Business Plan

FY 2024-25 to FY 2027-28

TPCODL

TP CENTRAL ODISHA DISTRIBUTION LIMITED

(A Tata Power and Odisha Government Joint Venture)

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

In the Matter of	An Application for approval of the Business Plan for the Control Period (FY 2024-25 to FY 2027-28) under the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations 2022
	And
In the Matter of	TP Central Odisha Distribution Ltd. ,Corporate Office, Power House, Unit 8, Bhubaneswar- 751 012 represented by its Chief – Regulatory & Government Affairs.
	...Petitioner
	And
In the Matter of	GRIDCO, OPTCL, DoE-GoO and All Concerned Stake Holders
	...Respondents

Affidavit

I, Puneet Munjal, aged about 59 son of late Shri Jagdish Lal Munjal residing at Bhubaneswar do hereby solemnly affirm and say as follows:

1. I am the Chief-Regulatory & Government Affairs of TP Central Odisha Distribution Ltd., the Petitioner in the above matter and I am duly authorized to swear this affidavit on its behalf.
2. The statements made in this submission herein shown to me are based on information provided to me and I believe them to be true.

Bhubaneswar.
Dated: 31.05.2023

Chief-Regulatory & Government Affairs

NOTARY * N. BEHERA BHUBANESWAR REGD. NO.ON 39/2003 * GOVT. OF ODISHA (INDIA)

The above named deponent being duly identified by Sri..................... Advocate and appeared before me on dated..................... at .... AM/PM and .... on oath that the contents of .... are true to the best of his/her knowledge

Deponent Executive Magistrate/Notary Bhubaneswar

31/5/23

NILAMANI BEHERA
NOTARY BHUBANESWAR
GOVT. OF ODISHA (INDIA)
REGD. NO.ON- 39/2003

SPECIAL ADHESIVE INDIA SPECIAL ADHESIVE INDIA

31/5/23

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Case No: ______________ of 2023
File No TPCODL/Regulatory /2023/113

In the Matter of	Application for approval of the Business plan for the Control Period (FY 2024-25 to FY 2027-28) under the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling and Retail Supply Tariff) Regulations 2022
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The Hon'ble Commission vide the gazette notification dated 20th Dec 2022 has issued the Tariff Regulations called 'Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 for the control period FY 2023-24 to FY 2027-28, hereinafter referred to as 'Tariff Regulations, 2022'.

Pursuant to the issuance of the Tariff Regulations, 2022, TPCODL has filed a petition for approval of Aggregate Revenue Requirement (ARR) and determination of Wheeling Tariff and Retail Supply Tariff for the Financial year FY 2023-24 vide submission TPCODL / Regulatory/ 2023/ 5/ 163 dated 07.01.2023. TPCODL has also filed its Capital Investment Plan for FY 2023-24 vide submission TPCODL/Regulatory/2022/204/9260 dated 22.12.2022.

The Business Plan for the first year of the Control Period i.e. FY 2023-24 was submitted vide TPCODL's application TPCODL/Regulatory/2023/22/648 dated 30th January 2023 and it was confirmed that the Petition for approval of ARR and determination of Tariff for the Financial FY 2023-24 was on the basis of the FY 2023-24 Business Plan. Taking the filings into consideration, the ARR for FY 2023-24 was approved and Tariffs determined by the Hon'ble Commission vide its Tariff Order dated March 23, 2023.

In compliance with the requirement of submitting the Business Plan for the first Control Period from FY 24 to FY 28, we are through this application, now submitting the Business

Plan for remaining four year of the Control period viz. FY 2024-25 to FY 2027-28 in the **Appendix** for approval of the Hon’ble Commission.

Prayers

TPCODL prays that the Hon’ble Commission may kindly be pleased to;

1. Approve the Business Plan for FY 2024-25 to FY 2027-28.

2. Permit making additional submission required in this matter.

3. Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

4. Condone any delay in submission.

Appendix

TPCODL

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TP CENTRAL ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Corporate Office : Power House Square, Unit - 8, Bhubaneswar - 751012
Registered Office : IDCO Towers, 2nd Floor, Janpath, Bhubaneshwar - 751022, Tel.: 0674 2541575
Web.: www.tpcentralodisha.com, E-mail : tpcodl@tpcentralodhisa.com, CIN : U40100OR2020PLC032901

TPCODL

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Chapter 1. Background

1.1 Introduction of TPCODL

TP Central Odisha Distribution Limited (TPCODL) is a joint venture of Tata Power (51%) and Odisha Government (49%) on the Public-Private Partnership (PPP) model. TPCODL was granted the license to distribute electricity in the central part of Odisha, which was earlier served by erstwhile CESU, after being selected through a competitive bidding process. TPCODL's utility business is being governed by the provisions of license issued by Hon'ble OERC for Distribution and Retail Supply of Electricity in Central Odisha. The Hon'ble OERC regulates the working of the entire power sector of Odisha State, including determination of tariff chargeable to end consumers and establishing performance norms (including AT&C loss reduction etc.).

TPCODL's license area is spread over a geography of 29354 Sq.Km and it serves the registered consumer base of about 3.1 million. TPCODL procures power from GRIDCO which is a state owned company, engaged in the business of purchase of electricity in bulk from various generators located inside Odisha, state share of power from Central generators, any bilateral procurement, procurement of renewable energy etc. for supply to all power distribution utilities, including TPCODL. In addition to above, there is decentralized Roof top Solar energy generation and consumption.

TPCODL receives electrical power at a sub transmission voltage of 33KV from Odisha Power Transmission Corporation Limited's (OPTCL) 220/132/33 kV Grid Substations and then distributes the power at 33KV / 11KV / 440V / 230V depending on the load of the consumer.

For effective operations, license area is divided in 5 circles which is further sub divided in 20 Divisions and 65 Sub-divisions and around 250 sections who manage the commercial and O&M activities in order to serve its consumer

1.2 The Business Activities of TPCODL

The Business Activities of TPCODL are as summarized below.

- Universal Service Obligation to supply electricity to consumers in its licensed area.
- Safe & reliable operation and maintenance of distribution network
- Expansion of distribution network
- Loss Reduction and optimization of costs to ensure reasonable tariffs to consumers
- Connection of new customers to the distribution network
- Correct meter reading, billing and revenue collection

- Customer complaint resolution
- Restoration of power after interruptions
- General customer care including provision of information on services
- Customer sensitization on energy efficiency, energy losses and safety

1.3 Requirement of filing the Present Petition

As per the Regulation 2.1 of the Tariff Regulations, TPCODL is required to file the Business Plan for 5 years i.e from FY 2023-24 to FY 2027-28. In compliance with this requirement, we had earlier filed the Business Plan for FY 2023-24 vide TPCODL's application TPCODL/Regulatory/2023/22/648 dated 30th January based on which the ARR for FY 2023-24 has been approved by the Hon'ble Commission . We are now filing the Business Plan for the balance period i.e FY 2024-25 to FY 2027-28 (i.e. 4 years).

1.4 Treatment of O&M Cost Under allowance for FY 2023-24 and True up for FY-21,FY-22,FY-23 and FY-24

Employee Cost (CTC Employees) as approved by the Hon'ble Commission for FY 2023-24 is estimated to be lower than the actual expenditure that shall be incurred in the year. TPCODL has already submitted to the Hon'ble Commissions regarding the same. Consequently, while all other figures for FY-24 as presented in this Business Plan are as per the Tariff Order for FY-24, the Employee Cost for FY-24 is based on the actual expenditure likely to be incurred on CTC employees.

Subject to above, the True up amounts for FY-21, FY-22, FY-23 and FY-24 have not been considered for computing ARR for the Business Plan for FY-25 to FY-28 on the premise that the Hon'ble Commission will address the same in the relevant years' Tariff Orders.

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Chapter 2. Parameters for Business Plan–Sales, Demand & Power Purchase

2.1 Sales /Demand Forecast

The Regulation 2.1.1 (1) of the Tariff Regulations,2022 require submission of Sales /Demand forecast for each consumer category .

2.1.1 Basis of Estimation

For projecting Sales for the control period, we have analyzed the previous year's CAGR. While CAGR is reasonably common method for projection, considering the data of the past few years, the CAGR alone may not be very reliable for projections. Therefore, in addition to analysis of the CAGR for past years, we have also taken into consideration recent trends, overall development visualized by the DISCOMs and other economic and driving factor for projecting the sales for the control period.

Based on the above, the growth rate assumption for different category of consumers that has been considered for FY 2025 to FY 2028 is as provided below.

