular night patrolling / raids are required to be conducted along with the forest officials. Therefore, additional manpower with vehicle and Tools and plants (T&P) are being hired. Expenditure regarding uniforms of BA employees, conducting promotional campaigns for awareness to minimize animal-man conflict in elephant movement areas and additional shift in FCC Centers are also required for which Special R&M has been proposed. The R&M proposed by TPCODL for FY 2026-27 on its own assets is Rs. 231 Cr. The R&M proposed on assets not in its books but maintained by it is Rs. 143 Cr. whereas Special R&M is proposed at Rs. 25 Cr. The total R&M proposed by TPCODL for FY 2026-27 is Rs.398.61 Cr.

TPNODL has submitted that sufficient manpower was not available to cater the R&M needs of all the substations and feeders at the time of takeover. Therefore, separate performance-based AMC has been introduced post takeover of TPNODL for 33KV and 11KV maintenance to create a culture of preventive maintenance which conducts manual as well as drone-based patrolling, thermos vision scanning and attends breakdowns. TPNODL has submitted the details of R&M expenditure that would be utilized in such AMCs, impact of minimum wage revision, improvement in reliability of power supply, undertaking preventive maintenance and has projected normative R&M expenses amounting to Rs. 266.36 Cr for FY 2026-27. Further, TPNODL has projected an amount of Rs.45.91 Cr. for FY 2026-27 as expenditure towards 2nd shift operations in rural FCCs. The O&M expenses of 18 Nos. of standalone micro grids in Keonjhar & Mayurbhanj districts projected for FY 2026-27 is Rs.2.61 Cr. Based on the actual R&M expenses incurred in the first six months of the current FY 2025-26 and the contracts /orders issued for network maintenance, TPNODL has estimated the expenditure under R&M for the ensuing FY 2026-27 as Rs.318.30 Cr.

TPWODL has submitted that comprehensive repair and maintenance is required in the areas of safety, system operation, distribution system and distribution services, centralized power system control center, civil structures, automation technology etc. R&M Expenses are mainly incurred by the Petitioner under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling. Apart from TPWODL owned assets, there are assets created through Central Govt. & State Govt. assistance which do not appear in the Books of Accounts of the Licensee, but the Licensee maintains such assets. The details of such assets have been duly verified by OPTCL and the Minutes of meeting of the 1st meeting of committee for development of protocol for asset management of GoI/ GoO funded schemes held on 12.10.2023 was considered along with a statement from OPTCL (dt. 07.06.2024) wherein certain assets were not included as per the MOM statement (dt. 12.10.2023), have also been taken into consideration by TPWODL. It has projected an amount of Rs.311.18 Cr. for FY 2026-27.

TPSODL has submitted that the proposed R&M Expenditure includes the expenditure towards consumption of material/consumables required from stores for maintenance and expenditure towards Annual Contracts placed by TPSODL for Operation of

Power Substation, Maintenance of 33 KV/11 KV/415 V Networks and Material and services for Testing/ Overhauling/ Reconditioning of Transformers etc. Based on the learning from last 4 years of stabilised operation, TPSODL had further optimised the comprehensive AMCs along with the manpower deployment structure for all six circles for operation and maintenance of 33KV, 11KV & LT assets to create a culture of preventive maintenance.

43. Accordingly, the Distribution Licensees have proposed the R&M expenses for the ensuing FY 2026-27 considering the expenses to be incurred for undertaking various activities as per their plan. The proposals of the DISCOMs under R&M expenses are given in the table below:

Table - 9
Proposed R&M Costs for FY 2026-27 (Rs. In Cr.)

R&M Expenses	TPCODL	TPNODL	TPWODL	TPSODL
Estimated Opening GFA of DISCOMS own assets in Rs. Cr as on 1st April, 2026	7687	5103.58	6622.05	3417.01
% of GFA on DISCOM's own assets approved towards R&M	3%	3%	3%	3.5%
R&M Expenses for DISCOM's own assets (A)	231	153.11	198.66	119.60
Estimated Opening GFA of assets created through grants in Rs. Cr as on 1st April, 2026	4766	3775.19	3750.54	3746.82
% of GFA on assets created through grants/ OPTCL, approved towards R&M	3%	3%	3%	3%
R&M Expenses for assets created through grants (B)	143	113.26	112.52	112.40
Total R&M Expenses as per OERC Wheeling & RST Regulations, 2022 (A+B)	**374**	**266.36**	**311.18**	**232.00**
Special R&M proposed (C)	**25**	**45.91**		
Total R&M Expenses Proposed for FY 2026-27 (A+B+C)	**399**	**313.27**		
Total R&M proposed for FY 2026-27		**318.30**	**348.62**	**232.00**

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

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

Table - 10
Proposed Bad and Doubtful Debt for FY 2026-27 (Rs. In Cr.)

DISCOMs	Estimated revenue proposed to be billed for the FY 2026-27	1% Provision towards Bad and Doubtful Debt	Proposed Bad Debts for FY 2026-27
TPCODL	6662	66.62	66.62
TPNODL	4693.77	46.94	46.94
TPWODL	6284.29	62.84	62.84
TPSODL	2368.40	23.68	23.68

45. **Depreciation**

As per the OERC Wheeling & RST Regulations 2022, the depreciation on the assets transferred through Vesting Order is calculated on the pre-up valued cost of assets at pre 1992 rates on the asset base approved by the Commission. For the new assets created, the depreciation is calculated annually based on the straight-line method by all the licensees at the rate defined in the Regulation. Further, the depreciation shall not be allowed on assets funded by Consumer contribution (i.e., any receipts from Consumers that are not treated as revenue), capital subsidies/grants and depreciation on assets funded by Central/State Govt. except the assets transferred towards contribution against equity participation by GRIDCO as approved by the Commission. Accordingly, the depreciation projected by the distribution licensees for the ensuing FY 2026-27 is given in the table below;

Table - 11
Proposed Depreciation for FY 2026-27 (Rs. In Cr.)

<table>
<tr><th>Description</th><th>TPCODL</th><th>TPNODL</th><th>TPWODL</th><th>TPSODL</th></tr>
<tr><td>Depreciation estimated to be in books (A)</td><td>416.89</td><td>346.22</td><td>406.80</td><td>169.28</td></tr>
<tr><td>Less: Depreciation on Meters (B)</td><td>119.98</td><td>35.32</td><td>54.63</td><td rowspan="2">33.07</td></tr>
<tr><td>Less: Amortization on Assets created against grants and consumer contribution (C)</td><td>113.93</td><td>153.30</td><td>160.50</td></tr>
<tr><td>Total Depreciation proposed for FY 2026-27 (A-B-C)</td><td>182.98</td><td>157.59</td><td>191.68</td><td>136.20</td></tr>
</table>

46. **Interest Expenses**

TPCODL, TPNODL, TPWODL & TPSODL have submitted the interest expenses for FY 2026-27 as detailed below:

i) Interest on Capital Loan

As per the OERC Wheeling & RST Regulations, 2022, the interest on loan would be calculated on the normative average loan of the year by applying the weighted average rate of interest. Accordingly, the Distribution Licensees have proposed the interest on loan for Capex works considering 70% debt component for the ensuing FY 2026-27. TPCODL has proposed an amount of Rs.110.17 Cr. considering estimated weighted average interest rate of 7.99%. TPNODL has considered rate of interest as 8.50% and has proposed an amount of Rs.103.57 Cr. as gross interest on capital loan after considering Rs.0.83 Cr. as Interest capitalized for FY 2026-27. TPWODL has considered an annual interest rate of 7.64% on capex loans and has proposed Rs.107.01 Cr. Similarly, TPSODL has estimated the interest on Capex loan as Rs.84.54 Cr. considering 7.99% rate of interest.

ii) Interest on Working Capital

According to the OERC Wheeling & RST Regulations, 2022, the components for interest on Working capital include O&M expenses for one month, Maintenance Spares @20% of average R&M for one month and one month power purchase cost. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on working capital as Rs.40.47 Cr., Rs.36.47 Cr., Rs.39.24 Cr. and Rs.35.13 Cr. respectively for FY 2026-27.

iii) Interest on Security Deposit (SD)

As per the OERC Wheeling & RST Regulations, 2022 and the OERC Distribution (Conditions of Supply) Code, 2019, the licensees are mandated for payment of interest on Consumer security deposit along with various other conditions. Accordingly, TPCODL, TPNODL, TPWODL and TPSODL have projected the interest on SD as Rs.78.46 Cr., Rs.68.59 Cr., Rs.89.41 Cr., and Rs.30.77 Crs. respectively for FY 2026-27. All the licensees have considered an interest rate of 6.5% while calculating the interest component on Security Deposit considering the rate of interest approved in the RST Order for FY 2025-26.

Table - 12
Proposed Summary of Interest Expenses for FY 2026-27 (Rs. In Cr.)

DISCOMs	Interest on Capital Loan	Interest on Working Capital	Interest on Security Deposit	Other	Total Interest Expenses
TPCODL	110.17	40.47	78.46	6.46 (Finance cost)	235.55
TPNODL	103.57	36.47	68.59		208.63

DISCOMs	Interest on Capital Loan	Interest on Working Capital	Interest on Security Deposit	Other	Total Interest Expenses
TPWODL	107.01	39.24	89.41	-1.5 (Interest capitalised)	234.16
TPSODL	84.54	35.13	30.77	0.45 (EV Advance)	150.89

TPCODL has further proposed Rs.6.46 Cr. as Finance Cost for FY 2026-27 towards the upfront payment of loan documentation charges, processing fees, inspection & other charges, Rating fees, bank charges and LC Commission, which are over and above the interest rate charged by banks.

TPSODL has cited para 194 of RST Order for FY 2025-26 in proposing Rs.0.45 Cr. towards interest on EV loans for erstwhile employees in line with OPTCL's Notification No.AW/E&M-EV-1/2023(PT)/3358 dated 03rd March 2023 regarding Electric Vehicle Advance Policy (EVAP) which is in line with the guidelines, issued by the Finance Department, Government of Odisha (GoO) vide Memorandum No. 8524/F dated 05th April 2022.

47. **Return on Equity**

The OERC Wheeling & RST Regulations, 2022 provides for RoE at the rate of 16% per annum (post tax) on paid up equity capital invested by the Distribution Licensee in the Capitalization. Further, the regulations allow distribution assets transferred by GRIDCO in lieu of equity to be considered in fixed asset base for determination of return on equity. The asset capitalization has to be taken at mid-point and normative average equity for the year while estimating the RoE for the purpose of ARR. Accordingly, the Distribution Licensees have projected the RoE for FY 2026-27. TPCODL has projected the RoE of Rs.171.14 Cr. on equity base of Rs.1166 Cr. TPNODL has projected the RoE of Rs.204.29 Cr. on average equity balance of Rs.955.44 Cr. TPSODL has projected the RoE of Rs.129.20 Cr. with an average equity balance of Rs.807.49 Cr. TPWODL has projected RoE of Rs.174.89 Cr. on normative basis for FY 2026-27.

48. **Income Tax**

The Distribution licensees have projected Tax on equity at the rate of 25.17 % gross (Tax 22% + Surcharge 10% + Education cess 4%). TPCODL, TPNODL, TPWODL and TPSODL have accordingly proposed Rs.57.57 Cr., Rs.51.42 Cr. Rs.58.82 Cr. and Rs.43.46 Cr. respectively for FY 2026-27.

49. **Carrying Cost**

TPNODL has submitted that for FY 2026-27, the gap (deficit) is arrived at Rs.226.41 Crs. and accordingly carrying cost @ 8.5 % is Rs.36.28 Crs. and the effective gap arrived is Rs. 262.69 Crs.

TPWODL has submitted that as per terms of Vesting Order, the Licensee has to ensure payment of past period liabilities transferred as ASL. Accordingly, TPWODL is making payment towards ASL periodically as and when it is claimed by the parties. As there was no such equivalent matching current assets, the ASL amount is paid through borrowing, for which the related carrying cost on Additional Serviceable Liabilities (ASL) amounting to Rs.6.94 Cr. & Rs.7.07 Cr. for FY 2025-26 & FY 2026-27.

TPCODL has projected an amount of Rs. 113.91 Cr. as carrying cost which is the interest on ASL till 31.03.2026.

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

TPCODL, TPNODL, TPWODL and TPSODL have proposed non-tariff income for FY 2026-27 to the tune of Rs.101.35 Cr., Rs.195.60 Cr., Rs.417.42 Cr. and Rs.13.30 Cr. respectively for FY 2026-27. These incomes are mainly through receipts of licensee from meter rent, service connection charges, reconnection charges, Over Drawl Payment (ODP), Delayed Payment Surcharge (DPS), rebate on BSP prompt payment, interest on Fixed Deposit (FD), sale of tender forms, sale of scraps etc. As per OERC Wheeling & RST Regulations, 2022, the rebate allowed to Consumers has been deducted for arriving at the above figures for non-tariff income.

Table - 13
Non-Tariff Income Proposed by the DISCOMs for FY 2026-27 (Rs. In Cr.)

Sl. No.	Description	TPCODL	TPNODL	TPWODL	TPSODL
01.	Total Non-Tariff Income	224.13	245.29	517.42	76.9
02.	Less: Rebate offered to Consumers	122.82	49.69	65	45.60
03.	Less: Meter Rent			35	
04.	Net-Tariff Income	101.35	195.60	417.42	31.3

51. **Revenue at Existing Tariff**

The Petitioners have estimated the expected revenue from sale of power by considering the sales projected for FY 2026-27 and applying various components of the existing tariff rates. TPCODL, TPNODL, TPWODL and TPSODL have estimated Rs.6662.22 Cr., Rs.4693.77 Cr., Rs.6284.29 Cr. and Rs.2368.40 Cr. for FY 2026-27.

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

The proposed revenue requirement & expected revenue of the DISCOMs at the existing tariff and the resulting Gap/Surplus for FY 2026-27 are summarized below:

Table – 14
Proposed Revenue Requirement of DISCOMs for FY2026-27 (Rs. In Cr.)

2026-27 Description	TPWODL	TPNODL	TPSODL	TPCODL	All Odisha
(A) Power Purchase Cost					
Cost of Power	4597.53	3187.25	959.50	4173.20	12917.48
Transmission charges	304.41	225.76	128.78	337.83	996.78
SLDC Charges	1.91	1.34	0.78	2.13	6.15
Total power purchase cost	**4903.85**	**3414.35**	**1089.05**	**4513.16**	**13920.41**
(B) Distribution Costs					
a) Employees cost	623.34	610.92	619.39	999.16	2852.81
b) Repair and Maintenance cost	348.62	318.30	232.00	398.61	1297.53
c) Administrative & General Expenses	272.14	163.41	177.29	248.71	861.55
d) Provision for bad and doubtful debts	62.84	46.94	23.68	66.62	200.09
e) Depreciation	191.68	157.59	136.20	182.98	668.45
f) Interest on Capex loans	107.01	103.57	84.54	110.17	405.30
f) Interest on working Capital & other borrowings	39.24	48.12	35.58	46.93	169.87
g) Interest on Security Deposits	89.41	68.59	30.77	78.46	267.22
h) Return on equity	174.89	152.87	129.20	171.14	628.10
i) Tax on ROE	58.82	51.42	43.46	57.57	211.26
j) Carrying Cost on regulatory assets/liabilities	0.00				0.00
j) Less expenses capitalized (Employee Costs)	26.94	20.30	35.37	34.36	116.97
k) Less interest capitalized	1.50				1.50
Total Distribution cost (a + b + c + d + e + f + g + h + i-j-k)	**1939.56**	**1701.43**	**1476.74**	**2325.98**	**7443.70**
(C) Prior period items					
Add: Transfer to Tariff Balancing Reserve	11.50				11.50
Carrying cost	7.07	36.28		113.91	157.26
Total Special appropriation	**18.57**	36.28	0.00	113.91	168.76
TOTAL (A+B +C)	**6861.98**	**5152.06**	**2565.79**	**6953.04**	**21532.87**
Less Miscellaneous receipts	417.42	195.60	31.30	101.35	745.68

2026-27 Description	TPWODL	TPNODL	TPSODL	TPCODL	All Odisha
(D) Total Revenue Requirement	6444.56	4956.46	2534.49	6851.69	20787.19
(E) Revenue from tariffs	6284.29	4693.77	2,368.40	6662.22	20008.68
(F) Revenue Gap(-) / surplus(+)	-160.27	-262.69	-166.09	-189.47	-778.52

53. **Truing Up of expenses for FY 2023-24 & FY 2024-25**

DISCOMs have submitted applications for the truing-up of their expenses along with supporting documents for the different financial years as provided in Table-15 below:

Table – 15
Truing Up Requirement Amount (Rs. in Crs.)

DISCOM	FINANCIAL YEAR	(GAP)/ SURPLUS
TPCODL	FY 2023-24	106.84
	FY 2024-25	-61.95
TPNODL	Expenses of 2022-23 not considered earlier	-14.44
	FY 2023-24	-10.05
	FY 2024-25	-137.48
TPWODL	FY 2023-24	-464.14
	FY 2024-25	-465.64
TPSODL	FY 2023-24	-230.90
	FY 2024-25	-317.91

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

The Distribution Licensees have proposed some tariff rationalization measures to improve the revenue, increase the sales and recovery of the cost of supply. The brief description of their proposals for FY 2026-27 is given as follows:

(a) Fixed Costs paid by consumers

(TPCODL, TPSODL, TPWODL & TPNODL)

The monthly minimum fixed charges in LT category for irrigation pumping and agriculture, allied agriculture activities, allied Agro industrial activities, public lighting, LT industrial (Small) & LT industrial (Medium) are charged at different rates i.e. for 1st kW @ Rs. 20-100 and additional kW/KVA or part thereof @ Rs.10-80 depending on the category of consumer. DISCOMs have submitted that this seems to be a complex design and needs simplification.

They have also emphasized that revenue (excluding rebate and electricity duty) through demand charges/monthly minimum fixed charges accounts to only 10% approximately of total revenue, whereas in other States this ranges between 15-20%. The entire operating cost of DISCOMs such as R&M, A&G, employee cost, depreciation, financing cost and ROE are almost fixed in nature. In ideal scenario, fixed cost of Distribution Companies should be recovered through demand charges/monthly minimum fixed charges levied, based on sanctioned load/contract demand or maximum demand of the consumer whichever is higher. The current tariff design leads to loading of all incremental costs on energy-related components of consumers and has increased the risk of any change in the sales mix. They have cited that with the kind of structural changes taking place in the power sector, especially on regulatory side, they may be left only with subsidized consumers. Rationalizing the costs is necessary to reduce the impact due to change of sales mix. Rationalization of demand charges and monthly minimum fixed charges would also disincentive consumers who are found indulging in theft of electricity at the cost of regular paying consumers.

(b) Delayed Payment Surcharge (DPS) on Electricity Bills (TPCODL, TPNODL & TPWODL)

In the RST Order for FY 2022-23, Delay Payment Surcharge was levied on LT Domestic, General Purpose and HT Bulk Supply Domestic Consumers if the bill remains unpaid until the next due date at the rate of 1% of the billed value for each month of delay. The DISCOMs have submitted that as of now there is no deterrent for the defaulting Consumers of these categories, who are not paying their electricity bills, despite the fact that a lot of rebate mechanism exist in the Tariff Order. The Commission in the RST Order for FY 2024-25 and 2025-26 has observed that the Act empowers the DISCOMs to disconnect the supply of electricity in case of non-payment of Bills and this would also avoid accumulation of arrear of consumer payable to the DISCOMs. However, disconnection of electricity due to non-payment requires prior notice for 15 days which again incentives such consumers not to pay the dues on the due dates. Further, on disconnection due to non-payment of electricity dues by due date, such consumers tend to illegally restore the supply or indulge in theft of electricity by means of hooking and others illegal practices which jeopardize the interest of the rest of the consumers. Therefore, the DISCOMs have requested the Commission to consider re-introduction of the DPS for LT

Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers. However, the Due Date for the payment can be extended from the normal 7 days to the next due date as made applicable in the past. But for the prompt payment rebate entitlement, 7 days payment may please be retained. Further, in cheque-dishonour cases, DPS must be levied from the due date till it is cleared apart from legal actions under Negotiable Instrument Act.

(c) Sale of intermittent surplus power under TPA Arrangement with minimum offtake of 60% CD

(TPCODL, TPNODL, TPSODL & TPWODL)

The RST Order for FY 2025-26 has a provision for industries having CGP with CD above 20 MW and operating at minimum monthly load factor of 80% to draw power from DISCOMs at the rate of Rs.5.00 per kVAh during Peak & Normal hours and Rs.4.30 per kVAh during hours other than Peak & Normal hours (i.e. during Solar hours), for all incremental energy drawl above 80% load factor with certain conditions. TPWODL has submitted that no industry expressed willingness to avail power under this scheme through Tri-Partite Agreement (TPA) mechanism till July 2025. The reason of un-willingness appears to be due to 80% guaranteed power offtake during TPA period, intermittent nature of power supply, availability of cheaper power in the power market during solar hours and constraint in meeting RPO obligation, if purchased from DISCOM and accordingly these industries aligned themselves with the power market for their energy requirement. Consequently, GRIDCO and the four DISCOMs filed a joint petition, registered as Case No.53 of 2025, to revisit the order at para 289 of BSP Order dt.24.03.2025 & associated para 293 of RST order dt.24.03.2025 for FY 2025-26. The Commission vide interim Order dated 22.07.2025 approved minimum offtake of 60% of CD instead 80% CD during TPA period for such industries and in the final order dated 28.10.2025 directed that this interim arrangement shall be in force till the end of the current Financial Year (2025-26). Accordingly, GRIDCO has executed Agreement with TPWODL and M/s Vedanta Ltd. on 24.07.2025 for sale of power through TPA which shall remain in force till 31st March, 2026. Around 30.14 MU and 105.21 MU of power have been sold in Jul’25 and Aug’25 respectively under this arrangement.

TPWODL has requested that as intermittent surplus power shall also be available during FY 2026-27, Special Tariff Scheme under TPA at a suitable TOD based tariffs for FY 2026-27 with minimum offtake of 60% CD during the TPA period may be allowed to continue. Further, the CGP based industry may opt for green certification of the energy availed under TPA for its RCO compliance through payment of Green Tariff Premium, as approved by the Commission. This green certification should be considered for RCO compliance of the consumers as this will restrict the consumers moving away from DISCOMs to open access transactions for purchase of renewable power to meet their RCO obligations.

(d) Load factor rebate to HT & EHT industries without CGP (TPCODL, TPNODL, TPSODL & TPWODL)

Load factor rebate to HT & EHT industries are as follows which is continuing since long;

Table-16

Load Factor %	HT (Rs./unit)	EHT (Rs./unit)
=<60%	5.85	5.80
>60%	4.75	4.70

The Petitioners have submitted that presently, due to increase in average power purchase cost of the industries, they are pleading for enhancement of load factor incentive for drawl beyond 80% load factor. Therefore, to protect the industries as well as improve industrial sales to bring equilibrium in sales mix, the licensees have proposed a load factor incentive for the industrial consumers if they consume more than 80% LF.

TPNODL has requested to increase the rebate for EHT consumers from 20 paise/unit for consumption beyond 80% load factor, while rest of the DISCOMs have requested for rebate hike to 20 paise/unit for such consumption. This may enhance consumption under EHT category.

(e) Enhancement of ToD benefit in solar hours and rationalization of ToD Surcharge to Industries without CGP.

(TPCODL, TPNODL, TPSODL & TPWODL)

The Commercial & Industrial Consumers and Consumers provided with smart meters having CD >10KW, are eligible to get a ToD rebate of 20 paise/unit in Energy Charge during Solar Hours and pay ToD surcharge of 30 paise/unit during Peak Hours. For this purpose, the hours in a day have been defined as follows:

a. 8.00 AM to 4.00 PM - Solar Hours
b. After 4.00 PM upto 6.00 PM - Normal Hours
c. After 6.00 PM upto 12.00 Midnight - Peak Hours
d. After 12.00 Midnight upto 8.00 AM next day - Normal Hours

Further, overdrawl up to 120% of the CD is permitted during Normal hours only. As is anticipated, surplus power is available in GRIDCO pool during solar hours which can be consumed by industries if drawl beyond CD up to 120% is permitted. The Distribution Licensees have requested to consider this aspect in FY 2026-27.

In order to discourage use of electricity during non-solar hours and shift consumption to solar hours, the DISCOMs have suggested that rate of ToD surcharge may be increased by 10 paise per unit so that the DISCOMs can have better economics from supply side management and the shift of demand from non-solar hours to solar hours that will reduce distress sale of surplus power during solar hours by GRIDCO.

(f) Re-structuring of TOD based RST for Open Access / CGP Consumers (TPCODL, TPSODL & TPWODL)

The DISCOMs (TPCODL, TPWODL & TPSODL) have submitted that upon adoption of the ToD-based RST with effect from 01st April, 2024, there is a gradual increase in load shifting from non-solar hours to solar hours. Further, various Central Government & State Government initiatives like PM-KUSUM, PM-Suryaghar etc. and State Government's large-scale initiatives to solarize all the government buildings have contributed towards increased penetration of solar energy. In addition to the aforesaid, the concept of floating solar is in an emerging phase in the State with a potential commissioning of around 5000 MW by FY 2030. Commercial and Industrial (C&I) consumers are also mandated for complying with the RCO targets set by the MoP, Govt. of India. Accordingly, they are also installing captive solar setup (cost of generation of which is relatively cheaper than any other RE source) to meet their demand during the solar hours. Further, in the present TOD mechanism as well as LF based RST, the consumers are not being sufficiently incentivized to shift their demand to solar hours, thereby preventing optimal utilization of the surplus power available to the State during solar hours.

DISCOMs have submitted that with the rapid penetration of solar energy, the present TOD mechanism as well as Load Factor based RST requires re-structuring, so that the benefit of the low-cost solar power can be availed by the State consumers.

The Licensees have emphasized that the implementation of a ToD-based RST for Open Access consumers or Industries having CGP, will provide a transparent price mechanism to consumers, encouraging them to schedule energy-intensive operations such as pumping, manufacturing, and cooling during solar hours when power is cheaper and greener. This shall help in flattening the intra-day demand curve, improve the load factor of the DISCOMs and reduce the need for costly evening-peak purchases.

With the above, the Licensees have proposed the following RST structure for FY 2026-27:

Table-17

Category	**Existing RST (Rs./kVAh)**		**Proposed RST (Rs./kVAh)**		
	<=60%	>60%	Solar Hours	Normal Hours	Peak Hours
HT	5.85	4.75	3.95	5.85	7.45
EHT	5.80	4.70	3.90	5.80	7.40

With the existing RST, most of the HT & EHT Industries are hardly achieving LF of more than 60% barring few of the steel/ mini-steel industries. The Commission *vide* its Order dated 22.07.2025 in Case No. 53/2025 has allowed all the consumers having CD more than 1 MW to draw power @ Rs. 4.30/ unit with minimum guarantee of 80% CD during solar hours. Even though some migration has already started, but its true benefit needs tariff sustainability.

Accordingly, the proposed TOD based RST may be adopted on a revenue-neutral basis, where rebates (with lower RST) during solar hours are offset by surcharges (with higher RST) during other hours, ensuring no revenue shortfall to the DISCOM while improving load management

(g) Minimum Contract Demand Drawl @ 25 % for Industries with CGP having CD > 1 MW During Solar Hours (08:00 Hrs – 16:00 Hrs)

(TPCODL, TPNODL, TPSODL & TPWODL)

The Distribution Licensees have submitted that there are more than 80 CGPs across the State, having generation capacity of around 12,000 MW, which are connected with the Transmission & Distribution network. These industries are primarily dependent on their own generation for their captive requirements. Most of the CGP based industries reserve the Contract Demand (CD) with DISCOMs only for occasional usage as per their requirement while a few are using certain percentage of their CD on regular basis. As they are reserving CD, they are drawing power within their CD without any prior intimation and advance planning. Due to this, DISCOMs are also facing difficulties in projecting their annual energy requirement and GRIDCO is facing difficulties in managing the supply-demand of the State during the peak hours owing to the sudden drawl of power by these industries during these hours. It is noticed that these industries are availing power in open access and are fluctuating their drawl from DISCOMs on opportunistic manner on time block basis depending on the power market dynamics, thereby making it difficult for stable grid operation. Comprehensively, it is a great challenge to address/fulfil the intermittent drawl behaviour of these industries with present market scenario.

The Distribution Licensees have also mentioned that the existing demand charges in the State is very less i.e. Rs. 250 per kVA per month as compared to the neighboring states like Jharkhand, Chhattisgarh, Maharashtra, Andhra Pradesh, DVC, etc. where the demand charge is more than Rs.350 per kVA per month on the installed capacity unlike Odisha where it is levied with respect to CD of the consumer. Moreover, the quantum of CD is a choice of the consumer irrespective of its installed capacity. Thereby, these consumers are being insulated from paying appropriate demand charges under the current tariff regime.

In view of the above, the Distribution Licensees have proposed to introduce a minimum contract demand drawl of 25 % for Industries with CGP having CD of 1 MW and above during Solar Hours (08:00 hrs – 16:00 hrs) on monthly basis.

(h) Minimum Contract Demand for the industries having CGP.

(TPCODL, TPNODL, TPSODL & TPWODL)

Presently, there are more than 80 industries across Odisha, those who have CGP. They have established their CGP considering their load and business requirement. While doing so, they are keeping CD with DISCOM for additional requirements or occasional requirement. As the power market is moving towards different dimensions on year to year basis with generation mix and has business impact commensurate with changed law, the distribution licensee has to equip itself to satisfy the customers as per their requirement with sustainable and affordable tariff. In this process, now it is observed that initiatives to protect the interest of industrial consumers, particularly industries, having CGP is affecting the other subsidized consumers of the State.

As these industries are synchronized with the STU or DISCOMs network keeping the CD as per their choice and drawing power as and when required particularly in peak hours or when market cost is higher is not only affecting DISCOMs but also is posing an adverse impact on the power procurement plan of GRIDCO. Because of such behavior of the industry high-cost power is being sourced which could have been better procured with competitive tariff. Similarly, commensurate with their CD and drawl behavior, DISCOMs are planning power requirement in their ARR and load forecasting proposals, but when it comes to the actuals, the scenario is just going haphazardly.

When the DISCOMs are serving more than 95 lakhs of other category of consumers who are in subsidized segment, it is becoming unviable to sustain with higher BSP. Therefore, the licensees have proposed that the Contract Demand (CD) should not be a choice rather it has to be minimum of 10% of highest installed unit capacity rating of the generating station.

(i) Allocation of Green Power to industries having CGP
(TPCODL, TPSODL, & TPWODL)

As per the FY 24-25 RST Order, the Consumers desiring to avail 100% RE Power has to pay Green Tariff Premium (GTP) of 20 paise/unit. However, this facility is not permitted to CGP Industries. Now, some of the

Consumers/Industries are requesting the DISCOMs to certify the quantum of RE Power included in their monthly consumption within their Contract Demand. Therefore, the DISCOMs (TPCODL, TPWODL & TPSODL) have requested to intimate the quantum of RE power included in the monthly consumption of all consumers/industries, including CGP-based industries, based on the actual RE allocation received from GRIDCO. For CGP industries, the quantum of RE Power consumed from DISCOM may be considered towards fulfilment of their Renewable Purchase Obligation (RPO). If the Industries having CGP are not allowed to claim RPO benefit on such green power, the premium may be reduced to 10 paise/unit. Furthermore, in the event any DISCOM is left with unutilized RE power, the unsold RE power may be allowed to be reallocated to other DISCOM desiring to supply the same to their consumers.

(j) Green Tariff Framework for Sale of Renewable Power to Obligated Entities

(TPCODL, TPNODL, TPSODL & TPWODL)

a. Sale of Renewable Power to Industries During Solar Hours

The State is experiencing surplus power during solar hours (08:00 hrs – 16:00 hrs) while many industrial and commercial consumers are migrating towards open-access or captive arrangements to source renewable energy for meeting their Renewable Consumption Obligation (RCO). To retain those consumers and provide them an economical avenue to meet their RCO, the distribution licensees have proposed to introduce a scheme for sale of renewable energy (RE) power to the interested industries through the DISCOM at a special rate during the solar hours. Under this proposed mechanism, GRIDCO shall act as the aggregator of renewable energy available from various sources and DISCOMs shall facilitate the sale of such RE power to eligible consumers within the licensed area. This sale shall be considered over and above the approved RST sales of the DISCOM similar to TPA Arrangement. The interested entities shall place day-ahead requisitions through the DISCOM, indicating desired quantum and time-blocks of purchase limited to solar hours. The energy accounting shall be carried out on schedule basis and billed at Rs.4.10/ kVAh or at price determined by the Commission, where from GRIDCO and OPTCL shall get their eligible BSP and transmission charges respectively.

This arrangement will create a structured in-State alternative to open access consumption, thereby retaining consumers within the regulated system while enabling fulfilment of renewable-energy obligations. The proposed framework will also strengthen DISCOM revenue, as the sale quantum will be incremental to the approved RST sales and will promote higher daytime consumption without impacting peak-hour supply planning.

b. Determination of Green Tariff for Sale of Renewable Power through DISCOMs

DISCOMs have submitted that a dedicated Green Tariff will provide transparent and predictable pricing for renewable energy, making it easier for industries to voluntarily buy green power through DISCOM-GRIDCO route. By including the RCO component (about Rs. 0.40/kWh), which reflects the cost of potential REC purchases, the tariff will remain fair and self-sustainable. This will also remove the need for consumers to go to power exchanges for small RE purchases and will keep all renewable-energy transactions within the State framework.

The Distribution Licensees have also requested to determine a separate Green Tariff for renewable-energy sales under this scheme, as permitted under Clause 3(c) of Regulation 5 of the OERC Green Energy Open Access Regulations, 2023. The tariff should be cost-reflective and include an appropriate RCO component, considering that GRIDCO may have to procure RECs to meet its own RCO requirements. No cross-subsidy surcharge should be levied to these transactions.

(k) kVAh Billing to LT Category of consumers (TPCODL, TPNODL, TPSODL & TPWODL)

DISCOMs have submitted that kVAh billing mechanism has been introduced since FY 2021-22 for HT and EHT consumers. However, LT consumers using significant inductive loads continue to be billed on kWh basis. These LT consumers, due to the nature of their inductive usage, also contribute to lagging power factor, voltage variations and increased reactive power flow in the distribution network, which in turn adversely impacts system performance and accelerates network deterioration. There is a need to enforce kVAh-based billing for such consumer categories so that they are encouraged to maintain the required power factor. This measure will promote grid discipline, reduce technical losses and ensure a more equitable allocation of system costs. Therefore, the DISCOMs have requested to introduce kVAh billing for LT consumer categories, excluding domestic consumers, to enable appropriate management of reactive power across the distribution network.

(l) Sale mechanism for drawl by the CGP based industries and seasonal industries on interim basis

(TPCODL, TPNODL, TPSODL & TPWODL)

DISCOMs have submitted that there are more than 80 industrial consumers operating Captive Generating Plants (CGPs) with a cumulative capacity of around 12000 MW in the State and these units need periodic maintenance and annual overhauling to maintain reliability. Additionally, several seasonal industries require grid power intermittently, depending on their production cycles. However, such industries are generally reluctant to apply for temporary enhancement of contract demand (CD), as subsequent reduction in load attracts procedural restrictions under the prevailing regulations. In absence of a flexible arrangement by the DISCOMs, these industries resort to open-access procurement, leading to potential revenue loss to the State's distribution sector and underutilization of GRIDCO's surplus power. DISCOMs have proposed that they may be permitted to supply the interim or additional power beyond the approved contract demand for a period up to three (3) months, subject to availability of power with GRIDCO.

Under the proposed scheme:

- The concerned industry shall submit its day-ahead requisition to DISCOM / GRIDCO indicating the quantum and duration of requirement.
- GRIDCO shall confirm the supply based on power scenario and grid conditions.
- Scheduling and accounting of such power shall be done on a day-ahead scheduled basis.
- Billing shall be based on the scheduled energy, and the consumer shall bear 10% higher charges on both demand and energy components over and above the applicable RST.
- Tariff increase by 10% will make average tariff to Rs.7.5 per unit and drive consumers to opt for Open Access power. Therefore, the DISCOMs have

requested to fix a suitable tariff for this transaction which is to be market reflective tariff.

DISCOMs have further requested that such temporary arrangements shall not be considered towards computation of DISCOM's System Maximum Demand (SMD). This scheme shall not only help in reducing open access migration and provide additional revenue stream for the DISCOMs/ GRIDCO but also protect the industries from paying overdrawl penalty for such excess energy and shield them from the volatility of the power market.

(m) Charging of leading power factor while billing to EHT Consumers i.e. (Lead + Lag) kVAH Billing

(TPCODL, TPNODL, TPSODL & TPWODL)

The present billing scenario is based on lagging reactive power only. Since both the reactive lagging and leading power occupy the capacity of electricity network and reduce the useful capacity of system for generation and distribution, the DISCOMs have requested to include the lead Reactive Power under billing process. Since leading Power Factor (PF) value is overlooked while billing, the consumers use capacitors indiscriminately for availing PF incentives which harms the installations of both the utilities and consumers. Instead of having appropriate and adequate capacitor installations, mostly fixed capacitors are used for bulk compensation on EHT in fixed mode. Substandard controllers having erratic and inconsistent performance are also used, thereby leading to additional Reactive (lead) Power, which is causing undesirable unwarranted burden on OPTCL and DISCOM network. Current is higher at lagging or leading power factor as compared to unity power factor and hence losses are also higher. Under leading power factor, excessive over voltages may occur thus endangering the system stability. As a result, in both the situations, system stability of GRID is hampered. Also, for serving the same load, a transformer of higher capacity is required due to increase in current due to lead power factor. CEA mandates that power factor of the bulk consumer shall be within ± 0.95 and hence the lead power factor has to be within prescribed limits and to maintain it, adequate reactive compensation is to be provided and its burden is also on the bulk consumer apart from the distribution licensee. Maharashtra

Electricity Regulatory Commission in its order dated 12th Sep 2018 in Case No. 195/2017 regarding Mid-Term Review Petition of Maharashtra State Electricity Distribution Company Limited, has kept the power factor penalties at the same rate for leading as well as for lagging power factor. Therefore, the DISCOMs have proposed that introduction of kVAh metering and tariffs in lead as well lag mode will encourage the consumers to reduce their electricity bill by using efficient devices with proper power factor correctors or will install only appropriate capacitors in their premises.

(n) Installation of Smart Meter under Capex and abolition of meter rent for consumers above 2KW.

(TPCODL, TPNODL, TPSODL & TPWODL)

As per RST Order dtd. 24.03.2025 for FY 2025-26, meter rent has been abolished for the Consumers with Smart Meter having CD up to and including 2 kW as Government of Odisha will provide capital grant including unrecovered meter rent for installation of Smart Meters for such consumers. At para 336 of the Order, the DISCOMs were directed to submit the year wise plan for the consumers with CD> 2kW. The DISCOMs have submitted that in a span of seven years total estimated investment will be Rs.264 Cr. on smart meters with average investment of around Rs.37 Cr. per year, however it would be in a reducing trend. The DISCOMs have requested to consider the proposal to abolish the meter rent for the remaining consumers. All Meters installed after notified date may be charged in CAPEX and for the meters installed prior to the tariff order notification, only the unrecovered portion of the meter cost may be accounted for under CAPEX. TPWODL has further submitted that the methodology for recovery of Capital Expenditure and unrecovered Meter Rent from Government is yet to be notified and has requested the Commission to notify the methodology for recovery of Capital Expenditure and unrecovered Meter Rent from Government.

(o) Amnesty scheme for clearance of Arrears of Pre-Vesting Period

(TPCODL, TPNODL, TPSODL & TPWODL)

The accumulation of pre-vesting electricity dues across different consumer categories has become a critical concern affecting the financial viability of the electricity sector. The outstanding arrears, compounded over time through the accrual of interest and penalties, have placed significant burden on both consumers and GRIDCO. This has adversely impacted the liquidity position and operational efficiency of the sector. The DISCOMs have requested for introduction of an Amnesty Arrear Clearance Scheme for pre-vesting period arrears that would provide genuine consumers an opportunity to settle long-standing dues in a transparent and equitable manner. Dues receivables from erstwhile DISCOMs/ Utilities as on 30.06.2025 is to the tune of Rs.6,425 crore (Principal amount- Rs. 2656.42 Crore + DPS Rs. 3769.02 Crore). Over the passage of time the probability of recovery of such arrears will get reduced. DISCOMs have submitted that a separate petition is being filed by DISCOMs along with GRIDCO regarding this matter. Further, it is proposed that benefit of Principal Waiver and LPSC Waiver should only be provided to consumers, who pay 100% post vesting arrears.

(p) Connection to Green Hydrogen project installed inside existing industrial premises. through a separate DISCOM controlled billing meter arrangement

(TPCODL, TPNODL & TPSODL)

Government of India launched National Green Hydrogen Mission in January 2023 to make India a global hub for green hydrogen production, use, and export. The mission aims to achieve at least 5 MMT (million metric tonnes) of annual production capacity by 2030, develop about 125 GW of renewable energy capacity and attract over Rs. 8 lakh crores in investments. The State of Odisha has also set up a green hydrogen production target of 3 to 5 million tonnes per annum (MTPA) by 2030 aiming to power its industrial corridors. As part of this vision, the State is also aiming at 10.96 GW renewable energy capacity by 2030 to support this green hydrogen production. Under the Odisha Industrial Policy Resolution 2022 and the State Government's roadmap for clean energy transition, specific incentive is being offered to eligible units in power consumption which are calculated/assessed on the basis of actual power consumption and purchases from local DISCOMs by the unit under consideration for the eligible period of incentives applicability. Many industries are showing willingness to establish Green Hydrogen production facility in the State of Odisha and to avail the incentive benefit offered by Govt. of Odisha by installing the Green Hydrogen Production Facility project inside their existing industrial premises through a separate DISCOM-controlled sub-metering arrangement to enable independent recording and billing of power consumption for the Green Hydrogen Facility, fulfil mandatory requirements for availing Electricity Duty Exemption, other incentive under Odisha IPR 2022 and to facilitate transparent accounting and compliance as per existing regulatory provisions. Under Regulation 185 of OERC Distribution (Conditions of Supply) Code, 2019, a consumer cannot assign his agreement for power supply to any other person. In case of artificial person /corporate legal heir (company, firm, society, idol etc.) the consumer shall produce before the licensee/supplier of his legal heir ship/inheritance ship. Under Regulation 186 of OERC Distribution (Conditions of Supply) Code, 2019, a consumer cannot transfer its connection. Therefore, the DISCOMs, TPCODL, TPNODL & TPSODL have submitted that to provide the smooth connectivity approval, separate metering arrangement etc. to the intending industries seeking to set up Green Hydrogen facility, necessary direction and procedural guideline may be issued by the Commission.

(q) Creation of Category for Mega lift points under EHT/HT (TPCODL, TPNODL, TPSODL & TPWODL)

DISCOMs have submitted that there is no separate category for mega lift consumers and as per RST Order for FY 2025-26, the Mega Lift consumers connected either to HT or EHT system shall be treated as GP consumers and shall not pay any demand charges and shall get an additional rebate of Rs.2 per unit (kVAh) on the respective energy charges. The DISCOMs have requested that the rebate on Energy charges may be reduced to Rs 1.5 per unit and limited to Solar Hours only. For Non-Solar Hours, Normal Applicable Tariff has to be paid. This will ensure the flattening of load curve by encouraging the solar hour consumption.

(r) Grid Support Charges (TPCODL, TPNODL, TPSODL & TPWODL)

The Commission, in their order dated 09/07/2024, passed in Case No. 44/2024, had directed OPTCL to submit a report by 15.10.2024 on Grid Support Charges considering the suggestions of the Director (Regulatory

Affairs), OERC as well as the queries raised by the stakeholders in the earlier Cases. As per Regulatory Framework, these charges are to be collected by the DISCOMs from the consumers putting the required resources The DISCOMs have requested the Commission to consider the matter keeping in view the interest of end consumers and devise a suitable revenue-sharing mechanism so that the balance of all stakeholders is protected.

(s) Methodology for RCO Compliance Computation (TPCODL, TPNODL, TPSODL & TPWODL)

As per the Ministry of Power’s Notification dated 27.09.2025 all the DISCOMs are obligated entities for compliance of RCO based on the electrical energy supplied to the consumers. The DISCOMs have submitted that GRIDCO being the aggregator complies the RCO obligation of the DISCOMs on the basis of “Energy Input” to the DISCOMs which is substantially higher than the energy supplied to the consumers owing to T & D losses. The RCO compliance on the loss component can be avoided and the same energy can be sold separately to the interested consumers through the licensee at a competitive price. Accordingly, DISCOMs have requested the Commission to consider the total sale of power to its retail consumers for calculation of RCO Compliance and allow for sale of the extra quantum of energy, on account of losses, to the interested consumers through the licensee.

(t) Mandatory e-bill for Consumers with Smart Meters (TPCODL, TPSODL & TPWODL)

The DISCOMs, TPCODL, TPSODL & TPWODL have submitted that almost 20 Lakhs Smart Meters have so far been installed throughout the State. Though Smart Metering helps in remote reading of the consumers yet, DISCOM has to still visit the consumer premises to deliver the paper copy of bill and thereby incurs unnecessary expenses. It is submitted that in fact, the expenses on reading and billing of Smart Metered consumers are higher in comparison to others due to cost of the rent of SIM and bill-delivery cost. DISCOMs have submitted that a soft copy of the bill can be sent to the consumers on WhatsApp or emails that would have additional features of payment-link. Thus, DISCOMs have requested the Commission to make e-bill mandatory for Smart Metered consumers. This will not only save the cost of bill and its delivery but also save environment due to non-use of papers promoting sustainability.

(u) Continuation of existing proposals
(TPCODL, TPNODL, TPWODL & TPSODL)

The Distribution licensees have proposed the continuity of the following Schemes with suitable modifications wherever the same are required.

a. Digital rebate of 4% for LT Domestic, LT GP single phase & Single-phase irrigation consumers.
b. Discount of 10 paise to Domestic Rural Consumers if consumed on actual meter reading.
c. Levy of CSS on RE power.
d. Special tariff to Steel Industries at 33 kV level without having CGP.
e. Special tariff for industries having CGP with CD up to 20 MW to avail up to double the CD without levy of over drawl penalty subject to their operation within the approved SMD.
   An industry availing this benefit shall not be permitted to avail the benefit of any other Scheme.
f. Special tariff for the existing industries having CGP with CD >20 MW with minimum offtake of 80% of the CD with TPA among GRIDCO, DISCOM & Consumer with certain modifications as suggested in the proposal considering business requirement.
g. Green Tariff Premium (GTP) mechanism.
h. E-bill rebate of Rs.10 per bill.

TPNODL & TPWODL have also requested for continuity of special tariff for the existing industries who have no CGP for drawl of additional power beyond CD of 10 MVA.

C. PROPOSALS OF LICENSEES FOR DETERMINATION OF HT & EHT OPEN ACCESS CHARGES (Para 54 to 65)

55. The Distribution Licensees have submitted their proposals for determination of Wheeling charges and other Open Access charges to be paid by Open access consumers during FY 2026-27 in accordance with OERC Wheeling & RST Regulations, 2022 and OERC OA Regulations, 2020. In their proposals, the

Distribution Licensees have considered the estimated figures as proposed in their ARR application for FY 2026-27.

56. The distribution licensees have allocated the costs and revenue to Wheeling and Retail supply business as per the allocation matrix provided in Regulation 2.5.2 of the OERC Wheeling & RST Regulations, 2022. Considering the cost apportioned to wheeling business as per above matrix, the DISCOMs have projected the Wheeling cost for energy wheeled at HT level through Open Access as given in the Table below;

Table-18
Proposed wheeling charge for HT Open Access for FY 2026-27

Sl. No.	Particulars	TPCODL	TPNODL	TPWODL	TPSODL
1	Wheeling ARR (Rs. in Cr.)	1535	1137.70	1512.95	1002.3
2	Energy Input at HT level (MU)	2301	5065	7964	4231.12
3	Wheeling charges (paise/kWh)	140.23	224.61	190	236.9

57. Based on the OERC (Terms and Conditions of Intra-state Open Access) Regulations, 2020, the DISCOMs have projected the Cross-Subsidy Surcharge (CSS) applicable to open access consumers at EHT & HT level for FY 2026-27. They have considered the average EHT tariff derived from their proposed sales and revenue at EHT level for FY 2026-27 and considering the prevailing Bulk Supply Price (BSP), transmission charge and SLDC charge of FY 2025-26, while projecting the CSS at EHT level. They have further considered 8% HT loss and the projected wheeling charge for FY 2026-27 while estimating the CSS leviable to HT OA consumers.

58. The DISCOMs have proposed the following CSS leviable on EHT & HT Open Access Consumers.

Table-19
Proposed CSS for EHT & HT Open Access for FY 2026-27

DISCOM	CSS at EHT level (paise/kWh)	CSS at HT level (paise/kWh)
TPCODL	304	201
TPNODL	258	42
TPWODL	271	24
TPSODL	456	271

59. TPWODL has proposed the following proposals for consideration of the Commission while disposing of the Open Access applications.

Higher Cross Subsidy Surcharge during Solar Hours

60. TPWODL has submitted that the Renewable energy penetration has increased exponentially resulting in availability of surplus energy in the market during solar hours at lower prices. The Open Access customers procure power from the market while DISCOM's committed power remains stranded compelling GRIDCO to sell surplus power in the market under distress. However, the market price during peak hours shoots up as high as Rs. 10/unit. During this period, the Open Access consumers revert to Grid power for their energy requirement. To meet the sudden surge in demand during peak hours, GRIDCO procures high-cost power. TPWODL has submitted that presently there is a single Cross Subsidy Surcharge on Open Access drawl. Therefore, to maintain parity, TPWODL has proposed that consumers availing power during solar hours through Open Access shall be required to pay 150% of the approved cross subsidy surcharge.

Annual plan for open access drawl

61. TPWODL has submitted that the industries who intend to draw power under open access should at least give their annual tentative plan to the DISCOMs/GRIDCO or SLDC for proper planning of input requirement of the Utility. Accordingly, the procurement of costly power would be avoided which will contribute towards rationalization in BSP.

Drawl of open access more than the Contract Demand

62. The Licensee reserves network corridor for each consumer based on their Contract Demand (CD) and the consumer pays fixed charges accordingly. If Open Access is allowed beyond the CD, the licensee may not be able to accommodate or reliably serve other bonafide consumers connected to the same network. Therefore, to prevent operational constraints and ensure fair system utilization, Open Access should not be permitted to any consumer, seeking to draw power beyond their approved Contract Demand.

Process of disbursal of Wheeling Charges to the Distribution Licensee

63. As per OERC OA Regulations, 2020, for Inter-State Transactions, Short-Term Open Access customers connected to the distribution system must remit the charges directly to the Distribution Licensee within three (3) days of the STOA grant by the Nodal Agency. For Intra-State Transactions, Short-Term Open Access customers must

deposit the transmission and operating charges with the SLDC within three (3) working days of the grant of STOA. These charges are then disbursed to the Distribution Licensee within Seven (7) days. However, the current regulations lack clarity on the process for transferring Wheeling Charges collected through SLDC to the Distribution Licensee. This has led to significant challenges, including discrepancies during audits. To address these issues, TPWODL has requested the Commission to issue suitable directions in the Tariff order regarding the process of disbursal of Wheeling Charges to the Distribution Licensee.

Wheeling of power by industries having CGP

64. CGPs are allowed to carry their own power to the destination without levy of CSS. However, they are supposed to pay wheeling charges to the respective licensees. On the premise of constructing the infrastructure for evacuation, some industries avoid the payment of wheeling charges to the DISCOM. As per the Act, a consumer is not permitted to operate a distribution system without having a distribution licensee and hence the line so drawn is part of the distribution system and levy of wheeling charges is inevitable. TPWODL seeks necessary direction in this regard while approving open access charges for FY 2026-27.

Recovery of Stranded cost by levy of Additional Surcharge

65. TPWODL has submitted that with the increase in number of Open Access Consumers, it is unable to recover the approved cost which in turn affects its BSP. The CSS is being determined & recovered based on the ECR, limiting to a capping of (+/-) 20% (as per NTP). It is not sufficient to neutralize the cost of power being incurred on account of long term PPAs with generators, to whom fixed cost shall have to be paid irrespective of actual drawl. Levy of Additional Surcharge in the context of recovery of stranded fixed cost from the Open Access Customers is therefore, suggested by TPWODL contending that States like Gujrat, Maharashtra, Rajasthan, Punjab & Delhi have implemented the levy of Additional Surcharge, Standby Charge, Regulatory Surcharges for Open Access Customers.

D. PROPOSALS OF LICENSEES FOR DETERMINATION OF LT OPEN ACCESS CHARGES (Para 65 to 71)

66. The Distribution Licensees have submitted their proposals for determination of Wheeling charges and other Open Access charges to be paid by LT consumers availing Open Access permitted under OERC (Promotion of Renewable Energy

through Green Energy Open Access) Regulations, 2023 for FY 2026-27.

Wheeling Losses for LT Consumers

67. The licensees have submitted that when a LT consumer either through single or multiple connections (having aggregated CD>100 kW) draws power from a single generator, the power will be injected either at EHT or HT level. Computation of the applicable Wheeling loss for LT consumers, as submitted by the DISCOMs, is as given in Table-17:

Table-20
Proposed Wheeling Loss for LT Consumers for FY 2026-27

Sl. No.	Particulars (Proposed Data ARR FY 26-27)	Units	TPCODL	TPNODL	TPWODL	TPSODL
1	Total Power Purchase (Input)	MUs	13248	8853.463	11953	5050
2	Distribution Losses	%	15.15%	11.88%	13.64%	21.79%
3	Total Sales	MUs	11241	7801.672	10322	3949.67
4 = 2x1	Total Losses	MUs	2007	1051.791	1630	1100.40
5	EHT Sales	MUs	2301	3788.305	3989	818.88
6 = 1-5	HT and LT Input	MUs	10948	5065.158	7964	4231.12
7	HT Losses (As Considered at Para 2 of Annexure-C of Tariff Order dated 24.03.2025	%	8%	8%	8%	8%
8 = 7x6	Loss on HT Network	MUs	876	405.213	637	338.49
9	HT Sales	MUs	2772	1046.001	2610	501.08
10 = 6-8-9	LT Input	MUs	7300	3613.944	4716	3391.55
11	LT Sales	MUs	6168	2967.366	3723	2629.71
12 = 1-(11/10)	Loss on LT Network	%	15.5%	17.89%	21%	22.46%
13 = 12+7	Wheeling Loss Applicable for LT Open Access Consumers	%	23.5%	25.89%	29%	30.46%

Wheeling Charges for LT Open Access

68. TPCODL, TPNODL & TPSODL have submitted that power that will be availed by LT consumers on open access will be either injected at EHT or HT level and hence will travel through the HT & LT network before consumption at LT. The DISCOMs have cited para 155 of RST Order FY 2025-26 and submitted that the Commission has approved wheeling charges on the basis, that wheeling charges is independent of voltage level. TPCODL, TPNODL and TPSODL have submitted that they have followed the same methodology and have proposed the same wheeling charges for LT Open Access as proposed for HT Open Access. TPWODL has considered the Wheeling ARR for LT by considering the wheeling ratio only on the Distribution cost. It has not considered the interest on consumer Security Deposit under

Distribution cost and accordingly has not considered interest on consumer Security Deposit in non-tariff income, while calculating the wheeling charges. The wheeling charges proposed by the DISCOMs for LT Open Access are given in the following Table:

Table-21
Proposed wheeling charge for LT Open Access for FY 2026-27

DISCOM	Wheeling Cost projected in paise/unit
TPCODL	140.23
TPNODL	224.61
TPWODL	158
TPSODL	236.89

Cross Subsidy Surcharge for LT Open Access

69. DISCOMs have submitted that CSS is applicable to subsidising consumers. All category of consumers under LT category are not subsidized consumers as their average tariff is more than average cost of supply. The DISCOMs have proposed the CSS for different consumer categories based on the procedure followed by the Commission in line with chapter 5 of OERC OA Regulations, 2020 while determining the surcharge for EHT and HT consumers. They have computed and proposed the CSS for different categories of consumers based on their current BSP, Transmission charge & SLDC charges and also factoring in their proposed Wheeling charge at HT & LT. The proposals of the DISCOMs are given in Table-19 below:

Table-22
Proposed CSS charge for LT Open Access for FY 2026-27

Sl. No.	Consumer Category	TPCODL	TPNODL	TPWODL	TPSODL
1	Domestic Others				0.00
	Consumption <=50 units/month	0	0	0	
	Consumption >50, <=200 units/month	0	0	0	
	Consumption >200, <=400 units/month	4.97	0	0	
	Consumption >400 units/month	40.20	0	0	
2	General Purpose <100 KVA)				244.39
	Consumption <=100 units/month	162.62	0	0	
	Consumption >100, <=300 units/month	38.23	0	0	
	Consumption >300 units/month	143.23	15.2	23.34	
3	Irrigation, Pumping & Agriculture	0	0	0	0.00
4	Allied Agricultural Activities	0	0	0	0.00
5	Allied Agro-industrial Activities	0	0	0	0.00
6	Public Lighting	39.06	0	0	82.93
7	LT Industrial (S) Supply < 22KVA	131.90	0	0	175.03
8	LT Industrial (M) Supply >= 22KVA	127.07	0	0	211.74
9	Specified Public Purpose	89.98	0	0	133.48

Sl. No.	Consumer Category	TPCODL	TPNODL	TPWODL	TPSODL
10	Public Water Works & Sewerage pumping <100KW	65.44	0	0	105.61
11	Public Water Works & Sewerage pumping >=100KW	162.02	-	-	130.64
12	General Purpose (>= 110 KVA)	186.89	-	-	158.44
13	Temp- Supply	-	-	-	135.21
14	Large Industry	107.49	-	-	941.05

Settlement of Energy for consumers under Green Energy Open Access

70. TPCODL and TPSODL have submitted that under Green Energy Open Access, multiple connections of a consumer aggregating to 100 kW and above can avail green energy open access. These separate connections may be situated at different locations within the DISCOM bearing separate consumer numbers. Hence, the conventional mechanism of scheduling for individual consumers may be a challenge particularly when the consumers are LT Consumers and large in number. Hence thee have suggested for scheduling on “pre-agreed” allocation basis as envisaged under Virtual Net Metering Arrangement. It is submitted that the “Pre-agreed” allocation shall be approved by the Discom and applied to the Nodal Agency / Generation Source for the energy scheduled on Open Access.

71. DISCOMs have submitted that the OERC (Conditions of Supply), Code, 2019 at para 134 stipulates that the LT supply can be provided up to 70 kVA. In the Retail Supply Tariff Order there are certain Tariff categories which have load > 70 kVA (e.g. L.T. Industrial (M) Supply >=22 KVA & <110 KVA, Public Water Works and Sewerage Pumping >=110 KVA, General Purpose >= 110 KVA, Large Industry >= 110 KVA). The Green Open Access Regulations, 2023 stipulates open access for contract demand or sanctioned load of 100 kW or above (either through single or multiple connection). In view of this inconsistency, they seek suitable clarification from the Commission.

72. DISCOMs have further submitted that there may be certain connection given to LT consumers at HT level depending on the system feasibility. Given, the fact that CSS is not applicable to certain LT consumers taking Green Power on open access, it may so happen that some existing connections currently given power at HT may approach for conversation to LT. They urge upon the Commission not to allow such conversion.

E. OBJECTIONS / VIEWS / SUGGESTIONS / QUERIES RAISED DURING THE HEARING AND THE REPLY OF DISCOMs (Para 72 to 171)

Railway Traction Tariff

Views of East Coast Railways

73. The East Coast Railway (ECR) has requested the Commission to treat the Railway as a separate category and fix its EHT and HT tariffs at a lower level than those of other

EHT & HT consumers of the State. It claims for special rebate ₹1.00/kVAh and reduction of the existing demand and energy charges to align with organizations maintaining a load factor exceeding 60%. It has requested for load factor incentives commencing at 40% instead of 60% and suggested that the Railway Traction category be charged at a unit rate reflecting the actual cost of supply for EHT category. It is submitted that if simultaneous metering is done then Railway traction load very often will be in excess of 80% as trains are moving continuously day and night. Submitting that 3-phase locomotives have been introduced in Indian Railways by which some energy is being exported to OPTCL network during Re-generative braking of the locomotives, ECR has requested to deduct the export energy from monthly billed energy taken as the total import energy. ECR has also sought exemption from Solar, Normal and Peak Hour, Time of Day (ToD) rebates and surcharges. They have requested the Commission to direct the DISCOMs to ignore Maximum Demand (MD) overshoots occurring during feed extensions at Railway Traction Sub-Stations (RTSS) when incoming supply fails due to issues in the OPTCL network. It is further submitted that the energy bills are being prepared by TPWODL taking KVARH (lag) into account from other quadrants, while in practice, the KVAH billing of TSS is made based on the KWH and KVARH (lag) from 'Q1' quadrant only. This practice milistates against the interest of Railway, as Railway has installed capacitor banks at all RTSSs for reactive power compensation. ECR has requested for uniform system of billing considering Q1 from first quadrant only or provide lag only energy meter for all RTSSs.

Rejoinder of the Licensees:

74. TPCODL, TPNODL and TPWODL have stated that a separate tariff category for Railway Traction already exists, as per the RST order dated 24.03.2025. It is submitted that since an uniform RST applies across the State, the Commission evaluates data from all four DISCOMs collectively. In determining tariffs for LT, HT, and EHT categories, the Commission calculates the Average Cost of Supply (ACoS) for the State and maintains cross-subsidy levels within the ±20% mandate of the National Electricity and Tariff Policy. TPCODL asserts that the current 60% Load Factor threshold should be retained, as a higher threshold incentivizes consumers to increase efficiency and energy drawl to qualify for lower rates (₹4.70 per kVAh). Regarding metering, TPCODL submits that while regulations mention smart meters,

the core requirement is the ability to record time-differentiated data. The HTTV (Apex-100) meters currently used at Railway Traction substations are advanced devices complying with IS 13779:2017 standards. These meters accurately record consumption across Solar, Normal, and Peak hours, making them fully capable of supporting ToD billing.

75. A comparative analysis of railway traction tariffs applicable in neighboring States, as placed in the table below, establishes that the tariff in Odisha is comparatively low. While States like Bihar and Andhra Pradesh have higher energy charges of ₹8.16/kVAh and ₹6.50/kVAh respectively and demand charges (up to ₹540/kVA), Odisha offers a lower demand charge of ₹250/kVA and effective energy rates (after the 25-paise rebate) of ₹5.55/unit (up to 60% LF) and ₹4.55/unit (above 60% LF). TPWODL therefore, asserts that there is no justification for the claim for specialized category.

Table-23

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

76. To the query of the Objector for considering the monthly billing on the basis of difference of Import Energy and Export Energy, TPWODL & TPSODL have submitted that the existing methodology as per applicable regulatory provisions, approved tariff orders and prevailing metering and energy accounting practices is being followed. The present mechanism duly considers import and export energy recorded through interface meters and ensures accurate, transparent and auditable energy accounting. Any change in the methodology for calculation of traction energy, including billing based on net energy (i.e., import energy minus export energy) would require the detailed examination of technical feasibility, metering configuration, energy accounting implications and consistency with existing regulatory frameworks.

77. TPNODL, addressing the issue of feed extensions, submitted that while such benefits are extended within a single DISCOM's boundary *via* mutual agreement, they cannot be applied across different DISCOMs. Each licensee has its own BSP and an individually approved ARR. Extending this benefit across DISCOM boundaries would negatively impact individual revenue streams. Therefore, the proposal of the Railways in this regard is not acceptable. However, TPWODL raises no objection subject to the final decision of the Commission, over the proposal of ignoring the MD overshoot during feed extensions at the time interruption at OPTCL grid end.

78. Addressing the issue regarding billing by TPWODL considering reactive lag component (Q1), TPWODL has stated that it is following uniform billing mechanism wherein lag only is considered while taking kVARh reading. If ECR desires to test the accuracy of the meter or replace the meter, they may do so and the cost shall be borne by ECR.

ARR Proposals of DISCOMs for FY 2026-27 and Tariff hike

Views / Suggestions of Objectors:

79. Some Objectors strongly oppose the proposed ARR by the DISCOMs who have projected a combined ARR of Rs.20,673 Cr. and a revenue shortfall of over Rs.664 Cr. potentially leading to an average retail tariff hike of 98 paise per unit (up to nearly Rs. 1/unit) if approved in full. They assert that such an increase violative of section 61 of the Act which mandates that tariffs must remain affordable while protecting the interest of the consumers. They also emphasize that the regulatory framework must promote cross-subsidization to safeguard domestic, agricultural, and low-income categories from high costs.

Reply of the Licensees:

80. TPCODL and TPSODL have stated that the Commission after prudence check and public hearing shall take a final decision on the ARR as per provisions of the OERC Wheeling & RST Regulation, 2022. Both TPCODL and TPWODL maintain that Tariff determination and design for the State falls within the sole prerogative of the Commission. The Commission would ensure that tariffs remain cost-reflective in line with regulatory principles. It is submitted that while Section 61 of the Act protects consumer interests, it also mandates the recovery of the cost of electricity in a reasonable manner to reward performance efficiency. Citing Rule 23 of the Electricity Rules, 2005 and the directives of the Supreme Court of India, they contend that tariffs

must be cost-reflective to ensure financial viability. They reaffirm that the Commission holds the sole prerogative in tariff determination and that the current Retail Supply Tariff (RST) simply reflects the underlying cost of supply, which the DISCOMs are bound to implement, as notified.

Operational Efficiency and service provided by DISCOMs

Views / Suggestions of Objectors:

81. One of the Objectors has complained of persistent service deficiency and inefficiency of the DISCOMs. The consumers continue to face issues of frequent power outages, delayed restorations, inflated billing (including from smart meters), poor grievance redressal mechanism and coercive practices. Distribution losses remain high. Further, he has emphasized that the truing up should disallow inflated claims for power purchase, employee costs, O&M expenses, and capital expenditure**.**

Reply of the Licensees:

82. TPCODL has stated that it has contributed significantly since it took over that has resulted in stable retail supply tariff despite increase in BSP almost every year (from Rs. 2.61/unit at time of takeover to Rs. 3.15 in FY 2025-26 (i.e. 21% hike). The retail supply tariff for some categories has been slashed (Rs. 1.60 per unit for 'Allied-Agro Industrial Activities' in FY-24, 10 Paise per kWh reduction in Energy Charges for LT Domestic Consumers, reduction of Rs. 10 in Monthly Fixed Charges for Kutir Jyoti Consumers (From Rs. 80 per month to Rs. 70 per month in FY-25). It is submitted that the Government of India has awarded "A+" rating under the Integrated Rating of DISCOMs considering the criteria like billing efficiency, collection efficiency, supply hours, end customer service There has been reduction in AT&C loss from 30.44% (at time of *takeover*) to 18.94% in FY-25. The employee ratio per 1000 consumer has been reduced from 1.88 (at time of *takeover*) to 1.41 (FY 2026-27 (estimated). The utility is continuing with its efforts to provide reliable power supply and best customer services. Smart meter billing is being done (following OERC Regulations) and grievance redressal process operates through structured channels including Mo Bidyut portal, customer care centers and online complaint modules achieving timely resolution.

83. TPWODL has submitted that its service reliability and overall operational performance have improved significantly. Key reliability indices demonstrate this

progress, with the SAIFI (System Average Interruption Frequency Index) dropping from 600 in FY 2021–22 to 377 in FY 2024–25 and the SAIDI (System Average Interruption Duration Index) reducing from 424 hours to 308 hours over the same period, indicating a substantial decline in both the frequency and duration of outages. Network performance has also been strengthened, as evidenced by the reduction in the Distribution Transformer (DTR) failure rate from 4.6% to 2.9% and a sharp decline in 33/11 kV tripping. Furthermore, contrary to allegations of high distribution losses, AT&C losses have fallen from 26.80% in FY 2021–22 to 16.23% in FY 2024–25. Regarding claims of inflated billing, it contends that billing is conducted strictly in accordance with OERC Regulations and approved tariff orders. Customer service has also been strengthened through 24/7 Call Center, multiple digital platforms and expansion of Customer Care Centres to 15 in FY 2024–25, including dedicated Senior Citizen Desks. This improved performance was independently recognized with an A+ rating in the Ministry of Power's Annual Integrated Rating from FY 2021–22 to FY 2023–24.

84. TPNODL has submitted that its prime objective is consumer satisfaction and accordingly it carries out the business in a meticulously structured and efficient manner. It is taking necessary steps to ensure quality power supply and service to the consumers more than the targeted performance trajectory of the Commission. It strictly follows the Regulations with respect to billing and Additional Security Deposit. It has successfully achieved the targets fixed on it within the timelines in respect of collection of past arrears, reduction of AT&C loss, investment in CAPEX, metering of consumer etc.

85. TPSODL has submitted that it has inherited the licensee area with a very high concentration of Domestic consumers along with a vast geographical spread. It has undertaken several consumer-centric initiatives like increasing the number of Call Centers and empowering the Fuse Call Centers :(FCCs) to act as the primary touch point to register the consumer complaints. Further, it has been reviewing and optimizing the field staff deployment to ensure reliable and quality supply and by means of integrating technological advancement with customer services like deployment of GIS, SCADA etc.

High Employee Expenditure

Views / Suggestions of Objectors

86. ARR applications of all DISCOM propose an exorbitant hike in expenditure pertaining to Employees' cost. The total manpower cost and total manpower deployed needs to be assessed by considering the regular and outsourced manpower.

Reply of the Licensees:

87. TPCODL submits that its Operation Maintenance (O&M) Expenditure is driven by intensified activities in repairs, maintenance, billing, collection and statutory fees. It highlights the need for personnel recruitment, as approved by the Commission, to address historical deficits. It is stated that increase in expenditure must be factored against significant growth including a consumer base expansion from 26.82 lakh to 33.25 lakh, the establishment of Customer Care Centers in all divisions and the rollout of Fuse Call Centers across its area of supply. These investments are aimed at enhancing consumer service and improving grid reliability. The following table shows Employee Cost growth since FY 2024-25.

Table-24

Particular	UoM	FY 2024-25 (Actual)	Estimate for FY 2025-26	Projection for FY 2026-27
Net Emp Cost	Rs. Cr	882	893	965
Growth over PY	%		1%	8%

88. It is submitted that the estimated employee cost for FY 2025-26 is just 1 % above FY 2024-25 and the employee cost for FY-2026-27 is just 8% above FY 2025-26. The estimate for FY-2026-27 includes proposal for recruitment of 220 Operation / Distribution Technical Trainee and 70 Officers for which detailed justification has been provided at Para 22 to 44 of the petition. It states that 8% escalation is reasonable considering the fact that the cost is governed by the statuary obligations like upward revision in remuneration of employees and increase in minimum wages etc.

89. TPWODL has submitted that while recruitment was previously prohibited under the erstwhile WESCO Utility, a staff deployment plan was duly approved upon the transfer of the utility to TPCL as per the vesting order. The vesting order (at Paragraph 45) permits TPWODL to deploy 4,209 staff members of various categories.

To bridge the existing gap at the time of vesting, the utility planned to add 1,791 new employees (1,291 executives and 500 non-executives) to ensure efficient operation. The Commission, *vide* letter dated 17 January 2022, further permitted the filling up of 172 vacancies arising out of retirement subject to the rider that the employee-to-consumer ratio does not exceed 1.40 per 1,000 consumers. Based on the expenses for existing staff, terminal dues for pensioners and proposed recruitments, TPWODL asserts that its proposed employee cost of Rs.596.40 Cr. for FY 2026–27 is justified. This, it claims, is a reasonable increase from Rs.525.21 Cr. actual cost in FY 2019–20.

90. TPNODL has submitted that it has estimated the employee expenses for the ensuing financial year based on actual employee cost for the first six months of the current financial year. The employee expenses for the ensuing financial year have been estimated, considering the impact of minimum wage revisions by around 20% to 28% under various categories of employees with effect from 18.7.2024. The factors considered for estimate towards the employee cost along with details of manpower position along with year wise recruitment and retirement/attritions are elaborated in the petition.

91. TPSODL has submitted that it has submitted the details of the proposed expenditures as part of the ARR petition along with the relevant annexures. The expenditures are necessary to provide proper service to the consumers and comply with the conditions set out in the Commission's vesting order in Case No-83/2020. To keep the manpower cost optimized, it has recruited majorly trainees – Graduate Engineer Trainees, Diploma Engineer Trainees, Commercial Trainees (general Graduates). The same principle is adopted for FY 2026-27. The effective manpower per 1,000 consumer ratio works out to be 1.32 for FY 2026-27 with an active consumer base of 23.10 lacs. Further, the organization has undertaken a comprehensive optimization and strategic redeployment of the inherited outsource and contractual workforce and the insights gained have proven instrumental in formulating an enhanced and optimized Manpower Recruitment and Deployment Policy.

R&M Expenses

Views / Suggestions of Objectors:

92. The Objectors have pointed out that Repair & Maintenance cost and A&G expenditure proposed by the Licensees is too high. One of the Objectors states that the wasteful expenditure in R&M and A&G expenses need to be curtailed to avoid the burden on the consumers.

Reply of the Licensee:

93. TPCODL has submitted that the Repair & Maintenance (R&M) expenses, projected for FY 2026–27, have been computed strictly in line with the provisions of the OERC Tariff Regulations, 2022 based on the approved Gross Fixed Assets (GFA) and assets maintained by it.

94. It is further submitted that for calculation of R&M expenses, the projection of opening Gross Fixed Asset has been done considering the assets transferred from various Schemes, the assets capitalised as per the norms, fixed by Commission in the Tariff Regulations. Detailed break-up of the assets along with the projected expenses are furnished in the ARR application. With regard to the assets under various Government Schemes such as BGJY, DDUGJY, RGGVY, and ODSSP, it is submitted that R&M expenses are being incurred as the custodian and operator of the network, irrespective of the source of funding which has been derived from the available Fixed Asset Registers and reconciliation records. Any asset subsequently transferred, capitalized, or excluded shall be appropriately adjusted during true-up, subject to audit and prudence check by the Commission.

95. TPCODL & TPNODL have submitted that every expenditure is supported with detailed backup calculation and proper justification as per regulatory principles.

96. TPWODL submits that it has provided detailed justification regarding the R&M expenses in its ARR application. After pronouncement of new Tariff Regulation, 2022, FY 2023-24 has been fixed as the base year and it has claimed R&M expenses on the Opening Gross Block as on 31st March 2025 & 31st March 2026 of Rs.5424.89 Cr. & Rs.6622.05 Cr. respectively as per Regulations. It has its own assets. There are assets created through Central Govt. & State Govt. assistance which do not appear in its Books of Accounts but maintained by it. The details of such assets have been duly verified by OPTCL. Accordingly, the value of govt. funded assets as

on March 2025 & estimated as on March 2026 is Rs.3648.87 Cr. and Rs.3750.54 Cr. respectively. R&M Expenses are mainly incurred under 33 kV & 11 kV grid substation and lines (AMC & material), safety expenses, PSCC, SCADA, GIS, transformer and other equipment repairs, civil repair and maintenance, IT related and store related material handling.

97. TPSODL has submitted that based on the learning from last 5 years of stabilised operation, it has further optimised the comprehensive AMCs along with the manpower deployment structure for all six circles for operation and maintenance of 33KV, 11KV & LT assets to create a culture of preventive maintenance. The Performance Based Maintenance Contract also includes 24X7 Breakdowns Crews for restoration of 33KV & 11KV feeders and substation equipment. Besides, preventive maintenance activities are being done as per the maintenance plan using the SAP PM system. The network is being inspected regularly through manual patrolling as well as drone inspection in forest and inaccessible areas. Thermo-scanning is done for the entire network using high power thermo-scanning cameras to identify the defects, hotspots and attend breakdowns in quick time and perform preventive maintenance activities to enhance system reliability by rectifying the probable faults.

Administrative and General Expenses (A&G Expenses)

Views / Suggestions of Objectors

98. Some of the Objectors have alleged that the DISCOMs are incurring A&G expenses for activities not related to their license activity and requested a detailed breakup of such expenses under A&G.

Reply of the Licensees:

99. Detailed justification and head-wise break up regarding the A&G expenses have been submitted in the ARR application. TPSODL & TPWODL have submitted that during pre-vesting period there was a bar in the form of escrow account which resulted in negligible A&G expenses by the erstwhile utilities for which the actual A&G expenses in their era were negligible. However, post vesting, the activities like meter reading, billing, collection, customer service, creation of different office set up, enforcement, energy audit, IT Automation, SCADA, GIS implementation, vigilance activities, etc. were carried out rigorously. To optimize A&G expenses, they are closing low-footfall collection counters, linking fuel allowances to performance and

reducing reliance on manual recovery associates by promoting digital platforms. Thes projected expenditures for FY 2025-26 and FY 2026-27 are deemed essential to provide quality service and comply with the Commission's Vesting Order in Case No. 83/2020. Further, the revision in minimum wages and change in manpower category etc. were issued by the statutory authorities of the Labour & ESI Department, Government of Odisha and are beyond the control of the Distribution Licensee. The resultant increase in manpower-related costs, it is submitted, qualifies as a "Change in Law" event in line with established regulatory principles.

100. TPNODL has submitted that the costs reflect the expenses incurred in ensuring accurate meter reading, bill generation, and timely delivery, maintenance of the infrastructure and systems. It includes manpower costs, data management, printing and distribution, as well as investments in technology to enhance accuracy and efficiency. TPCODL has submitted that the Cost booked under A&G is related to works carried out for license business only.

Provisional Billing & Rebate not passed to Consumers

Views / Suggestions of Objectors:

101. Several objectors have pointed out that consumer bills are not timely served and are often generated on provisional basis. Besides, the rebates are not being passed on to consumers once the actual bill is generated.

Reply of the Licensees:

102. TPCODL has submitted that DPS, reading and billing, bill delivery and rebate are being allowed as per the prevailing regulations. TPWODL has stated that regarding provisional billing, the licensee continues to provide actual billing for over 90% of its consumers. In exceptional cases where provisional billing is necessary, it is revised based on actual meter readings within two billing cycles. TPNODL has cited that there has been a significant reduction in provisional billing, which now affects approximately 0.5% of its consumer base compared to 15% at the time of takeover. For all cases, customer meters are read using an Optical Character Recognition (OCR) tool, which automatically scans reading without manual intervention and allows bills to be delivered to the consumers on the spot. Besides, several channels including Customer Service Centers, Call Centers, WhatsApp-based chatbot, and Anubhav Kendras—have been introduced over the last four years to ensure the quick resolution

of consumer grievances related to billing or other issues. TPSODL has submitted that the Commission has authorized 4% digital rebate for LT domestic and General Purpose (GP) single-phase customers, supported by various offline and online payment options. Additionally, several other rebates apply to the consumers, including a 10 paise/unit prompt payment rebate for LT Domestic, LT General Purpose and HT Bulk Supply (Domestic) categories. Specific incentives include an extra 10 paise/unit for rural LT domestic consumers with functional meters, who make timely payment, 4% rebate for all pre-paid consumers, and an additional ₹10 monthly rebate for those opting for E-Bills. LT single-phase consumers, who consistently pay all 12 monthly bills within the due date are eligible for a special annual loyalty rebate in their March bill, equal to that month's timely payment rebate. Commercial and Industrial (C&I) consumers, and those with Smart Meters exceeding 10 kW maximum demand, receive 20 paise/unit Time of Day (ToD) rebate during solar hours, while 30 paise/unit ToD surcharge applies during the peak hours. TPSODL has also stated that it is strictly bound by the Regulations/ Guidelines, issued by the Commission.

CAPEX Investments

Views / Suggestions of Objectors

103. Some objectors demand DISCOMs to give the details of the financial benefits derived from the CAPEX plan on account of loss reduction and its impact on tariff. They have stated that since the interest on CAPEX Loan is charged for the whole year, the details of loan availed from Banks and the rate of interest need to be furnished.

Reply of the Licensees:

104. TPCODL has stated that at the time of takeover AT&C Loss was 30.4%, which has been reduced to 18.94%. This has helped in keeping the tariff stable. TPCODL has submitted that it has provided the extracts of sanction letters in its petition which specify the details of the loans and provide the applicable interest rate.

105. TPWODL has stated that it has provided a detailed cost benefit analysis projecting annual benefit due to reduction in AT&C losses through increase in billing and collection efficiencies. To carry out the CAPEX, apart from equity contribution of 30%, balance 70% has been proposed through loan from different banks/ financial institutions. TPSODL has stated that it has submitted the details of the proposed

capital investment plan for FY 2026-27 and the case is reserved for Order. The benefits of the CAPEX plan include better supply reliability, reduction of AT&C loss, better consumer satisfaction.

106. TPNODL has stated that the detailed CAPEX plan along with Detailed Project Report (DPR) are furnished before the Commission each year as per provision of Vesting Order of the licensee and OERC (Terms and Condition for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022. The Commission conducts public hearing and issues orders after analyzing the inputs from all stakeholders. The AT&C loss has been reduced from 25.17% in FY 2020-21 to 12.64 % as on FY 2024-25 and the power supply hours have been 23:11 hrs. on average during FY 2024-25. The corresponding extra billing and collection are the derived impact of the capital investments done so far. There has not been any hike in Retail supply tariff in last four years despite the significant increase in bulk supply tariff.

Tax on Return on Equity (RoE)

Views / Suggestions of Objectors

107. One of the Objectors has stated that tax on the Return on Equity (RoE) should not be considered, as it ought to be paid out of the licensee's return on capital. Passing this cost on to the consumer is unacceptable. Besides, the DERC has fixed the RoE at 10%, which is significantly lower than the RoE, prescribed in the current regulations, which need reconsideration.

Reply of the Licensees:

108. TPWODL has submitted that Return on Equity is governed under Regulation 3.6.3 (c) of the OERC Tariff Regulation, 2022. It is submitted that it strictly follows the applicable regulations. With regard to fixation of RoE of 10% by DERC, it is submitted that Regulation 20 of the DERC (Business Plan) Regulations, 2019 in fact at provides 16% RoE.

Security Deposit

Views / Suggestions of Objectors:

109. Some objectors have stated that the Security Deposit (SD) should be maintained in proportion to a consumer's actual consumption. They assert that DISCOMs must disclose the amount of security deposits refunded to consumers suo-motu. One of the Objectors proposes that the security deposit needs to be calculated based on the actual

load factor instead of the normative load for the existing consumers. Increase in the rate of interest on security deposits to 7% is also suggested since DISCOMs are enjoying 7.5% interest rate on the deposits they hold.

Rejoinder of the Licensees:

110. TPCODL has stated that Security Deposit is a statutory requirement under Section 47 of the Act. OERC Distribution (Conditions of Supply) Code, 2019, mandates for annual review based on preceding FY's average consumption to secure 2 months' charges. The shortfalls are demanded and excesses are refunded/adjusted against demand. Interest earned on fixed deposit of security deposit is passed on to the Consumer. Hence, the allegation that the company is enjoying 7.5% interest is not correct.

111. TPSODL has stated that it has submitted the Independent Auditor's Report on the Security Deposit in compliance to the directives of the Commission in the Tariff Order for FY 25-26. On the demand of increase in interest from 7% to 7.5 % it is submitted that the security deposit is paid by a Consumer as per Regulation 52 of the Supply Code, 2019. This amount is an advance payment to the Distribution Licensee to cover the electricity charges of a Consumer for about two months (based on load factor for different categories of Consumers). The Distribution Licensee pays interest on security deposit to the consumers at bank Rate (RBI Bank Rate as on 1st April of the relevant year).

112. TPWODL has stated that the Licensee is in a regulated business and is regulated as per the rules/ regulations/ orders of the Commission from time to time. Regulation 52 (ii) of the OERC Distribution (Conditions of Supply) Code, 2019 provides for computation of Security Deposit considering normative load factors prescribed for each consumer category. The Licensee, accordingly, computes the Load Factor in compliance with the said Regulation.

113. TPNODL has stated that many consumers, considering their expansion program and consequent load enhancement, are reluctant for refund of their excess security deposit. Therefore, instead of refunding excess security deposit to all eligible consumers, the licensee refunds the security deposit to the aspirant consumers only. However, interest at the rate approved by the Commission is being paid to the consumers on their total balance in security deposit account. In FY 2024-25 and FY 2024-25, TPNODL has

refunded ₹42.93 Crore in excess deposits against an Additional Security Deposit (ASD) collection of ₹5.21 Crore.

KVAH Billing

Views / Suggestions of Objectors:

114. Objectors have requested the Commission to issue appropriate directions to the DISCOMs to consider energy consumption in kWh for HT Industrial consumers until the Distribution Transformers (DTRs) of power utilities are standardized in accordance with Bureau of Energy Efficiency (BEE) norms. They have also requested for refund of the excess revenue already collected through their respective Energy Charge bills. Besides, they have objected the proposal of applying kVAh tariff to LT consumers since it serves as an indirect increase in the applicable tariff for that category.

Reply of the Licensees:

115. TPCODL has submitted that the Commission had after a long time moved from KWH billing to kVAh for HT and EHT Consumers. The same has been effected after removing the penalty and incentive on Power Factor (PF). It bats for continuance of the billing based on KVAH as it incentivizes the consumers to improve the power factor thereby improving the system parameters in general and reduction of loss. The standardization of DTRs should not be linked to the kVAh billing. The benefit of kVAh billing is to incentivize consumers, who optimally maintain the power factor, so that: (a) transmission losses are reduced (b) system stability is improved (c) ensures better power quality and (d) improves voltage profile. The kVAh billing system, it is submitted, is prominent across country.

116. TPNODL has stated that Commission introduced kVAh billing system for the first time in FY 2021-22 for HT & EHT consumers whereas consumers in LT categories using inductive load are being billed on kWh and kept excluded from this. Such consumers are also causing current to lag behind the voltage resulting in lagging power factor, voltage spike and flow of reactive power to network thereby putting stress on the network. There is a need to enforce kVAh billing excluding domestic consumers so that reactive power can be managed appropriately.

117. TPSODL has submitted that the primary objective of kVAh-based billing is to encourage consumers to maintain a near-unity power factor, which reduces losses and

improves the overall voltage profile. The utility outlines several key advantages of this billing method, including the avoidance of distribution system overloading, which results in more stable voltage and significant reduction in line and transformer losses. Besides, kVAh billing increases available capacity within the existing network and more accurately captures both real and reactive power consumption.

118. In similar line, TPWODL has highlighted the benefits of kVAh billing and submitted that the kVAh based billing will drive the consumers to reach unity power factor which would ultimately improve system voltages for the tail end consumers also. Forum of Regulators (FoR) also recommended kVAh billing during 2009. As of now, most of the State Electricity Regulatory Commissions (SERC) in various States *viz*. Himachal Pradesh, Delhi, Uttar Pradesh, Jammu & Kashmir, Andhra Pradesh, Chhattisgarh, Bihar, Haryana, Punjab, Maharashtra etc. have already introduced kVAh based tariff for various categories.

Smart Meter Projects by Government of India

Views / Suggestions of Objectors:

119. One of the Objectors has suggested that in case of DISCOMs across India, the Smart Meter project is funded by Govt. of India as well as IPDS Plan. Presently, the project is funded by RDSS Scheme of Govt. of India. Meters will be available to the consumers free of cost. The consumers of Odisha will benefit from the above if Govt. of Odisha takes initiative in this regard. There is no clarity on the cost of Meter and the Meter rent recovered from consumer is not adjusted in the cost of Smart Meter. The cost of Smart Meter also differs. He requests the Commission not to increase the cost of Smart Meter rather to do well in providing Smart Meter free of cost.

Reply of the Licensees:

120. Relying on the provisions of the Revamped Distribution Sector Scheme (RDSS), TPCODL has stated that private DISCOMs are not eligible for financial support. Financial assistance under the RDSS is available only to State-owned DISCOMs limited to 15% of the meter cost or ₹900 per meter, whichever is lower, with the remaining 85% of the cost to be borne by consumers. Besides, Smart meters are required to be installed exclusively in prepaid mode. However, in Odisha, consumers have shown limited inclination to opt for prepaid smart metering. It is submitted that The TOTEX (Total Expenditure) model prescribed under RDSS is costlier than the

implementation model currently adopted by the Odisha DISCOMs. It is informed that the Government of Odisha pursued the matter with the Government of India seeking consideration of financial support. However, due to policy limitations under RDSS, the request could not be acceded to. In view of the mandatory regulatory framework for smart metering and keeping in view the overall interest of electricity consumers, particularly low-income consumers, the State Government has sanctioned a one-time financial support of ₹735 crore for FY 2025–26. There is no proposal given by DISCOM to increase existing meter rent. Further, the consumer has the option to avail smart meter under pre-paid or post-paid mode. By default, smart meters are being installed in post-paid mode only. The consumers are not forced to convert from post-paid to pre-paid and vice versa.

121. TPSODL has submitted that it had proposed for waiver of meter rent in Case No 102 of 2024, which was disposed of by the Commission during the tariff proceedings for FY 25-26, wherein the Commission directed the waiver of smart meter rent for the Consumers up to 2 kW. Accordingly, Discoms are submitting the monthly status report on the Smart meter installation to the Energy Dept. for their review. Further, as per the directives, issued by the Commission, all the new smart meters are operating on Post-Paid mode by default, unless the consumer opts for the pre-paid.

Strength of outsourced Persons in DISCOM.

Views / Suggestions of Objectors:

122. One of the Objectors has asked TPWODL to inform the number of Outsourced persons presently working for the Company for various works like metering, billing, collection, 11kV, 33kV line, Substation, etc. It is alleged that TPWODL has outsourced all works such as metering, billing and collection, LT lines, 11 kV lines & S/s, 33 kV lines & S/s maintenance. The Objector has cited that the recruitment and deputation personnel are more compared to the existing regular staff which not only increases the cost but also reduces the work efficiency. He needs to know if recruitment and deputation of personnel are backed by the approval of Board/Commission.

Reply of the Licensees:

123. TPWODL has submitted that there are around 594 legacy outsourced persons, who were transferred from the erstwhile company. Further, the Licensee has appointed

various agencies, who in turn employ outsourced manpower for the Licensee's works. Outsourcing employees are continuing since long. During WESCO tenure, the work of line, grid and S/S maintenance was carried out through short-term outsourcing of manpower only on breakdown occurrence. The details of outsourced employees are provided at Page-40 of the ARR application. The present employee strength of the Licensee is well within the ceiling of 1.40 employees per 1000 consumers, as specified by the Commission and the Licensee continues to maintain compliance with the said norm and has recruited employees as per the approval of the Commission.

R&M of Government Funded Meters

Views / Suggestions of Objectors:

124. One of the Objectors has enquired about the R&M expenses incurred on Govt. funded meters.

Reply of the Licensees:

125. TPNODL has stated that it never claims R&M on meters installed through Govt. funded schemes. Further, all four DISCOMs of Odisha had proposed the proposal for installation of Smart Meter under CAPEX and abolition of Meter Rent. The Commission at Para-99 (2) of the Retail Supply Tariff Order dated 24.03.2025 passed direction regarding installation of Smart Meters. In compliance thereof, the Licensee has stopped recovering meter rent against installation of smart meters for consumers up to 2 kW Contract Demands with effect from 1st April' 2025.

Truing up Exercise

Views / Suggestions of Objectors:

126. One of the objectors has submitted that the truing up exercises of past years must be as per the actuals and the parameters approved by Tariff Regulations. He has alleged that the same is claimed on normative basis taking up efficiency gain in misleading manner.

Reply of the Licensees:

127. TPCODL has submitted that the Licensee has filed the True-up application as per the relevant provisions of the Tariff Regulations, 2022 & as per Audited accounts. Regulation 2.14.2 of the Tariff Regulations, 2022 provides for sharing of efficiency

gain and accordingly the Licensee has offered the same in compliance of the relevant regulation.

128. TPWODL has reiterated the above and submitted that claims that the loss due to inefficiency is borne by the licensee, which has been duly factored in the Tariff Regulation and the vesting order.

129. TPNODL & TPSODL have stated that as per provision of Tariff Regulation, 2022, the licensee submits before Commission the annual audited financial statement along with Truing up application for prudence check.

Non-Tariff Income

Views / Suggestions of Objectors:

130. One of the objectors has stated that Non-tariff Income such as supervision charges, over drawl penalty & delayed payment surcharges need to be passed on to consumers in full.

Reply of the Licensees:

131. The DISCOMs have submitted that they are following the Tariff Regulations 2022. The items mentioned in the query are 100% passed on under NTI in the ARR. TPNODL has also stated that the amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the ARR while calculating the tariff for retail supply of electricity of the Distribution Licensee.

Proposal of DPS to Domestic and GP Consumers

Views / Suggestions of Objectors:

132. Some Objectors have disagreed with DPS being applicable to Domestic and GP consumers, as proposed by all the licensees.

Rejoinder of the Licensees:

133. TPCODL has submitted that to achieve 100% collection of LT current billing every month, consumers need to make timely payment. It has submitted that consumers who are defaulters in making timely payment are putting financial burden on other consumers due to increased borrowing cost. To bring equality among all categories of consumers for timely payment of electricity bill, this proposal has been put forward for consideration of the Commission.

134. TPNODL, TPSODL & TPWODL have submitted that to regulate the timely payment habit DPS has been proposed.

Labour Practice Followed in DISCOMs

Views / Suggestions of Objectors:

135. One of the objectors has alleged that DISCOMs are doing unfair labour practices by hiring outsourced staff for work of a permanent nature which needs to be discontinued. He has proposed that individuals with long-term service need to be absorbed into the organization to ensure fairness.

Reply of the Licensees:

136. TPWODL has submitted that around 500 legacy outsourced manpower were transferred from the erstwhile utility at the time of vesting. With respect to outsourced manpower engaged under TPWODL, it is submitted that the Licensee appoints various agencies, which in turn deploy outsourced personnel for execution of the Licensee's operational works. The outsourced personnel continuing from the erstwhile WESCO period were primarily engaged in line maintenance, grid maintenance and sub-station (S/S) maintenance activities. TPWODL has outsourced the comprehensive maintenance of both 33 kV and 11 kV network assets, including preventive maintenance, breakdown maintenance and attending no-current complaints with the objective of ensuring 24×7 reliable and quality power supply to all consumers. Further, with a view to regularizing outsourced personnel who have been working for a prolonged period through agencies/business associates, the Management provided suitable opportunities to eligible candidates. In this regard, around 1,745 candidates applied for the post of "Operation Trainee", out of which 823 candidates appeared at the written examination on 28.08.2022. TPWODL Management initiated the "UDAAN" project in collaboration with Skill Development India. The course is aligned with the Power Sector Skill Council framework and is recognized by the National Council for Vocational Education and Training (NCVET). 1,126 applications were received of which 573 eligible candidates were shortlisted and enrolled for training across 9 centers in 18 batches, commencing from 24th July 2022, covering all 9 districts of the TPWODL area.

137. TPCODL has stated that Job contracts are being awarded through open tender process for the work which are temporary in nature. TPSODL has stated that all the agencies

are appointed as per Contract Labour (Regulation and Abolition) Act, 1970 and TPSODL is following the Rules and Regulations there under. TPSODL has emphasized that there is no discrimination to any particular category of employees as it believes in inclusive growth and welfare of all categories of employee.

Consideration of RTS generation in Tariff finalization

Views / Suggestions of Objectors:

138. One of the objectors asked DISCOMs to provide the number of domestic consumers who have availed the benefit of Roof Top Solar (RTS) projects in FY 2024-25 and FY 2025-26 including the connected load and electricity generated in terms of KWH. The available figures of FY 2025-26, it is submitted, can be prorated to ascertain the total estimated generation for the whole FY and should be built into the ARR of FY 2026-27.

Reply of the Licensees:

139. TPCODL has replied that as per para 2.1.1 of the ARR Petition, the impact of rooftop solar projects (PM Surya Ghar Muft Bijli Yojana including the ULA scheme) was conservatively excluded from LT sales estimates at the time of filing, considering the uncertainties in implementation. The participation of more vendors and consumers shall be duly factored at the time of truing-up based on actual data for FY 2026-27 in accordance with the Tariff Regulations, 2022. This approach ensures an accurate assessment of the revenue gap without any premature overstatement of rooftop solar impact.

TPCODL has provided the following details of the consumers, who have availed benefit of rooftop solar projects**.**

Table-25

Financial Year	No. of Installations	Cumulative CD (MW)	Cumulative Solar capacity installed (MW)	Cumulative generation capacity (MU)
2024-25	1945	14.258	7.386	9.42
2025-26	9588	36.412	30.318	38.73

TPNODL has submitted the following district-wise count of consumers who have availed benefit under PM Surya Ghar Muft Bijli Yojana as on date:

Table-26

Name of District	No. of Consumer
Baleshwar	2201
Bhadrak	803
Jajapur	1017
Kendujhar	739
Mayurbhanj	1636
Grand Total	**6396**

140. TPSODL has submitted that 3,150 Nos. of Solar installations have been done till date under PM Surya Ghar Muft Bijli Yojana with a cumulative capacity of 9.6 MW. While Central Govt. subsidy has been released to 2,545 connections, the State Govt. subsidy has been released for 2,536 consumers. The Community Solar Scheme Under PM Surya Ghar Muft Bijli Yojana is not implemented under TPSODL.

Action taken for Awareness of PM Surya Ghar Yojana

Views / Suggestions of Objectors:

One of the Objectors has asked the DISCOMs to provide the action taken on their part for generating awareness and implementing PM Surya Ghar Yojana Scheme.

Reply of the Licensees:

141. TPWODL has submitted that DISCOMs have undertaken extensive efforts to create awareness about the PM Surya Ghar Yojana. Outreach programs are being organized at division, circle, and village levels supported by campaigns through print, electronic, and social media. Leaflets have been distributed to section offices for circulation among the consumers, while banners have been installed in strategic urban and semi-urban locations such as bus stands, railway stations, and market areas. Dedicated "PM Suryaghar Walls" have been set up at all section offices to recognize and appreciate scheme beneficiaries. Tele-calling initiatives are being made to inform domestic consumers and awareness messages sent via SMS. To enhance implementation, capacity-building programs for DISCOM officials and stakeholders are being actively pursued. The National Power Training Institute (NPTI) (ER) has been conducting regular training sessions with 196 (TPWODL) DISCOM officials trained as on 19.12.2024. Furthermore, DISCOM RE Cells are organizing stakeholders' training to ensure comprehensive understanding and support for renewable energy initiatives. A detailed tabulated progress report has been included in the petition.

142. Besides, the Utility-Led Aggregation (ULA) Scheme is an initiative taken by the DISCOMS to promote residential rooftop solar installations. Under the ULA model,

Odisha's distribution utilities handle end-to-end aggregation and execution of rooftop solar systems including vendor identification, procurement, installation, quality assurance, net-metering and maintenance for 5 years. As on 27.01.2026 the number of systems installed at TPWODL under ULA scheme is 2308.

Telecom Services under the Industrial Category

Views / Suggestions of Objectors:

143. One of the Objectors has requested to classify telecom services under the Industrial Tariff category instead of General Purpose (Commercial) category.

Reply of the Licensees:

144. TPWODL has submitted that the telecom industries (Towers) is covered under General Purpose category as per OERC Distribution (Conditions of Supply) Code, 2019 and any change in classification would require amendment in the Code. The following gives idea about the tariffs followed in other States.

Table-27

Sl. No.	**States**	**Industrial Rate**	**Commercial Rate**
1	Chhattisgarh	Rs. 6.80 per kW per month	Rs. 8.00 per kW per month
2	Andhra Pradesh	Rs. 6.08 per kW per month	Rs. 9.13 per kW per month
3	Bihar	Rs. 7.79 per kVAh per month	Rs. 8.93 per kW per month
4	Maharashtra	Rs. 6.69 per kW per month	Rs. 12.47 per kVAh per month
5	Delhi	Rs 7.75 per kW per month	Rs. 8.50 per kVAh per month
6	Himachal Pradesh	Rs. 5.72 per kW per month	Rs. 6.40 per kVAh per month

145. It is evident that other states have higher Industrial rate and commercial tariff for same load in comparison to those prevalent in our State. It is stated that the job of the Telecom Companies is to render services to the customers. Therefore, the present applicable GP rate for Telecom segment seems to be appropriate

Excess Tariff Recovery

Views / Suggestions of Objectors:

146. One of the objectors has stated that the Commission had approved average Tariff for FY 2024-25 for the purpose of determination of category-wise Retail Supply Tariff (RST) whereas the DISCOMs are collecting tariff at higher rate billing them at notified RST. It is demanded that the excess tariff collected may be trued up and the excess amount, so collected may be refunded to the consumers with interest in accordance with Section 62(6) of the Act which APERC has done in respect of Rs.923.50 Cr.

Reply of the Licensees:

147. TPCODL has submitted that the DISCOMs are allowed to recover Tariff from the consumers at the rate, approved by the Commission every year in the Tariff Order. Tariff Determination is based on estimation basis, which is subject to True Up. As per the regulatory framework, surplus/gap is trued up. TPNODL & TPSODL have submitted that tariff determination is a two-stage regulatory process. In the first stage, the tariff for the ensuing financial year is approved by the Commission based on prudent estimate of revenue and expenditure. In the second stage, a "true-up" exercise is undertaken wherein actual revenues and expenses are examined and any surplus or revenue gap, so established is appropriately passed on to consumers in accordance with regulatory principles. However, tariff determination for different consumer categories is the prerogative of the Commission as per section 62 & 86 of the Act.

148. TPSODL has also submitted that due to improved operational efficiency and prudent cost management by DISCOMs, retail tariffs have remained stable over the last four years. Further, for FY 2024-25, the domestic tariff was reduced by 10 paise per unit, benefiting nearly 90 lakh consumers across the State. The true-up exercise for FY 2023-24 and FY 2024-25 is presently under process. It is reiterated that tariff determination followed by true-up exercise is a continuous and well-established practice in the power distribution sector across the country, duly backed by the regulatory framework and the provisions of the Act.

149. TPWODL has submitted that the refund of Rs.923.50 Cr. relates to excess collection made by the 3 Andhra Pradesh DISCOMs, namely APSPDCL, APCPDCL and APEPDCL during FY 2024–25 under the Fuel and Power Purchase Cost Adjustment (FPPCA) mechanism. The FPPCA is levied to account for variations in fuel and power procurement costs arising primarily due to increase in fuel prices at the generating stations. The APERC, in accordance with the applicable FPPCA regulations directed the refund of the excess amount, as the regulatory framework explicitly mandates that any surplus recovery under this mechanism shall be returned to consumers. In the State of Odisha, while enabling provisions for implementation of FPPCA exist within the regulatory framework, the mechanism has not been invoked by GRIDCO. This is on account of the absence of any requirement for such levy, attributable to relatively stable coal prices and comparatively lower coal transportation costs during the relevant period.

Additional Security Deposit

Views / Suggestions of Objectors:

150. One of the objectors has questioned the demand of DISCOMs on Additional Security Deposit from every consumer without examining the payment-behavior of the person concerned. Consumers with a long-track record of regular payment should not be asked to pay additional security deposit. Instances have also come to notice where the ASD has been calculated based on the energy consumption of 13 months instead of 12 months. For simple understanding, Security Deposit should be linked to contract load instead of consumption, as is being done in a few States like Delhi and Punjab.

Reply of the Licensees:

151. All DISCOMs have submitted that Security Deposit is a statutory requirement under Section 47 of the Act and the OERC Distribution (Conditions of Supply) Code, 2019. The purpose of the Security Deposit is to ensure that an amount equivalent to approximately two months' electricity charges is available with the DISCOM as security against the credit period extended to consumers. In view of Section 47 of the Act and the OERC Supply Code, 2019, DISCOMs are mandated to review the Security Deposit once every financial year based on the average electricity consumption of the consumer during the preceding financial year. In cases where the existing Security Deposit is found to be less or in excess of the amount so assessed, the shortfall is required to be demanded or the excess adjusted through subsequent electricity bills, as applicable. Such annual review is essential on account of variations in electricity consumption by consumers and/or changes in applicable tariff. Accordingly, the demand raised by the DISCOMs, based on the electricity consumption for previous financial year, is strictly in accordance with the statutory and regulatory provisions. The periodic review and revision of Security Deposit, as carried out under the applicable regulations, is necessary to ensure the financial integrity of the distribution business by mitigating recovery risks. Demand and annual review of Security Deposit is an uniform and well-established practice followed by DISCOMs across the country. The Security Deposit is refundable upon termination of the electricity connection, subject to adjustment of any outstanding dues. In the case of prepaid meters, no Security Deposit is required.

Finance Audit of DISCOMS

Views / Suggestions of Objectors:

152. One of the objectors has stated that since Tata Power holds 51% equity stake in the DISCOMs, they are currently immune from audits by the Comptroller and Auditor General (CAG). He has stated that because electricity is an essential commodity and the sector operates on charges paid by millions of consumers and supplemented by occasional government budgetary grants, absolute transparency is required for these public funds. Consequently, the objector has proposed for an annual audit of the DISCOM's accounts by auditors, appointed by the OERC.

Reply of the Licensees:

153. DISCOMs have submitted that they function as licensed and regulated Distribution Licensees under the provisions of the Act and operate under the regulatory oversight of the Commission. Post-privatization, the statutory audit framework applicable to TPCODL is in accordance with the provisions of the Companies Act, 2013 and other applicable laws. Accordingly, the Licensee's accounts are subject to independent statutory audit by auditors appointed as per law and are also reviewable through multiple layers of regulatory scrutiny, including the detailed examination in tariff determination proceedings, annual performance reviews and compliance submissions before the Commission. The Commission has the authority to seek information, conduct reviews and issue directions as deemed appropriate.

Reliability of Power Supply

Views / Suggestions of Objectors:

154. One of the Objectors has stated that consumers are entitled to a charter detailing the minimum Standards of Performance (SoP) for DISCOMs. This charter should specify the maximum number and duration of outages permitted per month, as well as the timeframe within which supply must be restored following a disruption. Furthermore, if a DISCOM fails to adhere to these standards, the consumer should receive instantaneous compensation via their electricity bill.

Reply of the Licensees:

155. TPCODL has stated that through investments and operational enhancements over the last five years, it has demonstrated a steady improvement in key reliability indices –

SAIFI & SAIDI, indicating measurable progress in outage management, preventive maintenance, and overall network strengthening. As per the report of Consumer Service Rating of DISCOM (CSRD) published by Ministry of Power, Govt. of India for FY 23-24, the Hours of Supply (HoS) reflect the average number of hours, electricity is supplied to customers each day. There has been a significant improvement in TPCODL service area with almost 99% availability in Urban areas and 94% in Rural Areas:

Table-28

No.	Particular	TPCODL	National Average	National Max.	National Min.
1	Hours of Supply- Urban	23.70	23.53	24.00	21.44
2	Hours of Supply- Rural	22.58	21.57	23.92	15.33
3	DT Failure Rate	2.90%	6.4%	51%	0%

156. TPNODL has submitted that the observation of the Objector regarding increase in power outage during TATA Power tenure is not correct. Rather power outage during TATA Power tenure is reduced substantially. The following tables clearly show that the interruption in power is reducing year by year. Licensee also provides the pre-shut down information over mike announcement to its consumers prior to execution of any major maintenance activity**.** The information of SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) of TPNODL is given in below table:

Table-29

FY	SAIDI (Hrs)	SAIFI (Nos)
2021-22	455.51	680
2022-23	378.39	621
2023-24	348.95	576
2024-25	324.31	526

157. TPWODL has submitted that service reliability and overall operational performance has improved significantly. Network performance has also been strengthened, as is evident from reduction in DTR failure rate from 4.6% in FY-22 to 2.9% in FY-25 and a sharp decline in 33/11 kV tripping. The average power supply availability during FY 2024–25 has been 23 hours and 11 minutes per day. This improvement is clearly reflected in the SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) values, as provided in the table below:

Table-30

FY	SAIDI (Hrs)	SAIFI (Nos)
2021-22	424	600
2022-23	330	468
2023-24	309	404
2024-25	308	377

158. TPSODL has submitted that the reliability and overall operational performance has improved significantly, which is given in the table below:

Table-31

FY	SAIDI (Hrs.)	SAIFI (Nos.)
2021-22	155.63	233.74
2022-23	268	326
2023-24	267	326
2024-25	271	316

Rebate to Steel Industries

Views / Suggestions of Objectors:

159. One of the Objectors has proposed for Rebate to the Steel Industries having CD>1 MVA in 33 KV supply with or without CGP and not just to industries having CGP.

Reply of the Licensees:

160. TPNODL & TPCODL have stated that Steel Industries having CGP are intentionally keeping less Contract Demand as part of their demand is being met through CGP power. These consumers can easily attain the desired quantum of load factor. The very purpose of allowing rebate to steel industries will be defeated if Steel Industries having CGP will only be allowed this rebate. TPWODL has further stated that if the said rebate is extended to Steel Industries having CGP, they will be in more advantageous position to compete with dual benefits of less Demand Charge and Load factor rebate on Energy Charge and the Industries without CGP will continue to struggle.

Subsidy to Cold Storage Units

Views / Suggestions of Objectors:

161. One of the objectors enquired about the subsidy in tariff to cold storage unit. Another Objector submitted that TPCODL has misclassified ‘Cold Storage’ as ‘processing activity’ which is unjustified and financially burdens the consumer. TPCODL fails to recognize that cold storage or temperature-controlled activities are not merely

ancillary but are integral part of the seafood processing unit, differing fundamentally from practices in other food industries. One of the Objectors has proposed for separate tariff category for Cold Storage.

Reply of the Licensees:

162. TPNODL has submitted that the applicable Tariff for cold storage is Allied Agro Industrial Category and is a subsidised tariff. Applicable rate of energy charges for cold storage categorised under "Allied Agro Industrial Category" is Rs.3.00 and Rs.50 as Demand Charges in place of Rs. 5.85 and Rs 250 towards Energy Charges and Demand Charges respectively for other similar type of industries. TPSODL submits that the proposal of the Objector may be examined by the Commission.