Table 2-1 : Growth Rate Assumption for the Control Period

Years	FY 13	…..	FY18	…..	FY 23 (Actual)	CAGR- 10 Year (FY13to FY 23)	CAGR- 5 Year (FY 18 to FY 23)	Avg of 10 Year CAGR and 5 Year CAGR	Assumption for the FY 25-FY-28	Remark
	Mus		Mus		Mus	%	%	%		
Domestic	1749		2534		3222	6.30%	4.92%	5.61%	5%	
Commercial	609		1181		1627	10.32%	6.61%	8.47%	8%	
Public Lighting	31		39		98	12.12%	20.23%	16.17%	5%	High CAGR due to Exceptional Growth in FY-23, going forward a 5% growth is considered reasonable.
Public Water Works	104		129		189	6.13%	7.95%	7.04%	5%	
Irrigation	35		87		88	9.60%	0.11%	4.85%	8%	
Industries	1761		1263		1705	-0.32%	6.19%	2.93%	5%	The Growth rate in past has been negative and has shown exponential growth in last year hence CAGR of last year may not be appropriate. While growth in FY-24 over FY23 is taking into account new/enhanced load ,Going forward 5% organic growth has been assumed as it apears to be resonable.
Railways	245		340		542	8.29%	9.78%	9.03%	3%	
Others	124		208		187	4.24%	-2.04%	1.10%	2%	
Total	**4658**		**5782**		**7658**	**5.10%**	**5.78%**	5.44%		

The above Growth rate assumption are applied on the approved category wise sales for FY-24 to arrive at estimated Sales for the remaining years of the Control period (i.e. FY 2025 to FY 2028). The Hon'ble Commission in Tariff order dated 23.03.2023 has approved total Sales of 8868 MU for FY 2023-24 which we have divided into various consumer categories based on our Category wise sales estimate submitted in ARR FY-24 petition. The Domestic Sales out of the approved total sales (8868 MU) is 4017 MU which is around 25% higher than the actual FY-23 Domestic Sales of 3222 MU. As the FY-24 approved Sales already considers a higher growth of 25% for Domestic Sales, we have not considered any growth for Domestic Sales in FY-25 over FY-24 approved domestic sales, and thereafter have considered a 5% p.a. Growth for the subsequent years.

Table 2-2 Sales Projections (MUs) for FY 2025 to FY 2028

Consumer category	FY-23 Actual Sales(MU)	FY-24 Approved Sales (MU)	Growth Rate Assumed for FY-25 over FY-24	Growth Rate Assumed for balace years (FY-26 to FY-28) of the Control Period	FY-25 (Est.) Sales (MU)	FY-26(Est.) Sales (MU)	FY-27 (Est.) Sales (MU)	FY-28(Est.) Sales (MU)
		A	B	C	D =AX(1+B)	E =D x (1+C)	F =E x (1+C)	G =F x (1+C)
Domestic	3222	4017	0%	5.00%	4017	4218	4429	4650
Commercial	1627	1663	8%	8.00%	1796	1939	2094	2262
Public Lighting	98	69	5%	5.00%	73	76	80	84
Public Water Works	189	190	5%	5.00%	199	209	219	230
Irrigation	88	132	8%	8.00%	143	154	167	180
Industries	1705	2017	5%	5.00%	2117	2223	2334	2451
Railways	542	575	3%	3.00%	592	610	628	647
Others	187	206	2%	2.00%	210	215	219	223
Total Sales	**7658**	**8868**			**9147**	**9644**	**10171**	**10728**

In the above forecast, we have considered the industrial sales growth rate at 5% for FY 2024-25 to FY 2027-28. Any additional enhanced capacities that are sought by certain industrial consumers in subsequent years (~ 250 MW), have not been considered at present in view of no confirmation from GRIDCO on availability of additional capacities to service such demand as well as considering OPTCL's evacuation constraints which presently appear to remain at least till FY 24-25. Once more clarity on both availability and evacuation capability of additional capacities is available, we shall revise our sales projections at the time of FY 2024-25 ARR submission.

The consumer category wise breakup of the sales and contract demand in the T-1 format is provided as **Annexure 1 Consumer Category wise Sales estimate for the Control Period** to this Petition.

2.1.2 Estimate of SMD for the Control

SMD does not have direct correlation with energy consumed and hence is difficult to project on the basis of energy consumed. The SMD for FY 25 to FY 28 has been projected based on previous years growth in SMD as provided below.

Table 2-3: Estimated SMD (MVA) for the Control Period

SMD (MW)	FY-23 Actuals	*FY-24 (Approved)	FY-24 (Est.)	FY-25 (Est.)	FY-26 (Est.)	FY-27 (Est.)	FY-28 (Est.)
	1764	1971	2100	2300	2500	2700	2900

** Coverted to MW @ 0.9 P.F*

The above estimated SMD does not take into consideration the additional load/load enhancement requested by some industries as stated earlier, which when made available by GRIDCO will be adjusted in the above SMD.

In view of the dynamic and evolving situation on change in demand as well as adequate availability to meet the same, it is submitted that the Consumer Demand in Energy Terms and in Peak (MW) Terms would need to be continuously evaluated on an annual rolling basis.

2.2 Target for AT&C loss, Collection Efficiency and Distribution Loss for each year of the Control Period

The Hon'ble Commission in Annexure-III of the Tariff Regulation 2022 has defined the (a) AT&C loss trajectory commitment till FY 2025 and (b) AT&C Loss Trajectory for Tariff Determination till FY 2030 as reflected in the TPCODL Vesting Order dated May 26, 2020.

The AT&C loss Reduction Targets considered by TPCODL in the Business Plan FY 24-28 are as per the AT&C Loss Trajectory for Tariff Determination for FY 24 to FY 28 as provided in Annexure-III of the Tariff Regulations. Considering Collection efficiency of 99% , from the target AT&C loss as mentioned above, the target T&D loss for each year of the control period is determined in table below.

Table 2-4: Target AT&C loss and T&D loss for the Control Period

Sr No	Parameter	UoM	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	*AT&C Loss	%	20	18	16	15
2	Collection Efficiency	%	99	99	99	99
3	Billing Efficiency	%	80.81%	82.83%	84.85%	85.86%
4	Distribution Loss	%	19.19%	17.17%	15.15%	14.14%

* Note: As per AT&C Loss Trajectory for Tariff Determination as stipulated in Annexure -III of the Tariff Regulations,2022

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2.3 Power Procurement :-Estimation of Quantum of Power Purchase at Target T&D Loss

Power purchase estimate has been made as per Regulations 5.4.1 of the Tariff Regulations 2022 taking into account the sales and grossing up the same by estimated T&D losses.

Based on the estimated sales, grossed up for target T&D Losses, the quantum of power purchase has been estimated for FY 2025 to FY 2028. The power purchase cost has been computed at existing BSP, Transmission Charges and SLDC charges. The estimated power purchase (MU) and power purchase cost (Rs. Cr) is as provided in table below.

Table 2-5: Estimated Power Purchase and Power Purchase Cost

Sr No	Particular	Unit	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
A	Total Sales (MU)	MU	9147	9644	10171	10728
B	Target Billing Loss	%	19.19%	17.17%	15.15%	14.14%
C= A/(1-B)	**Estimated Input/Power Purchase Units**	**MU**	**11319**	**11644**	**11987**	**12495**
	Estimated Power Purchase Cost --->					
D	BSP Charges (Rs/kwh)	Rs./kwh	3.05	3.05	3.05	3.05
E	Transmission Charges (Rs./kWh)	Rs./kwh	0.24	0.24	0.24	0.24
F	SLDC Charges (Rs./Month)	Rs. Cr /Month	0.1452	0.1452	0.1452	0.1452
G=C x D/10	Power Purchase Cost (GRIDCO)	Rs. Cr	3452	3551	3656	3811
H = C X E/10	Transmission Charges	Rs. Cr	272	279	288	300
I =F X 12	SLDC Charges	Rs. Cr	1.74	1.74	1.74	1.74
J=G+H+I	**Total Power Purchase Cost**	Rs. Cr	**3726**	**3833**	**3945**	**4112**

2.4 Power Arrangement

GRDICO is the state designated entity for procuring power on behalf of the DISCOMs, and power arrangement needs to be provided by GRIDCO. As mentioned earlier additional load for certain industries in subsequent years (~ 250 MW) have not been accounted for in our sales estimate as of now in view of lack of clarity on availability of additional capacity to service such demand.

As mentioned in para 2.1.1 & 2.1.2 above, the demand growth as projected in this submission would be impacted by confirmation of availability of additional capacity by GRIDCO, removal of evacuation constrains, including other factors such as impact of open access, shift to captive generation, railways' ongoing litigation in APTEL on it being treated as Deemed Licensee, etc. and consequently the demand shall need to be reevaluated on a rolling basis annually.

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Based on the TPCODL's present projected demand, RPO requirement as per MoP target , assuming the same shall be made applicable by the Hon'ble Commission, shall be as follows. As mentioned above GRDICO would need to confirm tie up of adequate renewable capacity in line with the MoP / OERC targets.

Table 2-6 : RPO Requirement based on TPCODL's projected demand for FY-25 to FY28

FY	Est. Demand/Power Purchase (MU)	Target as per MoP order 22.07.2022				MU Required to meet RPO				Capacity Tie up(MW)Required to meet RPO		
		Wind RPO	HPO	Other RPO	TOTAL RPO %	Wind (MU	HPO (MU)	Other RPO (MU)	Total (MU)	Wind Power @ 34.25% CUF)	Hydro Power @ 45% CUF	Other Power Tie up to meet Other RPO (@ 40% CUF)
2024-25	11319	2.46%	1.08%	26.37%	29.91%	278	122	2985	3386	93	31	852
2025-26	11644	3.36%	1.48%	28.17%	33.01%	391	172	3280	3844	130	44	936
2026-27	11987	4.29%	1.80%	29.86%	35.95%	514	216	3579	4309	171	55	1021
2027-28	12495	5.23%	2.15%	31.43%	38.81%	653	269	3927	4849	218	68	1121

Chapter 3. Capital Investment Plan , GFA and Depreciation ,Int. on Loan & RoE

3.1 Overview and Background

The Capex works of TPCODL can broadly be classified into three types as mentioned below.

a. **TPCODL's Own Capex** (i.e. Annual Capex approved by the Hon'ble Commission.)
b. **Capex works funded by Govt.** and executed by TPCODL and Capitalized in the books of TPCODL
c. **Capex work carried out by Govt. of Odisha with OPTCL/TPCODL being the PMA** ,assets created under these projects are not owned by TPCODL (not in books of TOCODL) but maintained by TOCODL on which TPCODL is entitled to get R&M at 3% of GFA as per the Tariff Regulations 2022.