163. TPCODL has stated that the Commission issued Tariff Order for FY 2012-13, wherein it directed that the Food Processing Unit ("FPU") attached with cold storage shall be charged at Agro-Industrial Tariff if cold storage load is not less than 80% of the entire connected load. If the load of the FPU other than cold storage unit exceeds 20% of the connected load, then the entire consumption by the cold storage and the processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose. This direction has been time and again passed by the Commission in all the tariff orders for subsequent FYs till date.

164. TPCODL has explained that as per the definition of AAIA given in the Supply Code 2004 and Supply Code, 2019, in case a Cold Storage Facility is attached to the Unit, then only such Cold Storage Facility falls under AAIA and not the Unit. This was also clarified by the Commission vide its letter dated 08.12.2009 that AAIA only includes Cold Storage Facilities attached to Unit for seafood, meat, flowers etc. Under AAIA, the processing facility itself stands excluded. TPWODL has submitted that any matter pertaining to classification of consumer category may be considered by the Commission while amending the Supply Code, 2019.

AT&C Loss for tariff determination

Views / Suggestions of Objectors:

165. One of the objectors has indicated that TPCODL is not taking adequate action for AT&C loss reduction, which plays a vital role for determination of tariff. The projected AT&C loss and T&D loss data should be on audit basis. However, audit data is also not reliable due to lack of metering at all feeders and DTR levels.

Reply of the Licensees:

166. TPCODL has stated that it is taking utmost care to maintain the network spread over the vast area. Further, the loss figures presented by TPCODL for the previous years of operation are based on Audited figures. TPCODL has further submitted that the AT&C Loss value plays a role in estimating the Power Purchase Quantum. While working out the ARR and the tariff, the AT&C loss as per Tariff Trajectory given in the Vesting order is applied and the loss achieved by TPCODL is not relevant for Tariff. Hence, the actual AT&C loss does not play any role while determining the ARR. The Power Purchase Quantum for ARR is worked out through grossing up of Sales by the AT&C Loss as per Vesting Order Trajectory.

Reconnection Charges

Views / Suggestions of Objectors:

167. One of the Objectors has stated that DISCOMs should intimate the actual expenditure towards reconnection. Further, he states that there is no expenditure as paid staff of the licensee are reconnecting the power supply which is within their service. Another objector has proposed revision of reconnection charges.

Reply of the Licensees:

168. TPCODL has stated that the cost incurred by the licensee on reconnection charges should not be socialized and it should be recovered from the specific consumer, who has defaulted in payment of electricity bills. Further, these charges have been revised by the Commission while issuing tariff order for FY 2025-26 which should continue till further revision. TPSODL has submitted that it will take substantial time to reach the stage of doing remote disconnection of consumers. The reconnection charge also acts as a deterrent and in the process saves manpower and other ancillary charges for physical reconnection of power supply.

33/11 kV Sub-Stations under ODSSP Scheme

Views / Suggestions of Objectors:

169. Some of the objectors have stated that the petitioner should submit the detailed particulars of 33/11 kV sub-station under ODSSP Scheme. They have also enquired about the action taken by DISCOMs based on the loading of such Sub-Stations.

Reply of the Licensees:

170. TPCODL has submitted that 134 nos. of new 33/11kV PSS with associated 33kV and 11kV linking lines were proposed in different ODSSP Schemes under Ph-I, II & III. 132 Nos. of PSS have been charged. Remaining 3 Nos. of PSS are in process of HOTO on "as is where is" basis as recommended by IRP. After joint site visit and HOTO formalities, estimate for completion of these 3 Nos. PSS will be raised to OPTCL and balance work will be accordingly completed after receipt of funds. All these 134 PSS proposals were planned by erstwhile CESU. However, TPCODL is working towards optimizing these as per plan for reliable and quality power supply to the consumers by mitigating low voltage and overloading issues through length reduction of the existing network and reduction of AT&C losses. 18 nos. of new 33/11 KV PSS with associated 33kV and 11kV linking lines were proposed in different ODSSP Schemes under Ph-IV & CMPDP. However, 5 nos. PSS have been charged. To address current and forecasted load growth, TPCODL has developed a comprehensive utilization plan for its Power Sub-Stations (PSS). This strategy includes construction of new 11kV linking lines to interconnect the existing feeders and deployment of new 11kV feeders to effectively bifurcate the load and reduce the length of current lines. Additionally, the utility plans to install AB Switches and Ring Main Units (RMUs) to facilitate smooth load switching and operational flexibility. In instances of Power Transformer (PTR) overloading, the plan mandates proactive load transfers or the augmentation of PTR capacity to ensure grid stability and meet the increasing demand.

171. TPNODL has submitted that out of 98 Number of charged PSS under ODSSP Schemes, 15 Nos PSS are now operating with load between 40% to 85%. It is further exploring the feasibility for the load balancing between overloaded and under loaded PSS by installing new 11 KV link lines and new feeders from under loaded PSS. This strategic approach aims to ensure a balanced and efficient distribution of load across the network, thereby improving overall reliability and performance.

172. TPWODL has submitted that under ODSSP Scheme, WESCO Utility was allotted for 142 Nos. of 33/11 kV substations. To reduce the lengthy 11 kV lines and associated loss therein, new 33/11 kV substations have been created. The existing 11 kV lines are accordingly linked from the newly created 33/11 kV substations to the nearby 11 kV lines. TPWODL has conducted Load flow study of Distribution network. Based

on the load flow study report, TPWODL has proposed the list of its PSS including ODSSP PSS where Augmentation/Swapping of Transformation capacity is required. The Licensee has submitted Substation-wise & existing overhead lines (11 kV & 33 kV)-wise detailed augmentation plan along with justification in the CAPEX DPR Vol-II for FY 24-25 & FY 25-26 itself. Further, while doing load flow study the Licensee has identified the requirement of new PSS for load management, new load addition and low voltage mitigation.

F. OBSERVATIONS OF CONSUMER COUNSEL (Para 173)

173. The submissions of the Consumer Counsel on the ARR Applications filed by the four DISCOMs of the State of Odisha may be summarized as follows:

(a) DISCOMs must employ realistic methods for sales projection as any non-rational sales projection may lead to inaccurate approval of power purchase and other corresponding costs which may have a cascading impact on the tariff and affect the Consumers.

(b) Genuine BPL consumers should not be deprived of BPL category tariff and DISCOM should take prudent check of annual consumption of BPL category consumer before changing its consumer category.

(c) DISCOMs should improve their billing coverage and efficiency to reduce the distribution loss consistently. The loss-making pockets in the respective licensee's area of operations needs to be identified and the issues needs to be addressed accordingly.

(d) DISCOMs must maintain collection efficiency of nearly 100% while prioritizing the recovery of arrears. It is essential for utilities to intensify efforts in resolving the disputed bills and clearing outstanding dues to prevent these amounts from getting escalated into bad debt. Furthermore, DISCOMs should proactively implement regulatory provisions to prevent the accumulation of arrears thereby ensuring that paying consumers are not unfairly burdened by additional costs.

(e) Capital Expenditure (CAPEX) projects should prioritize loss reduction with the same urgency as other infrastructure investments. Furthermore, the capitalization of these projects must be completed within a fixed timeframe to ensure that the resulting efficiencies and cost savings are promptly passed on to consumers.

(f) There has been a substantial increase towards Employee cost, R&M (Repair & Maintenance) and A&G (Administrative & General) expenses, which has contributed significantly to higher O&M costs for the DISCOMs in recent years. Consequently, the proposals for the upcoming years must be thoroughly evaluated based on the detailed data provided by the utilities. These higher costs should be scrutinized vis-s-vis the specific norms and provisions specified in the Vesting Order and must be fully justified under the OERC (Wheeling Tariff and RST) Regulations, 2022.

(g) It is observed that the actual R&M expenses have been low compared to that proposed over the past years. The Commission may approve the costs according to the details of the assets (GFA) furnished by the DISCOMs.

(h) The Commission may consider the proposal on the proposed ToD Tariff by the DISCOMs as a tariff rationalization measure which suggests more incentive to open access consumers and industries with CGP. However, revenue gap if any, that may arise for the DISCOMs due to the differential cost of solar hour tariff and normal tariff may be compensated through necessary mechanism.

(i) The per capita consumption of EHT and HT power for TPWODL is in decreasing trend although there is increase in number of consumers for those categories. It is observed that the overall industrial sales of TPWODL is on the lower side in 2025-26 estimate and 2026-27 projection compared to that over the previous years.

(j) The rebates offered earlier, like digital payment rebate should be allowed to continue in FY 2026-27.

(k) The consumers can access green energy benefits by opting into programs offered by the DISCOMs such as Green Power tariffs or rooftop solar net-metering. The industrial units can tap into the RCO/RPO benefits facilitated by the DISCOMs. Further, such schemes need to be promoted among the consumers by the DISCOMs

(l) Digitization initiatives undertaken by the licensees are expected to elevate service standards for the consumers. Increased operational efficiencies gained through digital adoption should result in cost reduction. Integrating IT-driven services and improved technical practices will further mitigate systemic losses, ensuring a more cost-effective experience for the consumers.

(m) To serve the best interests of the consumers of the State, DISCOMs must prioritize system infrastructure and modernization to ensure consistent reliability and minimize service interruptions while providing affordable power for the consumers of the State.

G. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) AND RESPONSE OF THE LICENSEES (Para 174 & 175)

174. The Commission convened the 39th SAC meeting for discussion on the ARR and Tariff proposals of the Licensees on 16th March, 2026. During the meeting, the Consumer Counsel made brief presentation on the important issues in the ARR & Tariff Applications filed by the DISCOMs before the Commission and the SAC Members. The Advisory Committee discussed various issues related to the tariff applications and made valuable suggestions on the proposals. A summary of the suggestions of the Members during the meeting, with respect to DISCOMs is given below:

(a) Some Members submitted that there has been improvement in the distribution system. However, considering the level of manpower engaged and investments done for system strengthening, the reliability and power quality is not as per the expectations and significant improvement of the same is still necessary, especially in rural areas.

(b) The demand growth in the State is not appreciable and the DISCOMs must provide power supply connectivity to industries in a time-bound manner for ease-of-doing business. The DISCOMs' business should align with the vision of "Vikasit Odisha" and proactive initiatives towards the development of emerging sectors, such as green hydrogen, green ammonia and pumped storage plants is necessary.

(c) There should be another One Time Settlement (OTS) Scheme for the consumers to pay the outstanding dues corresponding to the pre-Vesting period. The revenue collection pertaining to this pre-vesting period should be credited to GRIDCO.

(d) The CAPEX planning by DISCOMs is largely concentrated in the 33 kV network and there is a need for balanced infrastructure development across voltage levels. In certain areas of Bargarh district, particularly Paikmal and Padampur, the 11 kV voltage at times drops to as low as 6.6 kV, indicating serious voltage quality concerns.

(e) The meters removed from the consumers' premises should be declared defective only by a competent authority following due process, to ensure transparency and accountability.

(f) All investments undertaken by utilities should be supported by a detailed cost-benefit analysis, including assessment of Return on Investment (RoI) and Rate of Return (RoR), to ensure financial prudence.

(g) DISCOMs should issue a comprehensive circular after notification of the Tariff Order, clearly outlining its salient features for better understanding among stakeholders.

(h) The Grievance Redressal Forums (GRFs) are not interpreting the applicable Rules/Regulations in alignment with the Tariff Order and there is a need for ensuring consistency in their interpretation and implementation. There should be a provision for training and development of the GRF members. GRFs are functioning as a part of licensee and therefore, the consumers are gradually losing faith in these institutions.

(i) For cases of theft of electricity, instead of taking legal action for theft, DISCOMs are collecting fines. Theft assessment should be done by authorized representatives only.

(j) The new consumers, particularly the industries, are bearing all the cost for network extension while getting new connections, which is unnecessarily burdening them. The infrastructure cost should be shared with the consumers connected to that particular infrastructure.

(k) The Electricity Bill needs simplification and must be designed to convey clarity. The details of consumption, Security Deposit and disputed amount should be clearly mentioned in the Bill. The DISCOMs may explore more durable alternatives as the thermal printed electricity bills are getting faded away quickly.

(l) There is likely to be a significant rise in electricity demand by 2035, with electric mobility expected to contribute a substantial share to the overall demand in the State. Proper planning and development of adequate infrastructure by the DISCOMs is necessary. A dedicated forum may be constituted to analyze the impact of electric mobility on the power supply position of Odisha and to facilitate informed planning.

(m) There is need for the introduction of Demand Side Management (DSM) measures in Odisha and the DISCOMs should undertake adequate awareness programmes in this regard.

(n) Certain fisheries clusters are presently operating diesel generator (DG) sets without availing electricity connectivity and necessary steps may be taken to extend grid connectivity to such consumers.

(o) TPSODL efforts were appreciated for extending power supply to consumers with a load of around 150 MW by utilizing the network of Tata Steel at Gopalpur.

(p) Mandatory energy storage provisions may be considered for solar installations of 500 kW and above. In this context, an appropriate tariff may be determined by the Commission for energy storage, enabling owners to sell stored energy to GRIDCO.

(q) Time-of-Day (ToD) tariff may be made applicable to consumers opting for the same.

(r) DISCOM should promote more Roof Top Solar and should not treat supervision charges as their income. The DISCOMs are collecting 6% supervision charges in government projects in spite of the Commission's Order.

(s) Schedule of rates used for estimation of projects should not be escalated by 6% every year which is not realistic and should be revised in a timely manner.

(t) The maintenance carried out by the DISCOMs should be coordinated and done in cluster-based approach. Unnecessary shutdown should not be taken for maintenance of individual cases. Further, the funds should be invested in a targeted manner with necessary planning.

(u) The DISCOMs are not collecting street light bills from the Panchayati Raj institutions.

(v) Employees should visit consumers' premises in proper uniform for necessary identification by the consumer.

(w) Smart meter billing should be made on the first day of each billing month and defective meter should be replaced within 2 months. Further, Smart meter replacement should be done free of cost.

175. The CEO, TPNODL, on behalf of the four DISCOMs, submitting that the suggestions and observations of the Commission and the SAC Members have been duly noted, submitted that out of 10 Million customers in the State of Odisha, around 90% of the customers belong to Domestic/ Agricultural/ Agro-Industrial consumer category, who are availing power much below the average cost of supply. That implies that 90% of the consumers are subsidized by 10% of the consumers. Over the last five years, though Odisha has one of the lowest electricity tariff in the country, there is a regular CAGR of 7% to 9% across the State. The impact of per capita consumption is basically because of the Industrial customers, who are subsidizing the rest of the consumers. Responding to the concern about monitoring the OPEX of the DISCOMs, he stated that the asset base has increased with CAPEX activities and grant by the Government and preventive maintenance is being done. Second shift operations in rural areas have been implemented. Around 180 Cr. has been spent by the DISCOMs for this purpose. Fuse Call Centers and Anubhav Kendras have been made operational for rural consumers. Consequently, the Operation and Maintenance Expenses have increased. The DISCOMs are working on reduction of the operational costs as per the suggestions of the Commission. He assured to gradually reduce the manpower cost and A&G expenditure. He raised apprehension that with the increase in BSP and transmission charges, the Retail supply tariff would be impacted. All the stakeholders of the power system of the State must perform for the tariff to stay under control.

Action is also being taken with the help of Government to improve low voltage issues in rural areas in ODSSP-VI onwards.

H. VIEWS OF GOVERNMENT OF ODISHA ON TARIFF ISSUES (Para 176)

176. In course of the hearing, the Commission had requested the Government to submit its views within seven days of the date of conclusion of the hearing for consideration in the tariff determination process. The Commission had held a meeting on 05.03.2026 with the Energy Department, led by the Additional Chief Secretary of the Department and deliberated on the issues related to the electricity tariff. The views in writing of the Government were finally received on 17.03.2026. On meticulous scrutiny of the same, the Commission observes that the same are not comprehensive for being effectively considered and do not adequately address the issues raised in the tariff determination process. Since tariff determination is a time-bound statutory exercise, the Commission has proceeded with the determination of the tariff based on the materials available on record.

177. The Commission held a meeting on 05.03.2026 with the Energy Department, led by the Additional Chief Secretary of the Department and deliberated on the issues related to the Electricity tariff. The relevant portions of the Minutes of Meeting (MoM), pertaining to DISCOMs, are extracted below:

"Subsidy to any Category of Consumers

The representatives of Government stated that they would inform the Commission if the Government decides to grant subsidy to any category of consumers in due course of time. The Chairperson directed that the communication from the Government must be available with the Commission before 16th March, 2026.

Action-State Government

Exemptions under Odisha Renewable Energy Policy, 2022

The exemptions provided to the consumers on availing RE power through Open Access are kind of subsidy that should be paid to the respective licensees in advance by the Government as per Section 65 of the Electricity Act, 2003. The Chairperson directed that the Government must follow the statute provisions strictly in this regard. The representatives of the Government took note of the same and stated that the matter would be resolved as per provisions of the Act.

Action-State Government

Smart Meter Installation under Phase-II

A resolution has been made by Energy Department, GoO, 'MMSBY-Installation of Smart Meters Phase-I' on dt: 02.01.2026 regarding one time grant of Rs. 735 Cr. for FY 2025-26 for around 12 Lakh consumers under 2 kW load. The Representatives of the Government stated that the sanction under the above resolution was a one-time grant and further grant for Smart Meters Installation at consumer premises may not be given in the future. The Commission wanted to know how this assistance to DISCOM will be treated as deferred equity in the tariff determination process as mentioned in that resolution. The Commission further wanted to know how investment for balance consumers towards installation of Smart Meter will be treated. The Government Representative requested the Commission to take appropriate view on this matter.

Action-State Government

Schedule of Rate' Publication

The Cost data for Electrical Materials was last approved by the Government of Odisha vide Ltr. No. EL(DDUGJY)-03/2018/1763/En., dated 25.02.2019 which needs urgent updation.

The representatives of the Government informed that the latest Cost data for Electrical Materials has been prepared by the Energy Department which is in the draft stage and soon would be notified. The Chairman, OERC further suggested that the Government must take initiative to engage a team that would revise the Cost data/ Rate contract annually. The Government representatives took note of the same.

Action-State Government

xxxxx

Digital Asset Register for assets created under government grants/schemes and transferred to DISCOMs

Assets have been created under various schemes and grants by the Government through OPTCL from time to time. The Commission advises that the state Government should initiate an independent audit of such asset. The Chairman proposed that the audit should be carried out in two parts, Part A: Purchase by OPTCL and Allocation of Asset to DISCOM and Part B: Receipt and Utilisation of such asset by DISCOM. The Representatives of Government and CMD, OPTCL took note of the proposal and stated that they would take necessary action in this regard.

Additionally, Chairman, OERC stated that since the State Government is stakeholder of the four DISCOMs of the state with 49% of the share. State Government is also funding DISCOMs for creation of various assets. Since the State Government resources are utilized by DISCOMs abundantly, therefore the utilization of public money must be audited. State Government should take initiative to bring it under the ambit of CAG audit. Necessary action in this regard should also be taken by the Government.

Action-State Government & OPTCL
Action-State Government & OHPC

Rebate to Megalift Consumers during Solar hours

The Megalift consumers get a normal rebate of Rs. 2 per unit on Energy charges from the normal category to which they belong (General Purpose consumers) without any Demand Charge. While surplus energy is available during solar hours, the Megalift consumers may shift their consumption to solar hours and accordingly the Commission may consider differential rebate in solar hours and other hours. The Representatives of Government informed the Commission that they have initiated the talks with the concerned Water Resources department who have shown their willingness to run their machines between 8 am to 4 pm (Solar Hours).

Action-State Government

Government investment in high loss-making feeders and areas with low-voltage issues.

There are certain feeders in the DISCOM areas which have AT&C losses more 80%. Since these losses are considered as expenditure while finalizing the ARR, the paying consumers take the burden of this loss in the system. Further there are areas with low voltage issues, where the DISCOM investments are unviable, e.g. rural areas. The Government may consider providing grant for reduction of losses and improvement of voltage profile.

The representatives of the Government took note of the matter. The Chairman, OERC further suggested that the Government should take initiative of converting feeders with agricultural load of more than 60% to Agri-solar feeders.

Further, the Chairman, OERC opined that any grant considered by the Government that is directed towards system improvement or affects the public at large or impacts tariff, must first be consulted with the Commission and with such inputs of the Commission, the Government may take appropriate decision. This would ensure harmonious planning for network system improvement by DISCOMs and approval of CAPEX by the Commission.

Action -State Government

xxxxxx"

I. OBSERVATIONS AND DIRECTIONS OF THE COMMISSION (Para 178 to 534)

178. The DISCOMs have filed their ARR & Tariff Applications and Truing up Applications as per the OERC Wheeling & RST Regulations, 2022. The disposal of these applications shall be along with the Applications of the DISCOMs for determination of Open Access Charges at EHT, HT and LT level, which are governed under the OERC OA Regulations, 2020 and OERC GEOA Regulations, 2024. The Commission has carefully examined and analysed the proposals of the DISCOMs. The written and oral submission of the Objectors have been considered.

179. After revocation of license of erstwhile Distribution Utilities (CESU, WESCO, NESCO & SOUTHCO), the Commission initiated the process for privatisation of the distribution business of the State, again adopting PPP model to improve operational efficiency, commercial sustainability of the sector and to provide reliable & quality power supply to the consumers of the State. The utilities of CESU, WESCO, SOUTHCO & NESCO vested with TPCODL, TPWODL, TPSODL & TPNODL on 01.06.2020, 01.01.2021, 01.01.2021 and 01.04.2021 respectively. M/s Tata Power Company Limited (TPCL) purchased 51% of equity share capital of these companies and the rest 49% of the equity shares is held by Government of Odisha through GRIDCO. The Vesting Orders issued under Section 21 of the Act for the four DISCOMs have imposed certain conditions on the new DISCOMs pertaining to AT&C loss trajectory, infusion of CAPEX and collection of the arrear of the erstwhile distribution companies. In the meantime, the Commission has also notified the OERC Wheeling and RST Regulations, 2022.

180. The power sector has undergone many changes in the recent years. Several factors, such as higher number of consumers opting for Open Access, availability of solar power in abundance during the solar hours, high integration of Distributed Renewable Energy (DRE) sources and aggressive initiatives by the Government for RE adoption by the consumers under various schemes and policies have made the power sector dynamic and volatile. While these are necessary for sustainability, at the same time adversely affect the viability of DISCOMs. Section 61(d) of the Act mandates for cost reflective tariff. That is to say, whatever cost is incurred by DISCOM to provide one unit of electricity at the consumer's premises shall be recovered through tariff from that consumer. But this has not bene possible in our State. A large chunk of the consumers is not financially capable to pay the cost of supply through tariff. Section 61 (g) of the Act talks of Cross-Subsidy, which of-course needs to be reduced in due course. In Odisha, tariff is designed in such a way that HT and EHT consumers pay cross subsidy to keep the tariff of LT consumers low. Once HT & EHT Consumers opt for own RE generation or avail power, including RE power through Open Access, the Cross-subsidy component is reduced. In that event, the LT consumers, whose cost of supply is the maximum among all categories of consumers are to bear the cost of supply the subsidized consumers through enhanced tariff, which may adversely affect the economy. Section 65 of the Act talks of revenue subsidy for the DISCOMs.

However, subsidy is not a suitable way of managing tariff. Government of Odisha has not adopted it after the reforms and instead provide capital grants for infrastructure augmentation in transmission and distribution sector aiming to provide better service to the consumers which would otherwise have the tariff impact. If HT and EHT consumers start leaving the fold of DISCOMs, it may not be possible by the Commission to keep LT tariff low and Government, to insulate the LT Consumers from the burnt of higher tariff will have to step in by providing subsidy, which is otherwise an inefficient way of tariff administration. Therefore, the State Government need to devise the CAPEX in such a way that the cost of supply to LT consumers can be partly managed.

181. The increasing assimilation of RE throws a stability issue in the Grid. The integration of Renewable Sources and DREs in the power system has made the grid volatile and the uncertainty has exponentially increased. Grid Stability has now become the common responsibility where every stakeholder must contribute for the stable operation of the system. Consumers having Roof Top Solar installation, would no more be dependent on the DISCOM for their energy requirement during the solar hours, while DISCOM will have surplus power availability with them during that period. The situation reverses during the evening hours, when all the Roof Top Solar users start drawing power, putting strain on the Grid. If this method of operation is prolonged, then the power procurement planning of the DISCOMs will go haywire. To avoid the situation and to ensure loading of the Grid uniformly, the Roof Top Solar Consumers should be encouraged to use batteries to store their surplus energy during the daytime and draw that energy during the evening hours, when solar energy is not available. This may partially off set their drawl from the Grid relieving the Grid from being overloaded. Hence, the DISCOMs may encourage Roof Top Solar consumers to adopt Battery Energy Storage System (BESS) inconformity with our Net-Metering Order.

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

182. The ARR and Tariff Applications of DISCOMs are considered as per the OERC Wheeling & RST Regulations, 2022 and their respective Vesting Orders. The DISCOMs have been advised for segregation of their accounts into Wheeling Business and Retail Supply Business for approval of the Commission under Regulation 2.5 of the OERC's Wheeling & RST Regulations, 2022. The wheeling

charges are determined based on the segregated accounts of Wheeling Business. The First Proviso to Regulation 2.5.2, of these Regulations provides for the allocation matrix for segregation of expenses into Wheeling Business and Retail Supply Business till the licensees submit their audited and certified segregated accounts for Wheeling and Retail Supply Business. Accordingly, the Commission has considered the allocation matrix for necessary approval in this Order.

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

184. The Commission has scrutinized the estimated sales projected by the Distribution Licensees for FY 2026-27 as per Regulations 5.3.4 of the OERC Wheeling & RST Regulations, 2022 which is reproduced below:

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

The Licensees have submitted the actual energy sales of different categories of Consumers (under EHT, HT & LT) for FY 2024-25, actual energy sales of the current FY (up to December-2025), revised estimated energy sales for FY 2025-26 and the estimated energy sales for FY 2026-27. Further, the information about new and additional load at HT and EHT level has also been submitted by the licensees for FY

2026-27. The Commission has considered the submission of the licensees and has observed the following while approving the energy sales of the DISCOMs for FY 2026-27.

Energy Sales

185. For estimating the EHT, HT and LT sales of all the DISCOMs for the current FY 2025-26, the Commission has considered the actual energy sales of the current FY (from April-2025 to December-2025) and extrapolated the average energy sales for the entire year. While estimating the energy sales for FY 2026-27, the Commission has considered the additional energy sales projected by the DISCOMs for the ensuing year over their projected sales for the current financial year. However, in appropriate cases, though very limited, considering the ground realities, certain deviations have been made, to make the forecast more accurate, as explained in the following paragraphs.

Energy Sales under HT category of Consumers

186. A comparative analysis of the Commission's estimate with the projected energy sales of the DISCOMs for FY 2026-27 under HT category reveals that the energy sales proposed by the DISCOMs under HT category is more than the Commission's estimate. Since the DISCOMs have considered the applications / projects in the pipeline, which would be materialised in the ensuing FY along with expected load growth, the projections of the DISCOMs under HT category has been considered for approval, as shown in the Table below:

Table- 32
HT Energy Sales Proposed by Licensees and Approved by the Commission (In MU)

DISCOM	Actual Sales from Apr'25 to Dec'25 (1)	OERC's Estimate for FY 2025-26 (2)=(1)/9*12	Licensee's Estimate for 2025-26 (3)	Licensee's Proposal for 2026-27 (4)	Additional sale projected by Licensee for EY over CY (5) = (4)-(3)	OERC's Estimate for 2026-27 (6) = (2) + (5)	OERC's Approval for 2026-27 (7)= max. of (4,5)
TPCODL	1839.477	2452.64	2520.224	2772.246	252.022	2704.658	**2772.246**
TPNODL	718.337	957.78	963.905	1046.001	82.096	1039.879	**1046.001**
TPWODL	1794.003	2392.00	2509.986	2610.385	100.399	2492.403	**2610.385**
TPSODL	351.990	469.32	477.080	501.080	24.001	493.321	**501.080**

Energy Sales under EHT category of Consumers

187. While estimating the EHT sales, the same procedure has been followed for comparative analysis of EHT sales for all four DISCOMs. In case of TPCODL & TPNODL, the energy sales projected under EHT category is more as compared to the

Commission's estimated figures and thus their projection has been considered by the Commission for approval for FY 2026-27. In case of TPSODL, the Commission's estimate is on the higher side compared to TPSODL's projection of EHT sales for FY 2026-27 and as per the afore mentioned principle, the Commission's estimate has been considered for approval.

188. TPWODL has not projected any additional sales under EHT category citing that high value consumers have shifted to Open Access regime and EHT consumers have their own CGP and captive solar plant for their own consumption. The Commission has observed that the sales under Tripartite agreement (TPA) for sale of surplus power available with GRIDCO has decreased to only 135.35 MU in FY 2025-26 till Dec'25. Therefore, for estimating the EHT sales of TPWODL, the Commission has considered the actual sales excluding TPA sales from April-2025 to December-2025 and extrapolated the average for estimating the EHT sales for the current FY 2025-26. The Commission has further analysed the Tariff Rationalisation proposal regarding TPA sale and based on its approval with feasible conditions, it has considered sale of 500 MU under TPA for FY 2026-27. The estimated sales for current FY added with the additional sales projected by licensee, gives the estimated sales for FY 2026-27. After comparison of the Commission's estimate with the Licensee's proposal, the licensee's proposal is found to be on the higher side, which is without any consideration of sales under TPA. Therefore, the Commission accepts the licensee's projection of EHT sale along with estimated 500 MU of sale under TPA mechanism for FY 2026-27. The details of energy sales under EHT category of all the DISCOMs considered for approval of the Commission for FY 2026-27 are given in the Table below.

Table- 33
Estimated EHT Energy Sales Proposed by the Licensees and Approved by the Commission (In MU)

DISCOM	Actual Sales from Apr'25 to Dec'25 (1)	OERC's Estimate for FY 2025-26 (2)=(1)/9*12	Licensee's Estimate for 2025-26 (3)	Licensee's Proposal for 2026-27 (4)	Additional sale projected by Licensee for EY over CY (5) = (4)-(3)	OERC's Estimate for 2026-27 (6) = (2) + (5)	OERC's Approval for 2026-27
TPCODL	1608.414	2144.552	2191.001	2300.550	109.549	2254.101	**2300.550**
TPNODL	2526.410	3368.547	3409.576	3788.305	378.729	3747.276	**3788.305**
TPSODL	607.398	809.864	777.360	818.880	41.520	851.384	**851.384**
TPWODL							
a) Total Sales	2614.591	-	3989.099	3989.099	-	-	**-**

DISCOM	Actual Sales from Apr'25 to Dec'25 (1)	OERC's Estimate for FY 2025-26 (2)=(1)/9*12	Licensee's Estimate for 2025-26 (3)	Licensee's Proposal for 2026-27 (4)	Additional sale projected by Licensee for EY over CY (5) = (4)-(3)	OERC's Estimate for 2026-27 (6) = (2) + (5)	OERC's Approval for 2026-27
b) TPA Consumer sales	135.349 (TPA & CD drawl)	-	135.349 (TPA & CD drawl)	0 (CD drawl only)	-	-	**-**
c) Total-TPA Consumer sales c=a-b	2479.242	3305.656	3853.75	3989.099	135.349	3441.005	**4489.099 (3989.099 + 500 TPA Consumer drawl)**

Energy Sales under LT category of Consumers

189. While analysing the energy sales, the Commission has considered the fact that the LT sales growth is driven by urbanization, household electrification, and increased per-capita consumption. The growth is generally steadier over a period of time. The Commission has considered two different approaches for estimating the LT sales for FY 2026-27. The first method is the approach considered in case of HT & EHT sales by considering the average sales of 9 months of the current FY for estimating the sales for FY 2025-26 and then adding the additional sales projection of the DISCOMs to the current year estimate as the estimated sales for FY 2026-27. In another approach, the Compounded Annual Growth Rate (CAGR) during a span of four years from FY 2021-22 to FY 2024-25 is considered for projecting the sales for FY 2026-27, over the actual sales figures available for FY 2024-25. A comparison is done among all the three estimates, i.e. projection of the Licensee, the estimated sales by pro-rating the existing sales and consideration of additional sales and sales derived from CAGR of FY 2021-22 to FY 2024-25. The highest among all the three estimates is considered for approval for LT sales of the Distribution Licensees for FY 2026-27.

190. In case of TPCODL, whose operational area is centrally located, it is observed that the LT sales are very sensitive to cooling loads. As per the submission of TPCODL, due to moderate heat during FY 2025-26, there is marginal increase of 4.4% in FY 2025-26 as compared to FY 2024-25. Further, TPCODL has not considered the impact of rooftop solar installations in its forecast. Therefore, the projection of the licensee is considered for approval of LT sales for FY 2026-27. The details of estimates and approved sales for LT category of the four DISCOMs for FY 2026-27 are given in the table below;

Table- 34
Estimated LT Energy Sales Proposed by the Licensees and Approved by the Commission (In MU)

DISCOM	Actual Sales from Apr'25 to Dec'25 (1)	OERC's Estimate for FY 2025-26 (2)=(1)/9*12	Licensee's Estimate for 2025-26 (3)	Licensee's Proposal for 2026-27 (4)	Additional sale projected by Licensee for EY over CY (5) = (4)-(3)	Estimate 1 for 2026-27 (6) = (2) + (5)	Estimate 2 CAGR from FY21-22 to FY24-25 extrapolated to FY26-27	OERC's Approval for 2026-27
TPCODL	4406.771	5875.694	5607.403	6168.143	560.740	6436.435	6412.794	**6168.143**
TPNODL	2106.173	2808.231	2768.946	2967.366	198.420	3006.651	2890.949	**3006.651**
TPWODL	2552.810	3403.746	3479.297	3722.848	243.551	3647.297	3530.897	**3722.848**
TPSODL	1795.356	2393.808	2387.560	2629.710	242.150	2635.958	2391.037	**2635.958**

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

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

Table- 35
Estimated Energy Sales Proposed by the Licensees and Approved by the Commission for FY 2026-27 (In MU)

DISCOM	Category	Licensees Proposal for FY 2026-27	OERC Approval for FY 2026-27	% of Total Sales
TPCODL	EHT	2,300.550	2,300.550	20%
	HT	2,772.246	2,772.246	25%
	LT	6,168.143	6,168.143	55%
	Total	11,240.939	11,240.939	100%
TPNODL	EHT	3,788.305	3,788.305	48%
	HT	1,046.001	1,046.001	13%
	LT	2,967.366	3,006.651	38%
	Total	7,801.672	7,840.957	100%
TPWODL	EHT	3,989.099	4,489.099	41%
	HT	2,610.385	2,610.385	24%
	LT	3,722.848	3,722.848	34%
	Total	10,322.332	10,822.332	100%
TPSODL	EHT	818.880	851.384	21%
	HT	501.080	501.080	13%
	LT	2,629.710	2,635.958	66%
	Total	3,949.671	3,988.422	100%

DISCOM	Category	Licensees Proposal for FY 2026-27	OERC Approval for FY 2026-27	% of Total Sales
ALL ODISHA	EHT	10,896.834	11,429.34	34%
	HT	6,929.712	6,929.712	20%
	LT	15,488.067	15,533.600	46%
	Total	33,314.614	33,892.650	100%

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

Table-36
Losses Proposed by the Licensees and Approved by the Commission for FY 2026-27

Description	Actual for the FY 2024-25	Approved for the FY 2025-26	Estimated by licensees for the FY 2025-26	Proposed by licensees for the FY 2026-27	Approved by the Commission for the FY 2026-27
TPCODL					
Distribution Loss	19.11%	17.17%	17.17%	15.15%	15.15%
Billing Efficiency	80.89%	82.83%	82.83%	84.85%	84.85%
Collection Efficiency	100.21%	99.00%	99.00%	99.00%	99.00%
AT and C Loss	18.94%	18.00%	18.00%	16.00%	16.00%
TPNODL					
Distribution Loss	12.46%	12.96%	12.96%	11.88%	11.88%
Billing Efficiency	87.54%	87.04%	87.04%	88.12%	88.12%
Collection Efficiency	99.80%	99.00%	99.00%	99.00%	99.00%
AT and C Loss	12.64%	13.83%	13.83%	12.76%	12.76%
TPWODL					
Distribution Loss	16.23%	15.05%	15.05%	13.64%	13.64%
Billing Efficiency	83.77%	84.95%	84.95%	86.36%	86.36%
Collection Efficiency	99.99%	99.00%	99.00%	99.00%	99.00%
AT and C Loss	16.23%	15.90%	15.90%	14.50%	14.50%
TPSODL					
Distribution Loss	23.36%	24.24%	23.00%	21.789%	21.79%
Billing Efficiency	76.64%	75.76%	77.00%	78.21%	78.21%
Collection	103.31%	99.00%	99.00%	99.00%	99.00%

Description	Actual for the FY 2024-25	Approved for the FY 2025-26	Estimated by licensees for the FY 2025-26	Proposed by licensees for the FY 2026-27	Approved by the Commission for the FY 2026-27
Efficiency					
AT and C Loss	20.82%	25.00%	23.77%	22.57%	22.57%
ODISHA					
Distribution Loss	17.33%	16.49%	16.31%	14.81%	14.79%
Billing Efficiency	82.67%	83.51%	83.69%	85.19%	85.21%
Collection Efficiency	100.41%	99.00%	99.00%	99.00%	99.00%
AT &C Loss	16.98%	17.33%	17.15%	15.66%	15.64%

194. In line with the provisions of Regulations 5.4 of OERC's Wheeling & RST Regulations, 2022, the Commission has estimated the quantum of Power Purchase for each Distribution Licensee, considering the approved sales and distribution loss. Accordingly, the quantum of Power Purchase and energy sales under different category of Consumers under EHT, HT & LT level, as proposed by the Licensees and approved by the Commission for FY 2026-27, are summarised in the Table below:

Table-37
Quantum of Power Purchase and Sales proposed by DISCOMs and approved by the Commission for FY 2026-27 (In MU)

DISCOM	Description	Proposed by the DISCOM for FY 2026-27	Approved by the Commission for FY 2026-27
TPCODL	EHT Sales	2,300.550	2,300.550
	HT Sales	2,772.246	2,772.246
	LT Sales	6,168.143	6,168.143
	Total Sales	11,240.939	11,240.939
	Purchase	13,248.015	13,248.000
TPNODL	EHT Sales	3,788.305	3,788.305
	HT Sales	1,046.001	1,046.001
	LT Sales	2,967.366	3,006.651
	Total Sales	7,801.672	7,840.957
	Purchase	8,853.463	8,898.000
TPWODL	EHT Sales	3,989.099	4,489.099
	HT Sales	2,610.385	2,610.385
	LT Sales	3,722.848	3,722.848
	Total Sales	10,322.332	10,822.332
	Purchase	11,952.677	12,531.000
TPSODL	EHT Sales	818.880	851.384
	HT Sales	501.080	501.080
	LT Sales	2,629.710	2,635.958

DISCOM	Description	Proposed by the DISCOM for FY 2026-27	Approved by the Commission for FY 2026-27
	Total Sales	3,949.671	3,988.422
	Purchase	5,050.000	5,099.000
ALL ODISHA	EHT Sales	10,896.834	11,429.338
	HT Sales	6,929.712	6,929.712
	LT Sales	15,488.067	15,533.600
	Total Sales	33,314.614	33,892.650
	Purchase	39,104.155	39,776.000

Revenue Assessment

195. The Commission has examined the Licensees' proposals and approved the energy sales for each category of Consumers. Based on normative parameters like Distribution loss, AT&C loss and Collection Efficiency, as approved in this Retail Supply Tariff Order and sales approved, the Commission approves the Retail Supply Tariff for all categories of Consumers, which is attached as **Annexure-B**. Considering the above RST for every Consumer category, the estimated revenue (voltage wise) of DISCOMs for FY 2026-27, is as follows:

Table – 38
Revenue of DISCOM Utilities for FY 2026-27 (Rs. In Crs.)

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
EHT	1,515.33	2,407.40	2,963.60	546.54
HT	1,921.02	722.19	1,659.47	365.86
LT	3,245.65	1,489.62	1,840.70	1,408.34
Total	6,682.00	4,619.21	6,463.77	2,320.74

196. Certain issues have been brought to the notice of the Commission by the Objectors and Licensees that needs to be addressed in this Tariff Order. The issues raised and Commission's observations are as follows:

Tariff Related Issues

TARIFF RATIONALISATION MEASURES PROPOSED BY LICENSEES

(I) Issue of Levy of Delay Payment Surcharge (DPS) for Electricity Bills

197. The DISCOMs have requested to reintroduce levy of DPS on LT Domestic, LT General Purpose and HT Bulk Supply Domestic Consumers for non-payment of dues by the due date. They submit that the Commission in the RST Order for FY 2024-25 and 2025-26 has observed that the Act empowers the DISCOMs to disconnect the

supply of electricity in case of non-payment of Bills. However, disconnection of electricity due to non-payment requires prior notice for 15 days and on disconnection, sometimes such consumers restore the supply illegally or indulge in theft of electricity by means of hooking.

198. The Commission has examined the above proposal of the DISCOMs. To the query and information received from the DISCOMs, it is seen that the frequency of payment among Domestic and General Purpose Consumers is comparatively low, that eventually affects the cashflow of the Business. Where efforts are being made to improve the system efficiency, the payment discipline among the Consumers is also essential. Therefore, the Commission decides to introduce Delayed payment Surcharge for LT General Purpose Consumers having Contract Demand of 5 kW and above and HT Bulk Supply Domestic Consumers. If such Consumer does not pay his bills/dues within the due date, Delayed Payment Surcharge (DPS) shall be paid for every day of delay @1% Simple Interest per month on the amount remaining unpaid (excluding Electricity Duty and arrear on account of DPS).

(II) Issue of rationalisation of Monthly Minimum Fixed Charge (MMFC) Demand Charge (DC) levied on consumers:

199. The DISCOMs request the Commission for simplification of MMFC of LT consumer categories. Further, they have emphasized that the revenue from MMFC/DC constitutes only 10% of the total revenue, which is very less as compared to other States. To the Commission’s query, TPNODL has submitted the comparison chart of the Fixed Cost applicable to consumers of different categories of consumers Odisha with that of different States (Maharashtra, Delhi, Madhya Pradesh, Tamil Nadu, Rajasthan, Haryana, Uttar Pradesh, Kerala, West Bengal, Bihar, Gujarat and Chhattisgarh).

200. True it is, revenue for supply of electricity to the consumers is recovered through two charges i.e. Demand Charge/Monthly Minimum Fixed Charge and Energy Charge. The Fixed charges are meant to recover a part of the fixed cost incurred by the DISCOMs / GRIDCO. It is a fact that the fixed cost of Generator and Transmission licensee is recovered fully. But the fixed cost incurred by the DISCOM for development of the distribution network is not recovered fully. Again, the Commission needs to strike a balance between Demand Charges and Energy Charges depending on the demand drawl and energy drawl by the Consumers. When Energy

drawl becomes less and the fixed cost of maintaining the network is not possible to be recovered reasonably from Energy Charge, then the Demand Charge needs to be adjusted accordingly. However, the enhancement of fixed charges is not considered at present and the Commission will consider the same in future.

(III) Issue of Sale of intermittent surplus power under TPA Arrangement with minimum offtake of 60% CD

201. The DISCOMs have requested for the continuity of the sale of intermittent surplus power to Industries having CGP with CD above 20 MW with minimum offtake of 60% of CD under Tri-partite agreement (TPA) between the industry, concerned DISCOM and GRIDCO. The DISCOMs have further requested that green certification should be considered for energy drawl under TPA for RCO compliance of the consumers. This will restrict the consumers from moving away from DISCOMs through Open Access transactions for purchase of renewable power to meet their RCO obligations.

202. As per the revised sales proposed by the DISCOMs, the actual sales during the current FY 2025-26 is estimated to be 33314.614 MU, which is 74.123 MU less than the approved sales of 33,388.737 MU. Further, in the RST Order for FY 2025-26 (at para 293), the Commission had approved special tariff for incremental drawl by Industries under TPA beyond 80% Load factor. However, due to lack of interest from the consumers, GRIDCO and the four DISCOMs approached the Commission and Commission revised the guaranteed load factor to 60% under TPA arrangement in Case No. 53/2025. This is allowed to continue in FY 2026-27 as mentioned in the following paragraphs.

203. Further, the Commission has perused the proposal of DISCOMs of granting Green tag to some quantity of power drawn through above TPA model so that Industries can use it for RCO compliance and for Green production. We agree with the proposal of DISCOMs since they procure power from GRIDCO pooled with Green power allocated to them. Since DISCOMs are the Obligated Entities/ Designated Consumers as per the OERC RPO Regulations, 2021 / Energy Conservation Amendment Act, 2025 for RPO/RCO obligations, the Green Energy that is procured by GRIDCO can either be allocated to the DISCOM or the Industry for RPO/RCO Compliance. However, the DISCOMs can certify the quantum of Green Energy in the Industrial drawl from DISCOM, which can be utilized for any other purpose except RPO/RCO

Obligation. This quantum shall be within Renewable Energy quantum allocated to each DISCOM by GRIDCO.

204. Therefore, the Commission approves the proposal for utilization of surplus power available with GRIDCO to any Industry with CGP with guaranteed load factor of 60% of the month. Any industry having CGP with CD above 20 MW and operating at minimum monthly load factor of 60% shall be allowed to draw power at the rate of Rs.5.00 per kVAh during the Peak hours and Rs.4.30 per kVAh during the hours other than Peak hours (i.e. during Solar & Normal Hours), for all incremental energy drawl above 60% load factor of the month. The DISCOMs can certify certain portions of their drawl under TPA as Green Energy, within its allocation, on requisition by the Industry under TPA. It is needless to note that the Green Energy drawn for Green production can be drawn under TPA without premium since it does not affect RPO/RCO compliance of DISCOM.

(IV) Issue of Load factor rebate to HT & EHT industries without CGP

205. Presently there is differential tariff for certain categories of consumers at HT and EHT voltage levels which differentiates the price beyond 60% of load factor. The DISCOMs have proposed that load factor incentive for HT & EHT industries may be provided for consumption beyond 80% load factor. Further, they have requested that the rebate for EHT consumers for consumption beyond 80% LF may be increased. This would encourage consumers for higher consumption at competitive price.

206. The Commission has analyzed T1 and P9 formats of all the DISCOMs. It is concluded from these formats that the average load factor of HT consumers for the State is 30% and there are less numbers of consumers, who are operating within the load factor band of 70%-80%. So, the possibility of many consumers migrating to a load factor more than 80%, if Commission allows incentive to those consumers beyond 80% load factor, is too remote. Further, the Commission agrees with the proposal of the DISCOMs for granting additional benefit to Industries drawing beyond 80% load factor at EHT. This reduces the burden of cross-subsidy under EHT category besides improving the demand side management. Therefore, all the Industrial Consumers drawing power at EHT level shall be eligible for a rebate of 30 paise/kVAh for all the units consumed beyond 80% load factor.

(V) **Enhancement of ToD benefit in solar hours and rationalization of ToD Surcharge to Industries without CGP**

207. As per prevailing tariff regime, overdrawl up to 120% of the CD is permitted during Normal hours only. The DISCOMs have requested that this permission may be extended to the consumers during the solar hours also. Further, to discourage use of electricity during non-solar hours and shift consumption to solar hours, the DISCOMs have suggested that rate of ToD surcharge may be increased by 10 paise per unit during peak hours.

208. Regarding the proposal for Overdrawl up to 120% of CD during the Solar Hours, the Commission in the RST Order dated 24.03.2025 for FY 2025-26 had allowed overdrawl up to 120% of CD during Normal & Solar hours by all the consumers paying three-part tariff without levy of Overdrawl penalty. However, the consumption of that consumer during the peak hours must be within his Contract Demand. The Commission agrees to the proposal of extending this benefit for the ensuing financial year also.

209. Under ToD tariff, the hours of the day are divided into Solar Hours, Normal Hours and Peak Hours and the same was introduced by the Commission in the Tariff order of FY 2024-25 as per the Electricity (Rights of Consumers) Amendment Rules, 2023. The ToD tariff was made applicable to all the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers. For FY 2025-26, ToD incentive of 20 paise per unit during Solar Hours and surcharge of 30 paise per unit during Peak Hours were provided. Now considering surplus availability of energy during the solar hours with GRIDCO and moving towards complete compliance of Electricity (Rights of Consumers) Amendment Rules, 2023, the time has come to migrate from absolute value to percentage incentive/surcharge to be built in the tariff. Therefore, the Commission decides to allow 10% of Energy charge as incentive during Solar Hours and 10% of Energy Charge as surcharge during Peak Hours. Thus, the Time of Day (ToD) tariff shall be applicable to all the Consumers provided with Smart Meters / AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers. The tariff for all such categories of consumers mentioned above, shall be 10% less than normal tariff (Energy Charge) during solar hours and 10% more than normal tariff (Energy Charge) during Peak hours.

(VI) Issue of Re-structuring of TOD based RST for Open Access / Consumers having CGP

210. TPCODL, TPWODL & TPSODL have submitted that in the present TOD mechanism as well as LF based RST, the consumers are not being sufficiently incentivized to shift their demand to the solar hours. Therefore, implementation of a ToD-based RST for Open Access consumers or Industries having CGP, will motivate those consumers for load shifting to solar hours when power is cheaper and greener. Hence, the Licensees have proposed the following RST structure for FY 2026-27:

Table-39

Category	Existing RST (Rs./kVAh)		Proposed RST (Rs./kVAh)		
	<=60%	>60%	Solar Hours	Normal Hours	Peak Hours
HT	5.85	4.75	3.95	5.85	7.45
EHT	5.80	4.70	3.90	5.80	7.40

211. The ToD surcharge/incentive is nothing but differential tariff during Solar and Non-Solar hours. The Load factor tariff is given to the consumer for different purpose such as reducing Cross-Subsidy and to promote efficient use of the system. Both the systems are for different purposes and cannot be equated. The Consumer should have the flexibility to use both the systems to his/its advantage. Further, the Commission has implemented a modified ToD tariff for FY 2026-27 that provides 10% reduced tariff during Solar Hours. This incentive may enhance the consumption by such Industries during Solar Hours (08:00 AM to 4:00 PM). Therefore, the Commission is not inclined to accept the said proposal of differential tariff as per the hours of the day.

(VII) Issue of Minimum Contract Demand (CD) and Minimum Contract Demand Drawl during solar hours by Industries having CGP

212. The DISCOMs submit that they face problems in managing the system due to un-anticipated drawl by the industries having CGP during any hour of the day, even though the drawl is within their CD. Considering availability of surplus power during solar hours, they have requested for minimum 25% CD drawl during solar hours by such industries. Further, they have requested for imposition of minimum CD, equivalent to 10% of highest installed unit capacity rating of the generating station.

213. The Commission has addressed similar proposal of the DISCOMs in the last RST Order for FY 2025-26. The Commission had observed that when Industries having CGP keep a CD with the DISCOM, they have the freedom for drawl of energy at

anytime within the CD. The demand on the power system is based on the CD of the Consumers. The power purchase and design of transmission and distribution network is done to meet energy requirement and peak demand of the State considering SMD of DISCOMs. Therefore, drawl of of power by Industrial Consumers having CGP can go upto their CD. The consequence of such drawl, even during the peak hours, must be absorbed by DISCOM and GRIDCO. So, Minimum CD and minimum CD drawl for industries with CGP cannot be fixed, as suggested. Moreover, it is clarified that for the CD, the consumer pays the Demand Charge for the whole month so that DISCOM and other utilities keep their system ready for providing the demand. The Commission cannot hold that by drawing their demand within CD, the consumers are burdening the system.

(VIII) Issue of Sale of Renewable Power to Industries During Solar Hours

214. The DISCOMs have proposed a mechanism for sale of RE power during solar hours at a special tariff for RCO/RPO Compliance. Under this proposed mechanism, GRIDCO shall act as the aggregator of renewable energy available from various sources and DISCOMs shall facilitate the sale of such RE power to eligible consumers within their respective licensed area. The interested entities shall place day-ahead requisitions through the DISCOM, indicating the desired quantum and time-blocks of purchase limited to solar hours. The energy accounting shall be carried out on schedule basis and billed at Rs. 4.10/ kVAh or at a price determined by the Commission from time to time, where from, GRIDCO and OPTCL shall get their eligible BSP and transmission charges respectively. This sale shall be considered over and above the approved RST sales of the DISCOM similar to TPA Arrangement.

215. The Commission acknowledges the problem of DISCOMs arising out of availability of cheaper Renewable Energy in the market, which can be availed through Open Access. Therefore, Commission decides a methodology as follows.

> Any Obligated Entity / Designated Consumer (DC) may enter into a TPA with GRIDCO and the DISCOM for availing green energy for Regulatory compliance at Rs.4.10 per kVAh by intimating DISCOM the day ahead block-wise drawl quantum. In such transactions for sale of RE power, OPTCL shall get normal transmission charge of 24 paise/kWh, GRIDCO shall get 380 paise/kWh (including BSP) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. However, any Overdrawl by the consumer beyond the requisitioned quantum shall be treated as RST drawl.

(IX) Issue of kVAh Billing to LT Category of consumers

216. The DISCOMs have proposed for introduction of kVAh billing for LT consumer categories except domestic consumers citing that it would enable appropriate reactive power management in distribution network.

217. Low power factor operation is responsible for high loss and low voltage in the Distribution System. LT consumers inherently use inductive load and power electronic devices. They do not have any control over their load. The combined effect of the low power factor is reflected in the 33 kV drawl at grid end. This drawl caters to both HT and LT consumers. It is seen from the HT consumer drawl data available with the Commission that most of them are drawing power at more than 0.90 power factor. It is thus, concluded that DISCOMs as a whole may not be drawing at low power factor from Grid Sub-station (GSS). Moreover, the Commission has provided CAPEX to OPTCL to install Capacitor Banks at GSSs. Therefore, the situation does not warrant now for imposition of kVAh billing on LT consumers. However, after detailed deliberation on this issue, the Commission would take necessary steps.

(X) Charging of leading power factor while billing to EHT Consumers i.e. (Lead + Lag) kVAH Billing

218. DISCOMs have proposed for introduction of kVAh billing for leading power factor. Instead of installing appropriate and adequate capacitor installations, consumers install fixed capacitors, which at sometimes over-compensate the system. Current is higher at lagging or leading power factor as compared to unity power factor and hence losses are also higher. Under leading power factor, system over voltage is likely to occur thus endangering the system stability.

219. The Commission has introduced kVAh billing for HT and EHT consumers which came into effect on 04.04.2021 that captures both active and reactive power consumption of the consumer. According to the DISCOMs, some consumers are over-compensating the system by operating at leading power factor. This submission shows that the consumers are not sensitized enough to understand the repercussions of using in-adequate compensation devices. As per the P-9 forms submitted by the DISCOMs, the consumers are operating either at unity power factor or +ve power factor. However, the DISCOMs are directed to submit the list of consumers operating at leading (-ve) power factor and sensitize such consumers to use adequate

compensation for increased efficiency of that consumer instead of keeping the compensating device connected all the time..