The Brief description of the above projects are mentioned in following sections.

3.2 TPCODL's Own Capex (i.e Annual Capex approved by the Hon'ble Commission.)

3.2.1 Objective and Philosophy

Capital investment is required to improve Power supply reliability, reduce the AT&C losses, ensure the safety and security of network, make the network adequate enough to cater the load growth and implementation of the technology to bring process efficiency in the operations. Further, other infrastructure inherited by the Company viz. Office, Stores, Customer Care/Service Centres etc. require significant refurbishment.

In view of achieving the above objectives, TPCODL has been framing its Annual Capex Investment plan and submitting every year for the Hon'ble Commission's approval under following broad heads.

a. Statutory & Safety
b. Loss Reduction
c. Reliability
d. Load Growth
e. Technology & Infrastructure

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3.2.1.1 Safety & Statutory

Under the **Safety & Statutory category**, TPCODL aims to ensure a safe working environment for employees, customers, and stray animals. This includes the replacement of old and defective testing instruments. However, TPCODL currently faces challenges due to limited storage locations for equipment testing kits in Bhubaneshwar and Cuttack. Additionally, there is a shortage of working testing kits, which has impacted TPCODL's ability to respond swiftly to breakdown cases. As a result, consumer dissatisfaction, unreliability, and poor power quality have arisen. Transporting heavy kits during emergency breakdown situations remains a major concern. To address these issues, TPCODL plans to establish decentralized locations with advanced testing kits, enabling better and quicker responses during emergencies. Sufficient testing equipment will aid in monitoring the health of power equipment throughout the year and allow proactive measures in the event of abnormalities.

Furthermore, to ensure safety, TPCODL intends to convert unsafe locations into safe areas by introducing interposing poles in low sag areas and replacing defective or worn-out LT AB cables. The construction of fencing or boundary walls to the Distribution Substations installed either at crowded place or along the major roads will also be carried out in a phased manner to restrict the free access to the live equipment.

3.2.1.2 Loss Reduction

In the **Loss Reduction category**, TPCODL places significant emphasis on lowering AT&C (Aggregate Technical and Commercial) losses by converting LT bare conductors to optimally sized LT AB cables. TPCODL's Enforcement Team has conducted a survey on the licensed area's total network, identifying sections with AT&C losses and the length of LT lines requiring conversion to LT AB Cables. The conversion process, spanning a total length of 1700 km, will be carried out in phases, commencing from the fiscal year 2021-2022. This will help us in removing the hooking which promote direct theft at LT level. Additionally, TPCODL plans to replace defective service cables of meters which is another area of concern in terms of providing easy access without getting recording of energy consumption. Every year due to load growth and network expansion, Feeder and DT meters needs to be installed and for this, a budget requirement has been proposed in next 4 years. TPCODL has started the load flow study and one of the outcome is the technical loss assessment on simulation of the power flow. Basis on the outcome, some network modification is required to be taken for which some budget provision is taken in the Capex plan. TPCODL is targeting to reduce the technical loss by 2% in next 4 years.

3.2.1.3 Reliability & Load Growth

Under the **Reliability category and Load Growth**, TPCODL has conducted a thorough load **flow analysis of the entire network using CYME software**. Inputs from the Division have been incorporated, resulting in the proposal of various schemes to address feeder overloading, low voltage issues, power evacuation from recently charged or proposed GSS (Grid Substations), and the absence of N-1 redundancy in critical installations. Though for the load flow study has been done with 2 years and 5 years load growth but these proposals shall be vetted every year with annual load flow study to check any deviation from the planned load growth. Key points identified through this load flow study include:

1. Overloading of 33kV and 11kV feeders
2. Low voltage issues on 33kV and 11kV feeders.
3. Augmentation of Power Transformers to mitigate the upcoming load demand
4. Power evacuation from recently charged or upcoming GSS.
5. Lack of N-1 redundancy for critical installations.

To alleviate overloading and low voltage issues in the 33kV network, several proposals have been put forward, including conductor augmentation, construction of new feeders, bus splitting to distribute the load of overloaded or low voltage experiencing feeders, and installation of HT AVR in substations to enhance downstream network voltage. Additionally, new feeders have been proposed to evacuate power from lightly loaded or recently commissioned OPTCL grid substations. Constructing interlinking lines in the existing 33kV network is suggested to strengthen the system and mitigate the issue of single connectivity.

In TPCODL, a significant number of the 11kV and 33kV feeders follow a long and radial configuration. During contingencies, the field teams face challenges in transferring the load to unaffected sections, resulting in all consumers connected to the affected feeders experiencing service interruptions until the fault is located and repaired.

To address these operational limitations and enhance flexibility in the operation of 11kV feeders, a scheme has been proposed. This scheme aims to mitigate such issues by:

i. Introducing the laying of new 33kV and 11kV feeders.

ii. Augmenting the existing 33kV and 11kV feeders to alleviate overloading concerns. This measure will contribute to strengthening the overall network.

By implementing these measures, TPCODL seeks to improve the reliability and efficiency of its operations while minimizing service disruptions for consumers during contingencies.

3.2.1.4 Technology & Infrastructure

Under the **Technology & Infrastructure category**, the budget allocation considers all expenditures related to technology adoption and the strengthening of various offices and establishments. Recognizing the significance of a robust, reliable, resilient, scalable, and secure IT and OT system, TPCODL has developed a comprehensive five-year roadmap for the implementation of critical infrastructure improvements.

A key component of this roadmap entails the establishment of a dedicated Server Room, which will house essential hardware, servers, racks, and network communication equipment. This infrastructure is vital for the seamless operation of critical IT and OT applications. Furthermore, the roadmap encompasses the deployment of advanced communication systems, IT software, user devices, backup systems, storage devices, and applications.

Over the course of the five-year plan, TPCODL aims to systematically implement these infrastructure upgrades, ensuring the smooth integration of communication systems and the optimization of IT operations. By adhering to this roadmap, TPCODL will enhance its ability to provide reliable power and services to consumers while prioritizing data security and system resilience.

The outlined roadmap serves as a comprehensive guideline, allowing TPCODL to make informed decisions regarding technology adoption and infrastructure strengthening. Through this strategic approach, TPCODL is poised to establish a solid foundation for efficient power distribution operations and deliver an enhanced customer experience over the coming years.

3.2.2 Summary of estimated Capex plan for the Control Period

This capex is funded by TPCODL through Loan and equity in the ratio of 70:30 with GRIDCO contributing its share in kind by way of Distribution Assets transfer out of the ODSSP Asset created by the Govt. of Odisha.

The Capital investment plan for the first year of the control period i.e. FY 2023-24 has been submitted by TPCODL vide submission TPCODL/Regulatory /2022/204/9260 dated 22.12.2022 which is under the consideration of the Hon'ble Commission for approval. We have proposed Rs.300 Cr of Capital Investment plan for the first year of Control period i.e. FY 2023-24.

TPCODL has planned capital investment for FY 25-FY-28 based on the requirement, the summary of which is as produced below. The detailed Capital Investment Plan for FY 25 to FY 28 is provided as **Annexure 2 : Detailed Capital Investment Plan for the Control Period FY 25 to FY 28** in Chapter 12 to this submission.

Table 3-1 : *Summary of Capital Investment Plan for the Control Period

Major Category	FY-24	FY-25	FY-26	FY-27	FY-28	Total
Statutory and Safety	16	21	20	20	17	94
Loss Reduction	35	45	50	40	40	210
Reliability	124	127	134	146	132	663
Load Growth	50	65	60	55	45	275
Technology & Infrastructure	75	43	26	20	18	182
Total	**300**	**301**	**290**	**281**	**252**	**1424**

* Note :-The above is Hard Cost only i.e. excluding Interest During Construction (IDC), Capitalization of Employee Cost and GRIDCO's contribution in kind.

3.3 Capex funded by Govt (Assets capitalized in the books of TPCODL)

In addition to the Own capex of TPCODL (i.e. Capex plan approved by the Hon'ble Commission) as explained above, TPCODL has also been executing various Govt. Funded Projects. such as Elephant Corridor Projects, School & Anganwadi project , Puri UG cabling project, BGJY, etc. which are largely in the nature of public and animal safety and system strengthening. These assets are being capitalized in the books of TPCODL. Based on the existing projects that are going on and estimated to be carried out during the control period TPCODL is estimated to add GFA worth Rs. 100 Cr in FY-24, Rs. 10 Cr in FY-25. Rs. 10 Cr in FY-26 ,Rs. 5 Cr in FY-27 and Rs. 5 Cr in F-28 under this category as depicted in table below.