(XI) Sale mechanism for drawl by the CGP based industries and seasonal industries on interim basis

220. The DISCOMs have brough forward the issues of Industries with CGP and certain seasonal industries requiring periodic high demand as per their needs. For this additional requirement of high power, they are reluctant to increase their CD, as there is procedural restriction for reduction of CD and resort to Open Access. They have proposed for a mechanism for such additional sale to be routed through DISCOM to GRIDCO for temporary period of 3 months at a different tariff. This additional sale will not be accounted for SMD of the DISCOM and Overdrawl penalty calculation of the consumer.

221. True it is, when a CGP of an Industry is taken under shutdown for annual maintenance, the industry continues to operate with power procured from DISCOM within CD and meets its extra requirement of energy through Open Access. Further, the seasonal industries may opt for drawl of higher load through Open Access to avoid payment of higher Demand charges round the year that is consequent from enhancement of CD.

222. Regulation 138(p) of the OERC Supply Code, 2019 deals with Temporary Supply for such seasonal or intermediate additional requirement of power by Industries. It provides thus:

> ***"(p) Temporary supply***
>
> *This category relates to supply of power to meet temporary needs on special occasions including marriage or other ceremonial functions, fairs, festivals, religious functions or seasonal business or for construction of residential houses, complexes, commercial complexes, industrial premises provided that such power supply does not exceed a period of six months."*

223. From the above Regulation, it is evident that if any Industry requires additional CD for temporary period, it may enter into a fresh temporary agreement with the DISCOM following the procedure, prescribed in the OERC Supply Code, 2019.

(XII) Installation of Smart Meter under CAPEX and abolition of meter rent for consumers above 2KW.

224. As per Government of Odisha's grant for installation of Smart Meter and recovery of un-recovered Meter Rent for consumers with CD upto and less than 2 kW, meter rent was abolished in the last RST Order for FY 2025-26. The DISCOMs have requested to abolish the meter rent for remaining population of consumers and consider the Smart Meter installations under CAPEX.

225. The installation of a Smart Meter in the Consumer's premises is a bi-lateral affair between the Consumer and the DISCOM. Such activities cannot be brought under the ambit of CAPEX, which ultimately socializes the expense at a higher cost considering the RoE interest. Meanwhile, Energy Department, GoO issued 'MMSBY-Installation of Smart Meters Phase-I' Resolution bearing Resolution No. ENG-DISCOM-PG-0009-2023/46/En, dt: 02.01.2026 pertaining to one-time grant of Rs. 735 Cr. for FY 2025-26 for around 12 Lakh consumers under 2 kW load. As per the MOM dated 12.03.2026 of the meeting, held on 05.03.2026 between the Commission and the representatives of the Government, there may be no further grant by GoO for installation of Smart Meters at Consumers' premises. In the scenario, the previous procedure of payment of Meter Rent by the Consumers, if the DISCOM provides the meter for the consumer, would continue. The issue of abolition of meter rent for consumers would be taken up separately at appropriate time.

(XIII) Issue of Connection to Green Hydrogen project installed inside existing industrial premises through a separate DISCOM controlled billing meter arrangement

226. TPCODL, TPNODL & TPSODL have submitted that many industries are showing willingness to establish Green Hydrogen / green Amonia production facility in their premises and to avail the incentive benefit offered by Govt. of Odisha under Odisha REP, 2022. A separate DISCOM-controlled sub-metering arrangement is required for independent recording and billing of power consumption for Green Hydrogen. However, the effective Regulatory mechanism does not allow such installation. Therefore, the DISCOMs have requested the Commission for necessary procedural guidelines in this regard.

227. The Commission has taken note of the issue and will deal with it in the subsequent amendment of the Supply Code. However, the Commission would like to highlight that there are various exemptions provided to industrial / commercial / manufacturing

units on power consumption at para 4.5.2 of Resolution No. 12300 of the Industrial Policy Resolution, 2022. The exemptions provided by the Government with regard to Demand Charge / Energy Charge / Cross Subsidy Surcharge / Wheeling tariff / Transmission Tariff are different subsidies made available by the State Government for these consumers. The DISCOMs are expected to extend those subsidies in accordance with Section 65 of the Act which provides advance deposit of their subsidy with the DISCOM by the Government.

(XIV) Issue of Creation of Category for Mega lift points under EHT/HT

228. The DISCOMs have requested that the rebate on Energy charges for Megalift consumers may be reduced to Rs.1.5 per unit from Rs.2 per unit, which shall be limited to Solar hours only. For Non-Solar Hours, Normal Applicable Tariff is payable. This will ensure the flattening of load curve by encouraging the solar hour consumption,

229. Currently the OERC Supply Code, 2019 is effective which does not have a separate category for Megalift Consumers. However, in the Tariff Orders, the Commission has recognized such consumers under *General Purpose* with single part Tariff with no Demand Charge. The Commission is in the process of amendment of OERC Supply Code, 2019 and this matter shall be dealt with appropriately. Further, the concern of DISCOM regarding rebate during Solar hours and normal tariff during non-solar hours is addressed as follows.

> The rebate on energy charge for Megalift consumers will continue at Rs.2.00 per unit during Solar Hours. However, during hours other than Solar Hours (Normal & Peak Hours), the rebate shall be Rs. 1.00 per unit.

(XV) Issue of Methodology of Computation for RCO Compliance

230. The DISCOMs submit that GRIDCO being the aggregator complies the RCO obligation of the DISCOMs on the basis of “Energy Input” to the DISCOMs which is substantially higher than the energy supplied to the consumers owing to T & D losses. Accordingly, the DISCOMs have requested the Commission to consider the total sale of power to its retail consumers by DISCOMs for calculation of RCO Compliance and allow sale of the extra quantum of energy on account of losses, to the interested consumers through the licensee.

231. GRIDCO procures energy by considering the total sales to the DISCOMs and DISCOMs deliver that energy to the consumers after incurring the system losses. The Renewable Energy quantum required for RCO compliance as per the drawl of the consumers has to be grossed up with losses to find out the purchase requirement of DISCOMs from GRIDCO. Unless GRIDCO purchases additional quantum of Renewable Energy to make up the losses for delivery of that energy to the consumers, the RCO compliance is likely to fall short. Therefore, the procedure followed by GRIDCO for procuring RE power as per 'Energy Input' to the DISCOMs appears correct.

232. In the course of tariff determination process, the Objectors in their written submissions and during the hearing raised many issues which are addressed as follows:

ISSUES RAISED BY OBJECTORS

(XVI) Issues raised by East Coast Railways

233. The East Coast Railways (ECR) has raised issues related to tariff which are peculiar and unique in nature considering its mode of operation. The Railways has requested for non-implementation of ToD tariff and consideration of tariff for its operation with 40% load factor instead of existing applicability at LF >60%. Further, ECR has further requested that at the time of feed extension, the Maximum Demand (MD) overshoot at either side of the RTSS, where incoming supply fails at OPTCL grid end, may be ignored, even when it is within the operating area of two different DISCOMs. ECR has also complained that TPWODL is billing by considering kVARh from all the four quadrants instead of Quadrant One (Q1).

234. Time of Day (ToD) tariff has been implemented in the State as per Electricity (Rights of Consumers) Amendment Rules, 2023, notified by the Ministry of power *vide* Notification G.S.R. 437(E) dated 14.06.2023. The Commission has implemented ToD tariff for all consumers except agricultural consumers with CD > 10 kW and provided with a Smart Meter/AMR Compliant Meter. The said Rule does not discriminate between consumers where Railway is one, based on the nature of load of the consumer. Therefore, considering the statutory provisions, the request of ECR cannot be accommodated. The load factor rebate is not consumer specific. The Commission assesses the energy demand at different load factors for the State as a whole. 60%

load factor is a mark over which the fixed cost of operation is reasonably met. Therefore, system load factor is most important consideration for providing load factor-based tariff to the consumers. It does not have relationship on drawl capability of an individual consumer. It is up to the consumers to adjust their CD to improve the load factor.

235. The Commission is conscious of the MD overshoot at certain Railway Traction Sub-station (RTSS) during feed extension. Therefore, it makes a special provision for Railways for extending overdrawl penalty level beyond 140% for railways only during overshoot period contrary to other consumers, who are to pay overdrawl penalty beyond 120%. In the matter of wrong billing by TPWODL, the matter may be sorted reasonably among the stakeholders or the ECR may approach the GRF for necessary resolution.

(XVII) Issue of excess recovery by DISCOMs

236. One of the Objectors has stated that the Commission had approved the average Tariff for DISCOMs for FY 2024-25 whereas the DISCOMs have recovered tariff at higher rate by selling energy at notified RST. He has stated that the DISCOMs have recovered excess tariff from the consumers. He has requested that this excess tariff collected may be trued up in the instant proceeding and thereafter the excess collected from consumers may be refunded to them with interest in accordance with Section 62(6) of the Act, as has been done by APERC.

237. The Tariff is determined by the Commission under Section 61 and 62 of the Act in line with the Tariff Policy and National Electricity Policy. As per the Act, the Commission needs to make tariff cost reflective. As a first step towards this, while determining the average cost of supply, the Commission considers the costs incurred to supply one unit of electricity at the consumer's premises. This cost includes cost of power procurement from Generators, cost of distribution and cost of supply. The Distribution Companies earn some revenue from sources other than the supply of electricity to the consumers such as Cross Subsidy Surcharge for providing Open Access and lease rent etc. The tariff for supply of power should normally reflect the average cost of supply as per Section 61 (g) of the Act. But in the interest of the consumers and as per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the Commission factors in Non-

Tariff Income to arrive at average tariff to be recovered from the consumers. Therefore, the benefit of Non-Tariff Income of DISCOMs is passed on to the consumers in terms of the reduced tariff. As a result, tariff becomes less than the average cost of supply. Since in Odisha the tariff is less than the cost of supply, there is misconception that DISCOMs are allowed to recover higher tariff equal to cost of supply which is mistakenly considered as equal to cost of supply by plain reading of the Act. Besides, the tariff is determined based on normative parameters. The drawl of the Consumer does not always adhere to the norms. When there is deviation, the tariff paid by the consumer sometimes gets raised and sometimes gets reduced. The surplus / deficit in revenue arising out of actual drawl of the consumers due to variation in tariff is factored in during Truing-up exercise for that particular year. Any surplus recovered is passed on to the consumers in the subsequent year in shape of reduced ARR. Therefore, there is no question of recovery of excess tariff by the DISCOMs against the tariff determined by the Commission. Tariff determination and truing-up of accounts of the DISCOMs are cyclical process followed by each other. There is no provision in the Act to return the surplus revenue, if any, through the electricity bill of the consumer as a line item. At the cost of repetition, it is noted that the excess revenue recovered from the consumer is passed on to the consumers in the form of reduced tariff through a truing-up mechanism. Section 62 (6) of the Act, which deals with recovery of excess tariff, is related to erroneous bills. It is not linked to the excess revenue earned by the DISCOM due to billing the consumer at retail supply tariff, as determined by the Commission. Regarding refund of revenue by APERC, no information is available with the Commission to show that instead of truing up, the Commission has ordered for refund of charges, though bill has been raised as per the tariff determined by the Commission. It appears that the Objector is confused between Section 62(6) of the Act and Truing up provision, provided in the OERC Wheeling and RST Regulations.

(XVIII) Issue of consideration of normative HT loss as 8%

238. The Objectors have raised issue pertaining to normative 8% HT loss citing that the losses at some 33 kV feeders are supposed to be less than 3%. TPNODL submits that averaging the HT loss % of the 11 kV feeders to arrive at overall 11 kV network loss is scientifically untenable.

239. It is stated by the DISCOMs that they are submitting the quarterly Energy Accounting Report in the prescribed BEE format in their website. This report includes 11 kV feeder-wise loss details and DT-wise loss details. The Commission is of the opinion that energy accounting and auditing is a continuous process and necessary for planning and improving efficiency. Therefore, this technical loss related information should be updated in the website on monthly basis.

240. Ideally, the data derived from energy audit at HT level should be considered for all computation purposes. Even though the Commission has directed the DISCOMs from time to time to complete the metering of all 33 kV & 11 kV feeders and DTRs, it has not been done so by the DISCOMs. In the scenario, the losses cannot be accounted for through energy audit. However, the Commission has already approved huge amount as Capital Expenditure for network and system strengthening and improvement. The CAPEX approved till FY 2025-26 for TPNODL is Rs.1778.51 Cr., Rs.2134.26 Cr. for TPWODL, Rs.1546.84 Cr. for TPSODL and Rs.2063.89 Cr. for TPCODL. Further, as per Letter No. ENG-TDER-OERC-0001-2021/1704 dated 09.02.2024 of Government of Odisha, the Government has been providing adequate budgetary support over the years for creation of Capital Assets. As per this letter, Rs.9712.47 Cr. has been released from State Budget under different schemes, Rs.3249.21 Cr. has been released as State's share in Central Sector Schemes and Rs.6620.11 Cr. as Central Share. This huge investment made in the distribution system, either through CAPEX or through Government Grant, must have been utilized in system loss reduction. The Commission has been considering HT loss at normative level of 8% since long due to non-availability of the audited data. Keeping both these aspects in view, i.e. huge investments in the distribution system through CAPEX and Government grants and laxity on the part of DISCOMs to complete system metering, the Commission is inclined to acknowledge the views and suggestions of the Objectors for reduction of approved HT losses. Therefore, the HT loss approved for the FY 2026-27 is reduced to 7% which would be considered for Open Access transaction and calculation of cross subsidy surcharge.

(XIX) Issue of Additional Security Deposit (ASD)

241. Many Objectors have expressed displeasure over the issuance of notice by the DISCOMs for payment of Additional Security Deposit. They submit that when a consumer pays bill regularly and within due date, the additional burden of ASD

should not be placed on him. Even, some Objectors point out that the DISCOMs are collecting ASD while they are not refunding the SD as per the mandate of the Regulations.

242. Security Deposit is a statutory requirement under Section 47 of the Act. Necessary Regulations have been framed by the Commission in this regard. Any person intending to avail electricity must pay Security Deposit to the DISCOM at the time of new application for connectivity. Security Deposit is collected to insulate the DISCOM in case there is a default by the Consumer in payment of the Bills. It does not depend on bill payment habit of individual consumer. It is significant to take note of Regulation 53 and 54 of OERC Distribution (Conditions of Supply) Code, 2019. The same are reproduced below:

> ***" General Review***
>
> *53. Subject to the restrictions of the periods of two months as specified in Regulation 52(i), the adequacy of the amount of security deposit calculated in respect of consumers shall be reviewed by the Licensee/supplier generally* ***once in every year*** *(preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.*
>
> ***Demand notice for Additional Security Deposit***
>
> *54. (i) Based on review as per Regulation 53 above, demand for shortfall or refund of excess shall be made by the Licensee/supplier. Provided, however, that if the security deposit payable by the consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for shortfall will be made for payment of Additional Security Deposit and the consumer shall not be entitled to demand the refund of the Excess.*
>
> *(ii) If the existing Security Deposit of a consumer is found to be in excess by more than 10% of the required security deposit, refund of the excess security deposit shall be made by the Licensee/supplier by adjustment from the outstanding dues of the consumer to the Licensee/supplier or any amount becoming due from the consumer to the Licensee/supplier immediately thereafter.*
>
> *(iii) Where the consumer is required to pay Additional Security Deposit, the Licensee/supplier shall issue notice to the Consumer (including newspaper) thirty days in advance stating the amount payable with supporting calculations*."

243. Regulation 52(ii) of OERC Supply Code, 2019 deals with payment of initial Security Deposit the consumer based on the load factor and contract demand of the consumers. The DISCOM is required to review the adequacy of Security Deposit by considering

the average actual consumption for a period of 12 months (April to March of previous year). Therefore, the matter of ASD would arise if either there is tariff hike or change in CD of the Consumer or change in load factor of the consumer. The distribution companies are required to follow the above procedure and issue notice for ASD to the consumers.

244. Security Deposit so collected by DISCOMs is not appropriated by the DISCOMs as a part of their revenue. It is deposited in a special Fixed Deposit account and refunded to the consumer on disconnection. The apprehension of consumers that the Additional Security Deposit is a profit to the DISCOM is not correct. The Commission had sought information from the DISCOMs regarding the collection and refund of ASD/SD. They have submitted that in FY 2025-26 till Dec'2025, around Rs.20.43 Cr. has been collected as ASD, Rs.49.25 Cr. of SD/ASD has been refunded to the consumers and that there has been no disconnection of power supply to any consumer for non-payment of ASD.

(XX) Issue of non-availability of Audit Report of Security Deposit

245. One of the Objectors submits that the Commission had directed the DISCOMs in the RST Order for FY 2025-26 for carrying out a comprehensive audit of Security Deposit paid by the consumers and security deposits held by the DISCOMs in their Bank account up to 31.03.2025. The DISCOMs have carried out the audit and submitted the report to the Commission. However, the Objector alleges that the audited information is not available in public domain / website of the DISCOMs. The Commission observes that the Security Deposit collected and maintained by the DISCOMs belong to the consumers and they have the information about the same. Therefore, the Commission directs the DISCOMs to place the audit report on Security Deposit in their websites for information of the public/consumers of the State.

(XXI) Issue of Information sought through RTI

246. All the information **of the system, official procedures, matters related to the consumers etc. except the personal information** of the DISCOM employees and consumer information should be placed in the website. A common consumer should not have to appeal through RTI for such information.

247. Another matter of concern brought before the Commission during the process of hearing is the DISCOM's refrain from providing information by citing OERC's

approval/ direction. Such actions of DISCOMs are not based on the provisions of RTI Act, which is a special Act. The DISCOMs must strive to build a bond of trust and confidence with the consumer. RTI is a special Act and it has no relationship with the directions of OERC. Any information that is within the applicability of RTI should be provided to the Consumer and should not be avoided in the name of the Commission.

(XXII) Issue of LT loss % and LT & HT loss % calculation of DISCOMs

248. One of the Objector enquired about the method of loss calculation citing that the HT & LT loss derived for each DISCOM in the Annual Performance Review Report is not equal to the arithmetic sum of HT loss and LT loss mentioned in that report.

249. Loss at any level is calculated as the difference between the energy input and output at that level excluding the sales at that level. The loss mentioned at HT level or LT level shows the percentage of energy that is lost at that level while catering the consumers demand. Therefore, the HT loss and LT loss cannot be arithmetically added to arrive at the total loss.

(XXIII) Issue of Regular maintenance of deemed assets of DISCOM

250. Some Objectors have raised concern regarding the process of taking over the assets created on Deposit work basis/under supervision of DISCOMs. After completion of work, the assets created becomes the deemed asset of DISCOMs and it is the responsibility of DISCOM to maintain such assets including transformers after handing over by the Consumer. As has been highlighted, in effect this is not happening. The consumer is also not in a position to maintain these assets, as a result safety of the system is compromised and reliability of supply is affected, primarily due to the presence of DTR which is not properly maintained. Therefore, DISCOMs are directed to be in touch with the willing consumer who are ready to hand over their asset created through deposit work to DISCOM. Once the assets are handed-over, the Commission will provide R&M cost through ARR of those assets.

(XXIV) Issue of rationalisation of minimum charges for industries having RTS

251. One Objector has cited that the MSMEs have reduced their net energy consumption from the grid by installation of rooftop infrastructure. However, the monthly fixed charge, calculated at Rs. 200/kVA, levied on such industries is high and further the Electricity duty imposed on them is also high. The association has urged that the fixed burden resulting from high demand charges and electricity duty would discourage the other MSME industries for making investment in rooftop solarisation. Therefore, the

association has requested for rationalisation/ partial waiver of minimum charges be linked to actual net grid drawl and levy of electricity duty only on net imported energy. Further, it has requested a time bound relief for MSMEs investing in rooftop solar through bank finance for a tenure of 5-7 years and creation of a separate policy category or incentive framework for captive rooftop solar installations in the industrial and MSME sector.

252. It is a fact that, a consumer who installs a rooftop solar reduces its net drawl from the grid during solar hours. However, the same consumer is dependent on the Distribution network for its energy requirement during non-solar hours and on days with not sufficient solar irradiance. The demand charges are levied on a consumer as per Regulation 143(i) of the OERC Supply Code, 2019. Therefore, due to this continued dependence on the grid, the DISCOM has no other way but to keep the system ready to serve the consumer. Therefore, levy of Demand Charges which meets the fixed cost of service, irrespective of drawl is justified.

(XXV) Issue of clarity in Electricity Bill issued to Consumers & Disconnection Notice

253. The Commission had earlier advised the DISCOMs to issue bilingual electrical bill (English & Odia). It is yet to be implemented to the level of single-phase LT consumers. DISCOMs are directed to complete this assignment by the end of ensuing FY 2026-27 for the benefit of Consumers of Odisha. Further, the Electricity Bill that is provided to the consumers has information related to units of consumption, Security Deposit, Amount due and due date. However, certain information needs to be included in the Bill such as **Power On hours,** numbers of interruptions and Disputed amount of the Bill in separate line. Moreover, Safety instructions to ensure earthing and installation of Earth Leakage Current Circuit Breakers (ELCCB) & surge arresters/Surge Protection Device (SPD) at home etc. should also be included for the information of the consumer. Many Objectors have submitted that the DISCOMs are considering 'Electricity Bill' as Disconnection Notice of 15 days time for payment of bill as per the procedure under Section 56(1) of the Electricity Act, 2003. An Electricity Bill and a Disconnection Notice are two different official documents and serve different purposes. Hence cannot be clubbed together. In case the consumer defaults in payment and attracts disconnection as per the OERC Supply Code, 2019 and the Electricity Act, 2003, the DISCOMs shall serve the consumer a separate

Disconnection Notice specifically for the purpose of disconnection on non-payment of dues. Any disconnection done on the part of the DISCOM without following this process shall be considered as illegal and liable to attract penalty. Further, this procedure is not applicable in case of pre-paid meters.

(XXVI) Issue of procedure followed by Assessing Officer during assessment

254. Various issues have been raised by the Objectors regarding the assessment activity carried out by the enforcement team of DISCOMs. Assessment of unauthorised use and theft of electricity is dealt in Chapter XI, Regulation 159 to 170 of the OERC Supply Code, 2019. The DISCOMs are expected to abide these Regulations and shall not deviate. The Assessment must be done by the authorised Assessing Officer of the DISCOM, who shall produce the ID card and letter of authorisation in his name by the competent authority of the DISCOM, as an introduction to the consumer. No assessment shall stand valid in the absence of the said authorisation letter. All photographs and videography must be preserved as evidence of assessment. The details of assessment and fault/irregularity found must be filled in the format, on-spot by the officer and a carbon-copy/ photocopy/ photo of the same must be provided to the Consumer. Only the Assessment Officer who has surveyed the premises of the Consumer has the authority to revise the assessed amount. Further, the consumer thus assessed for theft or unauthorised use of electricity must be informed about his right to file objection on the provisional assessment as per Regulation 165 of the Supply Code, 2019.

(XXVII) Issue of GRF Hearing in hybrid mode

255. Some of the Objectors have submitted that the consumers face difficulty in attending the hearing at the location of GRF and sometimes the expenditure incurred due to travel and other necessities is high for low-income consumers. Thus, they have requested the Commission to conduct the GRF hearings in hybrid mode. The reasoning of the Objectors is appreciated and the Commission is pleased to accept the proposal. The DISCOMs are directed to take necessary action and facilitate the hearings at GRF in hybrid mode. Necessary procedure in this regard may be developed by the DISCOMs/GRF and placed in the website for the information of the consumers. The Commission will pass the expenditure in this regard in the A&G costs of DISCOMs. Further, the Commission opines that, in order to facilitate the consumers, a GRF should be established in every district of the state. This would

reduce the difficulty of an aggrieved consumer to a greater extent. Necessary action would be taken by the Commission in creation of new GRFs.

(XXVIII) Issue of employee behaviour towards consumers

256. Many Objectors have raised concern regarding the behaviour of employees towards the consumers, specifically in case of enforcement activities, meter replacement and call centre executives. This is a very sensitive matter and the DISCOMs must educate/train the employees/executives engaged, particularly the employees who engage with the public directly, through various capacity building and behavioural improvement programmes.

(XXIX) Issue of "More the Consumption, Less the Price"

257. One Objector proposed that for the growth of the economy, the concept of "More the Consumption, Less the price" should be followed. The Commission would like to highlight that load factor rebate in HT & EHT has been introduced in the Tariff Design of the state of Odisha since long. This promotes higher consumption with lesser tariff. This has been allowed to promote higher HT & EHT consumption, which would result in less technical loss and reduction of cross subsidy burden on such consumers. It makes tariff more cost reflective and flattens the load curve of the state. On the contrary, the cost of supply at LT level is more than the tariff. More a consumer consumes at LT level, the distribution loss increases. As a result the cost of supply becomes more than the tariff culminating in higher cross subsidisation by HT & EHT consumers (subsidizing consumers). The higher consumption in LT level may compel GRIDCO to despatch power stations which have high Variable Cost bringing in further stress on DISCOM. Therefore, the suggestion of the Objector has been noted and the Commission will consider the issue when the cross-subsidy level is reduced and tariff of each consumer category becomes equal to cost of supply (cost reflective).

(XXX) Issue of Final Settlement of expenditure for work executed on deposit basis or under supervision of DISCOM

258. Some Objectors have raised the concern that the estimated cost of DISCOMs for execution of work of consumer on deposit basis is quite high. It has been pointed out that the actual cost, if executed by the consumer, is less and the consumer pays supervision charges @6% on entire estimated amount even though cost of executed work is subsequently found to be less. Other concern raised by consumer(s) is that

final settlement of expenditure is not being done by the DISCOM(s) and balance amount after deducting actual expenditure is not refunded to consumer(s) after execution of work. DISCOMs are directed to settle the bills of consumers after execution of work either on deposit work basis or on supervision basis, basing on actual expenditure and supervision charges incidental thereto. The differential amount, if any, should be refunded within one month of energization of the installation.

259. **The Commission has analysed the information submitted by the DISCOMs at different point of time and based on such information we are directing as follows:**

(XXXI) Issue of High Employee Expenditure of the DISCOMs

260. The FOR has published a report titled "Analysis of Factors Affecting Viability of DISCOMs and Recommendations for its improvement" in January 2025, wherein it has been highlighted that the **desirable Employee Expenses as a percentage of Average Cost of Supply (ACoS) should be within 6%.** Anything beyond 6%, needs graded rationalisation. It has also stated the following:

> ***"Employee Expenses***
>
> *Apart from including the salaries and wages component, employee expenses also include terminal benefits such as pension and gratuity. Therefore, it is important that while specifying the benchmarking, cost towards* ***terminal benefit*** *is factored in.*
>
> ***A&G Expenses***
>
> *A&G expenses include all administrative expenses such as rent, electricity charges, travel expenses, insurance etc., Apart from the above, it is also observed in some distribution utilities that A&G expenses also include cost incurred on contractual employees and outsourced activities*. "

261. As has been emphasized by the said FOR Report, DISCOMs tend to include the cost of contractual employees under A&G Expenses, so is the scenario of Odisha DISCOMs. Further, the cost of contractual employees/Business Associate (BA) employees has been proposed by the DISCOMs under A&G expenses and R&M expenses. As per the existing ARR approval for FY 2025-26, Employee expenses account for 12.44% of ACoS. If the employees considered under A&G and R&M are taken into account, the total cost would further escalate, thereby giving real figure of employee expenses. As per the submission of the DISCOMs, they are abiding the Vesting Order mandate for maintaining Employee per 1000 consumer ratio within

1.4, but this includes only permanent employees not outsourced or BA employees. The norms for engaging No. of Bas and No. of employees of each BA for various activities need to be submitted by each DISCOM along with list of activities for which Bas are engaged. Moreover, around 788 Nos. of PSSs of all four DISCOMs are SCADA enabled and controlled from Central Control Centre and hence there is opportunity to reduce manpower for operation & control of these PSSs. The DISCOMs must endeavour to provide the services to the consumers at the optimum cost. Therefore, the DISCOMs must formulate an employee cost reduction trajectory taking into account the introduction of technology & automation and submit it to the Commission by July-2026.

(XXXII) High R&M and A&G expenses with included higher manpower cost

262. The expenses approved by the Commission under R&M expenses is primarily towards maintenance of the system that includes spares and other materials required for maintenance. A certain portion of the cost may be dedicated towards engagement of manpower for certain activities. As per the submission of the DISCOMs, certain works under R&M have been outsourced such as 33 kV & 11 kV feeder maintenance, Sub-station maintenance etc. resulting in material cost to manpower cost ratio of 20:80. Further, Metering, Billing & Collection (MBC) contracts granted by the DISCOMs under A&G also contributes a major portion of the A&G expenses. Even though these expenses are controllable expenses, rise in expenditure beyond approval has been observed due to various reasons. The DISCOMs need to revisit their manpower deployment strategy and procedures for carrying out operations/ maintenances. The manpower cost must be optimised which is currently very high. Therefore, DISCOM(s) are directed to take required action to reduce and optimize manpower cost under A&G and O&M. The ratio of material cost to manpower cost under R&M need to be reduced to at least 40:60 and controllable A&G expenses need to be reduced, particularly the manpower cost, which needs to be reduced to 30% under A&G expenses.

(XXXIII) Issue of inconsistency in data submitted by the DISCOMs

263. During the process of Tariff exercise, from the commencement of filing of the Application before the Commission, till the publication of Tariff Order, the Commission seeks different information/data related to various matters that are

essential to the tariff determination process. However, it has been observed by the Commission that, there is inconsistency and variation in the data received from the Licensees. Accurate database is the foundation for a sound tariff exercise. Non submission of quality data and frequent change of information severely affects the process & may impact severe consequences. Inspite of submission of information & data under oath, discrepancies have been noticed in the datasets, thereby questioning the quality and transparency of data being furnished. This raises question mark over the bonafides of the DISCOMs as far as integrity & accuracy of data being maintained by the DISCOMs. The DISCOMs are therefore directed to take this matter very seriously and maintain a sanitized & validated database. The Commission would be forced to take corrective measures, if such inconsistency is found in future.

(XXXIV) Issue of Public Procurement Policy

264. The Distribution business comes under regulatory framework. In the state of Odisha, 49% of the shares of the Company is held by the GoO. Huge Government grants are given to DISCOMs for implementation of different Capital Schemes. Therefore, any bulk purchase of material must be as per the public procurement policy and guidelines of the Government. The tendering process for procurement of equipment/material for execution of projects need to be transparent & fair. Any procurement done by the DISCOMs beyond the said policy shall not be recognised by the Commission and would not be considered while finalising/ approving the ARR. Henceforth, the DISCOMs are required to submit sufficient evidence of the purchases done as per public procurement policy at the time of filling of ARR Application. The Commission further advises that all the projects must be planned in a comprehensive manner so as to complete within the timeframe. A single comprehensive project must not be divided into smaller projects to avoid the public procurement policy. Any finding in this regard would not be overlooked by the Commission. DISCOMs are directed to follow strictly the public procurement guidelines of GoO. In addition, Vendor development programme needs to be initiated to facilitate local Vendors to participate in the bidding process for execution of various works of DISCOMs. In no case there should be any compromise on quality of equipment/material procured.

(XXXV) Issue of CAG audit of DISCOMs

265. The Government of Odisha, through GRIDCO, holds 49% of equity in the four DISCOMs. Further, over more than 15 years, Government of Odisha have invested huge amount of money in the form of infrastructure assistance to improve quality & reliability of power supply to the Consumers. The Government is continuing with investments in development of common distribution infrastructure under various schemes & programmes. Presently GoO gives grants to DISCOMs to create Capital Assets besides investing around Rs. 735 Cr. for installation of Smart Meters for 12 lakh Consumers with Contract Demand of 2 kW & less. As is understood from Government, such grant based schemes are going to continue in coming days also. It is expected that the public procurement process should be followed strictly for spending public money in the DISCOMs. Prudent procurement processes and effective implementation & monitoring of Public Schemes & programmes by private DISCOMs are critical concerns having direct impact in tariff determination by the Commission. Transparent spending of the public money also gives credence to the outcome of investment and its impact on the quality of supply. During public hearing, several Objectors have raised issues of quality of DISCOM data. This Commission has also observed about submission of inconsistent data by DISCOMs at different times. In course of hearing & interaction with SAC Members, issues of inconsistency & poor quality data, submission of incomplete data and frequent change of information by the DISCOMs have also been raised. Due to all such reasons, i.e. (i) high stake of the Government in the Odisha DISCOMs, (ii) huge investments by the Government in the form of grant that affects the tariff as well as the Consumers at large and (iii) the inconsistency in database of the DISCOMs that raises question mark over the transparency of the information thus submitted by the DISCOMs, the Objectors and SAC Members were of the view that in such a scenario, audit by a Government agency is essential. Further, the Commission passes the Tariff Order by approving various parameters and norms that are based on the information received from the DISCOMs. Such inconsistency in the data impacts the quality of the Commission's Order which ultimately affects the Consumers. In the past CAG have done wonderful work in finding out many infirmities in spending public money by the private sector. Therefore, in view of above facts, the Commission advises

Government to take necessary action to conduct CAG audit to assess the prudence of expenditure and its implication.

(XXXVI) Issue of underloaded Power Sub-Stations (PSS) & SCADA

266. It has come to the notice of the Commission that many PSS of the DISCOMs are underloaded with load ≤ 20%. As per report submitted by TPWODL, out of 104 such PSS with peak loading ≤ 20%, around 43 Nos. of PSS have firm capacity loading of < 50%. The cost of these stranded assets along with associated transformer losses affects the overall performance of the power distribution system. Therefore, the Commission directs the DISCOMs to optimise the use of such PSSs. The system network must be analysed either for PTR swapping or for load swapping between neighbouring PSSs with higher load or to match with expected load growth. As regards the future CAPEX proposals, any proposal that is approved for construction of a new PSS, if optimum loading is not realised within reasonable time frame of 3-5 years, the capitalisation expenses in proportion to the differential loading (w.r.t. projected load) would be deducted from the ARR. Further, all the PSSs must be SCADA enabled for real time monitoring purpose. This data should be made available with the SLDC by developing necessary infrastructure for this purpose. The expenditure that shall be incurred for establishing this SCADA information of PSSs at SLDC shall be passed on in the ARR.

(XXXVII) Issue of Metering of all 33 kV & 11 kV feeders, associated DTRs and Consumers

267. During the Annual Performance Review for FY 2024-25, the information submitted by the DISCOMs reveal that the metering of all 33 kV feeders is yet to be completed. As per the data, metering of 33 kV feeders with correct meters of TPCODL, TPWODL, TPNODL & TPSODL are 63.74%, 100 %, 51.52%, and 96.84% respectively. While one DISCOM has achieved 33 kV feeder metering of 100%, the rest of the DISCOMs are required to complete the metering in the ensuing financial year. Further, the data indicate that about 97.63% of all the 11 kV feeders are metered. This is appreciable, however, in the absence of 100% metering of all the 33 kV & 11 kV feeders and DTRs upto a certain capacity, necessary energy audit cannot be carried out, which is essential to identify the loss-making pockets. It has been brought to the notice of the Commission that not a single 11 kV feeder is in operation that has meters at all level (DTRs & Consumers connected to that feeder) in the

operating area of any of the DISCOMs (TPNODL, TPWODL, TPSODL TPCODL). Details of no. of 11 kV feeders, which are completely metered in all respect (i.e. metering of 11 kV feeder, metering of all associated DTRs of the feeder and metering of all consumers supplied through that feeder) need to be submitted along with total load on the feeder. If no such feeders are there, then details of no. of 11 kV feeders with metering of all associated DTRs (i.e. metering upto DTR level) need to be submitted within three months of issue of this order. Based on loading level, all 11 kV feeders having high loss level need to identified and prioritized, for metering upto consumer level (at least upto DTR level) and the target/time frame for completion of such work need to intimated within next 3 months. The metering of at least 2 to 3 nos. of 11 kV feeders in each division (with high revenue earning) and associated DTRs & consumers need to be completed in all respect by the end of financial year 2026-27 to assess actual technical loss and AT&C loss.

(XXXVIII) Issue of Metering of Distribution Transformer (DTR)

268. As per the information submitted by the DISCOMs during the Annual Performance Review for FY 2024-25, the metering status of DTRs is merely 18.58% for TPCODL, 12.19% for TPNODL, 9.93% for TPWODL and 39.72% for TPSODL. And the failure rate of DTRs is 2.94% for TPCODL, 4.25% for TPNODL, 2.98% for TPWODL and 2.13% for TPSODL. In the absence of complete metering of DTRs, energy audit is not possible. The reliability indices like SAIFI, SAIDI, energy audit data, decisions of DTR upgradation/ swapping and measures to check system losses (power theft or technical losses) without the DTR loading statistics is baseless and cannot be relied upon. There is an urgent need to address these issues for improving the system performance, which can be resolved by complete metering & providing required protection including SA for all DTRs. Moreover, initiatives must be taken to replace DTRs of small capacities located in close proximity by a single high capacity DTR. This would reduce the transformer losses and reduce O&M cost and improve reliability. The DISCOMs are directed to complete the DTR Metering of DTRs with capacity upto and including 63 kVA in the FY 2026-27.

(XXXIX) Issue of power supply interruption in an area due to solitary fault in one consumer premise

269. It has been brought to the notice of the Commission, that the fault in one DTR of a 11 kV feeder affects the power supply of the neighbouring/ adjoining consumers/area.

Further, numbers of small/medium category of industrial consumers are connected to common 33 kV or 11 kV feeder without proper protection system including SA to isolate the faulty section. This leads to power supply interruption of other industrial/other category of consumers connected to that feeder because of fault in one consumer's system. As per the submissions of the DISCOMs, they are installing auto re-closers, Sectionalizers, Ring main unit (RMU) and Fault Passage Indicator at strategic locations across the network to enable quick fault detection and sectional isolation. However, such issues continue to occur which not only affects the consumers but also the distribution business. Therefore, DISCOMs must deploy the best practices in the distribution sector to ensure that the faulty section is easily isolated from the healthy section to maintain the continuity of supply. The DISCOMs are advised to segregate the industrial feeders, wherever feasible or where industrial load exceeds 60% of total load. The required protection system complete in all respect including Circuit Breakers, protection relays, Surge Arresters etc. must be provided to ensure reliable power supply to such category of consumers. The frequency and duration of outage (SAIDI & SAIFI) of such feeder(s) need to be submitted to the Commission by each DISCOM based on the data collected from the smart meters installed upto consumer level.

(XL) Issue of ToD tariff and sensitisation of consumers

270. The traditional consumer load is inelastic considering the current pattern of consumption. Therefore, the power system works with the principle of Generation following the Demand. There is shift from this conventional concept and in the present scenario the Demand follows the Generation which is the philosophy behind Demand Side Management. Even though ToD tariff has been introduced, most of the consumers are not aware of its implications. With proper consumer sensitisation, the consumer would plan their load requirement in such a way that their demand is price sensitive. The ToD tariff is a policy push in this regard. The load shifting flattens the demand curve and the stress on the Generator is reduced so that the fixed cost is uniformly distributed throughout the generation period. Further, if a consumer (excluding Irrigation & Agricultural consumer) with a Contract Demand of 10 kW above, currently using a conventional electronic meter/ static meter without ToD feature, wishes to opt for the ToD tariff, their meter must be replaced with a Smart

Meter on a priority basis, and the ToD facility will be activated thereafter. The DISCOMs must sensitise the Consumers in this regard.

(XLI) Issue of segregation of loss making feeders (end to end metering)

271. The Commission has approved huge investment under CAPEX and the Government has also supported the cause in the form of Government grants to strengthen & expand the Distribution system of the State. It is a fact that there are 11 kV feeders operating with losses more than 80%. Given the fact that loss is an expenditure in the ARR, the cost of such loss, irrespective of the cause is an extra burden to the paying consumers of the state. Immediate action is necessary by the DISCOM in such areas where the loss level is so high (>80%). As per the submission of TPWODL, there are still 47 high loss 11 kV feeders with loss greater than 80% and majority of such feeder is in Bargarh District. Similarly, in TPNODL operational area, there are 13 feeders which exhibit AT&C loss greater than 80%. Therefore, the Commission directs the DISCOMs to install Smart Meters upto consumer level in all such 11 kV feeders where the AT&C loss is greater than 50% from end to end. Further, the concept coined by TPWODL as Model Village is noteworthy and initiative should be taken by all the DISCOMs to materialise this concept in such high loss-making areas by necessary planning, considering ground realities.

272. Each DISCOM is directed to list out such feeder and prioritize them based on quantum of load catered through such feeders and to take appropriate action to reduce the AT&C loss from present loss level by end of financial year 2026-27 in following manner.

Table-40

11 kV feeders with technical loss level	Technical loss level reduction by end of the FY 2026-27
>80%	By 50% of existing level of loss
Between 50% to 80%	By 30% of existing level of loss
Between 20% to 50%	By 20% of existing level of loss

273. The Commission had directed the DISCOMs during the Annual Performance Review for FY 2024-25 (carried out in the months of July-Aug 2025) to install 3 to 4 Smart Meters in every Village to monitor duration of availability of power supply, interruption analysis and derive SAIFI & SAIDI values from its data. The DISCOMs are directed to submit the compliance report to the Commission by July-2026.

(XLII) Issue of solarisation of feeders identified as Agricultural feeders.

274. The DISCOMs are directed to identify the feeders where the agricultural load is greater than 60%. They are required to take initiative to segregate such feeders from other category of consumers. Further, they are required to take action for sensitisation of consumers for pump level solarisation. The Government of Odisha may provide assistance for segregation and solarisation of such agricultural feeders. Each DISCOM is directed to submit (a) Details of No. of consumers and quantum of load due to agriculture pump sets, and (b) Action taken for promotion of feeder level & pump level solarization in Agriculture sector would maximise the use of energy efficient pumps for Agriculture purpose during solar hours, which will reduce CSS burden on subsidizing consumers, reduce LT loss, water conservation and promote Demand Side Management (DSM). This data must be submitted to the Commission by September-2026.

(XLIII) Issue of CAPEX cost escalation due to time overrun

275. The Commission has published draft OERC (Approval of Capital Investment Schemes) Regulations, 2026, which is available in the OERC website. The various parameters and norms has been defined in these Regulations. All the CAPEX proposals submitted by the DISCOMs must be supported with detailed plan and date of completion. Any expenditure incurred due to time over-run without valid justification may not be passed on in the ARR. Further, the Commission may not recognise RoE on such investments after the assets put to use by the DISCOM.

(XLIV) Issue of integration of GFA Register with GIS mapped assets

276. As per the submission of the DISCOMs, they have completed GIS mapping of distribution assets and Consumer Indexing have been completed by all DISCOMs. This information, if not integrated with the GFA Register, the GIS database remains unutilised. Therefore, the DISCOMs are directed to integrate GIS mapped data, GFA register and Consumer Index database, that can be used for comprehensive planning for strengthening & future expansion and monitoring of Distribution network. Any future CAPEX plans must be planned based on this data and relevant information should be integrated in the CAPEX proposals. Therefore, status of linking GFA Register with GIS mapping and Consumer Index database need to be intimated in

next three month of issue of this order and work should be completed by December 2026.

(XLV) Issue of the utilisation of used lines and electric poles

277. The Distribution business utilises different standards of poles and lines for different voltage level, load requirement and location. Upon upgradation with new standards, a large quantity of existing poles and lines are removed, which are in good condition. The DISCOMs must endeavour to utilise such assets in other locations exploring the possibilities of utilisation with minor modification, if required. The cost benefit analysis of such re-utilisation of discarded assets should be carried out by the DISCOM.

(XLVI) Issue of unclaimed Security Deposit available with the DISCOMs

278. A huge sum of Security Deposit (SD) is lying unclaimed with the DISCOMs that belong to the Permanently Disconnected (PD) Consumers. As per the data obtained from DISCOMs, SD of 61,052 Nos. of PD consumers is available with TPNODL alone. In case of TPSODL, the unclaimed SD of PD consumers is of the tune of Rs. 16.21 Cr. Considering the gravity of the issue, the Commission is pleased to introduce **One Time Claim** scheme for all the Permanently Disconnected (PD) consumers of the state to claim the unclaimed Security Deposit amount available with the DISCOMs. The PD consumer would be required to provide a valid proof as a genuine consumer of the DISCOM before PD (bill/money receipt/application form/disconnection form etc.) bearing the consumer number and identity proof etc. The DISCOMs are directed to refund the SD to the PD consumer through digital transaction to the bank account of the PD consumer. This scheme will remain in force till 31.03.2027. The DISCOMs are directed to popularise this scheme in public through various physical and digital platforms with a repeated reminder every month in one leading Odia and English newspaper in its area of operation starting from April-2026.

(XLVII) Issue of Security Deposit Adjustment against default in payment

279. The DISCOMs are required to keep the Security Deposit collected from the Consumers intact. If a consumer defaults his payments, the amount from the Security Deposit should not be used against the default amount without prior intimation to the Consumer and giving him an opportunity to pay the default amount. Further, the

Regulation empowers the DISCOM to disconnect the Consumers supply in case of default in payment. On disconnection, the DISCOMs may adjust the Security Deposit against the defaulted amount. Upon reconnection, the Consumer shall be required to further pay the SD amount.

280. Further, the DISCOMs are hereby directed to submit the following information as on the last date of the Financial Year, regarding Security Deposit to the Commission by the month of September-2026;

a. Security Deposit held by the DISCOM
b. Security Deposit as per audited account
c. Interest earned on Security Deposit
d. Amount of Security Deposit refunded to the consumers
e. Balance amount available with the DISCOM
f. Security Deposit of Permanently disconnected consumers

(XLVIII) Issue of Smart Meter Installation & Software Audit

281. The commotion among the public at large is, the energy recorded in the Smart Meter is higher as compared to conventional static meter. Further many Objectors have raised their concern over the integrity of the software used in the meter and backend server, fearing the threat of hacking or tampering. There have also been instances while the consumers have suo moto dismantled the already installed Smart Meters and destroyed them to resist the move.

282. The installation of Smart Meter for all the consumers in areas with communication network, has been mandated as per the Central Electricity Authority (Installation and Operation of Meters) (Amendment) Regulations, 2022. The relevant Regulation, i.e. Regulation 4 is given below:

> *"xxx…*
>
> *(b) All consumers in areas with communication network, shall be supplied electricity with Smart Meters working in prepayment mode, conforming to relevant IS, within the timelines as specified by the Central Government:*
>
> *…xxx"*

Accordingly, as per MoP Notification dated 17.08.2021, the OERC issued direction to the DISCOMs vide Ltr. No. OERC/Engg./2/2017/609 dated 03.05.2023 for installation of Smart Meter for the consumers with a method of prioritisation for installation.

283. About 20 Lakh consumers of the state have already been provided with Smart Meters in all four DISCOMs and 12 lakh Consumers have been considered for Smart Metering under GoO grant. Hence DISCOMs are directed to quantify the benefit of Smart Meter in terms of reduction in Commercial loss, additional revenue generation & expected reduction in manpower cost due to billing & collection etc.

284. Further, the Commission had directed the DISCOMs to install Smart Meter alongside existing static meter at government offices such as Panchayat Office etc. to establish the fact before the consumers that the energy recorded in the Smart Meter is the same as that of existing meter. Accordingly, TPSODL has installed 105 Nos. of Smart Meters in series with Static meter at the house of Sarpanch and one at the residence of member of Chamber of Commerce, Aska. Further, the meters at the Government offices such as Office of BDO, NAC and Panchayat have already been replaced with prepaid Smart Meter as per the State Government's direction. The Commission has also tested this and has installed a Smart Meter in series with the Static Meter in the OERC building. However, the concern of the Objectors regarding the integrity of the software cannot be overlooked. Therefore, the DISCOMs are directed to conduct audit of the software and backend system used for billing and accounting purpose through third party audit and submit the report to the Commission by September-2026.

285. Karnataka ERC is in a test phase of a pilot project for converting Device Language Message Specification (DLMS) meters to Smart Meters by utilising a small cost-effective add-on device. If the project is feasible and implementable, the conversion of conventional DLMS meters to Smart Meters may be carried out in the state of Odisha on pilot basis.

(XLIX) Development of common infrastructure of DISCOM

286. The Government has been granting financial support from time to time for development/ creation of distribution assets. Any support in form of Government Grant for development of common infrastructure of DISCOMs for benefit of consumers of the State should be done in consultation with the Commission. This is essential since the Commission, while approving the CAPEX is taking into consideration the areas where Government has already decided to invest. It will avoid duplication of investment by the DISCOM and the Government. Further, the

Commission is approving O&M cost even for the assets created under Government grants.

(L) Power Quality Monitoring for Industry injecting harmonics to the system

287. DISCOMs have to initiate power quality monitoring primarily to identify the industries responsible for injection of harmonics into the system and causing flickering & fluctuation in voltage etc. Accordingly, penalty would be introduced by the Commission if adequate remedial measures are not taken by industries to reduce harmonics injection at the point of coupling with the grid.

(LI) Radial mode of operation to Ring system at 33 kV & 11 kV level

288. To improve the reliability and availability of power supply, the Distribution licensee have to move from radial mode of operation to ring system and accordingly PSS rings at 33 kV level and rings at 11 kV level need to be planned. The 33 kV ring of PSSs must be fed from at least two GSS of OPTCL and adequate conductor size should be provided for the link from the GSS to cater to requirement of ring in case of outage of one link from the GSSs. Duplication of DTRs in urban area and 11 kV feeders in other areas need to be planned by DISCOMs in line with draft National Electricity Policy-2026 of Govt. of India.

(LII) Issue of Uninterrupted Power Supply in Urban areas

289. TPNODL has already declared 15 sq. km. of Balasore area covering important Government establishments to provide uninterrupted power supply by March 2026 in line with direction of the Commission. Such initiative for development of distribution network infrastructure is to be extended to entire city of Balasore and other cities & other areas in phases. Similarly, other three DISCOMs (TPCODL, TPWODL, TPSODL) are directed to declare/ensure 24x7 power supply with minimum/zero interruption to some areas (in sq.km.) of the major cities in their area of operation, which are to be extended to other areas of operation of the DISCOM(s) in phases.

(LIII) Material Bank for fast restoration of power supply during cyclone

290. The Commission had approved Rs.40 Crs. (Rs.10 Crs. for each DISCOMs) and Rs.95 Cr. in ARR for the FY 2023-24 and FY 2024-25 respectively to maintain adequate material bank for fast restoration of power supply during natural disasters. The DISCOMs are directed to submit details of material bank created along with list &

quantities of items (equipment, material, pole, etc.) for disaster mitigation and consumption & replenishment plan so that no idle stock is maintained throughout the year under disaster mitigation. Each DISCOM has to inform about development of cyclone resilient Distribution network through CAPEX investment in terms of (a) ckt-kms of 33 kV & 11 kV line & LT line and associate poles (b) conversion of overhead lines to underground cable system (c) conversion of outdoor PSS to indoor PSS/GIS (d) conversion of pole mounted to plinth mounted DTRs in cyclone prone areas (e) replacement of porcelain insulator to polymer insulators in coastal areas (f) replacement of overhead LT lines to AB cable in rural areas to avoid theft & death due to electrocution etc.

(LIV) Issue of Power Supply to multi-storied flats

291. No. of multistoried flats (other than multistoried flats of builders) are coming up in urban area with load requirement of more than 50 KW. Such multistoried flats with 5 to 20 residential blocks are being supplied through dedicated DTR & associated infrastructure and fire safety norms are not being followed although DTRs are oil filled type. To avoid such fire hazard and to reduce transformation loss in multiple DTRs, DISCOMs are directed to plan their Distribution infrastructure so that such loads can be met from the nearby DSS by augmentation of transformation capacity of existing DTR or by creating new DSS to meet such demand of cluster of residential blocks.

(LV) Issue of low Billing Efficiency of DISCOMs

292. Even after taking over operation of Distribution system for more than 4 to 5 years and engaging about 50,000 BA employees, billing efficiency of DISCOMs are not upto mark. The Billing Efficiency (BE) of TPSODL, which was about 77% in FY 2024-25 and is expected to be only 78% in FY 2026-27, is the lowest among the four DISCOMs (TPCODL, TPNODL, TPWODL, TPSODL). TPNODL, TPWODL, TPCODL are directed to put effort to increase Billing Efficiency to increase Bill efficiency to more than 90% and TPSODL to 85% and submit a comprehensive report of action taken and outcome achieved by March-2026.

(LVI) Status of implementation PMSGMBY & ULA Scheme

293. The DISCOMs have to play a vital role in implementation of PM-Surya Ghar Muft Bijli Yojana (PM SGMBY) of MNRE, Govt. of India and ULA Scheme. Govt of

Odisha has planned to implement both the scheme for 3 lakh of consumer (1.5 lakhs for PMSGMBY & 1.5 lakhs for ULA). Each DISCOM is directed to provide (a) the total number of consumes benefited from such schemes separately (b) total installed capacity of RTS system and energy generated from such installations, to the Commission by September-2026.

(LVII) Issue of legal expenses for cases against GRF & Ombudsman Order

294. Increase in legal expenses is a matter of concern. Efforts should be made to settle the matter mutually with the consumer(s)/utility(ies) unless there is genuine reason to resolve the dispute through higher legal forum. The legal expenses relating to cases against consumers lost by the DISCOMs will no more be passed on to the consumers through ARR. Govt. intervention is required for amicable resolution of legal disputes involving State PSUs (OPTCL, SLDC, OPGC, OHPC, GRIDCO) and DISCOMs to avoid unnecessary legal expenses which has impact on tariff of consumers.

(LVIII) Strengthening of HT & LT network and Skill development of local population for Green jobs

295. Distribution licensees have to plan & strengthen their HT & LT distribution network to integrate RE and have to take steps for skill development of local population for green jobs.

(LIX) Public charging infrastructure for EV

296. The load of public charging infrastructure for EV needs to be considered by DISCOMs during load forecasting. There are only about 550 Public Charging Stations across the State and the existing charging infrastructure is inadequate to promote EV penetration in the transport sector. There is need for mandatory public charging infrastructure in all new commercial and residential complexes. Govt. policy needs to support development of public charging infrastructure and DISCOMs should be a facilitator for establishment of more public charging infrastructure by the Private Party at convenient locations like along the National/State highway near fuel refilling stations/petrol pumps etc.

(LX) Promotion of ELCCB

297. Considering the importance of proper earthing in premises of domestic consumer, each DISCOM(s) is directed to promote and conduct the awareness programme for

consumers in its area of operation to convince consumer(s) about importance of proper earthing and to install Earth Leakage Current Circuit Breaker (ELCCB) in their premises to avoid any electrical accident.

(LXI) Consumer Awareness Program

298. Consumer awareness programs shall be taken up by each DISCOM in its area of operation on matters relating to (a) incentive/penalty provision in tariff order (b) safety norms including earthing & use of Leakage Current Circuit Breaker (LCCB) to create accident free-environment (c) energy conservation & Demand Side Management (DSM) (d) benefit of ToD tariff (e) need for KVAh billing for industrial consumers etc.

(LXII) Guard wires for Road Crossings:

299. Provision of Guard wires have to be made for 33 kV & 11 kV overhead lines crossing over National & State Highway, roads in populated areas and the work has to be completed by each DISCOM (TPNODL, TPSODL, TPWODL, TPCODL) by FY 2026-27.