Table 3-2 : Est. Capitalization from Govt. funded projects (Assets to be capitalized in books of TPCODL)

Sr No	Schemes	Est. Capitalization				
		FY-24	FY-25	FY-26	FY-27	FY-28
1	Upgradation of UG cable around Shree Jagannath Temple,Puri (Puri UG cabling Project)	25				
2	Elephant Corridor	35				
3	BGJY	40				
5	Others		10	10	5	5
6	Total	100	10	10	5	5

The Status of various schemes are as provided below.

Sr No	Schemes	Sope of the Project in Brief	DPR Amount (Rs. Cr)	Status
1	Upgradation of UG cable around Shree Jagannath Temple,Puri (Puri UG cabling Project)	Network upgradation at 5 major Roads in Puri by conversion of OH to UG cable	44.98	Work in Progress
2	Elephant Corridor ph IV	System strengthening in elephant corridor & movement area	131 (Final RO issued for Rs. 105 Cr)	Work in Progress
3	Schools & Anganwadi	Shifting of lines and S/s from the premises of school & AWC	36	Work in Progress
4	Elephant Corridor Saturation survey	System strengthening in elephant corridor & movement area	795	DPR already submitted to DoE,GoO .Amount not yet released

3.4 Capex works carried out by Govt. of Odisha with OPTCL/TPCODL being the PMA(Assets not in the books of TPCODL)

In addition to above, Govt. of Odisha carries out Capital works generally for rural areas, construction of 33kV assets, system strengthening and network upgradation projects etc. This investment is done by the Govt. of Odisha to ensure the impact such capex is not borne by the Consumers by way of tariff. DISCOMs are not entitled to get RoE ,Int. on loan and Depreciation on these assets .Assets created under these projects are not owned by TPCODL (not in books of TPCODL) but maintained by TPCODL on which TPCODL is entitled to get R&M at 3% as per the Tariff Regulations 2022.For the Control period FY 2023-24 to FY 2025-

28, such Govt. Funded Projects that are estimated to be executed and the estimated GFA of assets created under these projects (not in books of TPCODL) is as provided in table below.

Table 3-3 : Govt. Funded Projects –Estimated by executed by TPCODL during the Control Period

All Amount in Rs. Cr

Sr No	Particular	FY -24	FY-25	FY-26	FY-27	FY-28
1	**Estimated Opening GFA (Asset not in books)**	**1939**	**2227**	**2908**	**3164**	**3164**
2	**GFA Addition during the FY (Est.)**	**288**	**680**	**256**	**0**	**0**
2.a	CWIP at 31.03.23 getting capitalized	125	125			
2.b	ODSSP Phase -IV		350			
2.c	CMPDP	130	130			
2.d	SDMF-I	33				
2.e	SDMF-II		75			
2.f	SACI			256		
3=1+2	**Estimated Closing GFA for the FY**	**2227**	**2908**	**3164**	**3164**	**3164**

Note: TPCODL, through Government of Odisha, has submitted DPR of Rs. 92 Cr. for Smart Metering and Rs. 350 Cr. for Reliability /System Strengthening, and Rs. 1202 Cr for Disaster resilient Infra, Capacity building in TPCODL area under the Ministry of Power, Government India’s Revamped Distribution Sector Scheme (RDSS) which is at the approval stage and the amount which shall be eventually approved is not clear. Consequently, we have not considered any funding under RDSS. Depending upon its approval, it will be considered at the time of ARR filing.

The brief details of the above Govt. Funded projects are as provided below.

3.4.1 ODSSP Ph-IV (Odisha Distribution System Strengthening Program) :-

This project is approved by the Govt. of Odisha for mitigation of low voltage pockets. TPCODL has conducted system based detail load flow study and identified low voltage pockets and their mitigation proposals. To mitigate low voltage issues under TPCODL distribution area proposal of 18 no’s individual 33kV new feeders (180Ckm) and 16 no’s 33/11kV PSS including 33kV and 11kV associated lines has been proposed under ODSSP Ph IV scheme. Total estimated cost was 350Cr. While the LoA has been awarded to EPC contractor for execution, the same has been stayed by the Hon’ble High Court of Odisha. In view of the uncertainty with respect to the timing of resolution of the matter, the capex phasing has been considered in FY 24-25. Notwithstanding the capex phasing in the Business Plan, TPCODL has taken advance action to ensure expeditious commencement of execution as and when the stay is vacated.

At present, R&M being claimed at 3% on these assets, however in the event these assets are capitalized in the books of TPCODL , we request the Hon’ble Commission to allow R&M at % of GFA as allowed for own assets.

3.4.2 ODSSP Ph-V (CMPDP-Chief Minister's Power Development Program) :-

As per network study report of FY 22-23 and data received from different divisions, additional low voltage pockets has been identified due to unexpected load growth and existing lengthy network. So, to mitigate these low voltage issues proposal has been identified which are further classified under requirement of New PSS, Strengthening of 33kV and 11kV Networks, Upgradation of DTRs, Replacement of worn out and 1-Ph LT with new 3 Ph LT Ab Cables and placement of line AVR. Total Estimated Project Cost Rs. 261 Cr. and scheme is under consideration for approval by Energy Department. Taking into account the likely approval timeline, we estimate to complete 50% of the work in FY-24 and balance 50% in FY-25 once the DPR for the same is approved and amounts sanctioned.

3.4.3 SDMF-I (State Disaster Mitigation Fund) :-

It is proposed to build Cyclone resilient network for Cyclone affected area to provide uninterrupted power supply to critical consumers identified under coastline area. Critical networks under 0-20km from coastal area has been identified and considered under Ph-I. The major scope of works considered are Strengthening of 33kv and 11kV critical network by conversion with UG network, Proposal of Elevated Plinths for DTR, use of RLP poles, conversion of LT bare to AB Cable and proposal of EHT Towers for major River crossings as per requirement in existing network. Total Estimated Project Cost Rs. 58 Cr. out of which 33 Cr has been sanctioned by the SRC. The project is estimated to be completed during FY 2023-24.

3.4.4 SDMF-II (State Disaster Mitigation Fund) :-

In addition to SDMF Ph-I additional requirement of additional 75Cr.has been raised for approval. The proposal mainly covers conversion of critical 11kV and 33kV O/H to UG network and Strengthening of network with RLP poles.

Considering the timeline for approval, this project is estimated to be completed in FY-2025.

3.4.5 SACI (Special Assistance to States for Capital Investment (SACI) Scheme):-

Under this Special Assistance funded scheme network reliability and quality power supply has been considered for identification of proposals. The activities identified under this scheme are 33kV and 11kV UG network under Bhubaneswar Area Network Reliability, New Feeders under Power Evacuation, 33kV interlinking lines, Replacement of 11kVwornout conductors and Proposal of additional 33kV Bay in place of group VCB. Total Estimated Project Cost Rs. 256 Cr., DPR has been finalised and has been submitted for approval with all required documents. Considering the timeline for approval, this project is estimated to be completed in FY-2026.

3.5 Details of Capital Investment Plan for the Control Period (TPCODL's Own Capex)

In the above section we have provided a brief description on TPCODL's own capex. The various schemes/ activities proposed to be undertaken under the five heads mentioned above is provided in the Table below.

3.5.1 Summary of Activity Wise Capital Investment plan for FY 2024 to FY 2028

The activity wise details of the Capital investment plan for the control period FY-24 to FY-28 is as provided below.

Table 3-4: Activity was details of Capital Investment Plan for FY 24 to FY28

Head	Activity	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total
Safety & Statutory	SaaS (Software as a Service) - Cloud Services for Day Ahead Load Forecasting using ML /AI	0	0.25	0.25	0.25	0.25	1
	Safety and Security arrangement at various Central Stores.	0.25	2.75	0.25	0.25	0	3.5
	Testing Equipment for STS	3	2	1.5	1	0	7.5
	Interposing Pole	3.25	4	4	5	5	21.25
	Fencing / Boundary Wall / DT plinth	5	7	8	8	7	35
	Unsafe to Safe (11kV/ LT Network Refurbishment)	4.5	5	6	5.5	4.75	25.75
	Safety & Statutory	**16**	**21**	**20**	**20**	**17**	**94**
Loss reduction	Damaged Service Line replacement	5	5	4.7	4	4	22.7
	33KV & 11kv Feeder Metering for Energy Accounting	10	2	2	2	2	18
	Feeder Loss reduction - Aug/ Interconnector	0	13	13.3	10	10	46.3
	Conversion of LT Bare to LT AB Cable	20	25	30	24	24	123
	Loss reduction	**35**	**45**	**50**	**40**	**40**	**210**
Reliability	SCADA Enablement of Conventional Substation – 60 Nos. of 33/11 kV Primary Substations	8	8	8	4	4	32
	FRTUs and Communication for RMU	1	3	2	2	2	10
	GSAS Implementation	13.75	7	15	15	11	61.75
	Weather stations installation and central integration with data accumulation and analytics	0.25	0	0	0	0	0.25
	Replacement of Sick Equipment	5	7	10	10	10	42
	Installation of Micro Grid	3	0	0	0	0	3
	LVRT	4	0	0	0	0	4
	Capacitor Bank Installation for Reactive Power compensation	1	1	1	1	1	5
	33KV Network Infrastructure	45	55	47	58	53	258
	11KV Network Infrastructure	22	46	51	56	51	226
	AR/FPI/MCCB/RMU	13	0	0	0	0	13
	33KV Feeder Refurbishment	7	0	0	0	0	7
	Earthing	1	0	0	0	0	1
	Reliability	**124**	**127**	**134**	**146**	**132**	**663**
Load Growth	New Connection Release	10	20	15	15	15	75
	Power Transformer Augmentation	30	35	35	30	20	150
	DT Augmentation	10	10	10	10	10	50
	Load Growth	**50**	**65**	**60**	**55**	**45**	**275**
Infra	Call Management System for PSCC	1	**0**	**0**	**0**	**0**	1
	APSCC Modernization work for 23 APSCC at all Divisions	1	1.5	0	0	0	2.5
	IT - Software, User Devices, Back-up system, Storage devices and Applications	11	15	8	5	5	44
	Server Room PAC & BMS	25	3	0	0	0	28
	Civil Upgradation	21	20	15	13	11	80
	RMU / DT Workshop	1.2	1.5	1	0	0	3.7
	GIS Implementation	13	0	0	0	0	13
	Ready to Use Admin Asset	1.84	2	2	2	2	9.84
	Infrastructure	**75.04**	**43**	**26**	**20**	**18**	**182.04**
Grand Total		**300**	**301**	**290**	**281**	**252**	**1424**