(LXIII) Failure of DTRs & Provision for Required Metering and Protection

300. It is understood that about 10,000 Nos. of DTRs in the Distribution System are failing every year resulting in loss of about Rs.100 Cr. per annum. As reported, DTR failures are primarily due to lightening and inadequate protection on HV & LV side. Therefore, protection of DTR including provision of Surge Arresters is essential and all DTRs must be provided with required protection on HV & LV side to minimize the failure. All DISCOMs are directed to provide required metering and protections on HV & LV side of (a) DTRs of 63 KVA and above by FY 2026-27 and (b) DTRs of 25 KVA and above upto 63 KVA by 2027-28 (c) DTRs below 25 KVA in subsequent financial years indicating time line for completion or replacement of DTRs of less than 25 KVA by higher capacity DTRs.

(LXIV) Length of LT feeders & low voltage issue in Urban & Rural areas

301. The long LT feeders is considered to be one of the main reasons for low voltage in certain pockets. Hence, each DISCOM is directed to provide information relating to number of LT feeders which are more than 500 meters (from the DTRs) in their area of operation and remedial measures being taken to reduce the length of such LT

feeders. The time line for addressing low voltage issue, particularly in urban area & major cities shall be submitted to the Commission by the DISCOMs within 3 months of issue of this tariff order.

(LXV) Issue related to power supply to new MSMEs

302. The Electric power supply infrastructure cost of MSME consumer(s) accounts for 20% to 30% of the project cost because of which sometimes such project(s) becomes unviable. To reduce financial burden on industrial consumers, particularly MSME consumers, DISCOMs are advised to prepare proposal formulating a mechanism for (a) reducing the burden of development of power supply infrastructure (b) payment of huge security deposit on new connection application and shall take up the matter with the Government for necessary action in this regard.

(LXVI) Issue relating to Telecom Service Provider

303. The Telecom Service Providers have requested for including such service under a separate category of consumers with different tariff structure. The Commission will consider their suggestion while finalising the Supply Code which is under the process of amendment.

CROSS-SUBSIDY IN TARIFF

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

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

305. According to the above Regulation, the Cross Subsidy is to be worked out basing on the Average Cost of Supply (ACoS) to all Consumers of the State taken together and average voltage-wise tariff applicable to such Consumers. The Average Cost of Supply estimated for the state of Odisha for FY 2026-27 is given in Table below:

Table – 41
Average Cost of Supply (per Unit) FY 2026-27 (Rs. In Crs.)

Description	2026-27 (Approved)
Cost of Power Purchase	13,178.06
Transmission Charge	954.62
SLDC Charge	6.03
Total cost of Power Purchase including Transmission and SLDC Charge (A)	14,138.71
Employee costs	2,580.17
Repair and Maintenance Expenses	1,003.58
Administrative and General Expenses	652.84
Provision for Bad and Doubtful Debts	200.86
Depreciation	540.05
Interest Expenses including Interest on S.D	678.80
Sub-Total	5,656.30
Less: Employee Cost capitalised	116.97
Less: Interest capitalised	1.50
Total Operation & Maintenance and Other Cost	5,537.83
Return on Equity	533.09
Tax on ROE	134.18
Special appropriation & Carrying Cost	124.36
Total Distribution Cost (B)	6,329.45
Total Cost (C) = [(A) + (B)]	20,468.17
Approved Saleable Units (MU) **(D)**	33,892.650
Average CoS (paisa per unit) [(C) x 1000 / (D)]	**603.91**

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

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

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

Table – 42
Cross Subsidy Table for FY 2026-27

Financial Year	Level of Voltage	Avg. CoS for the State (paise/unit)	Average Tariff (paise/unit)	Cross-Subsidy (paise/unit)	Percentage of Cross-subsidy above/below of CoS	Remarks
(1)	(2)	(3)	(4)	(5) =(4)–(3)	(6)=(5)/(3)	(7)
2020-21	EHT	524.62	595.77	71.15	13.56%	The tariff for HT and EHT
	HT		596.18	71.56	13.64%	
	LT		433.81	-90.81	-17.31%	
2021-22	EHT	548.40	626.50	78.10	14.24%	

Financial Year	Level of Voltage	Avg. CoS for the State (paise/unit)	Average Tariff (paise/unit)	Cross-Subsidy (paise/unit)	Percentage of Cross-subsidy above/below of CoS	Remarks
	HT		623.90	75.49	13.77%	categories has been calculated based on average tariff of that category.
	LT		466.07	-82.33	-15.01%	
2022-23	EHT	587.77	654.61	66.84	11.37%	
	HT		640.36	52.59	8.95%	
	LT		478.44	-109.33	-18.60%	
2023-24	EHT	604.22	622.71	18.50	3.06%	
	HT		652.90	48.68	8.06%	
	LT		497.71	-106.51	-17.63%	
2024-25	EHT	601.01	630.45	29.44	4.90%	
	HT		647.03	46.02	7.66%	
	LT		499.58	-101.43	-16.88%	
2025-26	EHT	602.44	645.39	42.94	7.13%	
	HT		658.04	55.60	9.23%	
	LT		503.87	-98.57	-16.36%	
2026-27	EHT	603.91	650.33	46.42	7.69%	
	HT		673.70	69.79	11.56%	
	LT		514.00	-89.91	-14.89%	

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

Average Power Purchase Cost (APPC)

308. The Commission is required to determine the Average Power Purchase Cost (APPC) as per OERC OA Regulations, 2020 and OERC RPO Regulations, 2021. As per the definition mentioned in OERC RPO Regulations, 2021, APPC is the weighted average pooled price at which the distribution licensee or any entity procuring power on its behalf (i.e. GRIDCO according to the present state scenario) purchases electricity including cost of self-generation, if any.

309. Regulation 30 (2) b. of OERC OA Regulations, 2020 states the following:

> *"b. In case of under-drawl as a result of non-availability of the distribution system or unscheduled load shedding, the open access consumer shall be compensated by the distribution licensee at the*

average power purchase cost of the distribution licensee as approved by the Commission in the Tariff Order for the respective year.

Provided that no compensation shall be paid by the distribution licensee in case of under-drawl by the open access consumer for reasons not attributable to the distribution license."

310. The APPC rate for FY 2026-27, at which the DISCOM would compensate the consumer for under drawl due to reasons attributable to the DISCOM is 330.95 paise/unit which is the average power purchase cost of the state.

OPEN ACCESS CHARGES AT EHT, HT and LT LEVEL
(CROSS SUBSIDY SURCHARGE AND WHEELING CHARGES)

311. The OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020 was notified on 2nd November, 2020. The Commission has defined the methodology for determination of Open Access Charges in Chapter 5 of these Regulations. These Regulations shall form the basis for Open Access transaction for conventional power. Similarly, these Regulations along with OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 and Odisha Renewable Energy Policy, 2022 of Government of Odisha shall be basis for availing Renewable Energy through Open Access.

312. The OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023 is applicable to Consumers with Contract Demand or sanctioned load of 100 kW or more, either through single connection or through multiple connection aggregating to 100 kW or more located in the same operating area of the distribution licensee. Accordingly, the DISCOMs have filed applications for determination of LT Open Access charges that shall be applicable for Green Energy Open Access Consumers on using Open Access at LT voltage level.

313. Therefore, along with determination of Open Access charges applicable to HT & EHT consumers irrespective of the nature of power, the Commission is also determining the Open Access charges applicable to Green Energy Open Access consumers at LT level. For determination of the Cross Subsidy Surcharge, the tariff for HT and EHT Consumers has been assumed at 100% load factor since Open Access drawl is made to utilise the full quantum of the power so availed. The formula prescribed in Regulation 23(2) of OERC (Terms and Conditions of Intra State Open Access)

Regulations, 2020, which is as per the Tariff Policy, for determination of Cross Subsidy Surcharge is as follows:

Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where:

S is the surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets

314. As was prevalent in the previous year, the Commission accepts 'C' equal to BSP of respective DISCOMs. Similarly, 'T' is the tariff at 100% load factor including demand charges for the respective voltage level. The wheeling charges 'D' is as determined from the distribution cost approved for the FY 2026-27 and 'L' is assumed 7% at HT and nil for EHT since EHT loss is accommodated in transmission charges.

315. The AT&C loss % considered for tariff determination process is as per the AT&C loss% trajectory given in the respective Vesting Orders of the DISCOMs. Considering HT loss as 7%, the derived LT loss % of all the DISCOMs for the purpose of Open Access is given in the Table below:

Table-43

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
LT Loss (%)	16.75%	18.87%	23.53%	23.58%

316. As per the Surcharge formula mentioned above, the Cross Subsidy Surcharge determined for all the four DISCOMs is given in the table below:

Table – 44
Computed Surcharge for EHT, HT & LT Open Access Consumer for FY 2026-27 (paise / unit)

Description	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer	216.90	203.90	168.90	357.90
Surcharge for HT Consumer	80.60	2.33	24.66	151.46
Surcharge for LT Consumer	161.29	49.13	34.99	200.49

317. Further, as per Section 42 of the Electricity Act, 2003, the Cross Subsidy Surcharge (CSS) is to be reduced progressively. The Commission is authorized to evolve a methodology for such reduction. Accordingly, the Commission has fixed the leviable Cross Subsidy Surcharge as given in the Table below:

Table – 45
Applicable Surcharge for EHT, HT & LT Open Access Consumer for FY 2026-27 (paise / unit)

Description	TPCODL	TPNODL	TPWODL	TPSODL
Surcharge for EHT Consumer	151.83	142.73	118.23	250.53
Surcharge for HT Consumer	56.42	1.63	17.26	106.02
Surcharge for LT Consumer	112.90	34.39	24.49	140.34

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

319. Based on the above principle, the Wheeling Charge determined for the four DISCOMs for the FY 2026-27 are given in the Table below:

Table – 46
Wheeling Charges Approved for FY 2025-26

Description	TPCODL	TPNODL	TPWODL	TPSODL
Energy Handled at Distribution level 33 kV and below (MU)	10,947.450	5,109.695	8,041.901	4,247.616
Net Distribution Cost (Rs. In Crs.)	1,276.081	924.143	972.230	838.147
Wheeling Charge calculated for 2026-27 (paise/unit)	116.56	180.86	120.90	197.32

320. All the Open Access charges such as Cross Subsidy Surcharge, Wheeling Charge and Transmission Charge applicable to EHT & HT Open Access Consumer of 1MW and above are as given in Table below:

Table – 47

Surcharge, Wheeling Charge & Transmission Charge for HT & EHT Open Access Consumers of 1MW & above for FY 2026-27 (paise/unit)

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT Consumers only	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT		
TPCODL	151.83	56.42	116.56	The Open Access customer availing Open Access shall pay Rs.5760/MW-day (Rs.240/MWh) as transmission charges.
TPNODL	142.73	1.63	180.86	
TPWODL	118.23	17.26	120.90	
TPSODL	250.53	106.02	197.32	

321. All the Open Access charges such as Cross Subsidy Surcharge, Wheeling Charge and Transmission Charge applicable to EHT, HT and LT Green Energy Open Access Consumers of 100 kW and above for FY 2026-27 are as given in the table below:

Table – 48

Surcharge, Wheeling Charge & Transmission Charge for EHT, HT & LT Green Energy Open Access Consumers of 100 kW and above for FY 2026-27 (paise/unit)

Name of the licensee	Cross Subsidy Surcharge (P/U)			Wheeling Charge P/U applicable to HT & LT Consumers	Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)
	EHT	HT	LT		
TPCODL	151.83	56.42	112.90	116.56	The Open Access customer availing Open Access shall pay Rs.5760/MW-day (Rs.240/MWh) as transmission charges.
TPNODL	142.73	1.63	34.39	180.86	
TPWODL	118.23	17.26	24.49	120.90	
TPSODL	250.53	106.02	140.34	197.32	

Note: However, the surcharges for Renewable Energy Open Access shall be governed as per Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 and amendments from time to time.

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

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

(ii) The normative transmission loss at EHT level (3%) and normative wheeling loss at HT level (7%) shall be applicable for the year 2026-27.

(iii) The LT wheeling loss for all the Distribution Companies for the purpose of Open Access applicable for FY 2026-27 shall be as given below:

Table - 49

DISCOM	TPCODL	TPNODL	TPWODL	TPSODL
LT Loss (%)	16.75%	18.87%	23.53%	23.58%

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

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

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

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

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

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

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

(v) No Cross Subsidy surcharge and wheeling charge shall be levied on purchase of power by EV charging stations through Open Access from renewable energy plants located in Odisha for 10 years.

324. The DISCOMs have submitted some proposals regarding matters related to Open Access which are discussed below:

(i) Issue of Wheeling of power by industries having CGP

325. TPWODL has again raised the issue that even though CGPs are allowed to carry their own power to the destination without levy of CSS, they are supposed to pay wheeling charges. In certain cases some industries avoid payment of wheeling charges on the premise of constructing the infrastructure for evacuation from the CGP to the industry. The Commission had addressed this issue in the RST Order for FY 2025-26, dated: 24.03.2025 at para 171, which is as follows:

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

(ii) Issue of Imposition of high CSS during Solar Hours

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

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

(iii) Issue of Annual Plan for Open Access drawl

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

(iv) Issue of Drawl of Open Access more than the Contract Demand

328. TPWODL has submitted that the Licensee reserves network corridor for each consumer based on their Contract Demand (CD), and the consumer pays fixed charges accordingly. If Open Access is allowed beyond the CD, the Licensee may not be able to accommodate or reliably serve other bona fide consumers connected to the same network. Therefore, to prevent operational constraints and ensure fair system utilization, Open Access should not be permitted to any consumer, seeking to draw power beyond their approved Contract Demand

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

(v) Issue of Disbursal of Wheeling Charges to the Distribution Licensee

330. TPWODL has submitted that as per OERC OA Regulations, 2020, for Inter-State Transactions, Short-Term Open Access customers connected to the distribution system must remit the charges directly to the Distribution Licensee within three (3) days of the STOA grant by the Nodal Agency. For Intra-State Transactions, Short-Term Open Access customers must deposit the transmission and operating charges with the SLDC within three (3) working days of the grant of the STOA. These charges are then disbursed to the Distribution Licensee within Seven (7) days. However, the current regulations lack clarity on the process for transferring Wheeling Charges collected through SLDC to the Distribution Licensee. This has led to

significant challenges, including discrepancies during audits. To address these issues, TPWODL has requested the Commission to issue suitable direction in the upcoming tariff order, regarding the process of disbursal of Wheeling Charges to the Distribution Licensee.

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

> *"In addition to the above, the short term open access customer connected to distribution system of a distribution licensee shall also pay to SLDC, the charges payable to the distribution licensee within three (3) days from the grant of the short-term open access by the nodal agency. Such charges would be disbursed to the distribution licensee on a weekly basis."*

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

(vi) Issue of Energy Accounting for Consumers under Green Energy Open Access

332. TPCODL and TPSODL have submitted that, when multiple connections of a consumer aggregating to 100 kW and above avail Green Energy Open Access, the conventional settlement procedure may be a challenge. Since, these separate connections may be located at different physical location within the DISCOM bearing separate consumer numbers, "pre-agreed" allocation basis, as envisaged under Virtual Net Metering Arrangement may be followed. A detailed procedure may be formulated in this regard and submitted for approval of the Commission within two months of passing this Order.

(vii) Issue of allowable Contract Demand at LT level

333. The DISCOMs have submitted that the OERC (Conditions of Supply), Code, 2019 at para 134 stipulates that the LT supply can be provided up to 70 kVA. However, in the Retail Supply Tariff Order there are certain Tariff categories which have load > 70 kVA (e.g. L.T. Industrial (M) Supply >=22 KVA & <110 KVA, Public Water Works and Sewerage Pumping >=110 KVA, General Purpose >= 110 KVA, Large Industry >= 110 KVA). The OERC GEOA Regulations, 2023 stipulates OA for consumers having CD of 100 kW, either through single connection or multiple connection. In view of this inconsistency, the DISCOMs have requested the Commission for bringing in clarity in this matter.

334. DISCOMs must adhere to above stipulations as mentioned in the Supply Code,2019 and subsequent amendments. In the RST Order dated 24.03.2025 for FY 2025-26, at para 289, the Commission has mentioned the following, which is self-explanatory and certainly has no inconsistency.

> *"As per the OERC Distribution (Conditions of Supply) Code, 2019, for Contract Demand above 70 kVA but below 555 kVA, supply shall be at 3-phase, 3-wire, 11 kV. However, these Consumers connected prior to 01.10.95 may be allowed to continue to receive power at LT level.*
>
> *XXX*
> *X"*

335. Accordingly, there are certain consumers who have got supply in LT before the year 1995, though their CD is greater than 110 kVA. However, there are certain consumers such as Communication towers who are allowed to avail supply in HT voltage though their CD is less than 70 kVA. But they are billed in LT as their supply voltage. Barring these types of consumers, it is expected that DISCOM shall follow the stipulations in the Supply Code. It is to be borne in the mind that if higher quantum of load, beyond the stipulations is allowed in the LT, it will simply add to the distribution loss and cause imbalance in the transformer. So, any type of aberration beyond supply code should be avoided.

FINANCIAL ISSUES FY 2026-27

Employee Expenses

336. The four DISCOMs (TPWODL, TPNODL, TPSODL and TPCODL), in their petition for ARR and Determination of tariff for the FY 2026-27, have projected higher employee expenses compared to the approved cost in the ARR order for the FY 2025-26. A comparison of the Employee expenses approved for FY 2025-26 and proposed for FY 2026-27 by DISCOMs is shown in the Table below:

Table – 50
Employee Expenses (FY 2026-27)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27
1	Basic Pay + GP	101.63	114.54	99.76	101.90	91.25	97.34	197.46	214.78	490.10	528.56
2	DA	61.99	68.60	60.85	65.17	55.66	64.25	120.45	141.75	298.95	339.77
3	Reimbursement of HR	18.29	22.91	18.29	20.37	16.57	19.47	36.50	42.96	89.65	105.71
4	Other allowance	3.00	5.76	1.64	9.21	2.42	7.06	-	12.49	7.06	34.52
5	Bonus/overtime				7.11					-	7.11
6	Outsource and contractual employee cost	50.88	64.45	83.96	89.92	113.15	132.71	76.10	81.83	324.09	368.91

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27	Approved 2025-26	Proposed 2026-27
7	Additional employee cost-CTC	135.30	187.22	126.82	176.76	123.51	138.40	146.26	177.76	531.89	680.14
8	**Total (1 to 7)**	**371.09**	**463.48**	**391.32**	**470.44**	**402.56**	**459.23**	**576.77**	**671.57**	**1741.74**	**2064.72**
9	Med. Allowance/ Reimbursement of medical expenses	5.08	5.73	4.99	5.09	4.54	5.82	9.72	10.74	24.33	27.38
10	LTC/UL	0.44		0.15	0.10					0.59	0.10
11	Ex-gratia						4.89		12.00	-	16.89
12	Other Staff Costs	11.31	10.17					7.00		18.31	10.17
13	Staff Welfare Expenses	8.68	6.62	5.34	5.07	5.75	13.93	10.00	19.59	29.77	45.21
14	**Total Other Staff Costs (9 to 13)**	**25.51**	**22.52**	**10.48**	**10.26**	**10.29**	**24.64**	**26.72**	**42.33**	**73.00**	**99.75**
15	Terminal Liabilities (Pension + Gratuity + Leave+ PF + Commuted + NPS/CPS)	152.05	137.34	126.26	130.22	134.05	135.52	274.62	285.26	686.98	688.34
16	**Total Employee cost Gross (8+14+15)**	**548.65**	**623.34**	**528.06**	**610.92**	**546.90**	**619.39**	**878.11**	**999.16**	**2501.72**	**2852.81**
17	Less : Empl. cost capitalized	25.66	26.94	18.18	20.30	37.38	35.37	31.24	34.36	112.46	116.97
18	Total Employees Cost	**522.99**	**596.40**	**509.88**	**590.62**	**509.52**	**584.02**	**846.87**	**964.80**	**2389.26**	**2735.84**
% rise over approved 2025-26			**14.04**		**15.84**		**14.62**		**13.93**		**14.51**

337. The above table reveals that for the ensuing year all the licensees have proposed a rise in employee expenses compared to the approval for the FY 2025-26. TPWODL, TPNODL, TPSODL and TPCODL have projected an increased percentage over the approval of FY 2025-26 at 14.04%, 15.84%, 14.62% and 13.93% respectively. The overall projection for all DISCOMs together is 14.51% more than the previous year's approval.

338. TPWODL has proposed the total employee expenses aggregating to (Rs.623.34 Cr) including Cost of inherited employees (Rs.371.67 crore), Outsource employee cost Rs 64.45 and CTC employee (Rs. 187.22 crore).

339. TPNODL has proposed the total employee expenses aggregating to (Rs.610.92 Cr) including Cost of inherited employees (Rs.344.24 crore), Outsource employee cost (Rs 89.92 Cr) and CTC employee (Rs.176.76 crore).

340. TPSODL has proposed the total employee expenses aggregating to (Rs.619.39 Cr) including Cost of inherited employees (Rs.348.28 crore), Outsource employee cost Rs 132.71 and CTC employee (Rs.138.40 crore).

341. TPCODL in the ARR petition for FY 2026-27 has projected the employee expenditure relating to the inherited employees to the tune of Rs.739.57 crore. Total cost projection for the CTC employees has been made to the tune of Rs. 177.76 crore which includes carry forward of the existing CTC employees from the previous year along with new recruitment during the year 2026-27. TPCODL has proposed Rs 81.83 Cr towards outsource and contractual employee expenses for the FY 2026-27. TPCODL has stated that requirement of new employees is to fulfil operational requirements and to achieve organisational objectives. TPCODL has therefore projected total employee expenses of Rs.999.16 crore for FY 2026-27.

342. The employee expenses includes salaries, allowances, terminal benefits and expenses of CTC employee, inherited employee, outsource and contractual employees.

343. The Commission has considered the number of employees (inherited, CTC, etc.) as on 31.3.2024, 31.03.2025 and 31.03.2026 their requirement during the ensuing year from the submissions of DISCOMs to estimate the total strength of employees likely to be at the end of the FY 2026-27 limiting the ratio of number of employees per thousand consumers within 1.4. The strength of the employees up to the end of FY 2026-27 as proposed by the Licensees is shown in the following table:

Table – 51
Employees Proposed (2026-27)

Employees Proposed (2026-27) Inherited	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
No. of employees as on 01.04.2025	1822	1846	1634	3929
Add: Addition during 2025-26	0	0	0	0
Less: Retirement/Expired Resignation during 2025-26	45	26	48	127
No. of employees as on 31.03.2026	**1777**	**1820**	**1586**	**3802**
Add: Addition during 2026-27		0	0	0
Less: Retirement/Expired/ Resignation during year 2026-27	37	20	34	124
No. of employees as on 31.03.2027	**1740**	**1800**	**1552**	**3678**
CTC Employee Proposed				
No. of employees as on 01.04.2025	**1453**	**1271**	**1176**	**935**
Add: Addition during 2025-26	180	54	141	113
Less: Retirement/Expired Resignation during 2025-26	50	70	0	0
No. of employees as on 31.03.2026	**1583**	**1255**	**1317**	**1048**
Add: Addition during 2026-27	160	183	190	290
Less: Retirement/Expired/ Resignation during year 2026-27	0	79	0	0
No. of employees as on 31.03.2027	**1743**	**1359**	**1507**	**1338**
Total no. of employees including CTC	**3483**	3159	**3059**	5016

Employees Proposed (2026-27) Inherited	TPWODL	TPNODL	TPSODL	TPCODL
Average no. of Consumers for FY 2026-27 (in thousands) i,e. (opening+closing)/2/1000	2323	2109	2284	3503
No. of employees allowed @1.40	**3252**	**2953**	**3198**	**4904**

Employees Approved (2026-27	TPWODL	TPNODL	TPSODL	TPCODL
Inherited Employees				
No. of employees as on 01.04.2025	1822	1846	1634	3929
Add: Addition during 2025-26	0	0	0	0
Less: Retirement/Expired Resignation during 2025-26	45	26	48	127
No. of employees as on 31.03.2026	**1777**	**1820**	**1586**	**3802**
Add: Addition during 2026-27	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2026-27	37	20	34	124
No. of employees as on 31.03.2027	**1740**	**1800**	**1552**	**3678**
Average no. of employees for FY 2025-26	1800	1833	1610	3866
Average no. of employees for FY 2026-27	1759	1810	1569	3740
Employee Approved 2026-27				
CTC Employees	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
No. of employees as on 01.04.2025	**1453**	**1271**	**1176**	**935**
Add: Addition during 2025-26	180	161	141	113
Less: Retirement/Expired Resignation during 2025-26	50	70	0	0
No. of employees as on 31.03.2026	**1583**	**1362**	**1317**	**1048**
Add: Addition during 2026-27	0	0	190	178
Less: Retirement/Expired/ Resignation during year 2026-27	0	79	0	0
No. of employees as on 31.03.2027	**1583**	**1283**	**1507**	**1226**
Average no. of employees for FY 2025-26	1518	1317	1247	992
Average no. of employees for FY 2026-27	**1583**	**1323**	**1412**	**1137**
Total no. of employees including CTC	**3323**	**3083**	**3059**	**4904**

344. All the Licensees have projected their employee expenses for FY 2026-27 taking into account the impact of the new recruitments. The DISCOMs in their reply to queries of the Commission furnished the actual cash outflow on Basic Pay + GP for the inherited employees from April, 2025 to November, 2025 (for a period of 8 months). Accordingly, the Basic pay and GP for FY 2025-26 as given in the reply to query has been extrapolated to arrive at Basic pay for FY 2025-26 for the inherited employees. The Commission allows 3% escalation on Basic Pay and Grade Pay (based on Govt. of Odisha notification on the escalation of annual salary increments) towards normal annual increment on year over year basis for the inherited employees. The same principle has been followed for the estimation of Basic pay and GP for ARR for the FY 2026-27.

345. The 7th Pay Commission recommendations and the increase in DA in current financial year forms the basis for estimation of DA of inherited employee expenses.

Table – 52
Estimation of DA

01.07.2024	53%	Approved By GoO
01.01.2025	55%	Approved By GoO
01.07.2025	58%	Approved By GoO
01.01.2026	61%	Projected
01.07.2026	64%	Projected
01.01.2027	67%	Projected

The Commission considers average DA rate of 64% for FY 2026-27.

House Rent Allowance and Medical Allowance

346. House rent allowance and Medical Allowances have been allowed for FY 2026-27 at a rate proportion to the basic pay as submitted by the DISCOMs.

Outsource and Contractual employee expenses

347. DISCOMs have engaged contractual personnel and outsource agencies for maintenance of existing Grid substations, sub stations under ODSSP, watch and ward activity, vigilance activities etc. DISCOMs were asked to submit the actual number of manpower engaged as contractual, outsource and BA employees. The Commission observed that there is mismatch of data provided by DISCOMs relating to the number of manpower engaged from time to time. The Commission with the inconsistent data has approved the outsourced employees cost limiting to last year approval of FY 2025-26 except for TPSODL.

348. The Commission observes that the manpower number and cost of contractual employees is too high in case of TPSODL in comparison to other three DISCOMs. The Commission accordingly allows an amount for Rs 103.22 Cr against proposal of Rs 132.71 Cr. for TPSODL.

Terminal Liability

349. All the DISCOMs have projected their terminal liability for the ensuing year. A comparative position of the approved terminal liability in ARR of FY 2025-26 vis-a-vis projection made by the DISCOMs for FY 2026-27 is given in the following table:

Table – 53
Terminal Liability proposed for FY 2026-27

Terminal Liability	Approved FY 2025-26	Proposed FY 2026-27	Percentage increase (in %)
TPWODL	152.05	137.34	-9.67%
TPNODL	126.26	130.22	3.14%
TPSODL	134.05	135.52	1.10%
TPCODL	274.62	285.26	3.87%
Total	**686.98**	**688.34**	**0.20%**

350. All the four DISCOMs have projected the terminal liabilities (Pension, Gratuity and Unutilized Leave) on the actual outgo basis.

351. The Commission allows the terminal liabilities on the actual cash out go basis for the ensuing year. As per the vesting order, the Commission, in the ARR, will allow to fund the trusts on the cash outgo basis requirement and not on the actuarial projection. During the present ARR analysis DISCOMs were asked to submit actual cash outgo on terminal liability for the current FY 2025-26 up to Nov 2025. On the basis of their submission of the actual liability paid up to Nov 2025, the terminal liability was extrapolated for the FY 2025-26 and after prudent analysis by the Commission, the expected terminal liability for FY 2026-27 has been approved. Accordingly, the Commission after analysis approves the terminal liabilities to all the four DISCOMs as per their projection in their respective ARR petitions, the details of which is given in the following table.

Table – 54
Terminal Liability approved for the FY 2026-27 (Rs. in Crore)

Terminal Liability	Proposed FY 2026-27	Approved FY 2026-27
TPWODL	137.34	137.34
TPNODL	130.22	130.22
TPSODL	135.52	135.52
TPCODL	285.26	285.26
Total	**688.34**	**688.34**

352. In light of the discussions in the foregone paragraphs, the Employee expenses proposed by the DISCOMs vis-à-vis approval by the Commission for FY 2026-27 is given in the following table basing on Regulation and our direction in this regard:

Table – 55
Employee expenses (Approved FY 2026-27)

(Rs. in Cr.)

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27
1	Basic Pay + GP	114.54	108.78	101.90	101.90	97.34	95.23	214.78	208.07	528.56	513.98
2	DA	68.60	69.62	65.17	65.22	64.25	60.95	141.75	133.16	339.77	328.95
3	Reimbursement of HR	22.91	19.91	20.37	18.75	19.47	17.51	42.96	38.33	105.71	94.51
4	Other allowance	5.76	3.00	9.21	3.00	7.06	3.00	12.49	3.00	34.52	12.00
5	Bonus/overtime			7.11	-					7.11	-
6	Outsource and contractual employee cost	64.45	50.88	89.92	83.96	132.71	103.22	81.83	76.10	368.91	314.16
7	Additional employee cost-	187.22	144.77	176.76	135.70	138.40	132.16	177.76	156.50	680.14	569.12

Sl. No	Particulars	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
		Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27	Proposed 2026-27	Approved 2026-27
	CTC										
8	**Total (1 to 7)**	**463.48**	**396.97**	**470.44**	**408.53**	**459.23**	**412.07**	**671.57**	**615.16**	**2064.72**	**1832.72**
9	Med. Allowance/ Reimbursement of medical expenses	5.73	5.71	5.09	5.02	5.82	5.57	10.74	10.12	27.38	26.42
10	LTC/UL			0.10	-					0.10	-
11	Ex-gratia					4.89	-	12.00	-	16.89	-
12	Other Staff Costs	10.17	5.00							10.17	5.00
13	Staff Welfare Expenses	6.62	6.62	5.07	5.07	13.93	6.00	19.59	10.00	45.21	27.69
14	**Total Other Staff Costs (9 to 13)**	**22.52**	**17.33**	**10.26**	**10.09**	**24.64**	**11.57**	**42.33**	**20.12**	**99.75**	**59.11**
15	Terminal Benefits (Pension + Gratuity + Leave+ PF + Commuted +NPS/CPS)	137.34	137.34	130.22	130.22	135.52	135.52	285.26	285.26	688.34	688.34
16	**Total Employee cost Gross (8+14+15)**	**623.34**	**551.63**	**610.92**	**548.84**	**619.39**	**559.16**	**999.16**	**920.54**	**2852.81**	**2580.17**
17	Less: Employee cost capitalized	26.94	26.94	20.30	20.30	35.37	35.37	34.36	34.36	116.97	116.97
18	Total Employees Cost	**596.40**	**524.69**	**590.62**	**528.54**	**584.02**	**523.79**	**964.80**	**886.18**	**2735.84**	**2463.20**

353. The Commission directs that employee expenses need to be restricted as per the Regulation, ARR order and any other directions by the Commission in this regard.

354. The Commission approves Employee expenses for FY 2026-27 of Rs 524.69 Cr. (against proposal of Rs 596.40 Cr.) for TPWODL, Rs. 528.54 Cr. (against proposal of Rs. 590.62 Cr.) for TPNODL, Rs. 523.79 Cr. (against proposal of Rs 584.02 Cr.) for TPSODL and Rs 886.18 Cr. (against proposal of Rs. 964.80 Cr.) for TPCODL along with any other directions of the Commission in this regard.

Administrative and General Expenses

355. The Administrative and General Expenses covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance and travelling expenses, material related expenses and other expenses including metering, billing and collection activities etc. The DISCOMs have projected their A&G expenses for FY 2026-27 in their ARR with substantial increase over the approved A&G expenses for previous FY 2025-26 as given in the following Table.

Table – 56
A&G Expenses

(Rs. in Cr.)

DISCOMs	Approved FY 2025-26	Proposed FY 2026-27	Percentage Increase
TPWODL	181.03	272.14	50%
TPNODL	137.53	163.41	19%
TPSODL	128.98	177.29	37%
TPCODL	162.59	249.00	53%

356. After takeover by new DISCOMs since the year 2020, the Commission have allowed huge expenditure under Capex and substantial portion have gone towards IT intervention and process automation. At present more than 40% of consumers have started paying their electricity bill through digital mode. Smart meter installation has already crossed 20 lakh mark and is also increasing year-on-basis and recently Govt. of Odisha has granted Rs.735 Cr. for installation of about 13 lakhs smart meters for consumers having CD <2 KW. This has obviated the need for physical meter reading and bill distribution in many cases. Under such scenario increase in A&G expenses is abnormally high i.e. in the range of 37% to 53%.

357. As per OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022(in short Regulation 2022), A&G expenses are to be escalated by 7% over the expenses of the previous year of the control period. Since these applications of DISCOMS are to be disposed of under the said Regulation & Regulatory provisions. The A&G expense shall be allowed on normative basis in the ARR for the ensuing year and shall be subject to true up. The Commission analysed the A&G expenses submitted by DISCOMs and approves A&G expenditure for FY 2026-27 by escalating the A&G expenses by 7% approved over the expenses for FY 2025-26. The Commission has also analysed the AT&C loss achieved by the respective DISCOMs and observed that the trend is downward which is a good indicator of performance of DISCOMs. The Commission, accordingly, approves the A&G expenses for FY 2026-27 for all the four DISCOMS in the following manner:

Table – 57
A&G Expenses approved for FY 2026-27

(Rs. in Cr.)

A & G Expenses Approved for FY 2026-27	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Total A&G for FY 2025-26 approved	181.03	137.53	128.98	162.59
A&G approved for FY 2026-27 escalated @7% over approved FY 2025-26	193.70	147.16	138.01	173.97

Repair and Maintenance (R&M) Expenses

358. The DISCOMs in their ARR and tariff petition for FY 2026-27 have proposed higher requirement for R&M over the previous year's approved expenses as follows:

Table – 58
R & M Proposal for FY 2026-27

(Rs. in Cr.)

R & M Expenses	Approved for FY 2025-26	Proposed for FY 2026-27	Percentage Increase over FY 2025-26 approved
TPWODL	270.14	348.62	29.05%
TPNODL	252.66	318.30	25.98%
TPSODL	166.15	232.00	39.63%
TPCODL	315.39	399.00	26.51%
TOTAL	1004.34	1297.92	29.23%

359. In consonance with Regulation 3.9.19 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022, the Repair and Maintenance expenses shall be allowed as a percentage of the opening Gross Fixed Assets (GFA) on the assets owned by the distribution company, for each year of the control period. The R&M expenses to be allowed as per the OERC's Wheeling and RST Regulations, 2022 for FY 2026-27 is shown in the following table:

Table – 59

DISCOM	TPCODL	TPWODL	TPNODL	TPSODL
R&M expenses allowed (% of opening GFA)	3.00%	3.00%	3.00%	3.50%

360. We bring to the notice of parties the following Regulatory provisions regarding R&M expenditure in Regulations 2022:

The Regulation 3.9.20 of OERC's Wheeling & RST Regulations, 2022 provides that 'The licensee shall prepare a plan and prepare budget for periodic preventive maintenance of distribution network including emergency repairs and restoration works under each division'. Regulation 3.9.21 of said Regulations provides that 'The Distribution Licensee (s) shall provide the breakup details of R&M expenses in the ARR along with requirement of annual maintenance spares for smooth operation with minimum downtime of the system.' Regulation 3.9.22 of said Regulations provides that The Commission shall allow 3% of the opening GFA of assets added under the state and Central Government schemes for maintenance of such assets. Regulation 3.9.23 of said Regulations provides that 'The commission may also allow special R&M in order to enable the Distribution Licensees to undertake critical activities which are not covered under capital investment plan approved by the Commission'.

361. The Commission analysed the proposed CAPEX and the proposed addition to the fixed assets. The asset addition up to December 2025 and the assets which are likely to be added during the remaining period of FY 2025-26 has been considered by the Commission after prudence check.

The Gross Fixed Assets as on 01.04.2026 has been computed based on the audited accounts for FY 2024-25 and additional assets approved for FY 2025-26. The R&M for FY 2026-27 is calculated at the rates provided as per OERC's Wheeling & RST Regulations, 2022. In order to ensure maintenance of the assets created under RGGVY, DDUGVY & Biju Gram Jyoti Scheme & other State and Central Government schemes which continue to be with the Govt. of Odisha, the Commission allows 3% as R&M on such assets as per the Regulation. The Commission considers the Govt. Assets as submitted by DISCOMs vide GRIDCO letter no. 2/2202/99(11) dt 31.12.2025

362. The expenditure approved by the Commission for R&M for the FY 2026-27 is accordingly shown in the following table:

Table – 60
R&M Approved for FY 2026-27

(Rs. in Cr.)

R&M for FY 2026-27	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**	
	Proposed	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**	**Proposed**	**Approved**
DISCOM's Gross fixed assets (GFA) as on 01.04.2026 (pre vesting)	6622.05	1934.31	5853.75	2150.28	3417.01	945.53	7687.00	3363.57
DISCOM's Gross fixed assets (GFA) as on 01.04.2026(post vesting)		3955.95		3318.92		1994.16		3516.56
Total GFA as on 01.04.2026	6622.05	5890.26	5853.75	5469.20	3417.01	2939.69	7687.00	6880.13
Rate of R & M on GFA	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.00%	3.00%
R&M on GFA	198.66	176.71	175.61	164.08	119.60	102.89	230.61	206.40
Govt. (Funded/Grant) Assets as on 01.04.2026 not in books	3750.54	3233.16	3025.02	2660.21	3746.82	2715.09	4766.00	3174.83
Rate of R & M on Govt. (Funded/Grant) Assets	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R&M on Govt. funded Assets	112.52	96.99	90.75	79.81	112.40	81.45	142.98	95.24
Total R & M on normative basis	311.18	273.70	266.36	243.88	232.00	184.34	373.59	301.65
Additional R&M	37.44	0	51.94	0	0	0	25.41	0
Total R&M for FY 2026-27	**348.62**	**273.70**	**318.30**	**243.88**	**232.00**	**184.34**	**399.00**	**301.65**

363. The Commission approves R&M expenses of Rs. 273.70 Cr. (against proposal of Rs. 348.62 Cr.) for TPWODL, Rs. 243.88 Cr. (against proposal of Rs. 318.30 Cr.) for TPNODL, Rs. 184.34 Cr. (against proposal of Rs. 232.00 Cr.) for TPSODL and for Rs. 301.65 Cr. (against proposal of Rs. 399.00 Cr.) for TPCODL for the FY 2026-27.

364. The expenses of the DISCOMs under R&M shall reflect in achieving a robust and reliable system network, lower network down time and desirable voltage profile.

365. The Commission in the ARR Order for the FY 2023-24 and FY 2024-25 had directed that the Discoms to keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. The details of Disaster Resilient Fund allowed by the Commission in previous ARR order is mentioned below;

Table – 61
Disaster Resilient Fund (Rs in Cr)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL	Total
Disaster Resilient Fund for FY 2023-24	60	35	0	0	95
Disaster Resilient Fund for FY 2024-25	10	10	10	10	40
Total	70	45	10	10	135

366. The direction of the Commission in ARR for FY 2024-25 is provided below;

Para 150

"*In line with the previous ARR order the Commission now in the ARR for FY 2024-25 approves to create a designated 'Disaster Resilient Fund' by all the four DISCOMs to meet any unforeseen contingencies/ disaster in future. For this the Commission now allows Rs 10.00 Cr to each DISCOMs in addition to normal R&M as per Regulation 2022 as Disaster Resilient Fund. The Commission directs for disaster resilient activities all the DISCOMs shall transfer such allocated amount to the 'Disaster Resilient Fund' to be managed by the TPWODL. The total fund availability under Disaster Resilient Fund shall be an opening balance of Rs 95.00 crore (allowed Rs 60.00 Cr to TPWODL and Rs 35.00 Cr to TPNODL in ARR order of FY 2023-24) with a closing balance of Rs 135.00 crore for FY 2024-25. The Commission further directs that the directions given in the ARR of FY 2023-24 to keep a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. This inventory will be used by other DISCOMs on transfer basis.*"

Each DISCOMs are directed to submit details of material bank created with list & quantities of items (equipment/material/pole etc.) for disaster mitigation and consumption replenishment plan so that no idle stock is maintained throughout the year under disaster mitigation.

Interest on Loan Capital

367. The loans from various sources for different purposes and interest burden as proposed by the four DISCOMs for the FY 2026-27 is given in the following Table:

Table – 62
Interest on Loan Proposed by the DISCOMs for FY 2026-27
(Rs. in Cr.)

Proposed Interest on Loans FY 2026-27				
Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on capex loan	107.01	103.57	84.54	110.17
Interest on security deposit	89.41	68.59	30.77	78.46
Interest on Working Capital	39.25	36.47	35.13	40.47
Other interest/ Finance cost	-	-	0.45	6.46
Total Interest proposed	**235.67**	**208.63**	**150.89**	**235.56**

368. The Commission analysed the interest on loans, interest on working capital and Security deposit proposed by the DISCOMS in the ARR petition.

Interest on CAPEX loan/long term debt

369. The proposed interest on CAPEX loan for all four DISCOMs is shown in the following Table.

Table – 63
Interest on CAPEX loan/long term debt Proposed by the DISCOMs
(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on CAPEX loan/long term debt	107.01	103.57	84.54	110.17

370. The Commission in its queries to DISCOMs had sought for additional information on latest position of the year-wise actual CAPEX loan availed by the each DISCOM. From the replies of the DISCOMs, it is observed that all the four DISCOMs have availed CAPEX loan till the date of submission of the ARR. The Regulation 3.7.1 of OERC's Wheeling & RST Regulations, 2022 provides that '*The loan taken for the assets put to use shall be considered as gross normative loan for calculation of interest on Loan. Provided that the interest and finance charges on Capital Work in Progress (CWIP) shall be excluded*'. Further Regulation 3.7.2 of said Regulations provides that '*The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission up to 31st March of the previous year*'. Regulation 3.7.5 of said Regulations provides that '*The rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year as applicable to the respective distribution licensee*'.

XXXXX

It is further stated that *'If the distribution Licensee as a whole does not have actual loan, then the base rate plus 150 basis points at the beginning of the respective year shall be as the rate of interest for the purpose of allowing the interest on the normative loan'.*

Regulation 3.7.6 provides that '*The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. Provided that at the time of truing up, the normative average loan of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year*'.

Provided further that neither penal interest nor overdue interest shall be allowed for computation of tariff.

371. The Commission after a prudent verification and in terms of the provisions of the Regulation mentioned above, allows interest on Long term loan, as per the Table below;

Table – 64
Interest on Loan Capital approved by the Commission for FY 2026-27
(Rs. in Cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Assets (net of govt/ consumer contribution/meter) at the beginning of 2026-27	1,988.61	1,811.11	1,648.89	2,157.53
30% considered as equity	596.58	543.33	494.67	647.26
70% considered as loan	1,392.03	1,267.78	1,154.22	1,510.27
Less: Repayment (Dep. Allowed in ARR 2025-26)	118.11	92.59	105.05	141.64
Less: Repayment (Dep. Allowed in ARR 2024-25)	61.79	45.47	59.23	85.96
Less: Repayment (Dep. Allowed in ARR 2023-24)	45.41	28.75	37.44	60.41
Less: Repayment (Dep. Allowed in ARR 2022-23)	14.37	13.72	15.92	32.68
Less: Repayment (Dep. Allowed in ARR 2021-22)	5.81	4.70	5.98	14.22
Less: Repayment (Dep. Allowed in ARR 2020-21)				2.73
Normative Loan considered	1,146.54	1,082.55	930.60	1,172.63
[Normative interest @ base rate+ 150 basis points = current base rate 8.70% +1.50% = 10.20%]	10.20%	10.20%	10.20%	10.20%
Actual weighted average interest rate as submitted by Discoms	7.64%	7.71%	7.99%	7.99%
If actual is available then actual rate of interest to be considered	7.64%	7.71%	7.99%	7.99%
Interest allowed on capex loan	**87.60**	**83.44**	**74.36**	**93.69**

372. Commission further observes that any variation with respect to actual amount shall be addressed at the time of truing up exercise.

Interest on Security Deposit

373. The OERC Distribution (Conditions of Supply Code), 2019 provides for the payment of Interest on Security Deposit to be allowed by the Commission. Regulation 57(i) of the Supply Code 2019 provides that '*The Licensee/supplier shall pay interest on security deposit to the consumer, at the bank rate (RBI Bank Rate as on 1st April of the relevant year)*'. The prevailing bank rate considered is 5 .50% per annum (latest data taken on 20th February 2026). The Commission, accordingly, allows the interest at the rate of 5.50% on the proposed closing balance on Consumer's Security Deposit as on 31.3.2026 as shown in the table below:

Table - 65
Interest on Security Deposit approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Interest on Consumer's Security Deposit	Proposed interest on Consumer's SD for FY 2026-27	Consumer's Security deposit as on 31.03.2026 (Proposed)	Interest approved on Consumer's SD @ 5.50% for FY 2026-27
TPWODL	89.41	1375.47	75.65
TPNODL	68.59	1055.28	58.04
TPSODL	30.77	432.56	23.79
TPCODL	78.46	1207.00	66.39

Interest on Working Capital

374. DISCOMs have proposed the interest on working capital as per the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 as given in the Table below.

Table – 66
DISCOM's Proposal for Interest on Working Capital
(Rs. in Cr.)

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on Working Capital	39.25	36.47	35.13	40.47

375. The Regulation 3.10.1 of OERC's Wheeling & Retail Supply Tariff Regulations, 2022, provides that:

> "*The DISCOMs shall be allowed interest on the estimated level of working capital for the wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:*
>
> *(a) O&M expenses for one month; plus*
>
> *(b) Maintenance spares @twenty (20) percent of average R&M expense for one month; plus*
>
> *(c) Power purchase cost for one month*
>
> *Working Capital requirement of the Distribution Licensees may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the Vesting Orders and as approved by the Commission. Shortfall in meeting the working capital requirement as mentioned above shall be allowed. The interest on the working capital shall be at a rate equal to the SBI Base Rate or any replacement thereof by SBI from time to time (being in effect applicable for 1 year period) as applicable as on 1stApril of the Financial Year (for which Truing Up shall be done) plus 300 basis points or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the Distribution Licensee(s), whichever is lower:*

Provided that at the time of truing up for any year, the working capital requirement shall be re-calculated on the basis of the components of working capital approved by the Commission.

Provided that, the variation between the normative interest on working capital recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors."

Accordingly, the normative interest rate for FY 2026-27 is given in the following table;

Table - 67

SBI base rate (Latest data available on dated 09.02.2026)	10.30%
Plus 300 basis points	3.00%
Normative Working Capital interest rate applicable as per Regulation	13.30%

376. The Commission, after taking into account such provisions in the Regulation, has arrived at the interest on working capital and approves the following.

Table – 68
Approved Interest on Working Capital

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
O&M for 1 month	84.92	78.32	73.46	116.35
Spares 20% of R&M (1month)	4.56	4.06	3.07	5.03
1 month Power Purchase Cost	422.16	272.98	91.00	392.09
Total working capital requirement as per Regulation	511.64	355.37	167.53	513.46
Normative Working Capital interest rate applicable as per Regulation	13.30%	13.30%	13.30%	13.30%
Actual weighted average rate of Interest on Working Capital as submitted by Discoms	7.63%	8.04%	7.31%	7.01%
Interest rate on working capital considered (Lower of normative or actual rate)	7.63%	8.04%	7.31%	7.01%
Total Interest on Working Capital	**39.04**	**28.57**	**12.25**	**35.99**

Accordingly, the Commission after analysis approves the following towards interest on working capital as mentioned below;

Table – 69

(Rs. in Cr.)

Source	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Interest on Working Capital (Proposed) for FY 2026-27	39.25	36.47	35.13	40.47
Interest on Working Capital (Allowed) for FY 2026-27	39.04	28.57	12.25	35.99

377. Accordingly, the total interest on various heads approved by the Commission under various loan components such as Capex loan, Interest on Security Deposits and Interest on Working Capital loan for FY 2026-27 is summarized below:

Table - 70
Total Annual Interest approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
Interest on capex loan/long term debt	87.60	83.44	74.36	93.69
Interest on security deposit	75.65	58.04	23.79	66.39
Interest on Working Capital	39.04	28.57	12.25	35.99
Total interest before capitalisation	202.28	170.06	110.39	196.07

378. The Commission approves interest expenses before capitalisation of Rs. 202.28 Cr. (against proposal of Rs. 235.67 Cr.) for TPWODL, Rs. 170.06 Cr. (against proposal of Rs. 208.63 Cr.) for TPNODL, Rs. 110.39 Cr. (against proposal of Rs. 150.89 Cr.) for TPSODL and Rs. 196.07 Cr. (against proposal of Rs. 235.56 Cr.) for TPCODL for the FY 2026-27.

Depreciation

379. DISCOMs have calculated depreciation for FY 2026-27 on the existing assets (Asset prior to effective date) as well as on the new assets (Asset put to use post effective date). The depreciation amounts claimed by the four DISCOMs are given as under.

Table – 71
Depreciation Proposed by DISCOMs for the FY 2026-27
(Rs. in Cr.)

Depreciation	TPWODL	TPNODL	TPSODL	TPCODL
On existing (Transferred) assets	11.48	8.97	20.24	12.12
On newly created assets	180.20	148.62	115.96	170.41
Total Depreciation proposed	191.68	157.59	136.20	182.53

380. The Commission analysed the same relating to the depreciation on existing assets (Asset prior to effective date) and on the newly created assets (Asset put to use post effective date) as per the Vesting Orders.

> The Regulation 3.8.1 of OERC's Wheeling & RST Regulations 2022 provides that '*The depreciation shall be computed separately for assets capitalized prior to the effective date and the assets put to use after the effective date*'.
>
> Regulation 3.8.2 of the said Regulations further provides that:
>
> *"The assets achieving the date of commercial operation prior to the effective date would continue to earn depreciation as per depreciation rates approved by Commission prevailing at the time*

of effective date. Since no loan has been availed by the new distribution licensee for these assets the depreciation allowed to be recovered from tariff must be utilized in the manner as per the following terms of the vesting order'.

a. *For the purpose of determination of ARR, the depreciation on the GFA as on effective date, as determined by the Commission, subject to prudence check shall be utilized as per the following priority order.*

i) *Funding of ASL as per the vesting order*

ii) *Capital Investment*

iii) *Working capital requirement computed as per tariff regulations*

b. *The manner of utilisation of such depreciation shall be as per the directions of the Commission. The distribution licensee shall maintain the separate account for such depreciation.*

c. *No depreciation shall be allowed to be recovered on the assets created out of Govt. grants irrespective of whether the corresponding grant is transferred to the distribution licensee or not."*

Regulation 3.8.3 of the said Regulations provides that "*In case of the assets of the erstwhile DISCOMs, the balance depreciable value as on April 1, 2023, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2023, from the gross value of the assets."*

Regulation 3.8.4 of the said Regulations provides that "*For the assets of erstwhile DISCOMs transferred to the new Distribution Licensee through vesting orders, that depreciation shall be calculated on pre-upvalued cost of assets at pre-1992 rate on the asset base approved by the Commission*'.

Regulation 3.8.5 of the said Regulations provides that '*For assets achieving date of commercial operation (COD) in this control period, depreciation shall be computed in the following manner.*

(a) *Approved original cost of the project/fixed assets shall be base value for calculation of depreciation.*

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

XXXXX

381. The Commission analysed the audited accounts for FY 2024-25 to assess the inherited assets and new assets. The DISCOMs were further asked to provide separately the assets created out of Government grants and Consumer contributions, inherited assets and assets created by the new DISCOMs. Commission also analysed the assets to be added during the FY 2025-26 as per their submissions to arrive at the opening GFA for FY 2026-27.

382. The OERC's Wheeling & RST Regulations 2022, defines separately the rate of depreciation for the inherited assets (excluding assets created under Government grants and Consumer contributions). These assets would be allowed depreciation at the pre 92 rates. However, for the assets created by the DISCOMs (excluding assets created under Government grants and Consumer contributions) after effective date, depreciation would be allowed as per the rates provided in the above Regulation. These rates were applied separately to arrive at the approved depreciation for FY 2026-27 and accordingly the Commission approves the following amount towards depreciation for the FY 2026-27.

Table – 72
Depreciation approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Depreciation	TPWODL	TPNODL	TPSODL	TPCODL
On existing (Transferred) assets	11.48	8.84	4.21	12.12
On newly created assets	130.69	119.58	105.50	147.64
Total Depreciation approved	**142.17**	**128.42**	**109.71**	**159.76**

383. The Commission approves Depreciation for FY 2026-27 of Rs. 142.17 Cr. (against proposal of Rs. 191.68 Cr.) for TPWODL, Rs. 128.42 Cr. (against proposal of Rs. 157.59 Cr.) for TPNODL, Rs. 109.71 Cr. (against proposal of Rs. 136.20 Cr.) for TPSODL and Rs. 159.76 Cr. (against proposal of Rs. 182.53 Cr.) for TPCODL.

Manner of utilization of depreciation:

384. As per Clause 3.8.2 (b) of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2022 as reiterated below;

> "*The manner of utilization of such depreciation shall be as per the directions of the Commission. The distribution Licensee shall maintain a separate account for such depreciation.*"

The amount of depreciation on assets prior to Effective date allowed by the Commission in the respective ARR orders is provided in the Table below;

Table-73

Depreciation on Assets prior to Effective Date (Rs. In Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL	Total
Depreciation for FY 2020-21	9.09	0	5.37	20.97	35.42
Depreciation for FY 2021-22	36.34	32.86	21.47	20.97	111.64
Depreciation for FY 2022-23	32.15	30.94	16.11	20.97	100.17

Particulars	TPWODL	TPNODL	TPSODL	TPCODL	Total
Depreciation for FY 2023-24	27.52	21.08	14.71	20.97	84.28
Depreciation for FY 2024-25	20.56	10.09	7.91	13.03	51.59
Depreciation for FY 2025-26	17.96	10.09	5.58	11.98	45.61
Depreciation for FY 2026-27	11.48	8.84	4.21	12.12	36.65
Total	**155.10**	**113.90**	**75.36**	**121.01**	**465.37**

The amount of depreciation as stated above shall be utilized as per our direction in vesting order

Provision for Bad & doubtful debts

385. The TPWODL, TPNODL, TPSODL and TPCODL have proposed Bad and doubtful debts @1% of proposed revenue in the ARR for FY 2026-27 which is shown in the Table below:

Table – 74
Bad & Doubtful Debts proposed by DISCOMs for the FY 2026-27
(Rs. in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
Proposed revenue	6284.29	4,693.77	2368.40	6662.22
Bad and Doubtful Debt	62.84	46.94	23.68	66.62

386. The Regulation 5.8.1 of OERC's Wheeling & Retail Supply Tariff Regulations, 2022 provides that *"The commission shall allow a provision for bad debts as a pass through in the ARR as a prudent commercial practice in the revenue requirement of the licensee. The provision of bad and doubtful debts during the control period shall be allowed on normative basis of 1% of the total annual revenue billed for sale of electricity."*

387. Therefore, according to the above provisions of the Regulation, the Commission allows the amount of Bad and doubtful debt @1% on the revenue approved by the Commission in this ARR for FY 2026-27. The approved the Bad and Doubtful debt is accordingly, given in the Table below:

Table – 75
Bad & Doubtful Debt Approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
Approved revenue	6463.77	4,619.21	2320.74	6682.00
Bad and Doubtful debt	64.64	46.19	23.21	66.82

Additional Serviceable Liabilities (ASL)

388. The Commission observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider provision for ASL in the present ARR for FY 2026-27 for TPCODL and other DISCOMs.

Return on Equity

389. The DISCOMs have projected the ROE based on their equity capital and the normative equity on the proposed CAPEX in the following manner

Table- 76
Return on Equity proposed by the DISCOMs for the FY 2026-27
(Rs in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
Opening balance 01.04.2026	1,006.16	876.59	743.24	974.00
Additions	173.83	157.7	128.5	192.03
Closing balance 31.03.2027	1179.99	1034.29	871.74	1166.03
ROE rate	16.00%	16.00%	16.00%	16.00%
ROE on Opening Balance (16%)	160.99	140.25	118.92	155.84
ROE on Additions	13.91	12.62	10.28	15.36
Return on Equity (post tax)	174.89	152.87	129.20	171.14

390. The Commission has considered the ROE as per the following provision in OERC's (Determination of Wheeling and Retail Supply Tariff) Regulation, 2022:

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

3.6.2. Return on equity on the assets put to use after Effective Date up to date of applicability of these Regulations: Return on equity on assets put to use after Effective Date up to date of applicability of these Regulations shall be eligible to get return as per Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and its amendments thereof.

XXXXXX

3.6.4. The return on equity shall be calculated on the normative average equity of the year. Provided that at the time of truing up, the normative average equity of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

> *3.6.5. The assets transferred to Distribution Licensee(s) in lieu of equity investment by GRIDCO shall be allowed in fixed asset base for determination of tariff, after prudence check, provided that the assets transferred are distribution assets."*

391. The Commission observes that as and when the actual Equity is infused by both the shareholders, DISCOM and GRIDCO, this will be considered in the ARR. As per the respective Vesting Order of the four DISCOMs, GRIDCO who is 49% shareholder is allowed to bring matching equity in kind for any capex infusion along with 51% equity to be bought by the DISCOMs. GRIDCO will infuse the equity by transferring matching Govt. assets lying in the DISCOMs area as per the requirement of CAPEX infusion on which ROE will be allowed in the ARR.

392. Therefore, in terms of the OERC's Wheeling & Retail Supply Tariff Regulations 2022, the Commission has considered the necessary parameters in order to arrive at the ROE. Asset base has been considered excluding assets created out of Government grants, and consumer contribution. The Regulation 3.5.2 (b) of OERC's Wheeling & RST Regulations 2022 provides that '*where the actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered and the balance amount in excess of 70% normative loan shall be considered as normative loan*'. ROE for FY 2026-27 has been arrived at accordingly based on above provision of the Regulation.

393. Accordingly, the amount of ROE proposed by DISCOMs and allowed by the Commission is given in the following table.

Table – 77
ROE approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Particulars	TPWODL	TPNODL	TPSODL	TPCODL
a. Reserve Price	300.00	250.00	200.00	300.00
b. Asset put to use up to 2025-26	1988.61	1811.11	1648.89	2157.53
c. 30% of asset put to use (b*30%)	596.583	543.333	494.667	647.259
d. Opening equity for calculation of ROE(a+c)	896.58	793.33	694.67	947.26
e. ROE @16% (d*16%)	143.45	126.93	111.15	151.56

394. The Commission approves Return on Equity for FY 2026-27 of Rs 143.45 Cr (against proposal of Rs 174.89 Cr) for TPWODL, Rs 126.93 Cr (against proposal of Rs 152.87 Cr) for TPNODL, Rs 111.15 Cr (against proposal of Rs 129.20 Cr) for TPSODL and Rs 151.56 Cr (against proposal of Rs 171.14 Cr) for TPCODL.

Non-Tariff Income

395. The Non-Tariff Income proposed by the licensees for the FY 2026-27 against the approved amount for FY 2025-26 are given in the Table below:

Table - 78
Non-Tariff Income proposed by DISCOMs
(Rs. in Cr.)

DISCOMs	TPWODL	TPNODL	TPSODL	TPCODL
Approved for FY 2025-26	438.10	185.63	44.92	94.09
Proposed for FY 2026-27	417.42	195.60	31.30	101.35

396. The Non-Tariff Income (NTI) of the DISCOMS, defined in the OERC's Wheeling & Retail Supply Tariff Regulations 2022, is to be deducted from the ARR in calculating the tariff for retail supply of electricity by the Distribution Licensee.

397. The Regulation 5.9.2 of OERC's Wheeling & RST Regulations 2022 further provides the indicative list of items to be considered for NTI like rent of land or building, sale of scrap, income from statutory investments, advances to suppliers and contractors, service charges, advertisements, commission for collection of ED, miscellaneous charges, interest on loans and advances, DPS, over drawl penalty, supervision charges, and other miscellaneous receipts.

398. The Commission observes that the non-tariff income is variable in nature and the reasonable estimate of future receipts would be on the basis of the analysis of past trends. The Commission after scrutiny and analysis allows the expected Non-Tariff Income (NTI). Any variation with the actual amount shall be addressed at truing up stage.

399. The proposed and approved Non-tariff Income for FY 2026-27 is shown in the following table:

Table – 79
Non-tariff Income proposed by DISCOMs and approved by the Commission for the FY 2026-27 **(Rs. in Cr.)**

Non tariff Income	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27
Rebate on power purchase	49.02	50.06	34.14	34.14	11.37	11.37	45.13	47.88
Rebate allowed to Consumers	-65.00	-77.04	-49.69	-49.69	-45.60	-45.60	-122.82	-122.82
Supervision charges/Inspection fee	4.00	6.60	11.32	11.32	-	-	-	2.67

Non tariff Income	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27	Proposed FY 2026-27	Approved FY 2026-27
Interest on FD	100.00	151.25	86.33	103.58	34.04	34.04	120.98	120.98
Open access charges (CSS & wheeling)	288.40	391.05	55.94	68.88	2.13	2.13	25.54	58.37
Service connection charge	-	-	2.15	2.15	-	-	6.61	6.49
Sale of scraps	3.00	3.00	17.69	17.69	8.24	8.24	11.25	11.25
Overdrawal penalty	10.00	12.78	9.61	9.61	2.44	2.44	0.00	0.00
Delay payment surcharge	12.00	13.46	15.79	15.79	15.53	15.53	6.50	10.53
Miscellaneous receipt	16.00	16.00	12.32	12.32	3.15	3.15	8.16	30.03
Total	**417.42**	**567.15**	**195.60**	**225.79**	**31.30**	**31.30**	**101.35**	**165.38**

400. The Commission approves the Non-tariff income expenses of Rs 567.15 Cr. (against proposal of Rs. 417.42 Cr.) for TPWODL, Rs. 225.79 (against proposal of Rs. 195.60 Cr.) for TPNODL, Rs. 31.30 Cr. (against proposal of Rs. 31.30 Cr.) for TPSODL and Rs. 165.38 Cr. (against proposal of Rs. 101.35 Cr.) for TPCODL for the FY 2026-27.

Tax on Income

401. The Tax on Income/ROE proposed by the licensees for the FY 2026-27 by DISCOMs is mentioned in the Table below:

Table – 80

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
Proposed	58.82	51.42	43.46	57.57

402. The Commission determines the Taxes on Income/ ROE as per the Regulations 3.11 of OERC's Wheeling and Retail Supply Tariff Regulations , 2022. The current Income Tax rate @ 25.168 has been considered for determination of Taxes on Income/ROE of respective DISCOMs for the FY 2026-27.

403. The Tax on Income proposed by the licensees for the FY 2026-27 and the approved amount for FY 2026-27 are given in the Table below:

Table: 81

(Rs Cr)

SL. No	**Particulars**	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
1	**Proposed for FY 2026-27**	58.82	51.42	43.46	57.57
2	**Approved for FY 2026-27**	36.11	31.95	27.97	38.15

404. Any variation with respect to Income tax shall be addressed at the time of truing up exercise as per the Regulation, 2022.

Revenue Requirement

405. In the light of above discussions, the Commission approves the revenue requirement of all four DISCOMs for the FY 2026-27 as shown in Annexure-A.

Table – 82
Revenue Requirement of DISCOMS for the FY 2026-27

	TPWODL		TPNODL		TPSODL		TPCODL		Total	
Expenditure	**Proposed 2026-27**	**Approved 2026-27**	**Proposed 2026-27**	**Approved 2026-27**	**Proposed 2026-27**	**Approved 2026-27**	**Proposed 2026-27**	**Approved 2026-27**	**Proposed 2026-27**	**Approved 2026-27**
Cost of Power Purchase	4,597.53	4,763.25	3,187.25	3,060.91	959.50	968.81	4,173.20	4,385.09	12,917.48	13,178.06
Transmission Cost	304.41	300.74	225.76	213.55	128.77	122.38	337.83	317.95	996.77	954.63
SLDC Cost	1.91	1.90	1.34	1.35	0.78	0.77	2.13	2.01	6.16	6.03
Total Power Purchase, Transmission & SLDC cost(A)	**4,903.85**	**5,065.89**	**3,414.35**	**3,275.81**	**1,089.05**	**1,091.96**	**4,513.16**	**4,705.05**	**13,920.41**	**14,138.72**
Employee expenses	623.34	551.63	610.92	548.84	619.39	559.16	999.16	920.54	2,852.81	2,580.17
Repair & Maintenance expenses	348.62	273.70	318.30	243.88	232.00	184.34	399.00	301.65	1,297.92	1,003.58
Administrative and General Expenses	272.14	193.70	163.41	147.16	177.29	138.01	249.00	173.97	861.84	652.84
Provisions for Bad and Doubtful Debts	62.84	64.64	46.94	46.19	23.68	23.21	66.62	66.82	200.08	200.86
Depreciation	191.68	142.17	157.59	128.42	136.20	109.71	182.98	159.76	668.45	540.05
Interest on loan and S.D	235.67	202.28	208.63	170.06	150.89	110.39	235.56	196.07	830.75	678.80
Total Operation & Maintenance and other cost	**1,734.29**	**1,428.13**	**1,505.79**	**1,284.54**	**1,339.45**	**1,124.82**	**2,132.32**	**1,818.81**	**6,711.85**	**5,656.30**
Less: Employee Cost capitalised	26.94	26.94	20.30	20.30	35.37	35.37	34.36	34.36	116.97	116.97
Less: Interest capitalised	1.50	1.50							1.50	1.50
Return on equity	174.89	143.45	152.87	126.93	129.20	111.15	171.14	151.56	628.10	533.09
Tax on Income/ROE	58.82	36.11	51.42	31.95	43.46	27.97	57.57	38.15	211.27	134.18
Carrying cost on ASL	7.07	-	11.65	-			113.91		132.63	
Amortisation of Regulatory asset						100.29			-	100.29
Special. Appropriation/ carrying cost	11.50	-	36.28	-					47.78	
Carrying cost on Regulatory Asset						24.06				24.06
Total Distribution Cost	**1,958.13**	**1,579.25**	**1,737.71**	**1,423.13**	**1,476.74**	**1,352.93**	**2,440.58**	**1,974.15**	**7,613.16**	**6,329.45**
Less: Non-Tariff Income	417.43	567.15	195.60	225.79	31.30	31.30	101.35	165.38	745.68	989.62
Net Distribution Cost (B)	**1,540.70**	**1,012.10**	**1,542.11**	**1,197.34**	**1,445.44**	**1,321.63**	**2,339.23**	**1,808.77**	**6,867.48**	**5,339.84**
Total Revenue Requirement (A+B)	**6,444.55**	**6,078.00**	**4,956.46**	**4,473.15**	**2,534.49**	**2,413.59**	**6,852.39**	**6,513.82**	**20,787.89**	**19,478.55**
Expected Revenue (full year)	**6,284.29**	**6,463.77**	**4,693.77**	**4,619.21**	**2,368.40**	**2,320.74**	**6,662.22**	**6,682.00**	**20,008.68**	**20,085.71**
GAP(+Surplus/-Deficit)	**(160.26)**	**385.77**	**(262.69)**	**146.06**	**(166.09)**	**(92.85)**	**(190.17)**	**168.18**	**(779.21)**	**607.16**

* Approved Energy Purchase for the FY 2026-27 are : TPWODL : 12531 MU, TPNODL: 8898 MU, TPSODL: 5099 MU, TPCODL: 13248 MU and total energy purchase for the State is 39776 MU.

*Approved Energy Sale for the FY 2026-27 are : TPWODL : 10822.332 MU, TPNODL: 7840.957 MU, TPSODL: 3988.422 MU, TPCODL: 11240.939 MU and total energy sale for the State is 33,982.65 MU.

406. The Commission is disposing of the present application of DISCOMs under OERC Wheeling & Retail Supply Tariff Regulations, 2022. While determining ARR the Commission has scrupulously followed the above Regulation. All the DISCOMs except TPSODL have regulatory surplus in their ARR. However, in case of TPSODL there is a regulatory gap (-) Rs.92.85 Crore which remains uncovered through estimated revenue. Hon'ble Supreme Court in Writ Petition (C) 104 of 2014 BSES Rajadhani Power Ltd. Vs. Union of India and Others tagged Writ Petitions and Civil Appeal at Para 67.3 has directed that there should not be any gap between approved ARR and the estimated annual revenue from approved tariff except under exceptional circumstances like natural calamity. The gap shall not be more than 3% of approved ARR in line with Rule 23 of the Electricity Amendment Rules, 2024. However, in case of TPSODL, the gap is 3.85%, which has slightly breached the norm of 3% of the ARR. This is because TPSODL is uniquely positioned in the State of Odisha where revenue earning potential of DISCOM is less in comparison to the expenditure as the area of operation of the DISCOM (TPSODL) is dominated by rural domestic consumers and cross subsidized consumers. Unless the expenditure of TPSODL is recognised, the consumer service may be affected. Therefore, the Commission has consciously kept its BSP (Bulk Supply Price) very low at the level of Rs.1.90 per unit so that it can meet its revenue requirement and regulatory gap will be minimised.

407. A summary of the proposed & approved revenue requirement, expected revenue (at the approved tariff) and revenue gap for FY 2026-27 is given below:

Table – 83
Revenue Requirement & Expected Revenue Proposed by DISCOMs & Approved by the Commission for the FY 2026-27
(Rs. in Cr.)

Sl. No.	DISCOM	TPWODL	TPNODL	TPSODL	TPCODL	Total
1	**Revenue Requirement**					
2	Proposed	6444.55	4956.46	2534.49	6852.39	20787.89
3	Approved	6078.00	4473.15	2413.59	6513.82	19478.55
4	**Expected Revenue**					
5	Proposed	6284.29	4693.77	2368.40	6662.22	20008.68
6	Approved	6463.77	4619.21	2320.74	6682.00	20085.71
7	**Approved Gap (+Surplus / -Deficit) (6-3)**	**385.77**	**146.06**	**-92.85**	**168.18**	**607.16**

Segregation of Wheeling and Retail Supply business

408. For segregation of wheeling and Retail Supply expenses, the ARR proposal shall include information relating to power purchase expenses, ISTS charge, A&G expenses, employee expenses, O&M Expenses, Interest on Loan Capital and Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, Income Tax, NTI, other allocation of expenses. The deduction will be made on account of NTI, income from other business(es), receipt on account of cross subsidy surcharge from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge (CSS).

409. The DISCOMs in their ARR submissions have proposed allocation under wheeling and retail supply business in line with the OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The allocation of wheeling and retail supply cost as per the Regulation is given in the following Table.

Table – 84
Allocation of Wheeling and Retail Supply Cost

Sl. No.	Cost/Income Component	Ratio for consideration in Wheeling Business	Ratio for consideration in Retail Supply Business
1	Power purchase expenses	0%	100%
2	Intra-state transmission Charges	0%	100%
3	Employee Expenses	60%	40%
4	Administrative & General Expenses	50%	50%
5	Repair & Maintenance Expenses	90%	10%
6	Depreciation	90%	10%
7	Interest on long term capital	90%	10%
8	Interest on Working capital	10%	90%
9	Provision for bad debts	0%	100%
10	Income Tax	90%	10%
11	Contribution to Contingent Reserve, if any	100%	0%
12	Return on Equity	90%	10%
13	Non-Tariff Income	10%	90%

410. The distribution licensees are yet to segregate the accounts of their licensed business into wheeling and retail supply business as provided in the earlier OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014 and also as per the present OERC's Wheeling & Retail Supply Tariff Regulations, 2022. The Commission therefore, based on the above allocation matrix allows cost towards Retail Supply business and Wheeling business in the following manner. The Commission shall monitor the same.

Wheeling Business

411. OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 provides that ARR shall contain the proposal for wheeling Tariff and Retail supply tariff including its computation. The licensee shall furnish the required information with regard to technical, commercial and financial parameters. The ARR proposal shall include information for the wheeling business such as detailed capital expenditure, capitalisation, financing plan, distribution system or network usage forecast, O&M expenses, interest on loan capital & working capital, depreciation, ROE, Income tax, other taxes and other relevant expenses, etc. The deduction as per the regulation will be made on account of NTI, income from other business and income from wheeling charges payable by the existing distribution system users other than the retail consumers including the losses.

412. On the basis of allocation matrix for Wheeling and Retail Supply business, the costs in respect of wheeling business of TPWODL, TPNODL, TPSODL and TPCODL are approved for Rs.972.23 Cr., Rs. 924.14 Cr., Rs. 838.15 Cr. and Rs. 1276.08 Cr. respectively. Accordingly, the wheeling charges (per unit) calculated for TPWODL, TPNODL, TPSODL and for TPCODL are 120.90 paise/unit, 180.86 paise/unit, 197.72 paise/unit and 116.56 paise/unit respectively. The details of the cost allocation in respect of Wheeling Business and determination of wheeling charges are shown in the following Table:

Table - 85

Allocation of cost towards Wheeling Business of DISCOMs for the FY 2026-27

(Rs. in Cr.)

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2026-27 - WHEELING BUSINESS (Rs. in Cr.)											
	Ratio out of Total approval	**TPWODL**		**TPNODL**		**TPSODL**		**TPCODL**		**TOTAL**	
Expenditure	(%)	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling
Employee costs(After Capitaisation)	60	524.69	314.82	528.54	317.12	523.79	314.27	886.18	531.71	2,463.20	1477.92
Repair & Maintenance	90	273.70	246.33	243.88	219.49	184.34	165.91	301.65	271.48	1,003.58	903.22
A & G Expenses	50	193.70	96.85	147.16	73.58	138.01	69.00	173.97	86.99	652.84	326.42
Depreciation	90	142.17	127.95	128.42	115.58	109.71	98.74	159.76	143.78	540.05	486.05
Interest on long term Loan capital	90	86.10	77.49	83.44	75.10	74.36	66.92	93.69	84.32	337.59	303.83
Interest on Working Capital Loan	10	39.04	3.90	28.57	2.86	12.25	1.22	35.99	3.60	115.85	11.58
Return on equity	90	143.45	129.11	126.93	114.24	111.15	100.03	151.56	136.41	533.09	479.79
Tax on ROE	90	36.11	32.50	31.95	28.75	27.97	25.18	38.15	34.33	134.18	120.76

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2026-27 - WHEELING BUSINESS (Rs. in Cr.)											
	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling	Approved Total	Approved Wheeling
Gross Total		**1438.96**	**1028.94**	**1318.89**	**946.72**	**1181.57**	**841.28**	**1840.95**	**1292.62**	**5780.37**	**4109.56**
Less: Non Tariff Income	10	567.15	56.71	225.79	22.58	31.30	3.13	165.38	16.54	989.62	98.96
Expenses towards Wheeling in LT											
Total wheeling Cost			**972.23**		**924.14**		**838.15**		**1276.08**		**4010.60**
Total MU approved for LT & HT consumers			8041.90		5109.70		4239.12		10947.45		28338.17
Wheeling charges (P/U)			**120.90**		**180.86**		**197.72**		**116.56**		**141.53**

Expenses towards Wheeling in LT

413. In the past years, the wheeling charges for HT and LT consumers were taken together. However, OERC's Green Energy Open Access Regulation 2023 allows open access to consumers with CD or sanctioned load of 100KW or more. For the FY 2026-27, the Commission has determined the Cross Subsidy Surcharge (CSS) & Wheeling charges applicable to Green Energy Open Access customers at LT Level for use of Intra-State transmission/distribution system

Retail Supply Business

414. The Retail Supply business comprises of power purchase expenses, O&M Expenses, Interest on Loan Capital & Working capital, depreciation, ROE, statutory levies and taxes, Bad and doubtful debt, etc. The deduction will be made on account of NTI, income from other business, receipt on account of Cross Subsidy Surcharge (CSS) from open access consumers, any revenue grant, subsidy provided by the Government and provision for receipt of revenue on account of Cross Subsidy Surcharge.

415. On the basis of allocation matrix for Wheeling and Retail Supply business, the cost in respect of retail supply business for TPWODL, TPNODL, TPSODL and for TPCODL is given in the following table:

Table – 86
Allocation of cost towards Retail Supply Business of DISCOMs for the FY 2026-27
(Rs. in Cr.)

	Ratio out of Total approval	TPWODL		TPNODL		TPSODL		TPCODL		TOTAL	
Expenditure	(%)	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail	Approved Total	Approved Retail
Cost of power purchase	100	4763.25	4763.25	3060.91	3060.91	968.81	968.81	4385.09	4385.09	13,178.06	13178.06

Expenditure	Ratio out of Total approval (%)	TPWODL Approved Total	TPWODL Approved Retail	TPNODL Approved Total	TPNODL Approved Retail	TPSODL Approved Total	TPSODL Approved Retail	TPCODL Approved Total	TPCODL Approved Retail	TOTAL Approved Total	TOTAL Approved Retail
Transmission Charges	100	300.74	300.74	213.55	213.55	122.38	122.38	317.95	317.95	954.63	954.63
SLDC Charges	100	1.90	1.90	1.35	1.35	0.77	0.77	2.01	2.01	6.03	6.03
Employee costs(After Capitaisation)	40	524.69	209.88	528.54	211.42	523.79	209.52	886.18	354.47	2,463.20	985.28
Repair & Maintenance	10	273.70	27.37	243.88	24.39	184.34	18.43	301.65	30.16	1,003.58	100.36
A & G Expenses	50	193.70	96.85	147.16	73.58	138.01	69.00	173.97	86.99	652.84	326.42
Bad and Doubtful debt	100	64.64	64.64	46.19	46.19	23.21	23.21	66.82	66.82	200.86	200.86
Depreciation	10	142.17	14.22	128.42	12.84	109.71	10.97	159.76	15.98	540.05	54.01
Interest on long term Loan capital	10	86.10	8.61	83.44	8.34	74.36	7.44	93.69	9.37	337.59	33.76
Interest on Working Capital Loan	90	39.04	35.13	28.57	25.71	12.25	11.02	35.99	32.39	115.85	104.26
Interest on security deposit	100	75.65	75.65	58.04	58.04	23.79	23.79	66.39	66.39	223.87	223.87
Return on equity	10	143.45	14.35	126.93	12.69	111.15	11.11	151.56	15.16	533.09	53.31
Tax on ROE	10	36.11	3.61	31.95	3.19	27.97	2.80	38.15	3.81	134.18	13.42
Amortisation of Regulatory asset	100					100.29	100.29			100.29	100.29
Carrying cost on Regulatory Asset	100					24.06	24.06			24.06	24.06
Gross Retail Supply Cost		**6645.14**	**5616.20**	**4698.94**	**3752.22**	**2444.89**	**1603.61**	**6679.20**	**5386.59**	**20468.17**	**16358.61**
Less: Non Tariff Income	90	567.15	510.43	225.79	203.21	31.30	28.17	165.38	148.85	989.62	890.66
Net Retail Supply Cost		**6078.00**	**5,105.77**	**4473.15**	**3,549.01**	**2413.59**	**1,575.44**	**6513.82**	**5237.74**	**19478.55**	**15467.95**

416. In the last RST order the Commission had directed DISCOMs to segregate their accounts for wheeling business and retail supply business as per OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2014. The new Regulation OERC (Terms and Conditions for Determination of Wheeling Tariff & Retail Supply Tariff) Regulations, 2022 also stipulates that the distribution licensee shall segregate the accounts of the licensed business into wheeling and Retail Supply business within one year of notification of these Regulations as per the guidelines to be issued by the Commission. Pending such guidelines, the Commission directs DISCOMs to take necessary steps in order to segregate their accounts for wheeling business and retail supply business as per the said OERC's Regulation.

Analysis of LT Division-wise Performance and Employee Performance

417. The Commission analysed the LT loss level of various Divisions of each DISCOMs as submitted by the DISCOMs. The performance in respect of LT segment of all four DISCOMs (Division wise) for FY 2024-25 on the various parameters is as given in the following tables.

Table – 87

L.T. PERFORMANCE OF TPCODL FOR THE FY 2024-25

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	LT Realization Per LT Input P/U	Overall Realization Per total Input P/U
			LT	LT	LT	LT	LT	LT	LT	LT		
OERC APPROVAL			**7165.42**	**5591.94**	21.96%	78.04%	**2826.88**	**2798.61**	99.00%	22.74%	3.91	4.61
-		-	-	-	-	-	-	-	-	-	-	-

1	BCDD-1, BHUBANESWAR	66679	268.9	283.3	-5.36%	105.36%	171.34	170.27	99.37%	-4.69%	6.33	6.16
2	BCDD-2, BHUBANESWAR	222670	645.4	704.5	-9.16%	109.16%	402.40	406.76	101.08%	-10.34%	6.30	5.97
3	BED, BHUBANESWAR	171625	651.6	592.1	9.14%	90.86%	336.61	335.73	99.74%	9.37%	5.15	5.18
4	NED, NIMAPARA	215750	442.4	254.0	42.59%	57.41%	124.71	125.14	100.34%	42.39%	2.83	2.89
5	PED, PURI	223948	485.3	338.9	30.16%	69.84%	186.08	181.81	97.71%	31.76%	3.75	4.01
6	NAYAGARH DIV	230252	258.7	217.8	15.79%	84.21%	106.46	108.40	101.82%	14.26%	4.19	4.13
7	KHD, KHURDA	216289	421.2	305.5	27.47%	72.53%	157.00	155.96	99.33%	27.95%	3.70	4.96
8	BAED, BALUGAON	128235	208.9	151.7	27.36%	72.64%	74.52	73.50	98.62%	28.36%	3.52	3.96
9	CED, CUTTACK	185874	412.3	240.6	41.65%	58.35%	125.63	120.20	95.68%	44.17%	2.92	3.94
10	CDD-1, CUTTACK	92271	349.0	333.7	4.39%	95.61%	189.56	188.98	99.69%	4.68%	5.41	5.40
11	CDD-2, CUTTACK	93624	304.2	283.9	6.69%	93.31%	159.93	159.74	99.88%	6.81%	5.25	5.52
12	AED, ATHAGADA	141434	268.9	133.7	50.28%	49.72%	66.05	66.99	101.42%	49.57%	2.49	3.89
13	SED, SALIPUR	129560	229.5	146.2	36.30%	63.70%	71.83	71.56	99.62%	36.53%	3.12	3.09
14	KED1, KENDRAPARA	228432	331.8	261.0	21.35%	78.65%	127.40	130.38	102.34%	19.51%	3.93	4.09
15	KED2, MARSHAGHAI	103721	126.6	94.9	25.06%	74.94%	44.54	44.13	99.08%	25.75%	3.48	3.38
16	PDP, PARADEEP	126022	212.5	155.4	26.84%	73.16%	79.49	80.37	101.11%	26.03%	3.78	5.75
17	JED, JAGATSINGPUR	150628	212.6	175.7	17.38%	82.62%	84.48	86.43	102.30%	15.47%	4.06	3.90
18	DED, DHENKANAL	228132	394.3	260.4	33.94%	66.06%	130.43	132.68	101.73%	32.80%	3.37	4.30
19	ANGUL DIVISION	192871	294.7	223.7	24.10%	75.90%	116.33	115.70	99.46%	24.51%	3.93	5.60
20	TED, TALCHER	177421	343.1	214.0	37.63%	62.37%	111.38	111.27	99.90%	37.70%	3.24	5.88
	Total	**3325438**	**6861.9**	**5371.0**	**21.73%**	**78.27%**	**2866.16**	**2865.95**	**99.99%**	**21.73%**	**4.18**	**4.93**

Table – 88
L.T. PERFORMANCE OF TPNODL FOR THE FY 2024-25

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	Overall Realization Per total Input P/U	LT Realization Per LT Input P/U
			LT	LT	LT	LT	LT	LT	LT	LT		
OERC TARGET / APPROVAL			**3464.36**	**2678.78**	**22.68%**	**77.32%**	**1321.59**	**1308.37**	**99.00%**	**23.45%**		
ACTUAL		-	-	-	-	-	-	-	-	-	-	-
1	BED, BALASORE	67856	193.959	180.952	6.71%	93.29%	102.85	103.18	100.32%	6.41%	547	532
		65119	180.006	163.678	9.07%	90.93%	91.89	93.44	101.68%	7.54%	543	519
2	BTED, BASTA	84635	156.300	111.540	28.64%	71.36%	51.49	55.77	108.31%	22.71%	333	357
		82572	143.375	94.705	33.95%	66.05%	46.07	47.74	103.64%	31.54%	311	333
3	JED, JALESWAR	116432	194.927	160.775	17.52%	82.48%	70.83	73.42	103.66%	14.50%	419	377
		113777	181.316	133.428	26.41%	73.59%	60.12	63.50	105.63%	22.27%	403	350
4	CED, BALASORE	114082	218.836	164.132	25.00%	75.00%	84.98	89.12	104.86%	21.35%	552	407
		111198	203.419	131.555	35.33%	64.67%	72.65	78.79	108.46%	29.86%	593	387
5	SED, SORO	157641	211.019	175.077	17.03%	82.97%	88.26	92.66	104.98%	12.90%	414	439
		153650	184.588	147.255	20.23%	79.77%	76.13	77.87	102.28%	18.41%	403	422
6	BNED, BHADRAK (N)	181404	359.391	263.192	26.77%	73.23%	138.40	140.44	101.47%	25.69%	469	391
		177149	333.713	230.065	31.06%	68.94%	123.83	125.14	101.06%	30.33%	469	375
7	BSED, BHADRAK (S)	113369	166.244	129.677	22.00%	78.00%	63.54	67.52	106.27%	17.10%	382	406
		109614	150.064	103.022	31.35%	68.65%	53.76	59.38	110.45%	24.18%	375	396
8	BPED, BARIPADA	217785	314.155	262.008	16.60%	83.40%	144.61	151.31	104.63%	12.74%	467	482
		213732	289.303	220.783	23.68%	76.32%	126.41	134.98	106.78%	18.51%	450	467
9	UED, UDALA	97463	103.213	85.732	16.94%	83.06%	47.01	50.03	106.43%	11.60%	451	485
		95810	94.464	72.176	23.59%	76.41%	40.30	44.26	109.83%	16.08%	437	469
10	RED, RAIRANGPUR	189610	182.118	154.009	15.43%	84.57%	89.22	98.11	109.96%	7.01%	512	539
		188529	175.312	133.541	23.83%	76.17%	76.47	88.46	115.68%	11.88%	485	505
11	JRED,JAJPUR ROAD	98349	232.555	196.472	15.52%	84.48%	110.11	113.48	103.05%	12.94%	623	488
		95779	221.895	175.038	21.12%	78.88%	98.60	103.49	104.96%	17.21%	610	466
12	JTED, JAJPUR	102509	178.662	151.828	15.02%	84.98%	76.64	78.81	102.84%	12.61%	416	441

	TOWN	99035	167.697	135.974	18.92%	81.08%	69.63	68.94	99.01%	19.72%	383	411
13	KUED, KUAKHIA	112293	223.190	159.467	28.55%	71.45%	84.00	86.88	103.43%	26.10%	438	389
		109235	214.823	139.825	34.91%	65.09%	76.73	78.47	102.27%	33.44%	410	365
14	KED, KEONJHAR	120335	125.426	123.485	1.55%	98.45%	70.93	73.24	103.25%	-1.65%	588	584
		118961	116.111	106.237	8.50%	91.50%	62.09	64.73	104.26%	4.61%	575	558
15	JOED, JODA	91665	132.980	129.638	2.51%	97.49%	73.93	75.13	101.62%	0.93%	617	565
		90385	122.870	118.027	3.94%	96.06%	68.72	70.12	102.04%	1.98%	623	571
16	AED, ANANDAPUR	134063	158.356	128.483	18.86%	81.14%	69.03	73.71	106.79%	13.36%	450	465
		129968	152.134	110.635	27.28%	72.72%	61.11	65.10	106.52%	22.54%	418	428
TPNODL TOTAL		**1999491**	**3151.331**	**2576.467**	**18.24%**	**81.76%**	**1365.85**	**1422.82**	**104.17%**	**14.83%**	**536**	**451**
		1954513	**2931.090**	**2215.944**	**24.40%**	**75.60%**	**1204.51**	**1264.41**	**104.97%**	**20.64%**	**532**	**431**

Table –89
L.T. PERFORMANCE OF TPWODL FOR THE FY 2024-25

SL. NO.	NAME OF DIVISION	No of LT Consumers	ENERGY INPUT (MU) (Assuming HT Loss 8%)	ENERGY SOLD (MU)	LOSS % (Assuming HT Loss 8%)	BILLING EFFICIENCY (%)	BILLING TO CONSUMERS (Rs.Crs.)	COLLECTION RECEIVED (Rs. IN Crs.)	COLLECTION EFFICIENCY (%)	AT & C LOSS (%)	OVERALL P/U REALISATION	LT P/U REALISATION
1	BARGARH(W)	183133	628.884	318	49%	51%	116	91	78%	60.5%	160	145
2	BARGARH	133142	513.530	296	42%	58%	136	121	89%	48.8%	302	235
3	BOLANGIR	151426	405.997	225	45%	55%	111	114	102%	43.3%	310	280
4	TITILAGARH	213416	379.982	231	39%	61%	112	117	105%	36.2%	347	309
5	SONEPUR	130353	287.704	214	25%	75%	93	87	93%	30.4%	357	302
6	SAMBALPUR (EAST)	114980	274.756	199	28%	72%	104	110	106%	23.4%	539	401
7	NUAPADA	140474	249.257	179	28%	72%	81	86	106%	24.2%	376	344
8	SAMBALPUR	66227	255.025	208	18%	82%	119	117	99%	19.6%	508	461
9	KWED	176477	202.617	156	23%	77%	74	77	104%	20.0%	379	379
10	BRAJRAJNAGAR	52989	116.216	97	17%	83%	49	51	103%	14.3%	555	437
11	KEED	167169	236.611	196	17%	83%	100	103	103%	14.7%	551	437
12	JHARSUGUDA	133107	263.361	212	20%	80%	116	130	112%	9.8%	612	493
13	SUNDERGARH	105675	165.705	140	16%	84%	76	82	107%	9.8%	508	492
14	RAJGANGPUR	138266	192.571	180	6%	94%	97	103	106%	0.4%	578	534
15	ROURKELA-SADAR	109277	196.110	183	7%	93%	99	105	106%	1.5%	576	536
16	DEOGARH	74901	72.579	66	10%	90%	35	42	120%	-8.4%	543	580
17	ROURKELA	73890	122.489	153	-25%	125%	84	87	104%	-30.8%	711	712
Total	**TPWODL**	**2164902**	**4563.394**	**3251.618**	**28.7%**	**71.3%**	**1602.50**	**1622.66**	**101.3%**	**27.85%**	**502**	**356**

Table – 90
L.T. PERFORMANCE OF TPSODL FOR THE FY 2024-25

Sl. No.	Name of Division	No. of Consumers	Energy Input (MU) (Assuming HT Loss 8%)	Energy Sold (MU)	T & D Loss (%) (Assuming HT Loss 8%)	Billing Efficiency (%)	Billing to Consumer (Rs. in Crs.)	Collection Received (Rs. in Crs.)	Collection Efficiency (%)	AT & C Loss (%)	Overall Realization Per total Input P/U	LT Realization Per LT Input P/U
1	ASKA- I, ASKA	65021	126	59	53%	47%	29	**30**	104%	51%	2.61	2.42
2	AED- II, ASKA	65602	114	57	50%	50%	28	**29**	103%	49%	2.52	2.56
3	GNED, CHATRAPUR	113667	236	126	46%	55%	63	**67**	107%	43%	5.02	2.86
4	HED, HINJILICUT	93031	145	88	39%	61%	43	**46**	107%	35%	3.32	3.16
5	PSED, PURUSOTTAMPUR	117058	165	103	37%	63%	52	**54**	106%	34%	3.18	3.30
6	BOED, BOUDH	95643	137	100	27%	73%	45	**43**	95%	31%	3.51	3.11
7	NED, NABARANGPUR	244174	311	221	29%	71%	94	**95**	101%	28%	3.27	3.07
8	BNED, BHANJANAGAR	142612	177	126	29%	71%	62	**66**	107%	24%	3.56	3.71
9	KED, KORAPUT	132352	148	116	22%	78%	58	**59**	101%	21%	5.11	3.96
10	GSED, DIGAPAHANDI	114365	131	103	22%	78%	50	**51**	104%	19%	3.93	3.91
11	JED, JEYPORE	148474	191	153	20%	80%	73	**75**	103%	17%	4.87	3.93
12	PED, PHULABANI	171166	146	117	20%	80%	60	**62**	104%	17%	4.02	4.27
13	MED, MALKANGIRI	129509	146	118	19%	81%	58	**62**	106%	14%	4.34	4.21

14	RED, RAYAGADA	155739	174	150	14%	86%	76	**77**	102%	12%	5.71	4.44
15	BED- II, BERHAMPUR	70416	175	156	11%	89%	86	**85**	99%	12%	4.73	4.85
16	PKED, PARALAKHEMUNDI	145462	143	124	13%	87%	63	**67**	107%	7%	4.55	4.69
17	BED- III, BERHAMPUR	83116	121	107	12%	88%	53	**57**	107%	5%	5.05	4.74
18	GED, GUNUPUR	79113	81	75	8%	92%	36	**39**	108%	1%	4.76	4.81
19	BED- I, BERHAMPUR	90832	205	197	4%	96%	107	**114**	106%	-1%	5.67	5.54
ACTUAL TOTAL TPSODL		22,57,352	3,074	2,295	25%	75%	1134	**1179**	**104%**	**22%**	**4.43**	**3.84**

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

419. The Commission has always expressed concern regarding high losses at LT level. There is marginal reduction in losses over the previous FY 2024-25 but it continues to be quite high in many divisions. There is wide variation in LT per unit realisation across the Divisions of each DISCOM and many Divisions within each DISCOMs have much lower LT realisation than the average realisation. Almost all Divisions are therefore, spending more on establishment cost in comparison to revenue realization.

420. The Loss at LT level needs to be addressed in order to have a fair assessment of efficient operation of the DISCOMs. The LT AT&C Loss of the four DISCOMs are 27.85% (TPWODL), 22.00% (TPSODL), 21.75% (TPCODL) and 20.64% (TPNODL). The Commission observes that low LT realisation is primarily due to low Billing efficiency. The Billing Efficiency of all four DISCOMs are 71.30% (TPWODL), 75.00 % (TPSODL), 78.27 % (TPCODL) and 75.60% (TPNODL). This needs improvement in order to have an all-round growth of the DISCOM.

421. The Commission observes that the billing efficiency of all the four DISCOMs are between 71.3% (TPWODL) to 78.27% (TPCODL) (even less than 72% in case of TPWODL) and the technical loss at LT level varies from 21.73% (TPNODL) to 28.7% (TPWODL) during the FY 2024-25 which are not up to mark even after operation of more than four to five years. The DISCOMs need to take necessary action to increase the Billing Efficiency during the FY 2026-27.

Truing up of DISCOMs

422. The Truing up application was filed by the four distribution companies (TPWODL, TPNODL, TPSODL and TPCODL) under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations. The four DISCOMs have filed the Truing- up applications for Revised Truing up petition for FY 2023-24 and Truing up application for FY 2024-2025. The Commission has taken cognizance of the true up petitions of the respective DISCOMs, respective approvals in the ARR, available audited accounts for FY 2023-24 and FY 2024-25.

423. The Commission has determined the Truing up of DISCOMs for FY 2023-24 and FY 2024-25 by adhering to the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the analogy for determination of Truing up is as reiterated below;

424. The Commission in the last ARR order for FY 2025-26 had finalised the truing up exercise of all the DISCOMs for the FY 2022-23.

425. In view of the above, the four DISCOMs have submitted revised Truing Up for FY 2023-24 and true up for FY 2024-25 along with the present ARR petition for the FY 2026-27. The Commission takes into cognizance of the audited P&L account for FY 2023-24 and FY 2024-25.

426. The adjustment towards power purchase cost is calculated as per the Regulation 3.14 of the (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. The detailed calculation of power purchase adjustment is provided separately for each DISCOMs with the revised Truing up for FY 2023-24 and True up 2024-25.

427. The Commission while carrying out the Truing up exercise for FY 2023-24 and FY 2024-25 has adhered to the Regulations, 2022. The Regulations relating to employee cost, Repair & Maintenance, A&G expenses and Taxes on Income is reiterated below.

Table - 91

Sl. No	Nature of Cost	Cost Parameter	OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022
1	Controllable	Employee Expenses	Regulation-3.9.12 The employee expense shall be allowed on normative basis in the ARR for ensuing year and shall be trued-up to the account of variation in Consumer Price Index subject to prudence check. Provided that in case the actual employee expense is lower than the normative employee expense, the actual employee expense shall be considered for True-Up purpose.
2	Controllable	Administrative and General (A&G) Expenses	Regulation-3.9.18 The A&G expense shall be allowed on normative basis in the ARR for ensuing year and shall be subject to True-Up. Provided that, in case the actual A&G expense is lower than the approved A&G expense, the actual A&G expense shall be considered for True-Up purpose. Provided that, **in case the actual A&G expense is more than the approved A&G expense, the approved A&G expense shall be considered for True-Up purpose.**
3	Controllable	Repair and Maintenance (R&M) Expenses	Regulation-3.9.24 The R&M expense shall be allowed on normative basis in the ARR for ensuing year and shall be subject to True-Up. Provided that, in case the actual R&M expense is lower than the approved R&M expense, the actual R&M expense shall be considered for True-Up purpose. Provided that, **in case the actual R&M expense is more than the approved R&M expense, the approved R&M expense shall be considered for True-Up purpose.**
4	Uncontrollable	Taxes on Income	Regulation-3.11.1 The Income Tax for the Distribution licensee for the regulated business shall be allowed through the Tariff charged to the Distribution System users, on submission of documentary evidence of the actual tax paid subject to the conditions stipulated in these Regulations: Provided that no Income Tax shall be considered on the amount of efficiency gains and incentive approved by the Commission, irrespective of whether or not the amount of such efficiency gains and incentive are billed separately: Provided further that no Income Tax shall be considered on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business, **as well as on the income from any source that has not been considered for computing the Aggregate Revenue Requirement**:

428. The following tables related to each DISCOMs summarises approvals for FY 2023-24 and FY 2024-25.

Table – 92
TRUE UP for FY 2023-24 (TPWODL)

(Rs. in Cr.)

Particulars	Approved in the ARR 2023-24	Audited FY 2023-24	Proposed FY 2023-24	Allowed in true up
Expenditure				
Cost of Power Purchase	5528.46	5727.21	5828.24	5828.24
Employee costs	580.57	529.32	534.03	534.03
Repair & Maintenance	281.99	232.38	244.35	232.38
Administrative and General Expenses	158.12	237.42	169.42	158.12

Particulars	Approved in the ARR 2023-24	Audited FY 2023-24	Proposed FY 2023-24	Allowed in true up
Provision for Bad & Doubtful Debts	62.52	238.86	62.86	62.86
Depreciation	72.93	185.64	90.48	79.41
Interest on Working capital Actual	53.87	0.32	16.36	15.75
Interest on consumer security deposit	72.06	74.73	74.73	74.73
Interest on long term loan	45.57	24.7	53.72	46.68
Other finance charges		2.8		
Efficiency Gain to be shared:				
A-1/3 rd to be declared as Dividend /Equity			13.23	9.75
B-1/3rd to be passed on to consumer as rebate			13.23	9.75
C-1/3 rd to be kept as tariff balancing reserve			13.23	9.75
Sub-Total	**6856.09**	**7253.38**	**7087.42**	**7061.44**
Less: Employee cost capitalised	25.67	25.66	25.66	25.66
Less: Interest capitalised	17.58	2.77	2.77	2.77
(A)Total expenses	**6812.84**	**7224.95**	**7058.99**	**7033.01**
Add: Income tax		25.94	30.95	0
Add: Return on equity	57.59		92.02	88.14
Carrying cost on ASL			13.35	
Transfer to Tarriff Balancing Reserve			13.23	
(B) Sub total				
TOTAL(A+B)	**6870.43**	**7250.89**	**7195.31**	**7121.15**
Less Non-Tariff Income & CSS	400.33	581.32	445.29	463.11
Net Movement in Regulatory Deferral Balances		458.47		
Total Revenue Requirement	**6470.10**	**6211.10**	**6750.02**	**6658.04**
Less: Provisional Surplus considered	**-277.38**			
Total Revenue Requirement	**6192.72**	**6211.10**	**6750.02**	**6658.04**
Revenue from Sale of Power	6251.99	6285.88	6285.88	6285.88
GAP(+/-)	**59.27**	**74.78**	**-464.14**	**-372.16**

Table - 93

Adjustment towards Power Purchase Cost of TPWODL for the FY 2023-24

Approved AT &C loss	%	A	18.90%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	18.08%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	

Actual sales	MU	G	10643.73
Actual power purchase	MU	H	12752.41
Normative power purchase	MU	I=G/(1-C)	12992.96
Additional power purchase	MU	J=H-I	-240.55
Approved BSP	Paise/Unit	K	420
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-101.03
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-101.03

Table - 94
TRUE UP for the FY 2023-24 (TPNODL)

(Rs. in Cr)

Particulars	Approved in the ARR 2023-24	Actual Audited FY 2023-24	Proposed FY 2023-24	Allowed in True up
Expenditure				
Cost of Power Purchase	2696.53	2531.62	2550.98	2577.88
Employee costs	529.37	483.92	496.10	488.08
Repair & Maintenance	214.34	241.35	241.13	214.34
Administrative and General Expenses	120.13	203.32	143.96	120.13
Provision for Bad & Doubtful Debts	35.59	60.78	36.76	36.23
Depreciation	49.83	169.96	60.97	60.97
Interest on Working capital	27.02	15.53	19.79	19.79
Interest on long term loan	31.47	32.28	40.81	38.53
Interest on consumer security deposit	51.83	50.46	50.46	50.46
Other finance cost		4.26		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity			1.01	1.01
B-1/3rd to be passed on to consumer as rebate			1.01	1.01
C-1/3 rd to be kept as tariff balancing reserve			1.01	1.01
Sub-Total	**3756.11**	**3793.48**	**3643.99**	**3609.43**
Less: Employee cost capitalised	16.58	16.7	16.7	16.7
Less:Interest capitalised	9.86			
(A)Total expenses	**3729.67**	**3776.78**	**3627.29**	**3592.73**
Income Tax		47.5	27.02	15.97
Return on equity	47.19		80.34	76.49
(B) Sub total	47.19	47.50	107.36	92.46
TOTAL(A+B)	**3776.86**	**3824.28**	**3734.65**	**3685.19**
Less Non tariff Income	154.99	288.86	112.51	148.69
True up surplus adjusted	65.59			

Particulars	Approved in the ARR 2023-24	Actual Audited FY 2023-24	Proposed FY 2023-24	Allowed in True up
Carrying cost on ASL			10.74	
Net movement in Regulatory Deferral balance		-45.56		
Total Revenue Requirement	3556.28	3489.86	3632.88	3536.50
Revenue from Sale of Power	3559.02	3622.82	3622.82	3622.82
GAP(+/-)	**2.74**	**132.96**	**-10.06**	**86.32**

Table - 95
Adjustment towards Power Purchase Cost of TPNODL for the FY 2023-24

Approved AT &C loss	%	A	17.09%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	16.25%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	6017.43
Actual power purchase	MU	H	7047.13
Normative power purchase	MU	I=G/(1-C)	7185.21
Additional power purchase	MU	J=H-I	-138.08
Approved BSP	Paise/Unit	K	335
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-46.26
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-46.26

Table- 96
TRUE UP for the FY 2023-24 (TPSODL)

(Rs. in Cr.)

Particulars	Total Approval FY 2023-24	Audited FY 2023-24	Total Proposed FY 2023-24	Allowed in true up
Expenditure				
Cost of Power Purchase	1152.04	1016.96	999.03	999.03
Employee costs	526.00	462.51	509.37	499.55
Repair & Maintenance	152.57	176.86	178.19	152.57
Administrative and General	112.66	238.38	147.82	112.66

Particulars	Total Approval FY 2023-24	Audited FY 2023-24	Total Proposed FY 2023-24	Allowed in true up
Expenses				
Provision for Bad & Doubtful Debts	19.91	42.89	17.89	17.88
Depreciation	52.15	112.06	82.08	72.54
Interest on Working capital	13.66		24.77	11.83
Interest on consumer security deposit	21.78	21.14	21.14	21.14
Interest on long term loan	28.34	79.85	40.88	37.91
Other Borrowing cost		1.74		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity			2.29	2.29
B-1/3rd to be passed on to consumer as rebate			2.29	2.29
C-1/3 rd to be kept as tariff balancing reserve			2.29	2.29
Sub-Total	**2079.11**	**2152.39**	**2028.04**	**1931.98**
Less: Employee cost capitalised	30.24	34.40	34.4	34.40
Less:Interest capitalised	4.00	0.66		
(A)Total expenses	**2044.87**	**2117.33**	**1993.64**	**1897.58**
Income Tax		13.86	23.13	0.00
Return on equity	39.67		68.76	68.76
(B) Sub total	39.67	13.86	91.89	68.76
TOTAL(A+B)	**2084.54**	**2131.19**	**2085.53**	**1966.34**
Less Non Tariff Income	55.82	111.61	66.12	67.42
Treu up surplus FY 2020-21	32.63			
True up surplus FY 2021-22	67.86			
Provisional surplus considered FY 2022-23	60.00			
Net Movement in Regulatory Deferral		267.64		
Total Revenue Requirement	1988.23	1751.94	2019.41	1898.92
Revenue from Sale of Power	1990.77	1788.01	1788.51	1788.01
GAP(+/-)	**2.54**	**36.07**	**-230.90**	**-110.91**

Table – 97
Adjustment towards Power Purchase Cost of TPSODL for the FY 2023-24

Approved AT &C loss	%	A	25.75%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	25.00%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	3194.95
Actual power purchase	MU	H	4345.31
Normative power purchase	MU	I=G/(1-C)	4259.93
Additional power purchase	MU	J=H-I	85.38
Approved BSP	Paise/Unit	K	210.00
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	17.93
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	17.93

Table - 98
TRUE UP for the FY 2023-24 (TPCODL)

(Rs. in Cr)

Particulars	Approved in the ARR 2023-24	Proposed FY 2023-24	Audited FY 2023-24	Allowed in true up
Expenditure				
Cost of Power Purchase	3704.96	3700.09	3719.04	3699.98
Employee costs	803.22	812.38	825.51	812.38
Repair & Maintenance	279.38	279.00	278.61	278.61
Administrative and General Expenses	142.01	179.00	245.20	142.01
Provision for Bad & Doubtful Debts	51.71	53.80	139.58	53.80
Depreciation	81.38	106.36	248.00	98.88
Interest on Working capital	26.28	5.08		5.08
Interest on consumer security deposit	60.82	54.28	54.28	54.28
Interest on long term loan	38.55	49.84	45.02	45.55
Financing cost		1.02	1.02	1.02
Loss on retirment of assets		0.37		0.37
Efficiency Gain to be shared:				
A-1/3 rd to be declared as Dividend /Equity		2.19		2.19
B-1/3rd to be passed on to consumer as rebate		2.19		2.19

Particulars	Approved in the ARR 2023-24	Proposed FY 2023-24	Audited FY 2023-24	Allowed in true up
C-1/3 rd to be kept as tariff balancing reserve		2.19		2.19
Sub-Total	**5188.31**	**5247.38**	**5556.26**	**5198.52**
Less: Employee cost capitalised	26.29	26.30	26.30	26.30
Less: Interest cost capitalised	10.94		9.49	9.49
(A)Total expenses	**5151.08**	**5221.08**	**5520.47**	**5162.73**
Income tax		13.84	21.68	0
Return on equity	80.63	94.15		94.05
(B) Sub total	80.63	107.99	21.68	94.05
TOTAL(A+B)	**5231.71**	**5329.07**	**5542.15**	**5256.78**
Less: Non Tarif Income	109.55	131.14	288.80	134.30
True up surplus/losses for FY 2020-21	79.78			
True up surplus/losses for FY 2021-22	-23.11			
Provisional surplus allowed in 2022-23 ARR	140			
Other cost		74.98		0
Net movement in regulatory deferral balances			63.79	
Total Revenue Requirement	**5205.49**	**5272.91**	**5317.14**	**5122.48**
Revenue from Sale of Power	5170.68	5,379.78	5,379.78	5,379.78
GAP(+/-)	**-34.81**	**106.87**	**62.64**	**257.30**

Table – 99

Adjustment towards Power Purchase Cost of TPCODL for the FY 2023-24

Approved AT &C loss	%	A	22.00%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	21.21%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	8853
Actual power purchase	MU	H	11299
Normative power purchase	MU	I=G/(1-C)	11236.50
Additional power purchase	MU	J=H-I	62.50
Approved BSP	Paise/Unit	K	305
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	19.06
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	19.06

One time Adjustment claimed by TPCODL in True up FY 2023-24

429. TPCODL in the Truing up order for FY 2023-24 has submitted under the head other cost as one-time adjustment of Rs 74.98 Cr, TPCODL has submitted that this one-time adjustment is towards the following :

a) Excess amount of 'Service connection charges' offered under Non-Tariff Income till FY 2023-24 Rs 53.78 Cr.

b) Meter rent that should have been retained but offered as Non-Tariff Income as a part of 'Service Connection Charges' till FY 2023-24 amounting to Rs 3.61 Cr.

c) Depreciation on 'Service Cables 'not claimed till FY 2023-24 amounting Rs 14.18 Cr

d) One time recoupment towards utilization of assets/fund of CESCO Employee Rehabilitation Trust amounting to Rs 3.41 Cr

The Commission after analysis is not inclined to pass the above one-time adjustment cost of Rs 74.98 Cr as there is no approval of the Board relating to the reversal of income offered as NTI during the FY 2023-24. The Commission observes that there is no evidential proof/supporting documents submitted by TPCODL for one time recoupment towards utilization of fund of CESCO Employee Rehabilitation Trust.