The Vesting Order for TPCODL dated 26.05.2020 has stipulated minimum Cumulative capex of Rs. 1541 Cr by 31.03.2025.The Capex proposal for FY 24 and FY 25 together with the approved Capex plan till FY 23 add up to Rs. 1561 Cr against the commitment of Rs. 1541 Cr.

The Table depicting above is as provided below.

Table 3-5 Capital Investment Plan against Vesting Order Commitment

Sr No.	Particulars	Amount (Rs. Cr)
1	Capex Approved for FY 2020-21	280.63
2	Capex Approved for FY 2021-22	298.73
3	Capex Approved for FY 2022-23	243.31
4	Supplementary Capex Approved	137.25
5=sum(1:4)	**Total Capex Approved till 31.03.2023**	**959.92**
6	Capital Investment Plan for FY 2023-24	300
7	Capital Investment Plan for FY 2024-25	301
8 =5+6+7	**Total Est. Cumulative Capex Approval till 31.03.2025**	**1561**
9	**Vesting Order Commitment for Cumulative Capex till 31.03.2025**	**1541**
10	Total Est. Cumulative Capex Approval till 31.03.2028	2384
11	Total Est. Actual Capex to be incurred till 31.03.2028	2308

We provide below the year wise phasing of Capex till FY 2027-28. As can be observed, against proposed capex approval of Rs. 1561 Cr till FY 25,TPCODL is estimated to incur capex of Rs. 1451 Cr till FY-25, and against the proposed Capex Plan of Rs. 2384 Cr till FY-28 , TPCODL is estimated to incur Capex of Rs. 2308 Cr.

It is submitted that while TPCODL shall endeavor to achieve the committed level of Capex, we wish to point out that Capex commitments was on the premise of full five years being available for Capex execution. However, initially due to Covid and subsequently due to time taken for Capital investments approvals, there has been a lag in Capex Approvals. Further, taking into account the impact of Capex on Tariffs, TPCODL's Board has approved lower capex for FY 2023-24 than originally planned, thereby resulting in lower expenditure.

Table 3-6 : Est. yearly capex, status of Actual capex against capex approved till Fy-23 and estimated Capex till 31.03.2025 & 31.03.2028

Sr No	Major Category	Annual Capex Approved till FY 2022-23	Approved Supplementary Capex	Total Capex Approved till FY-23	Actual Cumulative Capex till 31.03.2023	Spill over of capex approved till FY-23 to the Control Period	Est. Capex in FY-24	Est. Capex in FY-25	Est. Cumulative Capex till 31.03.2025	Est. Capex in FY-26	Est. Capex in FY-27	Est. Capex in FY-28	Est. Cumulative Capex till 31.03.2028	Est. capex Approval till 31.03.2028	Spill over of capex approved till FY'28 beyond 1st Control Period
		A	B	C=A+B	D	E= C-D	F	G	H=D+F+G	I	J	K	L	M	N=M-L
1	Statutory and Safety	103	0	103	96	7	17	20	133	22	20	18	192	197	5.10
2	Loss Reduction	160	0	160	81	79	100	42	223	51	43	40	358	370	12.00
3	Reliability	275	44	319	223	96	172	129	523	140	142	136	942	982	39.60
4	Load Growth	64	93	158	81	77	108	61	249	66	57	48	419	433	13.50
5	Technology & Infrastructure	220	0	220	144	77	122	56	323	34	22	19	397	402	5.40
	Total	**823**	**137**	**960**	**624**	**336**	**519**	**308**	**1451**	**313**	**284**	**261**	**2308**	**2384**	**76**

The above is hard cost only i.e. excluding IDC, Employee Cost capitalization and GRIDCO's contribution in kind.

As already mentioned , the detailed Capital Investment Plan for FY 25 to FY 28 is provided in **Annexure 2 : Detailed Capital Investment Plan for the Control Period FY 25 to FY 28** to this submission.

3.5.2 Interest during Construction (IDC):

In addition to the quantum of capex presented at **Table 3-1 : *Summary of Capital Investment Plan for the Control Period** for TPCODL' Own capex, the Interest During Construction (IDC) also would be required to be added to the Capital Expenditure for that year and out of such IDC, part of it would need to be capitalized. The computation of IDC is as given in **Annexure 3 : IDC Computation .**

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3.5.3 Employee Costs Capitalization:

In addition to the Hard Cost, the cost of employees associated with the project activities is to be capitalized. For the purpose of projection for FY 2025-28, employee cost has been capitalized at about 3% of total gross employee cost, which is the actual ratio of capitalized employee cost to total employee cost for FY 2022-23 as well as approved cost for FY 23-24.

3.5.4 Additional Capitalization towards assets contribution of GRIDCO towards equity

The capital expenditure incurred by TPCODL on its capex Schemes (i.e not funded by Govt./Consumer contribution) is required to be financed in the ratio of 70 % (Debt) and 30% (Equity) .Since TPCODL has the shareholding of Tata Power (51%) and GRIDCO (49%), in order to maintain 51% / 49% stake in the company by the respective shareholders , they are respectively required to contribute 51% /49 % of such equity requirement.

In this matter, relevant extract of the approved Share Holder's Agreement (SHA) is mentioned below.

2.1 The amount of issued and paid up capital of OPERATING COMPANY may be varied from time to time as may be determined by the Board of Directors or the Shareholders of OPERATING COMPANY, provided that any issue of new shares shall be offered to GRIDCO and TPCL in a manner so as to ensure that GRIDCO and TPCL shall, at all times, hold 49% and 51% respectively of the issued, subscribed and paid up equity share capital of OPERATING COMPANY. The consideration paid by GRIDCO for subscription of equity shall be in cash, kind or any other form, as decided by GRIDCO and should be in compliance with the provisions of the Companies Act, 2013. In case consideration paid by GRIDCO is in any form other than cash, it should be of such nature that it is allowed by the Commission to be included in the fixed asset base for consideration in ARR. Such consideration may include the assets held in the books of the GoO which are being used by CESU utility and which shall continue to be used by the OPERATING COMPANY

While TPC is contributing to its share of equity in cash, GRIDCO has preferred to contribute to such equity in kind.

The treatment for contribution of GRIDCO is provided in Regulations 3.6.5 of the Tariff Regulations 2022 .The relevant extracts is as given below.

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.

For the purpose of computation of equity requirement in kind from GRIDCO, the following methodology has been adopted which is illustrated below.

To illustrate the concept, consider the Capital Expenditure of Rs 100 Crore. Based on the same, the Capex/ Capitalization, Debt and Equity for the purpose of Tariff would be as provided in the table below:

TP CENTRAL ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Corporate Office : Power House Square, Unit - 8, Bhubaneswar - 751012
Registered Office : IDCO Towers, 2nd Floor, Janpath, Bhubaneshwar - 751022, Tel.: 0674 2541575
Web.: www.tpcentralodisha.com, E-mail : tpcodl@tpcentralodhisa.com, CIN : U40100OR2020PLC032901

Table 3-7 Methodology for GRIDCO equity computation in kind

Sr No	Particular		Amount (Rs. Cr)
A	Capex / capitalization		100.0
B=G	Assets to be transferred by GRIDCO towards its share of equity		17.2
C = A+B	Total Capex / capitalization for the purpose of Tariff		117.2
D = 70% x C	Debt	70%	82.1
E= 30% x C	Equity	30%	35.2
F= 51% x E	TPC	51%	17.9
G=49% X E	GRIDCO	49%	17.2

Consequently, as per the Regulations, Rs. 117.2 Cr as per the above table shall be the Distribution Assets for Tariff determination.

For determining GRIDCO's equity contribution in kind, the Cumulative capitalization till that financial year is grossed up by 17.2 % on which GRIDCO's equity portion is calculated and the equity contribution in kind till the previous FY is deducted .