In view of the above the Commission directs TPCODL to have a comprehensive audit of the one-time adjustment proposed by TPCODL in truing up of FY 2023-24.

430. The following tables related to each DISCOMs summarizes approvals for FY 2024-25.

Table – 100
TRUE UP for the FY 2024-25 (TPWODL)
(Rs. in Cr.)

Particulars	Approved in the ARR 2024-25	Audited FY 2024-25	Proposed FY 2024-25	Allowed in true up
Expenditure				
Cost of Power Purchase	4844.84	5214.59	5234.88	5234.63
Employee costs	543.75	559.34	563.14	561.31
Repair & Maintenance	244.24	290.67	296.11	244.24
Administrative and General Expenses	169.19	306.27	235.65	169.19
Provision for Bad & Doubtful Debts	57.39	187.96	59.46	59.46
Depreciation	82.35	275.47	124.72	114.79
Interest on Working capital	50.40	0.36	18.11	24.52
Interest on consumer security deposit	83.70	79.91	79.91	79.91
Interest on long term loan	55.95	55.97	76.47	73.92
Other finance charges		5.67		

Particulars	Approved in the ARR 2024-25	Audited FY 2024-25	Proposed FY 2024-25	Allowed in true up
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity			12.08	8.86
B-1/3rd to be passed on to consumer as rebate			12.08	8.86
C-1/3 rd to be kept as tariff balancing reserve			12.08	8.86
Sub-Total	**6131.81**	**6976.21**	**6700.53**	**6588.55**
Less: Employee cost capitalised	20.09	20.09	20.09	20.09
Less: Interest capitalised	13.53	1.37	1.37	1.37
(A)Total expenses	**6098.19**	**6954.75**	**6679.07**	**6567.09**
Add:Income tax	26.08	25.5	40.50	0
Add:Return on equity	94.87		120.42	120.07
Carrying cost on ASL			8.31	
Transfer to Tarriff Balancing Reserve			12.08	
(B) Sub total	**120.95**			
TOTAL(A+B)	**6219.14**	**6980.25**	**6848.30**	**6687.16**
Less Non Tariff Income & CSS	386.02	624.35	437.08	454.30
Net Movement in Regulatory Deferral Balances		483.07		
Total Revenue Requirement	**5833.12**	**5872.83**	**6411.22**	**6232.86**
Revenue from Sale of Power	5738.59	5945.57	5945.57	5945.57
GAP(+/-)	**-94.53**	**72.74**	**-465.65**	**-287.29**

Table - 101
Adjustment towards Power Purchase Cost of TPWODL for FY 2024-25

Approved AT &C loss	%	A	17.40%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	16.57%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	9911.73
Actual power purchase	MU	H	11831.39
Normative power purchase	MU	I=G/(1-C)	11879.68
Additional power purchase	MU	J=H-I	-48.29
Approved BSP	Paise/Unit	K	415
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-20.04
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-20.04

Table - 102
TRUE UP for the FY 2024-25 (TPNODL)
(Rs. in Cr.)

Particulars	Approved in the ARR 2024-25	Actual Audited FY 2024-25	Proposed FY 2024-25	Allowed in True up
Expenditure				
Cost of Power Purchase	3054.56	2763.79	2785.43	2814.40
Employee costs	524.09	537.84	547.95	504.62
Repair & Maintenance	230.24	312.02	255.10	230.24
Administrative and General Expenses	128.53	241.31	150.05	128.53
Provision for Bad & Doubtful Debts	40.49	50.69	39.64	39.13
Depreciation	55.56	249.59	100.25	98.28
Interest on Working capital	38.27	8.37	12.36	12.36
Interest on long term loan	29.55	61.73	68.96	64.94
Interest on consumer security deposit	57.77	59.02	59.02	59.02
Other finance cost		3.99		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity			4.16	4.16
B-1/3rd to be passed on to consumer as rebate			4.16	4.16
C-1/3 rd to be kept as tariff balancing reserve			4.16	4.16
Sub-Total	**4159.06**	**4288.35**	**4031.24**	**3964.01**
Less: Employee cost capitalised	16.99	16.99	16.99	16.99
Less:Interest capitalised				
(A)Total expenses	**4142.07**	**4271.36**	**4014.25**	**3947.02**
Income Tax	18.84	54.54	35.89	11.49
Return on equity	68.53		106.70	91.85
(B) Sub total	87.37	54.54	142.59	103.34
TOTAL(A+B)	**4229.44**	**4325.90**	**4156.84**	**4050.36**
Less Non Tariff Income	206.65	405.18	116.64	166.49
True up surplus adjusted				
Carrying cost on ASL			10.68	
Net movement in Regulatory Deferral		-164.92		
Total Revenue Requirement	4022.79	3755.80	4050.88	3883.87
Revenue from Sale of Power	4049.39	3913.4	3913.40	3913.4
GAP(+/-)	**26.60**	**157.60**	**-137.48**	**29.53**

Table - 103
Adjustment towards Power Purchase Cost of TPNODL for the FY 2024-25

Approved AT &C loss	%	A	15.00%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	14.14%

Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	6468.20
Actual power purchase	MU	H	7388.95
Normative power purchase	MU	I=G/(1-C)	7533.55
Additional power purchase	MU	J=H-I	-144.60
Approved BSP	Paise/Unit	K	350
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-50.61
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-50.61

Table - 104
TRUE UP for the FY 2024-25 (TPSODL)
(Rs. in Cr.)

Particulars	Total Approval FY 2024-25	Audited FY 2024-25	Total Proposed FY 2024-25	Allowed in true up
Expenditure				
Cost of Power Purchase	1103.94	1024.49	1039.48	1039.48
Employee costs	501.36	511.47	553.50	522.86
Repair & Maintenance	165.24	203.97	209.72	165.24
Administrative and General Expenses	120.54	301.31	170.17	120.54
Provision for Bad & Doubtful Debts	20.24	114.74	19.61	19.61
Depreciation	67.15	164.54	116.64	102.18
Interest on Working capital	15.85		25.42	12.26
Interest on consumer security deposit	21.28	22.30	22.30	22.30
Interest on long term loan	45.23	108.21	62.35	59.18
Other Borrowing cost		1.87		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity			2.56	2.56
B-1/3rd to be passed on to consumer as rebate			2.56	2.56
C-1/3 rd to be kept as tariff balancing reserve			2.56	2.56
Sub-Total	**2060.83**	**2452.90**	**2226.87**	**2071.33**
Less: Employee cost capitalised	35.90	44.82	44.82	44.82
(A)Total expenses	**2024.93**	**2408.08**	**2182.05**	**2026.51**
Income Tax	20.1	17.51	30.68	1.28
Return on equity	73.12		91.21	91.20
Defered tax credit				
(B) Sub total	93.22	17.51	121.89	92.48
TOTAL(A+B)	**2118.15**	**2425.59**	**2303.94**	**2118.98**
Less Non Tariff Income	54.61	88.60	25.49	25.49
Cumulative surplus considered upto FY	21.57			

Particulars	Total Approval FY 2024-25	Audited FY 2024-25	Total Proposed FY 2024-25	Allowed in true up
2022-23				
Net Movement in Regulatory Deferral		435.14		
Total Revenue Requirement	2041.97	1901.85	2278.45	2093.49
Revenue from Sale of Power	2023.54	1960.54	1960.54	1960.54
GAP(+/-)	**-18.43**	**58.69**	**-317.91**	**-132.95**

Table - 105
Adjustment towards Power Purchase of Cost TPSODL for the FY 2024-25

Approved AT &C loss	%	A	25.35%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	24.60%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	3507.18
Actual power purchase	MU	H	4576.23
Normative power purchase	MU	I=G/(1-C)	4651.18
Additional power purchase	MU	J=H-I	-74.95
Approved BSP	Paise/Unit	K	200.00
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-14.99
Amount eligible for loss or gain to be born by distribution licensee	Rs. Cr.	L	-14.99

Table - 106
TRUE UP for the FY 2024-25 (TPCODL)
(Rs. in Cr.)

Particulars	Approved in the ARR 2024-25	Proposed FY 2024-25	Audited FY 2024-25	Allowed in true up
Expenditure				
Cost of Power Purchase	4244.36	4067.15	4063.43	4067.48
Employee costs	814.29	910.83	915.78	882.20
Repair & Maintenance	261.52	338.00	337.90	261.52
Administrative and General Expenses	151.95	211.69	334.33	151.95
Provision for Bad & Doubtful Debts	58.26	58.91	48.07	58.91
Depreciation	99.00	135.77	291.62	132.74
Interest on Working capital	41.77	3.24		3.24
Interest on consumer security deposit	76.18	56.06	56.06	56.06
Interest on long term loan	75.55	77.73	58.49	74.09

Particulars	Approved in the ARR 2024-25	Proposed FY 2024-25	Audited FY 2024-25	Allowed in true up
Financing cost		2.37	2.37	2.37
Loss on retirment of assets		20.47		
Efficiency Gain to be shared :				
A-1/3 rd to be declared as Dividend /Equity		6.40		6.40
B-1/3rd to be passed on to consumer as rebate		6.40		6.40
C-1/3 rd to be kept as tariff balancing reserve		6.40		6.40
Sub-Total	**5822.88**	**5901.01**	**6108.05**	**5709.77**
Less: Employee cost capitalised	28.93	29.03	29.03	29.03
Less: Interest cost capitalised			11.41	11.41
(A)Total expenses	**5793.95**	**5871.98**	**6067.61**	**5669.33**
Income tax	31.84	51.66	51.52	3.35
Return on equity	115.79	121.35		124.19
(B) Sub total	147.63	173.01	51.52	127.54
TOTAL(A+B)	**5941.58**	**6044.99**	**6119.13**	**5796.87**
Less: Non Tarif Income	114.00	91.65	281.20	95.49
Net movement in regulatory deferral balances			96.69	
Total Revenue Requirement	**5827.58**	**5953.34**	**5741.24**	**5701.38**
Revenue from Sale of Power	5826.21	5,891.38	5,891.38	5,891.38
GAP(+/-)	**-1.37**	**-61.96**	**150.14**	**190.00**
Adjusted out of cumulative surplus upto FY 2022-23	5.84			
Net GAP (+/-)	**4.47**			

Table - 107

Adjustment towards Power Purchase of Cost TPCODL for the FY 2024-25

Approved AT &C loss	%	A	20.00%
Normative collection efficiency	%	B	99.00%
Calculated distribution loss	%	C=1-(1-A)/B	19.19%
Actual AT & C loss achieved	%	D	
Actual collection efficiency	%	E	
Actual distribution loss	%	F	
Actual sales	MU	G	9692
Actual power purchase	MU	H	11981
Normative power purchase	MU	I=G/(1-C)	11993.85
Additional power purchase	MU	J=H-I	-12.85
Approved BSP	Paise/Unit	K	315
Additional power purchase cost incurred towards deviation from calculated distribution loss	Rs. Cr.	L=JxK/1000	-4.05
Amount eligible for loss or gain to be borne by distribution licensee	Rs. Cr.	L	-4.05

Interest earned from investment made out of Return on Equity in True up

431. The Commission observed that only TPWODL has categorically proposed for Interest from Bank to be retained as per Regulation 4.3.2 of OERC's Wheeling & RST Regulations, 2022. The stipulation under Regulation 4.3.2 of said Regulations is reproduced below:

Para 4.3.2

XXXXXX

"Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Wheeling Business of the Distribution Licensee shall not be included in Non-Tariff Income"

The Commission observes that there is no segregation of interest from investments made out of Return on Equity by DISCOMs in their audited accounts shown separately for FY 2023-24 and FY 20024-25. In view of the above the Commission is not inclined to allow the above claim made by DISCOMs.

432. True up summary for FY 2023-24 & FY 2024-25 are as follows;

Table - 108
TRUE UP summary for the FY 2023-24 & FY 2024-25
(Rs. in Cr.)

Particulars	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
True up Proposed for FY 2023-24	-464.14	-10.06	-230.90	106.87
Approved True up for FY 2023-24	-372.16	86.32	-110.91	257.30
True up Proposed for FY 2024-25	-465.65	-137.48	-317.91	-61.96
Approved True up for FY 2024-25	-287.29	29.53	-132.95	190.00

Regulatory Asset up to FY 2022-23 of TPSODL

433. The Commission has determined Regulatory asset of TPSODL up to FY 2022-23 amounting to Rs -133.03 Cr and as per the Hon'ble APTEL order, the regulatory asset of DISCOM up to FY 2024 needs to be amortised in seven years. Accordingly, the Commission has determined the amortisation of regulatory asset up to FY 2022-23 for TPSODL, the details of which is given in the Table below:

Table - 109
Amortisation of Regulatory Asset of TPSODL up to FY 2022-23
(Rs. in Cr.)

Particulars	Amount
Regulatory Asset of TPSODL up to FY 2022-23	-133.03
1/7th to be passed in ARR 2026-27	-19
Remaining	-114.03
Carrying cost @ working capital interest 1-year SBI MCLR on 15th March 2026@ 8.7%	-9.92

Regulatory Asset for FY 2023-24 & FY 2024-25 of TPSODL

434. The Commission has determined Regulatory asset of TPSODL for FY 2023-24 & FY 2024-25 amounting to Rs -243.86 Cr and as per the Electricity Amendment Rules 2024, the regulatory assets of DISCOM is to be amortised in three years. The Commission has calculated the amortisation of regulatory asset for FY 2023-24 & FY 2024-25 for TPSODL which is given in the table below;

Table - 110
Amortisation of Regulatory Asset of TPSODL for FY 2023-24 & FY 2024-25
(Rs. in Cr.)

Particulars	Rs in Cr
Regulatory Asset of TPSODL for FY 2023-24 & FY 2024-25	-243.86
1/3rd to be passed in ARR 2026-27	-81.29
Remaining	-162.576
Carrying cost @ working capital interest 1-year SBI MCLR on 15th March 2026@ 8.7%	-14.14

435. The Commission after analysis allows regulatory asset amounting to Rs.100.29 Cr (Rs.19 Cr. for FY 2022-23 + Rs.81.29 Cr. for FY 2023-24 & 2024-25) and carrying cost of Rs -24.06 Cr (Rs.9.92 Cr. for FY 2022-23 + Rs.14.14 Cr. for FY 2023-24 & 2024-25) on remaining regulatory asset for TPSODL to be passed in the ARR for the FY 2026-27.

436. The Commission in the last ARR order for FY 2025-26 had finalized the truing up exercise of all the DISCOMs up to the FY 2022-23. Truing up for the FY 2023-24 could not be completed because of the reason mentioned under Para 263 of the last ARR order for FY 2025-26 which is reproduced below:-

"All the four DISCOMs have submitted the truing up application for the FY 2023-24. However, the truing up exercise for all four DISCOMs could not be finalised by the Commission along with ARR for the FY 2025-26 in absence of sufficient information &data, which will be collected from each DISCOM in due course of time and the truing up exercise for the FY 2023-24 would be finalised along with ARR & Tariff determination exercise for the FY 2026-27."

Basis of True up

437. The DISCOMs have filed the present application pursuant to Section 61, 62 of the Electricity Act, 2003 and also OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. Regulation 3 of the OERC's Wheeling & Retail Supply Tariff Regulations, 2022 deals with financial principles to be followed to arrive at Annual Revenue Requirement. Section 61 (c) of the Act provides that while determining tariff, the Commission will be guided by the factors which would encourage competition, efficiency, economical use of resources, good performance and optimum investment. Pursuant to this provision of the Act, the Commission under those financial principles have incorporated certain norms for estimating expenditure to be recovered through the tariff. These norms are fixed basing on the best practices in the industries of the country, norms followed by similarly placed DISCOMs and norms followed by Forum of Regulators (FOR). If those norms are followed, there will be optimum expenditure which will result in efficient and economical tariff. Expenditures are again classified into controllable and uncontrollable under Regulation 2.12 of OERC's Wheeling & Retail Supply Tariff Regulations, 2022. It is expected that DISCOMs should limit their expenditure under different heads which are controllable. Only in case of uncontrollable cost reason for which have been mentioned in the Regulation, the DISCOMs can make expenditure beyond the limit which has been approved in the tariff order.

438. The expenditure of DISCOMs are verified subsequently to find out its justification basing on the factors which are controllable and uncontrollable through a exercise called 'Truing Up'. As per Regulation 2.11.3 of OERC's Wheeling & RST Regulations, 2022 "Truing up shall be carried out, on the basis of actual expenses booked in the audited account of the Distribution Licensee for the particular year and the expenses allowed in the ARR for the corresponding Financial Year, subject to prudence check by the Commission based on Controllable and Un-controllable costs provided in these Regulations." Any controllable expenditure beyond the approved amount in the ARR by the Commission would not be passed through in the tariff of the subsequent year and is treated as inefficiency in operation. In the process the DISCOM incur loss and as per Regulation 2.14.3, the losses which are approved by the Commission on account of controllable factors is to be absorbed by the DISCOMs or in a manner as specified by the Commission in the tariff order. Similarly, if the DISCOMs make less expenditure under any particular head, then there is an efficiency gain and this efficiency gain is to be shared between the DISCOMs and consumers. In this way the consumers are benefited by availing economical and efficient tariff.

439. While carrying out truing up exercise for all the DISCOMs for FY 2023-24 and 2024-25, the Commission finds that the DISCOMs have made huge expenditure beyond the amount approved for them under different heads such as R&M and A&G for those respective years. These expenditures could have been controlled by the efficient operation of the DISCOMs. In the past, the Commission has raised the flag to remind the DISCOMs to control their expenditure so that tariff can be economical and efficient. In order for FY 2023-24, the Commission has recorded serious concern over the expenditure beyond the approved limit. The following relevant observations in that order are reproduced below:

"Para 119

The Commission directs that employee cost needs to be restricted as per the ARR order, ABP order and any other directions by the Commission in this regard."

Para 121

"The Commission observes that A&G expenses as per the OERC Tariff Regulations 2022 are a controllable cost and the DISCOMs would not be allowed more than the approved amount in the truing up exercise. The DISCOMs should make efforts to spend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. In the present changed scenario, the management of all the four DISCOMs has been handed over to the private entity through a competitive bidding process. The new management in the DISCOMs have projected enhanced A&G expenses which is more than the norms under the OERC (Tariff Determination) Regulation 2022. The Commission finds that the proposals for A&G expenses in the petition relates to improving metering, billing and collection activities, energy audit, AMR metering, implementation of PAT scheme, IT automation etc."

Para 123

"The Commission further observes that the DISCOMs shall make the expenditure in A&G Expenses head in a prudent manner and achieve the objectives for which these expenses are being made. The additional expenses have also been allowed under this head in view of the fact that that the normal escalation of 7% over the last year approval is insufficient to meet the A&G expenses. The Commission has also taken into cognisance of the expenditure during current FY 2022-23 and found that additional expenses are required to meet the committed obligations. The Commission has therefore allowed additional expenses which must be utilised for the purpose envisaged in the Tariff Regulations, 2022. However, the Commission will check prudently such expenses made by the DISCOMs while allowing them in the Truing up. The higher expenses in A&G shall also reflect in the reduction of AT&C losses and general improvement in the customer services. The Commission will also take into account such parameters while scrutinizing A&G expenses through data verification, field visits by the Commission and third-party audit. The Commission hereby directs that the DISCOMs must limit its expenditure within the amount approved in ARR for the FY 2023-24."

440. Similarly, we reiterated our concern in our tariff order for FY 2024-25 which are quoted below:

"Para 135

The Commission observes that A&G expenses as per the OERC Tariff Regulations 2022 is controllable cost and the DISCOMs would not be allowed more than the approved amount *in the truing up exercise. The DISCOMs should make efforts to spend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. In the present changed scenario, the management of all the four DISCOMs has been handed over to the private entity through a competitive bidding process. The new management in the DISCOMs have projected enhanced A&G expenses which is more than the norms under the OERC (Tariff Determination) Regulation 2022. The Commission finds that the proposals for A&G expenses in the petition relates to improving metering, billing and collection activities, energy audit, AMR metering, implementation of PAT scheme, IT automation etc.*

Para 137

The Commission further observes that in case of any statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the truing up for FY 2024-25.

Para 148

"The Commission observes that the DISCOMs shall make the expenses under R&M in a prudent manner and achieve the objectives for which these expenses are being made. The expenses in R&M shall reflect in achieving a robust and reliable system network, lower network down time, desirable voltage profile and automation of Substations. The Commission will take into account such parameters while scrutinizing R&M expenses through data verification, field visits and third-party audit. Accordingly, the Commission approves R&M expenses in the ARR for the FY 2024-25."

441. In spite of the Commission's repeated observations, the DISCOMs have not adhered to the norms of expenditure and spent more than the approved amount in the ARR. The major part of the expenditure in this regard is towards deployment of the huge manpower under the grab of Business Associates numbering about 50,000 without sufficient justifications. This action of the DISCOMs does not qualify a prudent standard of employee-deployment. Instead, the expenses have unjustifiably gone up. There has been no commensurate improvement in the outcomes. On the contrary, the unnecessary escalation in the expenses of R&M and A&G costs shall have an adverse effect not only the consumers but also the DISCOMs inasmuch as it would be treated as the approved loss of the DISCOMs. They ought to have been more vigilant and careful in adhering to the approved cost. At this juncture, the Commission takes note of the following statutory provisions, enshrined in Regulation 2.14.3 of the OERC Retail Supply Tariff Regulations, 2022, and is of the view that the entire loss would ordinarily be absorbed by the DISCOMs.

> "The entire losses of distribution licensee on account of controllable factors shall be entirely absorbed by Distribution Licensee ***or in a manner as specified by the Commission in the tariff order***."

The second part of the above Regulatory provisions, which have been highlighted above, authorizes the Commission to formulate a methodology for absorption of the losses. Before exercising this exceptional power in the interest of consumers and the DISCOMs, the Commission needs to go through the background of these losses and verify these expenditures. The same can only be possible through an independent Special Audit. Consequently, the Commission has decided to provisionally allow the Truing-up for FY 2023-24 and FY 2024-25 (as per Table No. 108) with a further observation that the expenses incurred by the DISCOMs towards R&M and A&G cost for FY 2023-24 & FY 2024-25 shall be subjected to a Special Audit. The Commission shall issue suitable orders in accordance with the findings of the Special Audit.

COMPLIANCE OF THE DISCOMs TO THE DIRECTIONS OF THE COMMISSION IN RST ORDER DT. 24.03.2025 FOR FY 2025-26

442. The Commission had directed to conduct a comprehensive audit of the security deposits paid by the consumers and security deposits held by the DISCOMs in their Bank account up to 31.03.2025.

All the DISCOMs have conducted the audit of the security deposits paid by the consumers and security deposits held by the DISCOMs and have submitted the audit report to the Commission.

443. The Commission had asked to submit detail year-wise plan and expenditure requirement including unrecovered meter rent for installation of Smart Meters for Consumers with CD up to and including 2 kW and also for consumers with CD > 2 kW.

TPWODL has submitted the plan and has stated that there are 1,64,077 Nos. of Smart Meter as on 30.09.2025 (for consumer CD > 2kW), and the Licensee has planned to replace these Non-Smart Meters with Smart Meters by FY 2028-29 and all the New Connections will all be provided through Smart Meters.

TPSODL has submitted that as per the directives of the Commission, the Discom has stopped the Smart Meter rent of the consumers having CD up to 2 KW. Further, as per the guidance of the Commission, Odisha Discoms have submitted the year-wise plan along with the expenditure requirements to the Energy Department of Odisha Govt. on 16th May 2025. Subsequently, TPCODL on behalf of all Discoms had provided modified inputs/documentation for the appraisal of Expenditure Finance Committee (EFC) on 19th June 2025. Additionally, TP Discoms are submitting monthly updates on the Smart Meters on the above lines to the Energy Department for their appraisal and further approval.

TPCODL has submitted the tentative plan for consumers with CD more than 2 kW as given below:

Table : 111

Sr No	Meter Type	Status as on 31st August 2025		
		Total Nos of Consumers (with CD> 2kW) with Smart Meter Installed	Total No of Consumers (with CD > 2 kW) without Smart Meter	Total Nos of Consumer
		A	B	C= A+B
1	Single Phase	74,062	3,14,417	3,88,479
2	Three Phase (WC)	89,067	42,023	1,31,090
3	LTCT	8,680	473	9,153
4	HT	3,428	161	3,589
5	**Total**	**1,75,237**	**3,57,074**	**5,32,311**

TPCODL has submitted that as can be observed, there are 357074 Nos. of Non-Smart Meters as on 31.08.2025 (for Consumers with CD >2 KW), and it has plans to replace these Non-Smart Meters with Smart Meters by FY 2028-29. Further, all new connections will be provided through Smart Meters under this proposal and that it has limited the current plan upto FY 2031-32 for new connection.

444. Commission had directed to display the name, designation, email id & mobile/telephone number of the designated officers, assigned in public service, from section level to corporate level in the website of the DISCOMs.

TPSODL has stated that it has mentioned and displayed the name, designation, email Id & Mobile/Telephone number of the Designated Officers, assigned in public service, from Section level up to corporate level in their website (in RTI section) and also mentioned the public interface points in both English and Odia language and the respective links are as given below:

Odia: -
https://odia.tpsouthernodisha.com/Editor_UploadedDocuments/Content/RTI_Odia_Manual16.09.2025.pdf

English: -
https://www.tpsouthernodisha.com/Editor_UploadedDocuments/Content/RTI_Eng_Manual16.09.2025.pdf

445. The Commission had enquired about the CAPEX investments under different heads such as 33 kV and 11 kV lines, PSSs, DTRs, PTRs etc. in every Circle. The Commission has further enquired about the technical loss reduction at 33 kV, 11 kV and LT level separately.

TPNODL has submitted Circle wise information of the investments done under different heads.

TPSODL has submitted that it had proposed Capital Investment Plans since FY 21-22 to FY 25-26 under various heads as per the need of the network and system. It has also utilized the Capex approved by the Commission in a very optimized and prudent manner for ensuring network reliability, load growth, infrastructure and system improvement.

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

TPNODL has submitted that bilingual Odia Bill format had already been implemented for 3PH/HT/EHT Segment and Back side Odia Spot Bill format has also been deployed during 2024-25. TPNODL has also provided sample Spot Bill back side format for reference.

TPSODL has submitted that Billing parameters have been translated into Odia language and are being printed on the reverse side of the preprinted paper on which bill is currently served to consumers.

447. The Commission had directed the DISCOMs to submit details of GFA created through own investment, inherited from erstwhile DISCOMs, assets created through Government aid and assets decapitalized.

TPCODL, TPNODL & TPWODL have submitted the information in detailed formats which would be examined by the Commission and necessary instruction, if required, would be given accordingly.

448. The Commission had directed that the norms for segregation of items/ assets covered under CAPEX & R&M need to be submitted to the Commission along with type and list of material/ assets being considered for R&M.

TPNODL has submitted that in accounting and commercial parlance, an item of product/material by itself doesn’t represent as OPEX/ CAPEX, rather it depends on the nature of uses of that item of product/material. IND AS 16 (issued by MCA), deals with this and it lays down specific criteria to recognize an item of expenditure as CAPEX. These criteria are (i) it is probable that future economic benefits associated with the item will flow to the entity; and (ii) the cost of the item can be measured reliably. IND AS also gives liberty to an entity to use it judgement in applying the recognition criteria to an entity's specific circumstances. Company follows sound principle of materiality and consistency with robust processes around CAPEX/OPEX.

TPWODL has submitted an elaborate reply in this regard stating that Capital Expenditure (CAPEX) refers to investments incurred for creation or augmentation of long-term assets that enhance the capacity, efficiency, safety, reliability of the distribution system, and are capitalized in the asset base for recovery through depreciation and return on equity over the asset's useful life. This expenditure is typically expected to provide benefits over a longer period of time normally more than a year. In contrast, Operational Expenditure (OPEX) represents recurring expenses necessary for the day-to-day operation, maintenance, and administration of the system, including employee costs, rent, repairs, materials, office supplies, marketing, licensee fees and overheads, which are the part of the approved revenue requirement of the licensee. In summary Capex and OPEX serve different but complementary roles: Capex is about investing in the future, and OPEX is about managing the present.

TPCODL has also submitted a detailed explanation and has submitted that capital expenditure (Capex) refers to the long-term investment used by a company to purchase, improve, or maintain long-term assets such as buildings, equipment, and vehicles which provide future economic benefits to the company and are typically expected to provide benefits over a period longer than one year. CAPEX is important for companies to grow and maintain their business by investing in new property, plant, equipment (PP&E), products, and technology. OPEX, on the other hand, covers the ongoing operating costs required to run daily business activities. This includes employee wages, rent, utilities, office supplies, repairs, marketing, and licensing fees. In summary CAPEX and OPEX serve different but complementary roles: CAPEX is about investing in the future, and OPEX is about managing the present. Therefore, criteria for classification of expenditure to Capex or Opex shall be the periodicity in which economic benefits expected to be derived from such expenditure, if economic benefits expected to occur less than 12 month such expenditure shall be categorized to OPEX expenditure otherwise CAPEX.

449. The Commission had enquired about the low Billing Efficiency of the DISCOMs even after 4 years of operation and also about the increasing MBC expenses.

TPNODL has submitted that many initiatives have been undertaken for improving Billing Efficiency which are as follows:

- MBC Contract Separation - Dedicated team for Reading & Billing activities for Single Phase Billing.
- 100% MRU wise Billing - Each Binder area was split into small pockets with schedule reading date range.
- OCR Based Meter Reading with AI based Spoof detection- Integrated Mobile application to auto scan meter reading thus eliminating reading errors. Features like Spoof detection & data insight helps in prevention of revenue leakages.
- 2749 nos. extra connections were regularised and 7656 nos. permanent disconnected cases which were actually using the supply have also converted into the billing system.
- Replacement of Meters- - Focus on burnt & defective meters replacement. TPNODL has taken initiative to replace the faulty meters within 15 days, Brunt meters with in seven days' time line.
- Data analytics-based surveillance- Analysis of consumption patterns to pre-empt probable theft cases.
- Theft Reduction Initiatives- Energy Audit & data analytics-based enforcement drives to arrest pilferage of electricity.

TPNODL has submitted that all the above-mentioned initiatives have helped improving overall Billing efficiency to reach 89.02%.

TPSODL has submitted that it has been undertaking various technical and managerial interventions to increase the Billing Efficiency (BE). It has further submitted that while the Billing Efficiency for FY 2024-25 was 76.64%, same was 77.95% till H1 of FY 2025-26.

TPWODL has submitted that there is consistent reduction in LT AT&C of TPWODL which has reduced from 50% to 28% in last three years. In FY 2024-25 the LT Losses have reduced by 8% from 36% to 28%. Such drastic reduction was possible only due to optimum utilisation of Technology, Process and Manpower Resources. TPWODL has further submitted that the increase in MBC expenses is mainly due to increase in monthly consumer billing and collection, revision of minimum wages and recategorization of meter readers under skilled category etc.

450. The Commission had directed to complete the system metering of DTRs, 33 kV and 11 kV feeders on priority basis.

TPSODL has submitted that the status of Feeder, DTR and PTR metering along with completion plans are there as part of the Action Taken Report on Safety Aspect of the Power Sector in Odisha, on 31st May 2025. Further, TPSODL has submitted the investment proposal amounting to Rs. 12.62 Crs under Feeder & DT Metering for Energy Audit under Loss Reduction Head.

TPWODL, TPNODL & TPCODL has submitted the metering status of all DTRs and 33 kV & 11 kV feeders.

TPNODL has also submitted the timeline for completion of metering at various levels. It has submitted that a CAPEX proposal for metering on 25 kVA DTRs has been planned in a phased manner, prioritizing non-agricultural DTs with five or more connected consumers. This proposal has been submitted before the Commission as part of the TPNODL Capex Plan for FY 2026–27 for approval.

451. DISCOM need to plan for construction of all new PSS with indoor 33 kV & 11 kV switchgear/indoor GIS and for conversion of important outdoor PSS in cyclone prone area to GIS.

TPNODL has submitted that it is constructing all new PSS with indoor 33 kV & 11 kV switchgear/indoor GIS. Outdoor PSS in 0-20 kms radius to coastline has been identified by TPNODL for Outdoor to Indoor Conversion and the implementation is subject to approval budget in CAPEX or any government scheme.

TPSODL has also submitted the investment proposal along with the Detailed Project Report (DPR) for development of distribution infrastructure for least power interruption in the city of Berhampur on 31st July 2025, as per the directives of the Commission.

TPWODL has submitted that there are 15 GIS (Gas Insulated Substations) presently in operation. Based on past experience and considering the geographical and operational conditions of the area, it is generally more practical to adopt Air Insulated Substations (AIS), except in densely populated urban or metropolitan locations where space constraints necessitate the use of GIS/indoor systems. However, several key factors make AIS systems more suitable for the TPWODL region which are as follows:

a. Ease of maintenance: Indoor/GIS systems require highly skilled manpower, and maintenance or fault restoration activities are relatively complex as a result system restoration get delayed.
b. Restoration time: In case of any exigency, a bay in an outdoor (AIS) system can typically be restored within 2–3 days, whereas similar restoration in indoor systems may take several weeks.
c. Cost efficiency: The capital cost of GIS/indoor systems is significantly higher compared to outdoor AIS systems.
d. Vendor availability: Past procurement experience indicates limited vendor availability for GIS/indoor systems, often leading to procurement delays. Unreliable vendors sometimes emerge with lowest price bids and create future hindrance.
e. Land availability: Since adequate land is generally available within TPWODL's operational area, outdoor AIS substations remain the preferred option for new constructions.

Nonetheless, TPWODL shall continue to adopt GIS systems in future selectively in cyclone-prone and space-constrained areas to ensure reliability, resilience, and network modernization.

452. The Commission had directed the DISCOM to intimate about the status of (a) replacement of porcelain insulators by polymer insulator in coastal areas, (b) conversion of overhead lines to underground cable system in urban areas & cyclone prone area and (c) use of ABC in rural areas to avoid theft & accidental death.

TPWODL has submitted that no coastal areas fall within the Licensee's operational jurisdiction. However, recognizing the technical and operational advantages of polymer insulators over porcelain, the Licensee has undertaken significant initiatives toward their installation across the distribution network. The practice of installing polymer insulators has been standardized for all new installations in the Distribution Network.
With regard to the conversion of overhead (OH) lines to underground (UG) cable systems, it has submitted that no major conversion of OH to UG cable work has been undertaken till date. However, approximately 2 ckt-km of OH line augmentation has been carried out in specific sections where Right of Way (RoW), road crossing, and tower crossing issues were encountered. With regard to the use of ABC, the Licensee has submitted that since inception, all LT supply work has been executed using AB cables, and no new LT lines have been constructed with bare conductors. The Licensee has consistently promoted the

use of ABC to enhance system reliability, reduce technical losses, and minimize electrical accidents and theft. The details of LT AB Cable works executed under CAPEX and Government-funded schemes are presented below for the kind perusal of the Commission:

Table : 112

Particulars	CAPEX (KM)	Govt. Funded (KM)
Conversion of LT Bare to LT AB Cable	1,149	1,433
New LT AB Cable	366	354

TPSODL has submitted the detailed information as sought by the Commission as part of Action taken Report (ATR) on Safety Aspect of the Power Sector in Odisha, on 31st May 2025. Further, in order to address the safety aspects in the distribution network spread over vast geographical area, TPSODL has proposed additional Capital Investment Proposal under the scheme "Revamping of Electrical Network for ensuring Safety" on 9th July 2025.

TPNODL has submitted the following information as on 30.09.2025:

Table : 113

Sr. No.	Particulars	33 kV System			11 kV System		
		Total Scope	Completed	Balance to be done	Total Scope	Completed	Balance to be done
1	Replacement of porcelain insulator in to polymer insulator in coastal areas (In Nos.)	31380	12153	25104	106980	21396	85584
2	Overhead line to underground cable system (In KM)	523	74.16	448.8	1167.5	73.30	1094.20

Use of AB Cable to avoid to avoid theft

Table : 114

Total Scope in Km	Actual in Km	Balance to be done in Km
22096	1344	20752

453. The Commission had directed the DISCOMs to provide total number of house hold consumers benefited from the scheme of PM-Surya Ghar Muft Bijli Yojana (PMSGMBY) and total installed capacity of RTS system & energy generated by such consumers.

TPCODL has submitted the following status as on 30.09.2025:

Total No. of House hold consumers benefited: 7178

Total installed capacity: 70.10 MW

TPWODL has submitted the following status of PMSGMBY as on as on 24 Nov' 2025

Table : 115

Application Registered	Feasibility Approval	Vendor Selection	Installation Completed	Capacity Added in MW
28207 Nos.	28143 Nos.	18023 Nos.	7005 Nos.	23.16 MW

TPSODL has submitted that while 36,445 consumers had expressed their willingness initially, 1,884 No. of installations have been successfully integrated into the system, till 31st October 2025. There are 1960 no. of RTS systems (including Suryaghar scheme) having installed capacity 12.6 MW under TPSODL, the energy generation up to September 2025 is 907 MU.

TPNODL has submitted the following status of PM Surya Ghar Scheme as on 30.09.2025:

Table : 116

Sr. No.	Particulars	UoM	Quantity
1.	Total no. installation	Nos	2504
2.	Total Capacity	MW	7.90
3.	Total Energy Generated	MU	3.62

454. DISCOM were directed to inform about response & status of KUSUM-A scheme including installed capacity after revision of the tariff by the Commission from Rs.3.30/kwh to Rs.4.40/kwh and also the progress in implementation of KUSUM-C scheme.

TPCODL has submitted the following status of progress under KUSUM A & C as on 30.09.2025.

Table : 117

TPCODL	Till 30.09.2025	
	Applications received	Applications processed
KUSUM-A	18 MW	Tripartite Power Purchase Agreement among TPCODL, GRIDCO and Solar Power Generator (SPG) executed for 8 MW, balance 10 MW has been rejected for reasons such as: applicants were not interested, project not feasible etc.
KUSUM-C (Feeder Level Solarisation)	4.63 MW	Tripartite Power Purchase Agreement executed between TPCODL, GRIDCO & SPG for all 4.63 MW

TPWODL has submitted that a positive momentum has been witnessed across the State in the implementation of the PM-KUSUM Scheme. Although the scheme initially saw limited progress, with the continued policy support and favorable orders of the

Commission along with the proactive initiatives of the Government of Odisha, the implementation of the PM-KUSUM Scheme has now gained significant momentum.

As regards the progress under PM-KUSUM Component-C (Feeder Level Solarizations), the implementation is being undertaken through multiple developers for setting up decentralized solar power plants across various districts. Centralized tender was floated by TPCODL on behalf of all DISCOMs. However, the response to the tender was with limited participation from developers/farmers. Nevertheless, two bidders have been finalized, and Letters of Award (LOA) have been issued for the awarded capacities. The progress achieved under the scheme as of 05 November 2025 is summarized below:

Details of Projects under developer M/s. Suryam International:

Table : 118

SL. No.	District Name	PSS name	Capacity (in MW)	Status
1	Kalahandi	Bandhopala	9.553	Land Acquisition is in process
2	Kalahandi	Narla	8.082	Land Acquisition completed. Site work is in progress.
3	Kalahandi	Kurumpuri	3.83	Land Acquisition is in process
		Total	**21.46**	

Details of Projects under developer M/s. Envirocare Infra solutions:

Table : 119

SL. No.	District Name	PSS name	Capacity (in MW)	Status
1	Bolangir	Kanut	3.443	Land Acquisition completed
2	Bolangir	Tususra	2.416	Land Acquisition completed
3	Bolangir	Khaparakhol	2.851	Land Acquisition completed
		Total	**8.71**	

A cumulative capacity of 30.175 MW (21.465 MW under M/s. Suryam International and 8.710 MW under M/s. Envirocare Infra Solutions) has been allotted under PM-KUSUM Component-C (FLS). Out of the total capacity, land acquisition has been completed for 14.349 MW of projects, and site development activities are underway for the Narla (8.082 MW) project under M/s. Suryam International. The remaining 15.826 MW of capacity is presently at the land acquisition stage, with necessary statutory and administrative processes in progress.

The implementation of the PM-KUSUM Component-C projects is progressing in accordance with the approved implementation plan. The developers are actively pursuing completion of land acquisition and mobilization of construction resources. The DISCOM is continuously monitoring project milestones to ensure timely completion and grid integration in line with the Commission's directives and scheme timelines.

As regards the progress of PM-KUSUM Component-C (Individual Pump Solarisation - IPS), full-fledged implementation has not yet been achieved. The primary challenges include the high-upfront investment required from farmers and a longer payback period, primarily due to the lower agricultural tariff structure.

TPSODL has submitted that, TPCODL has filed the petition on behalf of 4 Discoms for extending the aggregate capacity of solar power plants from 50 MW to 200 MW under KUSUM-A Scheme on 8th April 2025, which has been registered as Case No. 27 of 2025. The implementation status of the PM Kusum projects is as below, after the revision of the Feed-in Tariff -

Tri-Partite Power Purchase Agreement (TPPA) for capacity 20 MW executed under Kusum A, while capacity of the TPPA executed for 3.365 MW under Kusum C2.

TPNODL has submitted the progress status for PM KUSUM-A and KUSUM-C as on 30.09.2025 under TPNODL area which is furnished in the tables below;

(A) Progress under PM KUSUM-A:

Table : 120

Division	33/11KV PSS	Location	Allotted capacity in MW	PTR capacity in MVA	No of consumers benefitted	PPA status
BSED Bhadrak	Dhamnagar	Dhamnagar	2	10	10099	PPA executed, Land possession under process
BSED Bhadrak	Satabhauni	Satabhauni	2	10	7372	PPA executed, Land possession under process
BED Balasore	DRDO	Hidigaon	2	10	1	PPA executed, Financial closure under process
RED Rairangapur	Bahalda	Basingi	2	8.15	15887	11KV line work approved, under execution
AED Anandapur	Ramchandrapur	Ramchandrapur	2	10	7906	LOA issued
RED Rairangpur	Bisoi	Bisoi	2	10	5687	LOA issued

Division	33/11KV PSS	Location	Allotted capacity in MW	PTR capacity in MVA	No of consumers benefitted	PPA status
BED Balasore	Swadhinpadia	Hidigaon	2	10	5100	LOA issued
KuED Kuakhia	Bari	Ratnagiri	2	10	6895	LOA issued
Total			**16**	**78.15**	**58947**	

(B) Progress under PM KUSUM-C:

Table : 121

Division	Name of PSS	Name of agriculture feeder	Proposed RTS capacity (MW)	DTR capacity (KVA)	No of agriculture consumers benefitted	PPA status
JOED Joda	Champua	Adarangapal	0.83	4676	2247	PPA executed
JED Jaleswar	Nampo	Ambliatha	0.9	4206	1676	PPA executed
KUED Kuakhia	Bari	Atira	0.96	6897	4386	PPA executed
Total			**2.69**	**15779**	**8309**	

455. The Commission had directed that the DISCOMs to work in co-ordination with OPTCL to explore the possible use of Potential Voltage Transformer (PVT) upto 500 KVA as pilot project for extending power supply to remote rural areas where GSS of OPTCL if PSS of DISCOM is not available in the nearby area. Stepping down of transmission voltage (132 kV/220 kV/400 kV) directly to low voltage level (415 V) using PVT may be an economical alternative to extension of Distribution network to such area.

TPWODL has submitted that a similar pilot initiative was earlier undertaken by Tata Power Delhi Distribution Limited (TPDDL), and the same concept is currently under active consideration by TPWODL. At present, TPWODL is conducting outcome analysis and performance evaluation of pilot-scale PVT installations up to 100 kVA capacity to assess their technical reliability, cost-effectiveness, and operational safety. Based on the results of this evaluation, TPWODL will explore the feasibility of scaling up the PVT-based system for wider application in suitable remote areas of its licensee territory.

TPNODL has explored with OEMs on the concept of PVT. One Japanese OEM has a solution of PVT up to 100 KVA and same is under detailed discussion with the OEM. Based on the technical clarity on the product, same will be taken up with OPTCL.

456. The Commission had directed that the use of STATCOM in PSS may be taken up as pilot project to control reactive power.

TPWODL has submitted that STATCOM (Static Synchronous Compensator) are used in the PSS for fast and dynamic control of reactive power to improve power quality, voltage stability, and system efficiency. It has been observed that it is typically installed in Network infra where network capacity is huge as like Extra High Tension (EHT) networks of 132 kV and above, and where system-level voltage and reactive power fluctuations are more prominent. However, it has been perceived, that the deployment of STATCOM at 33 kV and 11 kV voltage levels within TPWODL's distribution network is presently not financially viable, considering the high cost of technology and limited reactive power requirements at these voltage levels. Instead, to achieve the objective of reactive power control and voltage stabilization, TPWODL is implementing Automatic Voltage Regulators (AVRs) of 6.6 kV/11 kV ratings, and installation of 1.5 MVAR capacitor banks at suitable network positions. Nevertheless, TPWODL remains open to exploring customized and cost-effective solutions leveraging STATCOM or similar technologies in future, wherever technical feasibility and financial viability can be established through pilot implementation and performance evaluation.

457. DISCOMs were directed to provide the details of fixed cost recovery of Distribution network in terms of Demand Charge, Minimum Monthly Fixed Charge (MMFC) etc. from different category of consumers at LT, HT & EHT level separately for analysis of revenue realization.

TPSODL has submitted that the year-wise breakup of Demand /MMFC Voltage-wise is as below:

Table : 122

(Rs. in Cr.)

Financial Year	**FY 2025-26 (Estimated)**	**FY 2026-27 (Projected)**
LT	88.02	101.73
HT	65.38	66.41
EHT	61.60	67.76
Total	215.00	235.90

TPWODL has submitted that it has been submitting this information every year during ARR submission under Form T-7 & T-8. Data for FY 2024-25 and FY 2025-26 (till

Sep’2025) has been submitted as part of form T-7 & T-8 in our ARR FY 2026-27 submission.

TPCODL has submitted that it has been submitting this information every year during ARR submission under Form T-6. Data for FY 2023-24 and FY 2024-25 (till Sep’2024) was submitted as part of form T-6 in our ARR FY 2025-26 submission. Further updated data till Nov’2024 has also been submitted vide submission dated 20.01.2025.

TPNODL has submitted that it has been submitting this information every year during ARR submission under Form T-6. Data for the FY 2023-24 and FY 2024-25 (till Sep’2024) was submitted as part of form T-6 in our ARR FY 2025-26 submission. Further, updated data till Nov’24 has also been submitted vide our submission dated 18.01.2025 under replies to the queries raised by the Commission. Out of total billed amount of **Rs. 3903.60 Crs** to consumers in FY 2024-25, **Rs. 422.96 Crs** billed towards Fixed Charge/Demand Charge. TPNODL has further submitted the following:

Table : 123
Summary of Fixed/Demand Charges Billed to Consumers in FY 2024-25

Type of Supply	Fixed/Demand Charge Billed (Rs. in Lacs)
LT	10151.61
HT	8737.02
EHT	23407.64
Total	**42296.27**

458. In view of increase in expenses under A&G and R&M, the Commission had directed the DISCOMs to take adequate measures to curtail/optimize the manpower (outsourced personnel engaged through BA) expenses under A&G and R&M.

TPNODL has submitted that the Commission has issued distribution license to TPNODL with some assigned performance targets to be met within the stipulated timelines. TPNODL started operation with effect from 1.4.2021 in compliance to Vesting Order of the Commission. After takeover, keeping in view the operational requirements, TPNODL has engaged various new agencies from September, 2021 for undertaking meter reading, spot billing and collection activities in every pocket of distribution area. Various collection mechanisms have also been engaged to collect the monthly revenue. Keeping in view the critical need to drastically reduce the AT&C Losses and achieve the target set by Hon’ble Commission, special emphasis was required to improve the billing and collection efficiencies. The licensee has put in place new MBC contract, through reengineering of contract and modality for separated meter reading-billing and collection to increase the consumer coverage. Billing coverage has increased from 73.13% in FY 22 to 99.11% at the end of FY25 and monthly Billing efficiency from 79.37 % to 87.54%. Percentage of provisional bills have been brought down from 41.70% to 0.91%.

TARIFF DESIGN

The present Tariff Structure

459. In line with the prevailing tariff design, the Commission has decided to continue with the prevailing practice of single part, two part and three part tariffs for the ensuing financial year. Single part tariff is applicable only to Consumers covered under Kutir Jyoti. All the other categories of Consumers are covered under two-part and three-part tariff structure.

460. Two part tariff covers LT Consumers with connected load/Contract Demand less than 110 kVA and such Consumers will have to pay Monthly Minimum Fixed Charge (MMFC) (Rs. / kW or kVA) and Energy Charge.

461. Three part tariff is applicable to LT, HT and EHT Consumers with Contract Demand of 110 kVA & above. Such Consumers will have to pay Demand Charges (Rs./kVA), Energy Charge (Paise/unit) and Customer Service Charge (Rs./Month).

LT Consumers

Single Part Tariff

Kutir Jyoti Consumers: Fixed Monthly Charge (Rs./Month) for consumption upto 30 units per month.

Two Part Tariff – for LT Supply less than 100 KW / 110 kVA

All classes of Consumers other than Kutir Jyoti

(a) Energy Charge (Paise/kWh)
(b) Monthly Minimum Fixed Charge (MMFC) (Rs./kW/Month)

Three Part Tariff - LT Consumers with connected load 110 kVA and above

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kWh)
(c) Customer Service Charge (Rs./Month)

HT Consumers

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kVAh)
(c) Customer Service Charge (Rs./Month)

EHT Consumers

(a) Demand Charge (Rs./kVA)
(b) Energy Charge (Paise/kVAh)
(c) Customer Service Charge (Rs./Month)

462. In addition, certain other charges like prompt payment rebate, meter rent, Delayed Payment Surcharge (DPS), over drawl penalty, incentive and other miscellaneous charges, etc. are payable under different circumstances as mentioned in the later part of this order.

463. The Commission has decided that RST structure for the FY 2026-27 will remain unchanged and most of the applicable charges for various category of Consumers as applicable in FY 2025-26 will also remain unchanged. The Commission has decided to re-introduce Delayed Payment Surcharge (DPS) for LT General Purpose Consumers having Contract Demand of 5 kW and above and HT Bulk Supply Domestic Consumers. The Commission has also modified the Time of Day (ToD) tariff for all Consumers having Smart Meter/ AMR Compliant meter except Irrigation, Pumping & Agricultural category consumers having Contract Demand > 10 kW. The details of charges applicable to various categories of Consumers classified under the OERC Distribution (Conditions of Supply) Code, 2019 are discussed hereafter.

Tariff for LT Consumers

464. The Consumers availing power supply at LT with CD less than 110 kVA or 100 KW have to pay Monthly Minimum Fixed Charge (MMFC) and Energy Charges as described below:

(I) Monthly Minimum Fixed Charge (MMFC)

465. The MMFC is payable by the LT Consumers with Contract Demand less than 110 kVA. The Commission has decided that the rate of MMFC determined for FY 2025-26 shall continue for FY 2026-27. Details of the applicable MMFC payable by the Consumers in the FY 2026-27 is as given in the table below:

Table – 124
MMFC for LT Consumers approved for FY 2026-27

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge (MMFC) for first KW/ KVA or part there of (Rs.)*	Monthly Minimum Fixed Charge (MMFC) for any additional KW/ KVA or part there of (Rs.)
	LT Category	**Approved For FY 2026-27**	
1.	Kutir Jyoti (<=30 Units/month)	70	-
2.	Domestic (other than Kutir Jyoti)	20	20
3.	General Purpose LT (<110 kVA)	30	30

Sl. No	Category of Consumers	Monthly Minimum Fixed Charge (MMFC) for first KW/ KVA or part there of (Rs.)*	Monthly Minimum Fixed Charge (MMFC) for any additional KW/ KVA or part there of (Rs.)
	LT Category	**Approved For FY 2026-27**	
4.	Irrigation Pumping and Agriculture	20	10
5.	Allied Agricultural Activities	20	10
6.	Allied Agro-Industrial Activities	80	50
7.	Public Lighting	20	15
8.	LT Industrial (S) Supply	80	35
9.	LT Industrial (M) Supply	100	80
10.	Specified Public Purpose	50	50
11.	Public Water Works and Sewerage Pumping <110 kVA	50	50

** When agreement stipulates supply in kVA, this shall be converted to kW by multiplying with a power factor of 0.9 as per Regulation 2 (20) of OERC Distribution (Conditions of Supply) Code, 2019.*

466. Some Consumers with connected load less than 110 kVA might have been provided with simple energy meters which can record energy consumption only and not the maximum demand. But the OERC Distribution (Conditions of Supply) Code, 2019, provides that "Contract Demand for connected loads of 110 kVA and above shall be as stipulated in the agreement and may be different from the connected load. Contract Demand for a connected load below 110 kVA shall be the same as connected load.

467. However, in case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, the above stipulation shall form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA or 100 KW. The licensees are directed to follow the above provision of Regulation strictly.

(II) Energy Charge (Consumers with Connected Load less than 110 kVA)

Domestic

468. The Commission is aware of the paying capability of Below Poverty Level (BPL) Consumers. Therefore, the Kutir Jyoti Consumers will only pay the MMFC @ Rs.70.00 per month for consumption upto 30 units per month.

469. The Commission is also conscious of the affordability of non-Kutir Jyoti Consumers. Therefore, the Energy Charges for supply to LT domestic Consumers using Low Tension system was reduced by 10 paise per unit in each slab for FY 2024-25 which shall continue

in the ensuing FY 2026-27. Details of the slab rate for Domestic consumers, other than Kutir-Jyoti consumers availing power supply at LT level is given in the Table below:

Domestic consumption slab per month	**Energy Charge**
Upto and including 50 units	290 paise per kWh
From 51 to 200 units	470 paise per kWh
From 201 to 400 units	570 paise per kWh
More than 400 units consumption	610 paise per kWh

470. In accordance with the provisions under the OERC Distribution (Condition of Supply) Code, 2019, initial power supply shall not be given without a correct meter. Load factor billing has been done away with since 1st April, 2004, as stipulated in the Commission's RST Order for FY 2003-04. As such the distribution licensees are directed not to bill any Consumer on load factor basis.

General Purpose LT (<110 kVA)

471. The Commission reviewed the existing tariff structure and decided to continue with the existing rate for GP LT category of Consumers.

Table – 125
Energy Charge for General Purpose LT (<110 kVA) approved for FY 2026-27

General Purpose consumption slab per month	Energy Charge (paise/unit)
Upto & including 100 units	590
From 101 to 300 units	700
More than 300 units	760

Irrigation Pumping and Agriculture

472. The Commission decides that the Energy Charge for this category of Consumer shall be continued at 150 paise per unit (kWh) for supply at LT level as usual.

Allied Agricultural Activities

473. The Commission decides that the existing tariff of this category of Consumer shall continue at 160 paise per unit (kWh) at LT level. Mushroom farming is also included in this category.

Allied Agro-Industrial Activities

474. The Commission decides to continue with the existing tariff of 310 paise per unit (kWh) at LT level for FY 2026-27.

Energy Charges for Other LT Consumers

475. The Commission, keeping its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following categories of LT Consumers shall continue to pay **Energy Charge of 620 paise per kWh** on the entire consumption of electricity.

a. Public lighting
b. LT industrial(S) supply <22 KVA
c. LT industrial(M) supply >=22 KVA <110 KVA
d. Specified Public Purpose
e. Public Water works and Sewerage pumping < 110 KVA

476. The following categories of LT Consumers shall continue to pay **Energy Charge of 620 paise per kWh** on the entire consumption of electricity.

a. Public Water works and Sewerage pumping >= 110 KVA
b. General Purpose >= 110 KVA
c. Large Industries >=110 KVA

(III) Other Charges for Consumers at LT level with CD of 110 kVA and above.

477. **Customer Service Charge & Demand Charge at LT level**

As explained earlier, the LT categories of Consumers with Contract Demand of 110 kVA & above are required to pay three-part tariff. The existing Customer Service Charge and Demand Charge for Consumers with Contract Demand of 110 kVA and above shall continue for FY 2026-27 as given in Table below:

Table – 126
Customer Service Charge at LT level approved for FY 2026-27

Category	Supply Voltage	Customer Service Charge (Rs. per Month)	Demand Charge (Rs./kVA/Month)
Public Water Works and Sewerage Pumping (=>110kVA)	LT	30	200
General Purpose (=>110kVA)	LT	30	200
Large Industry >=110 kVA	LT	30	200

Tariff for HT & EHT Consumers

(I) Customer Service Charge for Consumers with Contract Demand of 110 kVA and above at HT & EHT level

478. All the Consumers at HT and EHT level having CD of 110 kVA and above are liable to pay customer service charge. This charge is meant for meeting the expenditure of the licensees on account of meter reading, preparation of bills, delivery of bills, collection of revenue and maintenance of customer accounts etc. The licensee is bound to meet these expenses irrespective of the level of consumption of the Consumer. The customer service charges shall remain unchanged for the FY 2026-27. The details are given in the table below:

Table – 127
Customer Service Charge for Consumers with CD > 110 kVA at HT & EHT approved for FY 2026-27

<table>
<tr><th>Category</th><th>Voltage of Supply</th><th>Customer service charge (Rs./month)</th></tr>
<tr><td>Bulk Supply (Domestic)</td><td>HT</td><td rowspan="14">Rs.250/- for all categories

Rs.250/- for all categories</td></tr>
<tr><td>Irrigation Pumping and Agriculture</td><td>HT</td></tr>
<tr><td>Allied Agricultural Activities</td><td>HT</td></tr>
<tr><td>Allied Agro-Industrial Activities</td><td>HT</td></tr>
<tr><td>Specified Public Purpose</td><td>HT</td></tr>
<tr><td>General Purpose (HT >70 kVA <110kVA)</td><td>HT</td></tr>
<tr><td>HT Industrial (M) Supply</td><td>HT</td></tr>
<tr><td>General Purpose (=>110kVA)</td><td>HT</td></tr>
<tr><td>Public Water Works and Sewerage Pumping</td><td>HT</td></tr>
<tr><td>Large Industry</td><td>HT</td></tr>
<tr><td>Power Intensive Industry</td><td>HT</td></tr>
<tr><td>Mini Steel Plant</td><td>HT</td></tr>
<tr><td>Emergency Supply to CGPs</td><td>HT</td></tr>
<tr><td>Railway Traction</td><td>HT</td></tr>
<tr><td>General Purpose</td><td>EHT</td><td rowspan="7">Rs.700/- for all categories</td></tr>
<tr><td>Large Industry</td><td>EHT</td></tr>
<tr><td>Railway Traction</td><td>EHT</td></tr>
<tr><td>Heavy Industry</td><td>EHT</td></tr>
<tr><td>Power Intensive Industry</td><td>EHT</td></tr>
<tr><td>Mini Steel Plant</td><td>EHT</td></tr>
<tr><td>Emergency Supply to CGPs</td><td>EHT</td></tr>
</table>

(II) Demand Charge for HT & EHT Consumers

479. The Commission examined the existing Demand Charge of Rs.250/kVA/Month payable by the HT and EHT Consumers and Demand Charge of Rs.150/kVA/Month payable by HT Industrial (M) Consumers and decides to continue with the existing rates. The class of Consumers, the voltage level of supply and applicable Demand Charge approved for FY 2026-27 are listed below:

HT Category (Rs.250 per KVA per month)

Specified Public Purpose

General Purpose (>70 kVA <110 kVA)

General Purpose (>=110 kVA)

Public Water Works and Sewerage Pumping

Large Industry

Power Intensive Industry

Mini Steel Plant

Railway Traction

HT Category (Rs.150 per KVA per month)

HT Industrial (M) Supply

EHT Category (Rs.250 per KVA per month)

General Purpose

Large Industry

Railway Traction

Heavy Industry

Power Intensive Industry

Mini Steel Plant

480. Consumers with Contract Demand 110 kVA & above are to be billed under three-part tariff on the basis of actual reading of the demand meter and the energy meter. They are also allowed to increase their Contract Demand. The Demand Charge reflects the recovery of fixed cost payable by the Consumers as capacity is reserved for them by the licensee. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the Consumer, it is necessary that the Consumer pays at least a certain amount of fixed cost to the licensee. To arrive at Demand Charge, the Commission studied the pattern of demand recorded by the demand meters of all such Consumers of the licensee. Keeping in view the above aspect, the Commission has decided that the existing method of billing the Consumer for the Demand Charge on the basis of the maximum demand recorded or 80% of the Contract Demand, whichever is higher shall continue. The method of billing of Demand Charge in case of Consumers without a meter or with a defective meter, shall be in accordance with the procedure prescribed in the OERC Distribution (Conditions of Supply) Code, 2019. Again, in case of statutory load restriction, the Contract Demand shall be assumed as the restricted demand.

481. As per the OERC Distribution (Conditions of Supply) Code, 2019, for Contract Demand above 70 kVA but below 555 kVA, supply shall be at 3-phase, 3-wire, 11 kV. However, the Consumers connected prior to 01.10.1995 may be allowed to continue to receive power at LT level.

482. The Commission decides to continue with the same Demand Charges for following Consumers at HT level.

Table – 128
Demand Charges at HT level

Category	(Rs./kVA/month)
Bulk Supply Domestic	20
Irrigation Pumping and Agriculture	30
Allied Agricultural Activities	30
Allied Agro-Industrial Activities	50

483. However, the demand in respect of Consumers with Contract Demand less than 110 kVA (for all categories of Consumers) and having static meters shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. For billing purpose, the highest demand recorded in a month shall be considered from the month it occurred, till the end of the financial year.

484. Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawl penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy consumption (kVAh) beyond CD shall be Rs. 5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under any other scheme. However, the DISCOMs are not permitted to exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawl, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

485. Any Industry (without CGP) connected at 33 kV level with CD upto 10 MVA and willing to avail power from the DISCOM upto double the CD shall be allowed without payment of overdrawl penalty. For this purpose, the Industry has to operate at minimum load factor of 80% for the entire month. The applicable charges for energy consumption (kVAh) beyond 80% of CD shall be Rs. 5.00/ kVAh. Industries availing this benefit shall not be allowed to avail benefit under any other scheme including drawl in Open Access. Such Industry has to enter into an agreement with the DISCOM for the above arrangement. Industries having CD of more than 10 MVA are not permitted to avail this benefit by

reducing their CD. DISCOMs are not permitted to exceed their approved SMD while allowing this benefit. The DISCOM must ensure that for such overdrawl, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

Incremental Energy Drawl by Industries under TPA

486. Any industry having CGP with CD above 20 MW and operating at minimum monthly load factor of 60% shall be allowed to draw power at the rate of Rs. 5.00 per kVAh during Peak hours and Rs. 4.30 per kVAh during hours other than Peak hours (i.e. during Solar & Normal Hours), for all incremental energy drawl above 60% load factor of the month. No overdrawl penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with the concerned DISCOM and GRIDCO. In such transactions for sale of intermittent incremental surplus power, OPTCL shall get normal transmission charge of 24 paise/kWh, GRIDCO shall get 456 paise/kWh (including BSP) during Peak hours and 400 paise/kWh (including BSP) during hours other than Peak hours (i.e. during Solar & Normal Hours) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. The DISCOM can certify the quantum of Green Energy in the Industrial drawl from DISCOM, which can be utilized for any other purpose other than compliance of RPO/RCO. This quantum shall be within Renewable Energy quantum allocated to each DISCOM by GRIDCO. Other observations of the Commission in Case No. 25/2022 regarding this tripartite sale of surplus power shall continue as such. However, the Commission may revisit the matter on application from the DISCOM(s) / GRIDCO, in case of any constraint(s) in implementation of the above scheme to achieve the objective.

RE for Regulatory Compliance

487. Any Obligated Entity/Designated Consumer can enter into a TPA with GRIDCO and the DISCOM for availing Green Energy for Regulatory compliance at Rs. 4.10 per kVAh by intimating DISCOM the day ahead block-wise drawl quantum. Accordingly, GRIDCO would procure additional RE power to meet such requirement of such Obligated Entity/Designated Consumer for RPO/RCO Compliance. In such transactions for sale of RE power, OPTCL shall get normal transmission charge of 24 paise/kWh, GRIDCO shall get 380 paise/kWh (including BSP) and DISCOMs shall keep the balance amount as margin, out of the price mentioned above. However, any over-drawl by the consumer beyond the requisitioned quantum shall be treated as RST drawl. Such Green Energy

procured by the consumer for RPO/RCO compliance cannot be used for RPO/RCO compliance of the DISCOM.

(III) Energy Charge for HT and EHT Consumers

488. The Commission always aims for rationalisation of tariff structure by progressive introduction of a cost-based tariff and has set the Energy Charge at different voltage levels to reflect the cost of supply. The principle of higher rate of Energy Charge for supply at low voltage and gradual reduction in rate as the voltage level goes up has been adopted. The Commission has introduced kVAh tariff for HT and EHT Consumers since FY 2021-22. This method of billing for Energy Charge captures both active and reactive energy consumed by the Consumers and the same shall continue for FY 2026-27. For HT Bulk Supply Domestic Consumers, the Energy Charges have been fixed at 490 paise per unit (kVAh).

Graded Slab Tariff for HT/EHT Consumers

489. The Commission has decided to continue with the graded slab of tariff structure for HT and EHT Consumers where the Demand Charges are billed on kVA basis as given in Table below:

Table – 129
Slab rate of Energy Charges for HT & EHT (Paise per kVAh)

Load Factor (%)	HT	EHT
= < 60%	585.00	580.00
> 60%	475.00	470.00

490. All HT Industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below for the FY 2026-27:

Table – 130

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on Energy Charge	-
above 75% upto 85%	15% on Energy Charge	8% on Energy Charge
above 85%	20% on Energy Charge	10% on Energy Charge

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2026-27.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on

Energy Charge for entire energy consumption beyond 85% load factor. These industries shall take required measures to avoid injection of harmonics into the grid.

491. All the Industrial Consumers drawing power at EHT level shall be eligible for a rebate of 30 paise per unit (kVAh) for all the units consumed beyond 80% load factor.

492. Load factor has to be calculated as per Regulation 2 (42) of the OERC Supply Code, 2019. However, for such calculation of load factor, the actual power factor of the Consumer and power-on-hours during billing period shall be taken into consideration.

493. Power consumption in hours is defined as total hours in the billing period minus allowable power interruption hour. The maximum allowable power interruption hours in a month shall be 60 hours and the same shall be deducted from the total interruption hour. In case the power interruption hours is 60 hours or less in a month, then no deduction shall be made.

Supply at HT level for Irrigation Pumping & Agriculture, Allied Agricultural Activities and Allied Agro-Industrial Activities Consumers

494. The Commission has decided to continue with the present tariff structure in respect of Irrigation Pumping & Agriculture, Allied-Agricultural and Allied-Agro-Industrial Activities categories availing power at HT level. The Energy Charge applicable to them has been fixed as follows:

Category		Energy Charge
Irrigation Pumping & Agriculture	-	140 paise per kVAh
Allied Agricultural Activities	-	150 paise per kVAh
Allied Agro-Industrial Activities	-	300 paise per kVAh

Industrial Colony Consumption

495. To encourage the increase in the HT & EHT consumption, the Commission has decided to continue with the existing tariff for the colony consumption attached to the industry and consumption shall be metered separately and such consumption shall be deducted from the main meter reading and billed at 490 paise per unit for supply at HT level and 485 paise per unit at EHT level. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

Colony / Hostel consumption

496. The Educational Institution (Specified Public Purpose category Consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawl under HT bulk supply domestic category i.e. @ 490 paise per unit.

Classification of Consumers

497. The Regulation 138(a) of Supply Code, 2019 defines Domestic category as a category which relates to supply of power to residential premises for domestic purposes only which may include connected load for non-domestic purposes like offices, consultation chambers and other miscellaneous activities up to 20% of the total connected load. There is certain confusion in the mind of the Distribution service Provider(s) about classification of Consumer under this category. From the reading of the Regulation, it is clear that power supply to any dwelling units utilised solely for residential purpose shall be classified as Domestic category, whether rented or not. This may also include hostels/mess/old-age homes/orphanages/Child Care Institutions let-out by the private parties solely for residential purposes. The hotels/guest houses which are basically for temporary stay of people, are strictly excluded.

498. General purpose Consumers with Contract Demand (CD) < 70 KVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019, the supply for load above 5 KW/ 5.55 KVA upto and including 70 KVA shall be through 3-phase, 3 or 4 wires at 400 volts between phases.

499. Poultry Farms with attached feed processing units having connected load less than 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General-Purpose category for tariff purpose. If the connected load of the attached feed processing unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

500. A food processing unit attached with cold storage shall be charged at Agro-Industrial tariff as long as the load of food processing unit does not exceed 20% of the total connected load. If the load of the food processing unit (other than cold storage unit)

exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for General Purpose or the industrial purpose as the case may be.

501. During the statutory restriction imposed by the Fisheries Department, the Ice Factories (located at a distance not more than 5 KM towards the land from the sea shore of the restricted zone) will pay demand charges based on the actual maximum demand recorded during the billing period.

Emergency power supply to CGPs/Generating stations

502. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs for supply of electricity subject to technical feasibility and availability of required quantum of power/energy in the system as per the provision under the OERC Distribution (Condition of Supply) Code, 2019. For such Consumers, a flat rate of (i) 780 paise/kVAh at HT level and (ii) 770 paise/kVAh at EHT level would apply. The industry owning CGP and having zero Contract Demand can draw power supply for its CGP from the Grid maximum upto the electrical energy in kWh limited to 10% load factor of the highest capacity of the Captive Generating unit. Overdrawl of energy beyond 10% of load factor of highest capacity of generating unit for consecutive three months shall be billed on two-part tariff in kVAh per unit with discontinuation of emergency power supply status.

Green Consumer Certification

503. The Consumers of any category can get a Green Consumer Certification by DISCOMs, if 100% of their power requirement is met from renewable sources by DISCOMs. The Consumer has to pay additional 20 paise per unit as premium over and above the normal rate of Energy Charges. This facility shall be in force for one year from the effective date of this Order. The Consumer has to apply the concerned DISCOM in advance for this purpose. This facility shall not be available to the Consumers having Captive Generating Plant (CGP).

504. The Commission apportions the total projected available renewable energy to the DISCOMs in proportion to their estimated total energy requirement for the FY 2026-27. Accordingly, out of the total projected renewable energy of 5208.67 MU available to GRIDCO for the ensuing year, 1734.83 MU, 1165.19 MU, 1640.94 MU & 667.71 MU are allocated to TPCODL, TPNODL, TPWODL & TPSODL respectively for the above

purpose. The DISCOM can sale Green energy to these consumers within their area of operation subject to above limit of RE power allocated by GRIDCO. However, in case of surplus of such renewable energy with one DISCOM and deficit with another, the DISCOM having deficit renewable power may draw more renewable power with consent of the DISCOM having surplus renewable power under intimation to GRIDCO.

Green Energy for Industries

505. The Industries can opt for allocation of Green energy by the DISCOM with payment of additional 20 paise per unit as premium over and above the normal rate of Energy Charges. The DISCOM can sale Green energy to these Industries within their area of operation subject to limit of RE power allocated by GRIDCO.

Electric Vehicle

506. Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs. 5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/ station.

Mega Lift Points

507. The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any demand charges and shall get an additional rebate of Rs. 2.00 per unit (kVAh) during Solar hours and Rs. 1.00 per unit (kVAh) during hours other than Solar Hours on the respective Energy Charges.

Railway Tariff

508. For the FY 2026-27, the Commission has decided to continue with the rebate of 25 paise per unit for all the units consumed in addition to all other eligible rebates.

ToD Tariff (Solar, Normal and Peak Hours Tariff)

509. According to Rule 3 of Electricity (Rights of Consumers) Amendment Rules, 2023 (notified by the Ministry of Power on dt: 14.06.2023, the State Commission shall specify the Time of Day Tariff, for which the hours of a day shall be divided into Solar, Normal and Peak hours. In exercise of the powers conferred under this rule, the Commission decides the Hours in a day shall be designated as follows:

8.00 AM to 4.00 PM - Solar Hours

After 4.00 PM upto 6.00 PM - Normal Hours

After 6.00 PM upto 12.00 Midnight - Peak Hours

After 12.00 Midnight upto 8.00 AM the next day - Normal Hours

510. Time of Day (ToD) tariff shall be applicable to all the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers. The tariff for all the eligible category of consumers mentioned above, shall be ten percent (10%) less than the normal tariff during Solar Hours and shall be 1.1 times the normal tariff during Peak Hours.

511. For the purpose of OERC (Terms and Conditions for Generation Tariff) Regulations, 2024, the Commission is required to define the Peak Hours which shall be a period of four (4) hours i.e. 'After 6.00 PM upto 10.00 PM' for the FY 2026-27.

Incentive and Overdrawl Penalty for Consumers with CD > 110 kVA

512. All the Consumers who pay three-part tariff with CD > 110 KVA are allowed to draw upto 120% of Contract Demand during Normal & Solar hours on payment of Demand Charge basing on the 80% of the Contract Demand or maximum demand drawn during Peak hours, whichever is higher. Provided that the drawl of maximum demand is within CD during hours Peak hours.

There shall be no penalty for overdrawl during Normal & Solar hours, upto 120% of the Contract Demand. However, any Consumer overdrawing during Peak hours shall not be eligible for overdrawl benefit during Normal & Solar hours. In case of Statutory Load Regulation, deemed Contract Demand shall be the restricted Contract Demand.

513. When the Maximum Demand is less than or equal to the Contract Demand during Peak hours, then the Consumer is entitled for overdrawl benefit limited to 120% of Contract Demand during Normal & Solar hours. If Maximum Demand exceeds 120% of Contract Demand during Normal & Solar hours, then the Consumer is liable for overdrawl penalty @ Rs.250/- per KVA per month provided no other penalty due to overdrawl is levied only on the excess demand recorded over 120% of CD. If Maximum Demand exceeds the Contract Demand during Peak hours, then the Consumer is not entitled to get Normal & Solar hours overdrawl benefit, even if the drawl during Normal & Solar hours is within 120% of CD.

514. Demand charge shall be calculated on the basis of 80% Contract Demand (CD) or actual Maximum Demand (MD) whichever is higher during Peak hours. The overdrawl penalty at the rate of Rs.250/kVA shall be charged on the excess drawl over the 120% CD during Normal & Solar hours.

This benefit will not be available, if one overdraws beyond the CD during Peak hours. In such circumstances, the overdrawl penalty @ Rs.250/kVA shall be levied on the drawl in excess of the CD irrespective of any hours of the day.

This penalty for overdrawl in all the above cases shall be over and above the normal demand charges**.**

These provisions of ToD as mentioned in the above paragraphs, shall be made effective from 01.07.2026 after configuration of respective meters.

Metering on LT side of Consumers Transformer

515. As per Regulation 151 (ix) of the OERC Distribution (Conditions of Supply) Code, 2019 Transformer loss, as computed below has to be added to the consumption as per meter reading:

Energy loss = (730 X Rating of the transformer in kVA) /200.

Demand Loss in the transformer in kVA = Rating of the transformer in kVA / 200

Incentive for prompt payment

516. The Commission examined the existing provision for incentive and its financial implications. The Commission has decided to allow incentive for early and prompt payment as follows:

a) A rebate of 10 paise/unit shall be allowed on Energy Charges if the payment of the bill (excluding all arrears) is made by the due date indicated in the bill in respect of the following categories of Consumers.

LT: Domestic, General purpose <110 KVA, Irrigation Pumping and Agriculture, Allied Agricultural Activities and LT Industrial (S), Public Water Works and Sewerage Pumping.

HT: Bulk supply Domestic, Irrigation Pumping and Agriculture, Allied Agricultural Activities, General purpose >70 & <110 KVA, Public Water Works and Sewerage Pumping.

b) Consumers other than those mentioned at Para ‘a’ above shall be entitled to a rebate of 1% (one percent) of the amount of the monthly bill (excluding all arrears), if payment is made within 3 working days of presentation of the bill.

517. **Special Rebates**

a. Hostels attached to the Schools recognised and run by SC/ST Department of Government of Odisha shall get a rebate of Rs. 2.40 per unit on Energy Charge under Specified Public Purpose category (LT/HT), which shall be over and above the normal rebate for which they are eligible.

b. All Swajala Dhara Consumers under Public Water Works and Sewerage Pumping installation category shall get special rebate @ 10% on energy consumption over and above normal rebate, if the electricity bills are paid within due date.

c. All rural LT domestic Consumers availing power through correct meter and pay the bill in time shall avail rebate of 10 paise per unit over and above other existing rebate for prompt payment.

d. 4% rebate shall be allowed on the bill to the LT domestic and single-phase General Purpose (GP) category of Consumers only over and above all other rebates, if such Consumer pays the entire amount of the bill through digital mode on or before due date. Such Consumers who pays the entire bill on or before the due date at any other outlet like Jan Seva Kendra, OCAC etc. are eligible for this rebate

e. All the Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill. This rebate will be in addition to all other rebates the Consumer is otherwise eligible.

f. LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paisa per unit for all the units consumed, if their monthly operating load factor is more than 30% and Bill is paid within due date.

g. 4% rebate shall be allowed to all pre-paid Consumers on pre-paid amount.

h. A Special rebate to the LT single phase Consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate for the month of March for timely payment of bill.

Reconnection Charge

518. The Re-connection charges for the FY 2026-27 are as given in the Table below:

Table – 131
Re-Connection Charges applicable to Consumers w.e.f. 01.04.2025

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

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

Delayed Payment Surcharge

519. The Commission has examined the present method of raising DPS & its rates. The Commission has decided that if payment is not made within the due date, Delayed Payment Surcharge shall be paid for every day of delay @ 1.25% per month on the amount remaining unpaid (excluding arrears on account of DPS and Electricity Duty) in respect of following categories of Consumers:

i. Large industries
ii. LT/HT Industrial (M) Supply
iii. Railway Traction
iv. Public Lighting
v. Power Intensive Industries
vi. Heavy Industries
vii. General Purpose Supply >=110 KVA
viii. Specified Public Purpose
ix. Mini Steel Plants
x. Emergency supply to CGP
xi. Allied Agro-Industrial Activities
xii. Colony Consumption

520. The Delayed Payment Surcharge (DPS) shall be applicable for LT General Purpose Consumers having Contract Demand of 5 kW and above and HT Bulk Supply Domestic Consumers, if such Consumer does not pay his bills/dues within the due date. Delayed Payment Surcharge (DPS) shall be paid for every day of delay @1% Simple Interest per month on the amount remaining unpaid (excluding Electricity Duty and arrear on account of DPS).

Rounding off of Consumers billed amount to nearest rupee

521. The Commission directs for rounding off of the electricity bills to the nearest rupee and at the same time directs that the money actually collected should be properly accounted for.

Charges for Temporary Supply

522. The tariff for the period of temporary connection shall be at the rate applicable to the relevant Consumer category with the exception that Energy Charges shall be 10% higher (in case of temporary connection) compared to the regular connection. Connections, temporary in nature, shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc. The temporary supply connectivity provided to a consumer can be renewed by the DISCOM on application submitted by the Consumer, for a maximum period of six months at a time.

New Connection Charges for LT

523. LT single phase Consumers of all categories having CD upto 150 kW, with pole within 30 meters from the Consumer's premises shall pay new service connection charge, excluding processing fees of Rs.50/-, security deposit and cost of meter (as applicable) as follows.

Table-132
New Service Connection Charges

Contract Demand	Service Connection Charges (excluding GST)
Upto 2 kW	₹ 1,500.00
Beyond 2 kW upto 5 kW	₹ 2,500.00
5-10 kW	₹ 4,500.00
11-20 kW	₹ 7,000.00
21-40 kW	₹ 10,000.00
41-50 kW	₹ 19,500.00
51-100 kW	₹ 33,000.00
101-150 kW	₹ 60,000.00
Note: The above charges have been calculated based on an average **30-meter service length** and the use of armoured cable.	

However, if the line extension is required beyond 30 meters, the Licensee /supplier shall charge @ Rs.8,000/- for every span of line extension in addition to above charges. The service connection charges include the cost of material and supervision charges.

In case of Single-phase LT new or load enhancement Consumers upto 5 kW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

Meter Rent

524. The Commission has decided to continue with the existing meter rent for FY 2025-26 which will be effective from 01.04.2026 as follows:

Table – 133
Meter Rent Applicable for Different Types of Meters

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: The Meter Rent shall be collected over a period of 60 months only except in case of Single-Phase Smart Meter, for which the Meter Rent shall be collected over a period of 96 months.

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

Consumers availing Meter through Grant based Government schemes, shall not be liable to pay Meter Rent.

The pre-paid or post-paid mode for Smart Meters should be as per the option exercised by the Consumer.

Application Processing Fees

525. The Commission has decided to introduce application processing fees for various activities performed by the DISCOMs on applications made by the Consumer. The Application fees for various activities effective from 01.04.2025 is as given in the table below:

Table-134
Application Processing fees for various Services

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

526. The printout of the record of the meter relating to MD, PF, number and period of interruption shall be supplied to the Consumer wherever possible with a payment of Rs.500/- by the Consumer for monthly record.

527. **The Retail Supply Tariff as determined above is reflected in Annexure-B. For any discrepancy, Annexure-B is final.**

J. DIRECTIONS AND EXPECTATIONS OF THE COMMISSION FROM THE DISCOMs (Para 347 & 348)

528. In the Tariff Order for the FY 2026-27, there is reduction in BSP of two DISCOMs (TPNODL & TPWODL), increase in BSP of TPCODL whereas there has been no change in BSP of TPSODL. There has been marginal increase in average Cost of Supply (CoS) approved for FY 2026-27, which is 603.91 paise/unit as compared to 602.44 paise/unit in the FY 2025-26. In spite of change in BSP and CoS, the RST has remained unchanged for last five (5) years, rather there was reduction in tariff under domestic category in FY 2024-25. A number of tariff rationalization measures have been approved for all category of consumers by providing various incentives, particularly with the objective to promote industrial growth by increasing their consumption. In this process, the energy Sales and Revenue are likely to increase benefitting both DISCOMs as well as GRIDCO. Necessary provisions has also been placed for fulfilling the RPO/RCO compliances of Obligated entities/ Designated Consumers through purchase of Green Energy from DISCOMs. ToD tariff applicable to Consumers with Smart Meters/ AMR Compliant meters (CD > 10 kW) would also be benefitted with 10% lower tariff for energy consumption during Solar hours. LT Open Access for RE Consumers with Contract Demand or sanctioned load of 100 kW or more, either through single connection or through multiple connection aggregating to 100 kW or more has been introduced. The commission is in the process of finalisation of the Distribution Supply Code, Standards of Performance Regulations. Similarly, few more Regulations relating to Grid Support Charge, CAPEX & OPEX, Distributed Renewable Energy, Intra-state GNA, Ancillary Services etc. are in the pipeline which will address many of the concerns and issues of the Consumers and Objectors.

529. Distribution system is vital in the power delivery chain and establishes the last mile connectivity with the ultimate consumers who, are the source of revenue for the power system. In last 5 years of operation in Odisha, the Distribution service providers

(TPNODL, TPWODL, TPSODL, TPCODL) have taken number of good initiatives for system improvement, reduction in distribution losses, improving safety of man & machine and resolving the meter & billing related issues etc. The efforts of DISCOMs have been well appreciated at National level and they have been ranked accordingly among the excellent performing DISCOMs in the country. Considering the consumer density and consumer mix dominated by domestic consumers, lot more actions are still required to be taken by licensees for addressing the low voltage issue, metering of feeders (33kV & 11 kV) & DTRs for facilitating Energy Audit, high LT loss, reliability & availability of power supply & satisfying the consumers' expectations etc. and ultimately to become operationally & financially stable. The Commission has discussed all such issues in detail in the Order from paragraph 263 to 303. The DISCOMs are expected to take pro-active steps for achieving the objectives as mentioned in those paragraphs. A summary of the directions given by the Commission and the expected date of compliance is given in the Table below:

Table- 135
Timeline for Compliance of the Directions/Suggestions of the Commission

Sl. No.	Direction of the Commission (RST Order FY 2026-27)	Para No.	Timeline for Compliance
1	Employee Cost reduction trajectory	261	Compliance Report by July-2026
2	Complete metering of 2-3 Nos. of 11 kV feeders & associated DTRs and Consumers in each Division	267	FY 2026-27
3	DTR Metering upto and including 63 kVA	268	FY 2026-27
4	AT&C Loss Reduction in 11 kV feeders	272	FY 2026-27
5	Installation of 3 to 4 Smart Meters in every Village	273	Compliance Report by July-2026
6	Solarisation of Agricultural feeders and pump sets	274	Report by September 2026
7	Interlinking of GIS mapping, Consumer Index and GFA Register	276	Status intimated by June-2026 Work completion by December-2026
8	Popularise One-Time-Claim scheme for return of Security Deposit amount of Permanently Disconnected Consumers	278	April-2026 (FY 2026-27)
9	Information on Security Deposit amount	280	September-2026
10	Software audit of Smart Meter and Back end system	284	Report submission by September-2026
11	Action for improvement in Billing Efficiency	292	Report submission by 31.03.2027
12	Information of consumers benefitted from PMSGMBY and ULA Scheme	293	September-2026

Sl. No.	Direction of the Commission (RST Order FY 2026-27)	Para No.	Timeline for Compliance
13	Installation of Guard Wires for 33 kV & 11 kV overhead lines crossing over National & State Highway	299	FY 2026-27
14	Protection system on HV & LV side of DTRs of 63 KVA and above	300	by FY 2026-27
15	Protection system on HV & LV side of DTRs of 25 KVA and above upto 63 KVA	300	by 2027-28
16	Timeline for addressing Low Voltage issues in urban and major city areas	301	By June-2026
17	LT Open Access Energy Accounting settlement procedure in case of multiple connections	332	May-2026

Effective date of Tariff

530. The tariff schedule and all the applicable charges as stipulated in this Order shall be made effective from 01.04.2026 and shall remain in force until further order of the Commission. The DISCOMs should ensure that the billing cycle of any Consumer should not be disturbed due to the above stipulations.

531. The Open Access Charges (Wheeling Charge, Transmission Charge and Cross Subsidy Surcharge) decided in this Order (in Case Nos. 137, 126, 130, 134, 138, 127, 131 & 135 of 2025) shall be made effective from 01.04.2026 and shall be in force until further order. The cases are disposed of accordingly.

532. The Truing Up applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 139, 125, 129 & 133 of 2025 respectively are disposed of accordingly.

533. The applications of TPCODL, TPNODL, TPWODL and TPSODL, in Case Nos. 136/2025 (TPCODL), 124/2025 (TPNODL), 128/2025 (TPWODL) and 132/2025 (TPSODL) for approval of Aggregate Revenue Requirement and Retail Supply Tariff for FY 2026-27 are disposed of accordingly.

534. The Retail Supply Tariff and the applicable charges as stipulated in the order shall be effective from 1st April, 2026 and shall remain in force until further orders.

Sd/-	Sd/-	Sd/-
(B. Mohanty) **Member**	**(S. K. Ray Mohapatra)** **Member**	**(P. K. Jena)** **Chairperson**

Annexure-A

REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2026-27 (Rs. In Cr.)

	TPWODL			TPNODL			TPSODL			TPCODL			Total		
Expenditure	**Approved 2025-26**	**Proposed 2026-27**	**Approved 2026-27**	**Approved 2025-26**	**Proposed 2026-27**	**Approved 2026-27**	**Approved 2025-26**	**Proposed 2026-27**	**Approved 2026-27**	**Approved 2025-26**	**Proposed 2026-27**	**Approved 2026-27**	**Approved 2025-26**	**Proposed 2026-27**	**Approved 2026-27**
Cost of Power Purchase	4,792.13	4,597.53	4,763.25	3,138.84	3,187.25	3,060.91	961.78	959.50	968.81	4,354.25	4,173.20	4,385.09	13,247.00	12,917.48	13,178.06
Transmission Cost	315.64	304.41	300.74	222.33	225.76	213.55	129.08	128.77	122.38	352.49	337.83	317.95	1,019.54	996.77	954.63
SLDC Cost	1.91	1.91	1.90	1.34	1.34	1.35	0.78	0.78	0.77	2.13	2.13	2.01	6.16	6.16	6.03
Total Power Purchase, Transmission & SLDC cost(A)	**5,109.68**	**4,903.85**	**5,065.89**	**3,362.51**	**3,414.35**	**3,275.81**	**1,091.64**	**1,089.05**	**1,091.96**	**4,708.87**	**4,513.16**	**4,705.05**	**14,272.70**	**13,920.41**	**14,138.72**
Employee costs	548.65	623.34	551.63	528.06	610.92	548.84	546.91	619.39	559.16	878.10	999.16	920.54	2,501.72	2,852.81	2,580.17
Repair & Maintainance expenses	270.14	348.62	273.70	252.66	318.30	243.88	166.15	232.00	184.34	315.39	399.00	301.65	1,004.34	1,297.92	1,003.58
Administrative and General Expenses	181.03	272.14	193.70	137.53	163.41	147.16	128.98	177.29	138.01	162.59	249.00	173.97	610.13	861.84	652.84
Provisions for Bad and Doubtful Debts	61.48	62.84	64.64	44.87	46.94	46.19	21.63	23.68	23.21	66.15	66.62	66.82	194.13	200.08	200.86
Depreciation	118.11	191.68	142.17	92.59	157.59	128.42	105.05	136.20	109.71	141.64	182.98	159.76	457.39	668.45	540.05
Interest on loan and S.D	166.94	235.67	202.28	143.48	208.63	170.06	109.21	150.89	110.39	214.10	235.56	196.07	633.73	830.75	678.80
Total Operation & Maintainance and other cost	**1,346.35**	**1,734.29**	**1,428.13**	**1,199.19**	**1,505.79**	**1,284.54**	**1,077.93**	**1,339.45**	**1,124.82**	**1,777.97**	**2,132.32**	**1,818.81**	**5,401.44**	**6,711.85**	**5,656.30**
Less: Employee Cost capitalised	25.66	26.94	26.94	18.18	20.30	20.30	37.38	35.37	35.37	31.24	34.36	34.36	112.46	116.97	116.97
Less: Interest capitalised	5.51	1.50	1.50	0.30									5.81	1.50	1.50
Return on equity	115.18	174.89	143.45	90.91	152.87	126.93	96.90	129.20	111.15	143.58	171.14	151.56	446.57	628.10	533.09
Tax on ROE	28.99	58.82	36.11	22.88	51.42	31.95	24.39	43.46	27.97	36.14	57.57	38.15	112.40	211.27	134.18
Carrying cost on ASL		7.07	-		11.65	-					113.91			132.63	
Amortisation of Regulatory asset									100.29					-	100.29
Special.appropriation/ carrying cost		11.50	-		36.28	-								47.78	
Carrying cost on Regulatory Asset									24.06						24.06
Total Distribution Cost	**1,459.35**	**1,958.13**	**1,579.25**	**1,294.50**	**1,737.71**	**1,423.13**	**1,161.84**	**1,476.74**	**1,352.93**	**1,926.45**	**2,440.58**	**1,974.15**	**5,842.14**	**7,613.16**	**6,329.45**
Less: Non Tariff Income	438.10	417.43	567.15	185.63	195.60	225.79	44.92	31.30	31.30	94.09	101.35	165.38	762.74	745.68	989.62
Net Distribution Cost (B)	**1,021.25**	**1,540.70**	**1,012.10**	**1,108.87**	**1,542.11**	**1,197.34**	**1,116.92**	**1,445.44**	**1,321.63**	**1,832.36**	**2,339.23**	**1,808.77**	**5,079.40**	**6,867.48**	**5,339.84**
Total Revenue Requirement (A+B)	**6,130.93**	**6,444.55**	**6,078.00**	**4,471.38**	**4,956.46**	**4,473.15**	**2,208.56**	**2,534.49**	**2,413.59**	**6,541.23**	**6,852.39**	**6,513.82**	**19,352.10**	**20,787.89**	**19,478.55**
Expected Revenue (full year)	**6,148.18**	**6,284.29**	**6,463.77**	**4,486.79**	**4,693.77**	**4,619.21**	**2,163.06**	**2,368.40**	**2,320.74**	**6,615.37**	**6,662.22**	**6,682.00**	19,413.40	20,008.68	**20,085.71**
GAP(+Surplus/-Deficit)	**17.25**	**(160.26)**	**385.77**	**15.41**	**(262.69)**	**146.06**	**(45.50)**	**(166.09)**	**(92.85)**	**74.14**	**(190.17)**	**168.18**	61.30	(779.21)	**607.16**

*Approved Energy Sales for the FY 2026-27 are: TPWODL-10,822.33 MU, TPNODL-7,840.96 MU, TPSODL- 3,988.42 MU, TPCODL- 11,240.94 MU and total Energy sales for the state is 33,892.65 MU.

Annexure-B

RETAIL SUPPLY TARIFF EFFECTIVE FROM 1^{st} APRIL, 2026

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./KVA/ Month)	Energy Charge	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first KW/kVA or part there of (Rs.)	Monthly Fixed Charge for any additional KW/ kVA or part there of (Rs.)	Rebate (P/kWh/ kVAh) / DPS
	LT Category			**(P/kWh)**				
1	Domestic							
1.a	Kutir Jyoti <= 30 Units/month	LT	FIXED MONTHLY CHARGE-->			70		
1.b	Others							Rebate 10
	(Consumption <= 50 units/month)	LT		**290.00**		20	20	
	(Consumption >50, <=200 units/month)	LT		**470.00**				
	(Consumption >200, <=400 units/month)	LT		**570.00**				
	Consumption >400 units/month)	LT		**610.00**				
2	General Purpose < 110 KVA							Rebate 10
	Consumption <=100 units/month	LT		**590.00**		30	30	
	Consumption >100, <=300 units/month	LT		**700.00**				
	(Consumption >300 units/month)	LT		**760.00**				
3	Irrigation Pumping and Agriculture	LT		**150.00**		20	10	Rebate 10
4	Allied Agricultural Activities	LT		**160.00**		20	10	Rebate 10
5	Allied Agro-Industrial Activities	LT		**310.00**		80	50	Rebate/DPS
6	Public Lighting	LT		**620.00**		20	15	Rebate/DPS
7	L.T. Industrial (S) Supply <22 KVA	LT		**620.00**		80	35	Rebate 10
8	L.T. Industrial (M) Supply >=22 KVA <110 KVA	LT		**620.00**		100	80	Rebate/DPS
9	Specified Public Purpose	LT		**620.00**		50	50	Rebate/DPS
10	Public Water Works and Sewerage Pumping <110 KVA	LT		**620.00**		50	50	Rebate 10
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	**620.00**	30			Rebate 10
12	General Purpose >= 110 KVA	LT	200	**620.00**	30			Rebate/DPS
13	Large Industry >=110 KVA	LT	200	**620.00**	30			Rebate/DPS
	HT Category			**(P/kVAh)**				
14	Bulk Supply - Domestic	HT	20	**490.00**	250			Rebate 10
15	Irrigation Pumping and Agriculture	HT	30	**140.00**	250			Rebate 10
16	Allied Agricultural Activities	HT	30	**150.00**	250			Rebate 10
17	Allied Agro-Industrial Activities	HT	50	**300.00**	250			Rebate/DPS
18	Specified Public Purpose	HT	250	**As indicated in the notes below**	250			Rebate/DPS
19	General Purpose >70 KVA < 110 KVA	HT	250		250			Rebate 10
20	H.T Industrial (M) Supply	HT	150		250			Rebate/DPS
21	General Purpose >= 110 KVA	HT	250		250			Rebate/DPS
22	Public Water Works & Sewerage Pumping	HT	250		250			Rebate 10
23	Large Industry	HT	250		250			Rebate/DPS
24	Power Intensive Industry	HT	250		250			Rebate/DPS
25	Mini Steel Plant	HT	250		250			Rebate/DPS
26	Railway Traction	HT	250		250			Rebate/DPS
27	Emergency Supply to CGP (kWh)	HT	0	**780.00**	250			Rebate/DPS
28	Colony Consumption (Both SPP & Industrial)	HT	0	**490.00**	0			Rebate/DPS
	EHT Category			**(P/kVAh)**				
29	General Purpose	EHT	250	**As indicated in the notes below**	700			Rebate/DPS
30	Large Industry	EHT	250		700			Rebate/DPS
31	Railway Traction	EHT	250		700			Rebate/DPS
32	Heavy Industry	EHT	250		700			Rebate/DPS
33	Power Intensive Industry	EHT	250		700			Rebate/DPS
34	Mini Steel Plant	EHT	250		700			Rebate/DPS
35	Emergency Supply to CGP (kWh)	EHT	0	**770.00**	700			Rebate/DPS
36	Colony Consumption	EHT	0	**485.00**	0			Rebate/DPS

Note:

Slab rate of Energy Charges for HT & EHT (Paise/kVAh)

Load Factor (%)	HT	EHT
=< 60%	585.00	580.00
> 60%	475.00	470.00

(i) Energy Charges for all LT Consumers shall continue to be billed on the basis of kWh whereas the Energy Charges for HT and EHT Consumers shall be billed on the basis of kVAh drawl. All Open Access transaction will be maintained in kWh only and kVAh based transaction shall be converted into kWh based on the power factor for the month provided in the energy bills if necessary. For the purpose of calculation of Electricity Duty (ED), kWh shall be the unit for the Consumers for whom ED is levied on the per unit basis. For calculation of load factor, kWh reading shall be taken into consideration.

(ii) All HT industrial Consumers (Steel Plant) without CGP having Contract Demand (CD) of 1 MVA and above shall get a rebate on Energy Charge on achieving the load factor as given below:

Load Factor	CD upto 6 MVA	CD above 6 MVA
65% and above upto 75%	10% on Energy Charge	-
Above 75% upto 85%	15% on Energy Charge	8% on Energy Charge
Above 85%	20% on Energy Charge	10% on Energy Charge

The above rebate shall be applicable on total consumption of energy. Load reduction shall not be permitted to such category of industry for availing this rebate during the financial year 2026-27.

Further, for Aluminium Industries (Arc furnace) connected at 33 kV level without CGP having CD more than 1 MVA and upto 6 MVA shall be eligible for a rebate of 10% on Energy Charge for entire energy consumption beyond 85% load factor.

(iii) All the Industrial Consumers drawing power at EHT level shall be eligible for a rebate of 30 paise per unit (kVAh) for all the units consumed beyond 80% load factor.

(iv) LT Industrial (S) and LT Industrial (M) Supply Consumers shall avail a rebate of 10 paise per unit for all the units consumed, if their monthly operating load factor is more than 30% and the bill is paid within due date.

(v) Delayed Payment Surcharge (DPS) is re-introduced for LT General Purpose Consumers (with Contract Demand of 5 kW and above) and HT Bulk Supply Domestic Consumers. If such Consumer does not pay his bills/dues within the due date, Delayed Payment Surcharge (DPS) shall be paid for every day of delay @1% Simple Interest per month on the amount remaining unpaid (excluding Electricity Duty and arrear on account of DPS).

(vi) Any industry having CGP with CD up to 20 MW willing to avail power from DISCOMs upto double the CD shall be allowed to draw power without payment of overdrawl penalty. For this purpose, the industry has to operate at minimum CD of 80% for the entire month. The applicable charges for incremental energy consumption (kVAh) beyond CD shall be Rs. 5.00 per kVAh. Industries availing this benefit shall not be permitted to avail benefit under other scheme. However, the DISCOMs are not permitted to exceed their approved SMD during that period. The DISCOM must ensure that for such overdrawl, the distribution system is not overloaded, system reliability & availability is not affected and no load shedding is imposed during that period.

(vii) Any industry having CGP with CD above 20 MW willing to avail power from DISCOMs and operating at minimum monthly load factor of 60% shall be allowed to draw power at the rate of Rs. 5.00 per kVAh during peak hours and Rs. 4.30 per kVAh during hours other than peak hours, for all incremental energy drawl above 60% load factor. No overdrawl penalty shall be levied on them. For this purpose, the industry shall enter into a Tri-Partite Agreement (TPA) with DISCOMs and GRIDCO.

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

(ix) Time of Day (ToD) tariff shall be applicable to all the Consumers provided with Smart Meters/ AMR Compliant meters having CD > 10 KW, except Irrigation, Pumping & Agricultural Consumers. The ToD tariff for all the eligible consumers mentioned above, during Solar Hours shall be ten percent less than the normal tariff applicable for that category of consumers. During Peak Hours, the ToD Tariff for all such Consumers shall be 1.1 times the normal tariff applicable for that category of consumers. The ToD tariff shall not be applicable during Normal Hours. For this purpose, the hours in a day are defined as follows:

8.00 AM to 4.00 PM	-	Solar Hours
After 4.00 PM upto 6.00 PM	-	Normal Hours
After 6.00 PM upto 12.00 Midnight	-	Peak Hours
After 12.00 Midnight upto 8.00 AM next day	-	Normal Hours

This provision of ToD shall be made effective from 01.07.2026.

(x) Drawl by the Industries upto 120% of Contract Demand shall be allowed during Normal Hours and Solar Hours without levy of any penalty. The Industries who draw beyond their Contract Demand during Peak Hours shall not be eligible for this benefit. If the drawl during the Normal Hours & Solar Hours exceeds 120% of the Contract Demand, overdrawl penalty shall be charged on the drawl over and above the 120% of Contract

Demand. If Statutory Load Regulation is imposed, then restricted demand shall be treated as Contract Demand.

(xi) Notwithstanding anything provided for consumers on Overdrawl penalty, Railway Traction category is eligible for overdrawl upto 140% of Contract Demand without levy of any penalty, irrespective of the hours of the drawl.

(xii) Railway Traction category shall get a rebate of 25 paise per unit on energy charge for all the units consumed in addition to all other rebates they are eligible to avail.

(xiii) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 kW shall be considered as the Contract Demand requiring no verification irrespective of the agreement. Therefore, this shall also form the basis for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA.

(xiv) The billing in respect of Demand Charge for Consumer(s) with Contract Demand less than 110 KVA shall be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification.

(xv) General purpose Consumers with Contract Demand (CD) < 70 kVA shall be treated as LT Consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 134 (I) of OERC Distribution (Conditions of Supply) Code, 2019, the supply for load above 5 kW/ 5.55 kVA upto and including 70 kVA shall be through 3-phase, 3 or 4 wires at 400 Volts between phases.

(xvi) The Reconnection Charges w.e.f. 01.04.2026 shall be as follows:

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

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

(xvii) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.

(xviii) The Meter Rent w.e.f. 01.04.2026 shall be as follows:

Sl. No.	**Type of Meter**	**Monthly Meter Rent (Rs.)**
1.	Single Phase Static Meter	40
2.	LT Single Phase Smart Meter	60
3.	Three Phase whole current Static Energy Meter/ Three Phase whole current Smart Meter	150
4.	Three Phase LT CT Meter/ Three Phase Smart LT CT Meter (AMR/AMI compliant)	500

Sl. No.	Type of Meter	Monthly Meter Rent (Rs.)
5.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 11 KV	1000
6.	Three Phase HT CT Meter/Three Phase Smart HT CT Meter (AMR/AMI compliant) – 33 KV	2000
7.	HTTV Meter for Railway Traction	1000

Note: *The Meter Rent shall be collected over a period of 60 months only except in case of Single-Phase Smart Meter, for which the Meter Rent shall be collected over a period of 96 months.*

All statutory duties/cess etc. shall be collected in addition to meter rent. The Commission may revise the meter rent by a special order.

Consumers availing Meter through Grant based Government schemes, shall not be liable to pay Meter Rent.

(xix) The Educational Institution (Specified Public Purpose category Consumers) including attached hostel and / or residential colony, who draw power through a single HT meter, shall be eligible to be billed at the rate of 15% of their energy drawl under HT bulk supply Domestic category.

(xx) Hostels attached to the Schools recognised and run by SC/ST Department, Government of Odisha shall get a rebate of Rs.2.40 per unit in Energy Charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.

(xxi) Swajala Dhara Consumers under Public Water Works and Sewerage Pumping Installation category shall get special rebate @10% on the energy bill over and above normal rebate, if electricity bills are paid within due date.

(xxii) During the statutory restriction imposed by the Fisheries Department, the Ice Factories (located at a distance not more than 5 km towards the land from the sea shore of the restricted zone) will pay demand charges based on the actual maximum demand recorded during the billing period.

(xxiii) Poultry Farms with attached feed processing units having connected load does not exceed 20% of the total connected load of poultry farms shall be treated as Allied Agricultural Activities instead of General-Purpose category for tariff purpose. If the connected load of the attached feed processing unit exceeds 20% of the total connected load then the entire consumption by the poultry farm and feed processing unit taken together shall be charged with the tariff as applicable for General Purpose or the Industrial Purpose as the case may be.

(xxiv) A food processing unit attached with cold storage shall be charged at Agro-Industrial tariff as long as the load of food processing unit does not exceed 20% of the total connected load of the cold storage. If the load of the food processing unit (other than cold storage unit) exceeds 20% of the connected load, then the entire consumption by the cold storage and the food processing unit taken together shall be charged with the tariff as applicable for General Purpose or the industrial purpose as the case may be.

(xxv) The rural LT domestic Consumers who draw their power through correct meter and pay the bill in time shall get rebate of 10 paise per unit over and above other existing rebate for prompt payment.

(xxvi) 4% rebate shall be allowed on the bill to the LT domestic and single-phase general-purpose category of Consumers only over and above all other rebates, if such Consumer pays the entire amount through digital mode before the due date. The Consumers who pays the entire bill before the due date at any other outlet like Jan Seva Kendra, OCAC etc. are eligible for this rebate.

(xxvii) 4% rebate shall be allowed to all pre-paid Consumers on pre-paid amount.

(xxviii) All the Consumers opting to avail e-bill will get discount of Rs. 10.00 per bill.

(xxix) A Special rebate to the LT single phase Consumers in addition to any other rebate, he is otherwise eligible, shall be allowed at the end of the financial year (the bill for the month of March), if he has paid the bill for all the 12 months of the financial year consistently without fail within due date during the relevant financial year. The amount of rebate shall be equal to the rebate for the month of March for timely payment of bill.

(xxx) The printout of the record of the meter relating to MD, PF, number and period of interruption shall be supplied to the Consumer wherever possible with a payment of Rs.500/- by the Consumer for monthly record.

(xxxi) Charging of electric vehicle through public charging system/station shall be covered under General Purpose (GP) category and single part tariff of Rs. 5.00 per unit shall be applicable. The charging unit established by group housing society through a separate connection shall also be treated as public charging system/station.

(xxxii) The Mega Lift Consumers (who are using electricity for irrigation purpose and not covered under irrigation pumping and agriculture category of the Regulation) connected either to HT or EHT system shall be treated as GP Consumers and shall not pay any demand charges and shall get an additional rebate of Rs. 2.00 per unit (kVAh) during Solar hours and Rs. 1.00 per unit (kVAh) during hours other than Solar Hours on the respective Energy Charges.

(xxxiii) Tariff as approved shall be applicable in addition to other charges as approved in this **Tariff order w.e.f. 01.04.2026.**

*****

Annexure C

1. The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2026.

Surcharge, Wheeling Charge & Transmission Charge for HT & EHT Open Access Consumers of 1MW & above and for LT Green Energy Open Access Consumers of 100 kW and above

<table>
<tr><th rowspan="2">Name of the licensee</th><th colspan="3">Cross Subsidy Surcharge (P/U)</th><th rowspan="2">Wheeling Charge P/U applicable to HT & LT Consumers</th><th rowspan="2">Transmission Charges for Open Access Customer (applicable for HT & EHT Consumers)</th></tr>
<tr><th>EHT</th><th>HT</th><th>LT</th></tr>
<tr><td>TPCODL</td><td>151.83</td><td>56.42</td><td>112.90</td><td>116.56</td><td rowspan="4">The Open Access customer availing Open Access shall pay Rs.5760/MW-day (Rs.240/MWh) as transmission charges.</td></tr>
<tr><td>TPNODL</td><td>142.73</td><td>1.63</td><td>34.39</td><td>180.86</td></tr>
<tr><td>TPWODL</td><td>118.23</td><td>17.26</td><td>24.49</td><td>120.90</td></tr>
<tr><td>TPSODL</td><td>250.53</td><td>106.02</td><td>140.34</td><td>197.32</td></tr>
</table>

2. The normative transmission loss at EHT (3.0%) and normative wheeling loss for HT level (7.0%) are applicable for the year 2026-27.

3. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be paid to the embedded licensee.

4. The Consumers availing renewable power through Open Access shall have to pay the transmission charge, wheeling charge and cross subsidy surcharge as applicable to Consumers availing conventional power.

Exemption under Odisha renewable Energy Policy 2022:

(1) Fifty percent (50%) of Cross-subsidy surcharge are payable by the Open Access Consumers, on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years.

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

(3) 25% exemption on Wheeling Charges shall be provided to Captive / Open Access Consumers on consumption of energy from RE projects commissioned in the state during the during the RE Policy period for Fifteen (15) years.

(4) OPTCL shall provide exemption of twenty (20) paise per unit on STU (Transmission) charges to captive/open access Consumers on consumption of energy from RE projects

commissioned in the State during the policy period for fifteen (15) years. This exemption shall be extended for five (5) more years in case of projects commissioned before 31.03.2026.

(5) No Cross Subsidy surcharge and wheeling charge shall be levied on purchase of power by EV charging stations through Open Access from renewable energy plants located in Odisha for 10 years.

These charges as notified for the FY 2026-27 will remain in force until further order.

****