The year wise capitalization of assets contributed in kind by GRIDCO is provided at **Table 3-13: Funding of GFA (Rs Cr) same is also produced below.**

All Amount in Rs. Cr

Sr No	Capitalization & Debt	FY-21 (June'20 - Mar'21)	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28
a	Capitalization excluding meters from TPCODL's own capex(including IDC & Emp Cost)	66.13	236.85	254.55	467.46	478.34	336.96	323.92	308.18
b	GRIDCO's Contribution in kind in lieu of Equity	0.00	99.94	42.03	34.36	82.41	58.05	55.81	53.10

3.6 Capitalization / GFA Addition and Depreciation for the Control Period

TPCODL's total GFA as on 31.03.2023 stands at Rs.5304.9 Cr as per the Audited Financial Statements for FY 2022-23. This includes the opening /inherited assets that were transferred to TPCODL in its opening balance sheet as on 01.06.2020 as approved by the Hon'ble Commission in its Carve out order dated 30.09.2021. Since its commencement of operation on 1.06.2020 TPCODL has been adding assets in its books under following categories.

- Assets Created out of opening CWIP transferred to TPCODL in its Opening Balance sheet.

TP CENTRAL ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Corporate Office : Power House Square, Unit - 8, Bhubaneswar - 751012
Registered Office : IDCO Towers, 2nd Floor, Janpath, Bhubaneshwar - 751022, Tel.: 0674 2541575
Web.: www.tpcentralodisha.com, E-mail : tpcodl@tpcentralodhisa.com, CIN : U40100OR2020PLC032901

- Assets Created against Govt. Grants Schemes (Fani,Saubhagya,Elephant Corridor etc.)
- Assets Created against Govt. Loan (R-APDRP Scheme)
- Assets Created against Consumer Contribution
- Assets Created against TPCODL 's own Capex (Annual Capex Plan approved by the Hon'ble Commission)
- Assets Created against GRIDCO's contribution in kind

The detailed explanation of GFA estimated to be added under the above categories for each year of the control period along with the GFA (asset class wise) movement for each year of the control period starting from the GFA as on 31.03.2023 (as per audited financial statement for FY 2022-23) is provided in Chapter 14 at **Annexure 4 : GFA & Depreciation for the Control Period**

The Summary of the estimated GFA for each year of the control period is as provided below.

3.6.1.1 Summary of Total GFA for the Control Period.

Based on the category wise assets addition as explained above and in Chapter 14 at **Annexure 4 : GFA & Depreciation for the Control Period** section, The total GFA for the Control period is as provided below. Further the year wise GFA is provided at **Annexure 5: Year wise GFA Addition** of this submission.

Table 3-8 : GFA of Inherited Asset for the Control Period

A. Inherited Asset						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	23.47	23.47	23.47	23.47	23.47	23.47
Network Assets	1998.82	1998.82	1998.82	1998.82	1998.82	1998.82
Overhead Lines	1329.24	1329.24	1329.24	1329.24	1329.24	1329.24
Furniture & Fittings	3.43	3.43	3.43	3.43	3.43	3.43
Vehicles	0.08	0.08	0.08	0.08	0.08	0.08
Office Equipment	10.02	10.02	10.02	10.02	10.02	10.02
O&E- Computers	0.00	0.00	0.00	0.00	0.00	0.00
Meters	0.00	0.00	0.00	0.00	0.00	0.00
Softwares	0.00	0.00	0.00	0.00	0.00	0.00
Total	**3365.06**	**3365.06**	**3365.06**	**3365.06**	**3365.06**	**3365.06**

Table 3-9 : GFA of New Assets Created after effective date for the Control Period

B. Assets Cretaed after effective date including Assets created out of opening CWIP						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	39.92	67.30	95.32	115.05	134.03	152.08
Network Assets	817.39	1283.05	1684.73	1977.21	2252.88	2517.15
Overhead Lines	727.19	811.03	896.83	957.27	1015.36	1070.64
Furniture & Fittings	17.07	22.21	27.47	31.18	34.74	38.13
Vehicles	3.24	5.96	8.74	10.70	12.58	14.37
Office Equipment	7.15	13.15	19.29	23.61	27.76	31.72
O&E- Computers	69.78	128.29	143.91	151.41	158.91	164.56
Meters	209.10	300.65	446.99	605.43	772.81	951.12
Softwares	48.96	61.91	79.41	88.68	98.18	106.95
Total	**1939.80**	**2693.54**	**3402.68**	**3960.53**	**4507.25**	**5046.71**

Table 3-10 : Total GFA (Inherited + New Assets Created after effective date) for the Control Period

C =A+B Total GFA (Inherited + New Assets Created after effective date)						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	63.39	90.77	118.79	138.52	157.50	175.55
Network Assets	2816.21	3281.87	3683.55	3976.03	4251.70	4515.97
Overhead Lines	2056.43	2140.27	2226.07	2286.51	2344.61	2399.88
Furniture & Fittings	20.50	25.64	30.90	34.61	38.17	41.56
Vehicles	3.32	6.04	8.82	10.78	12.66	14.45
Office Equipment	17.17	23.17	29.30	33.63	37.78	41.73
O&E- Computers	69.78	128.29	143.91	151.41	158.91	164.56
Meters	209.10	300.65	446.99	605.43	772.81	951.12
Softwares	48.96	61.91	79.41	88.68	98.18	106.95
Total	5304.85	6058.60	6767.74	7325.58	7872.30	8411.77

3.6.1.2 Total Depreciation for the Control Period.

Computation of depreciation for all categories of assets have been explained in in Chapter 14 at **Annexure 4 : GFA & Depreciation for the Control Period**

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The Summary of Depreciation that is estimated to be booked in accounts and that depreciation for claiming in ARR is as provided in table below.

Table 3-11 : Total est. Depreciation for the Control Period

Sr No	Particular	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Remarks/ Reference
1	Inherited Assets	84.39	84.39	84.39	84.39	84.39	Table No- 14-3
2	Out of Opening CWIP*	15.95	18.40	18.40	18.40	18.40	Table No- 14-7
3	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	14.12	18.79	19.26	19.73	19.96	Table No- 14-9
4	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	1.23	1.23	1.23	1.23	1.23	Table No- 14-11
5	Asset created from Consumer Contribution	12.68	12.68	12.68	12.68	12.68	Table No- 15-13
6	Asset created from TPCODL Own Capex	45.59	76.70	105.03	123.86	142.13	Table No- 15-15
7	Assets Created from Capex in Kind	6.53	8.14	11.99	14.70	17.30	Table No- 15-17
8	Assets Created from Meter Cap.	34.59	49.67	74.58	102.09	131.25	Table No- 15-19
9=sum (1:8)	Total Depreciation estimated to be booked in Accounts	215.09	270.01	327.57	377.08	427.35	
10 = 8	Less: Depreciation on Meters	34.59	49.67	74.58	102.09	131.25	
11	Less: Amortization on Opening/Inherited Assets (@ 3.6% on Asset value of Rs. 1882.14 Cr)	67.76	67.76	67.76	67.76	67.76	
12 = 3	Less: Amortization on Assets Created against Grants	14.12	18.79	19.26	19.73	19.96	
13	Less: Amortization on Assets Created against Consumer Contribution	12.68	12.68	12.68	12.68	12.68	
14	Less: Amortization on Assets Created against Consumer Contribution (out of Opening CWIP)--> @ 3.6% on Asset value of Rs. 92.49 Cr*	3.33	3.33	3.33	3.33	3.33	
15 = 9-sum(10:14)	**Total Depreciation for ARR**	**82.61**	**117.78**	**149.96**	**171.50**	**192.38**	
16 = 1+2-11-14	**Depreciation on Inherited Assets**	**29.26**	**31.71**	**31.71**	**31.71**	**31.71**	
17=4	**Deprerciation on R APDRP Assets (Govt. Loan)**	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**	
18= 6+7	**Depreciation on Own Asset**	**52.12**	**84.83**	**117.02**	**138.55**	**159.43**	
Total	**Total Depreciation for ARR**	**82.61**	**117.78**	**149.96**	**171.50**	**192.38**	

* Note: Out of the GFA as on 31.03.2023 against Assets Created out of Opening CWIP (Rs.447.86 Cr) , Rs. 92.5 Cr is against Consumer Contribution which is being amortized. Balance Rs. 355.3 Cr are not being amortized as no Opening Grant was there against these Assets Created out of Opening CWIP.

The utilization of depreciation claimed in the ARR is as provided below.

Table 3-12 : Utilization of Depreciation claimed in the ARR

Utilization of Depreciation claimed in ARR

Sr No.	Utilization of Depreciation claimed in ARR	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Remark / Utilization
1	Total Depreciation Claimed in ARR	82.61	117.78	149.96	171.50	192.38	
2	Less: Depreciation on Assets Created out of Own Capex (excluding Meters)	52.12	84.83	117.02	138.55	159.43	For Repayment of Capital Loan
3= 1-2	**Total Depreciation available for funding of ASL**	**30.49**	**32.94**	**32.94**	**32.94**	**32.94**	**For Funding of ASL**

3.7 Capital Structure and Interest on Capital Loan:

Financing has been considered in normative debt equity ratio of 70:30. The Hon'ble Commission in Regulations 3.7 of the Tariff Regulations 2022 has laid down the guidelines for computation of interest on capital loan. As per the Tariff Regulations, the interest on capital loan would be calculated on the normative average loan of the year by applying the weighted average rate of interest.

For the purpose of financing the Capital expenditure, TPCODL has tied up Capex loans from State Bank of India , Canara bank and Union Bank of India with the interest rate that are linked to MCLR. The relevant extract from the sanction letter of both the banks is provided in **Annexure 6 : Relevant extract of the Loan Sanction letter** under to this submission**.** Based on requirement, further loan facility will be tied up.

The weighted average interest rate for FY-24 has been estimated at 8.62% and for rest of the control period at 9% based on the rates of existing MCLR linked loans and expected interest rate movement. For example, SBI's 6 month MCLR rate is 8.40% w.e.f 15.05.2023, plus a spread of 0.45%- results in an effective rate of 8.85% p.a. The interest rate are on increasing trend as RBI has increased Repo rate 5 times since May 2022 totaling 250 basis points from 4% in May 2022 to 6.50% in Apr 23.

The computation of interest on capital loan for the control period is as provided below.

Table 3-13: Funding of GFA (Rs Cr)

All Amount in Rs. Cr

Sr No	Capitalization & Debt	FY-21 (June'20 - Mar'21)	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28
a	Capitalization excluding meters from TPCODL's own capex(including IDC & Emp Cost)	66.13	236.85	254.55	467.46	478.34	336.96	323.92	308.18
b	GRIDCO's Contribution in kind in lieu of Equity	0.00	99.94	42.03	34.36	82.41	58.05	55.81	53.10
c=a+b	**Total Capitalization**	**66.13**	**336.79**	**296.58**	**501.83**	**560.75**	**395.02**	**379.72**	**361.28**
d	**Total Debt = 70% of C**	**46.29**	**235.75**	**207.61**	**351.28**	**392.53**	**276.51**	**265.80**	**252.90**
e	**Total Equity = 30% of C**	**19.84**	**101.04**	**88.97**	**150.55**	**168.23**	**118.51**	**113.92**	**108.38**
f=d+e	**Total Debt + Equity**	**66.13**	**336.79**	**296.58**	**501.83**	**560.75**	**395.02**	**379.72**	**361.28**

Table 3-14: Interest on Capital Loan (Rs Cr)

in Rs. Crores

Interest on Capital Loan

Sr No	Particular	Unit	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28
1	Opening Balance	Rs Cr	0	43.56	266.00	439.05	738.20	1045.90	1205.39	1332.64
2	Addition	Rs Cr	46.29	235.75	207.61	351.28	392.53	276.51	265.80	252.90
3	Repayment = Depreciation on Assets Created out of Own Capex (excluding meters)	Rs Cr	2.73	13.31	34.56	52.12	84.83	117.02	138.55	159.43
4=1+2-3	Closing Balance	Rs Cr	43.56	266.00	439.05	738.20	1045.90	1205.39	1332.64	1426.10
5= Average(1,4)	Average Balance	Rs Cr					892.05	1125.64	1269.02	1379.37
6	Period	Years					1.00	1.00	1.00	1.00
7	Weighted Average Interest Rate (estimated)	%					9.00%	9.00%	9.00%	9.00%
8= 5 X 6 X7	**Interest Amount**	**Rs Cr**	1.45	11.9	#REF!	50.7	**80.3**	**101.3**	**114.2**	**124.1**

3.8 Return on Equity:

The Tariff Regulations,2022 provide for RoE on equity capital invested in the Capitalization .Further the regulations also allow asset transferred by GRIDCO in lieu of equity to be considered in fixed asset base for determination of return on equity. The Regulations 3.6.1 to 3.6.5 may be referred to in this regard.

The computation of RoE for the control period is as provided below.

Table 3-15: Return on Equity Calculations (Rs Cr)

All Amount in Rs. Cr

Sr No	Equity Addition & RoE	FY-21 (June'20 - Mar'21)	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28
a	Capitalization excluding meters from TPCODL's own capex(including IDC & Emp Cost)	66.13	236.85	254.55	467.46	478.34	336.96	323.92	308.18
b	GRIDCO's Contribution in kind in lieu of Equity	0	99.94	42.03	34.4	82.4	58.1	55.8	53.1
c=a+b	Total Capitalization	66.13	336.79	296.58	501.83	560.75	395.02	379.72	361.28
d	**Total Equity = 30% of C**	**19.84**	**101.04**	**88.97**	**150.55**	**168.23**	**118.51**	**113.92**	**108.38**
	RoE								
1	Opening Equity	300	320	421	510	660	829	947	1061
2	Addition	19.84	101.04	88.97	150.55	168.23	118.51	113.92	108.38
3=1+2	Closing Equity	320	421	510	660	829	947	1061	1169
5	Period (Years)	0.83	1	1	1	1	1	1	1
6	**RoE = Average (1,3) X 5 x 16%**	**41.32**	**59.26**	**74.46**	**93.62**	**119.12**	**142.06**	**160.65**	**178.44**

3.9 Tax on Income/ RoE:

Tax at rate of 25.17% has been computed on the income related to applicable RoE only as depicted below.

Table 3-16: Projections of Tax on Income

Sr No	Particulars	UoM	FY-24	FY-25	FY-26	FY-27	FY-28
1	RoE	Rs. Cr	93.62	119.12	142.06	160.65	178.44
2	Applicable Tax Rate	%	25.17%	25.17%	25.17%	25.17%	25.17%
3	**Income Tax**	**Rs. Cr**	**31.49**	**40.07**	**47.78**	**54.04**	**60.02**

*The Computation of Applicable Tax rate is as provided below.

Applicable Tax Rate	
Basic Tax u/s 115 BAA	22.0%
Surcharge	10.0%
Health & Education Cess	4.0%
Effective Tax Rate	**25.17%**

Chapter 4. Operation and Maintenance Cost

4.1 Operation and Maintenance Cost

The O&M Expenditure has been categorized under three major heads viz a) Employee Cost b) Repairs and Maintenance (R&M) and c) Administration and General (A & G) . The cost estimate under these heads are as follows.

4.2 TPCODL's Manpower Plan and Estimated Employee Cost for the Control Period

4.2.1 TPCODL's Detailed Manpower Plan for the Control Period

The Tariff Regulations, 2022 stipulates submission of detailed manpower plan for the control period. The detailed manpower plan of TPCODL for the control period is as provided below.

TPCODL inherited around 4917 Manpower from erstwhile CESU, which includes 772 Non-Executives (Office Administrative Grade), and around 3527 Non-Executive Technical (Lineman & Helper).

Tata Power, in its Bid for erstwhile CESU, had provided a detailed Manpower Plan along-with proposed Organization structure. As per the same, a total manpower strength of 6284 had been envisaged.

In 2020, TPCODL submitted a revised manpower plan with an envisaged recruitment requirement of 1367 Executives together with filling up of vacancies created due to separations due to retirements, resignation, death, etc.

The Hon'ble Commission, while approving new recruitments for FY 21, clarified that overall Employee Strength would be (a) restricted to 1.4 employees per 1,000 consumers, and (b) the benchmark would be inclusive of any recruitments against separations mentioned above. Since TPCODL's existing employee strength was higher than 1.4 per 1,000 consumers, TPCODL was directed to work towards reducing its manpower progressively to reach with the prescribed benchmark.

TPCODL, in its ARR Filing for FY 23-24 had requested the Hon'ble Commission to allow TPCODL employee strength at 1.7 per 1,000 employees in line with the existing manning norm for Public Utilities as detailed in CEA's Draft O&M Cost Benchmarking Report of Dec'2022.

In view of the Hon'ble Commission's directions on reaching within benchmark norm of 1.4 per 1,000 Consumers in a phased manner, TPCODL has planned to recruit new manpower in a manner that the overall manpower strength on annual basis (net of superannuation/ separation) progressively reduces such that by FY 28, TPCODL would be within the manpower strength of 1.4/ 1000 Consumers.

Since inception, based on the resource gap identified by TPCODL and the manpower approved by the Hon'ble Commission, we have recruited 798 personnel till 31.03.23 against approval of 898 personnel. The balance recruitment of 100 personnel against FY'23 approval and additional 100 personnel approved for recruitment in FY'24 is in progress.

We provide below the total manpower strength on rolls of the Company and its deployment as at 31.03.2023 which includes 4273 employees from erstwhile CESU who are covered under the Odisha Service Condition Rules (OSCR), and 798 new employees with compensation on the Cost to Company (CTC) principles; it is clarified that personnel on contract basis and outsourcing are not included in the table below:

Table 4-1: Total Employee Strength as on 31.03.23 (On rolls of the company)

Location	No. of Offices	Employees (31.03.2023)
Corporate Office	4	513
Circle Offices	5	174
Divisions (E&MR, MRT, Store includes)	20	686
Sub-Divisions	65	394
Sections	247	915
Fuse Call Centers	942	2113
EMR, MRT & Stores	NA	275
Total		5070

4.2.2 : Brief Description of the Activities carried out various Departments at various locations

A brief description of the activities carried out by various departments at various locations is given below.

a. Corporate Office

Apart from the Office of the Chief Executive Officer, various support and service departments are based out of the Corporate Offices. Some of the significant departments which ensure Governance and oversight, and support the smooth functioning of Operations of the Company, include:

- Finance & Accounts including Treasury, Accounts Receivables, Accounts Payables, Taxation
- Pre-Audit
- Secretarial
- Regulatory & Government Affairs
- Human Resources
- Corporate Commercial including Meter Management, Connection Management, Key Consumers Group
- Corporate Enforcement
- Corporate Operations Services
- Network Engineering
- Power Systems & Control Center
- Corporate Contracts and Procurement
- Information Technology
- Customer Care
- Projects
- Corporate Communications
- Corporate Safety
- Business Excellence
- Corporate Sustainability
- PIO

Approximately, 513 No. employees work in various Departments / Functions out of the Corporate Offices, with 283 new employees (CTC) and balance 230 legacy employees (OSCR).

b. Circle Offices:

The Company's operations, which are spread over 29000 sq. kms in Central Odisha, are carved out into five Circles of Bhubaneswar I & II, Cuttack, Dhenkanal and Paradeep with approximate areas of 5800 Sq. km each, for better operational control. The Circle's are headed by Senior Officers of the Company, who are effectively the CEOs of their respective Circles, being overall responsible for the entire operations in their respective Circles, viz. Billing, Collection, Loss Reduction, Safety, New Connections, Consumer Grievances, Maintenance of Network, etc.

Apart from the oversight and direction provided by the Circle Heads, the Office of the Circle Head is responsible for Operation maintenance, MBC activities, Enforcement and customer services.

c. Divisions

Each Circle is divided into 4 / 5 Divisions (approximately 1450 Sq. km each), with each Division being headed by Manager / SDO – Electrical, who is responsible for the complete operations of his respective Division including Billing, Collection, Loss Reduction, Safety, New Connections, Consumer Grievances, Maintenance of Network, Site Accounting, Pre-Audit and Certification for payments.

The Divisional Manager / SDO is supported by 150 nos. of Billing Associate who is responsible for accurate billing from the Division. Manager/ Assistant/ Deputy Finance Manager Station at the Division is responsible for Bill Correction, Site Accounting, Pre-Audit, etc.

The Divisional Manager has outsourced teams for Meter Reading, Billing and Collection and teams for LT / HT Maintenance / MRT.

d. Sub Divisions

The employees posted at the Sub Division Offices are primarily responsible for O&M, MBC, & Customer Services.

Presently, in 65 Sub Divisions, there are 65 Nos. of SDO – Electrical in all sections and 18 Nos. of SDO – Commercials against 24 Nos. of Urban Sub-divisions, leaving a gap of 6 Nos. of SDO – Commercial.

e. Sections:

Each Section is manned by a Junior Engineer (JE) - Electrical who is responsible for ensuring supply availability including breakdown maintenance. Each Section has approximately 4 Nos. Fuse Call Centers where the Consumers can register no supply complaints. Each Section has approximately 8 nos. linemen against a requirement of 13 nos. lineman per FCC.

Considering the approval of 100 Nos. recruitment granted by the Hon'ble Commission, we are in the process of recruiting 100 Nos. Linemen for posting at FCC.

Apart from JE – Electrical, to resolve the customer issues JE-Commercials are posted at Rural Sections. Presently, in 186 Nos. of rural sections, there are 146 Nos. JE (Commercial), leaving a gap of 40 Nos. which are planned to be filled up in FY'24.

4.2.3 : HR initiatives

TPCODL endeavors to become a highly engaged and high performing organization for which no's of initiatives are being taken / planned to be undertaken keeping in mind various challenges, employee grievances, risk involved and also aspiration of the employees. Some of such key initiatives are outlined below.

4.2.3.1 Capability Development

Continuous upgradation of competency is the key success factor in this continuously changing business environment and technological revolution. It is applicable to TPCODL also considering changes in business philosophy, new technology adoption and changing organizational structure. Some of the initiatives planned in this regard are:

Competency mapping is being conducted across all positions and subsequent training program is designed and delivered through in-house development of training centre or sending executive to Tata Power (Delhi or Mumbai).

Competency assessment showcasing competency level of all employees (including BA Technical staff).

Gyankosh- online learning portal (powered by LinkedIn is also available for all employees). Use of online e-learning training module is also encouraged across all category of employees.
18 Porta Cabins (10 with class room facilities), 5 Skill Development Centres (SDCs) and 4 Management Development Centres (3 yet to be made) are developed for hands on technical and Behavioural training for non-executives and management training for executives.

4.2.3.2 Safety Capability:

Each and every employees / associate at TPCODL is imparted with basic safety induction training at the time of joining. E-learning module for safety induction is covered in Gyankosh for all employees.

In addition to this for long term training strategy, safety related training needs is identified for all employees based on job profile and this is done in coordination with Safety department at the beginning of the year. Based on Training needs identification (TNI), annual training calendar is prepared for both employees and associates. TPCODL inspires to cover maximum safety training through training centre.

4.2.3.3 Technical Competency Development

Technical competencies are backbone for TPCODL operation since entire value proposition is linked with safe power distribution across 30000 sq. km of CESU area. Hence, training needs for technical operation is finalized during finalization of annual goal setting for all employees. At least one such needs is identified for each employee. Based on TNI, annual training plan is also freezed and faculties are identified internally within TPCODL or from T&D cluster (Mumbai & Delhi). External faculties are also invited based on critical requirement.

4.2.3.4 Behavioral Competency Development

TPCODL being in consumer driven business, behavioral competencies are also equally (if not more) important for TPCODL employees. Depending on job profile and goal for the year, one or two behavioral training needs are identified for each employee during annual goal setting. Newly developed competency model is used as baseline during finalizing training needs. Divisional HR Team ensures completion of maximum behavioral training needs through assigning courses at Gyankosh. This newly developed online e-learning platform has complete flexibility with respect to time and location. Only in case of highly specific behavioral training, external trainer of repute are invited to impart training to TPCODL employees.

4.2.3.5 Organizational Training Need & Focus Group Training

TPCODL is also responsible to uphold its values and has implemented various management philosophies towards making it a consumer driven and performance-oriented organization apart from maintaining governance standard. In this context, various organizational capabilities are developed for its managers and employees like TCOC / POSH / SAP / IMS / Risk Management System / TBEM etc. Apart from this, various statutory requirements need to be complied by TPCODL being separate legal entity. In this context, training on First Aid, POSH, TBEM, Labour Laws etc shall be imparted to all or focus group employees. Hence, separate training needs in Focus Group shall be identified every six months. Execution of such Focus Group training shall be done mainly through Gyankosh or hiring external faculties if needs be arise.

4.2.3.6 Leadership Competency Development

Leadership in pipeline is always critical agenda keeping in mind multi-fold growth aspect of TPCODL, keeping in mind regular separation of experienced employee and formation of various functions. Hence, broad manpower planning, opportunity for junior employees and keeping manpower cost within desired limit, TPCODL shall strategize in developing successors for critical positions for its future requirements. Identification of critical position and identification of successors is done and identifying gaps in competencies and intervention of effective training program is planned.

4.2.3.7 Culture Building

Building desired culture is the most crucial objective in a newly formed organization like TPCODL. Culture is a set of rules, regulations which evolve through trial and error and shared meaning among key stakeholders. In this context, there are many cultural elements which TPCODL must focus while few specific elements are core to the organization concerned. Considering business objective, consumer expectation and employee productivity, TPCODL has identified following six elements are core cultural elements and wish to build on these elements towards making TPCODL a performance oriented & consumer centric utility across power sector.

4.2.3.8 Employee Engagement

Creating an enabling workplace environment and facilitating full utilization of employee potential are key strategic advantage of Tata Power. Hence, TPCODL also wish to create such working environment so that employees / associates' engagement level reach to benchmark level. TPCODL wish to implement engagement model like Aon Hewitt and drive various engagement initiatives in areas of intellectual areas, fun at workplace, social & sports engagement, employee recognition, leadership communication. TPCODL wish to ensure that all its employees work at highest level of engagement and raise its excellence level on regular basis. To achieve this TPCODL has planned for an Engagement Survey wish to feature in the list of 'Great Place to Work'.

4.2.4 : Initiatives being taken with regard to manpower

To address the issues related to manpower following initiatives taken at TPCODL.

- Recruitment of Diploma trainees as entry level
- Recruitment of local candidates to enhance retention
- Competency development of existing manpower
- Upskilling and reskilling
- Recruitment of skilled lineman from Business associates

4.2.5 : Further Manpower Requirement

The Hon'ble Commission has approved a CTC manpower strength of 898 nos. till FY 23 and an additional 100 nos. for FY 24 (Cumulative approval till FY 24 : 998 Nos.).

Relevant extract of the Tariff Order for FY'24 in this regard is reproduced below:

Table - 29

Employees Approved (Inherited)	TPWODL	TPNODL	TPSODL	TPCODL
No. of employees as on 01.04.2022	2121	2059	1858	4490
Add: Addition during 2022-23	0	0	0	0
Less: Retirement/Expired /Resignation during 2022-23	109	100	79	183
No. of employees as on 31.03.2023	2012	1959	1779	4307
Add: Addition during 2023-24	0	0	0	0
Less: Retirement/Expired/ Resignation during year 2023-24	88	52	76	140
No. of employees as on 31.03.2024	1924	1907	1703	4167
Average no. of employees for FY 2022-23	2067	2009	1819	4399
Average no. of employees for FY 2023-24	1968	1933	1741	4237
Employees Approved – CTC	**TPWODL**	**TPNODL**	**TPSODL**	**TPCODL**
No. of employees as on 01.04.2022	514	524	475	775
Add: Addition during 2022-23	600	562	496	135
Less: Retirement/Expired Resignation during 2022-23	31	20	0	12
No. of employees as on 31.03.2023	1083	1066	971	898
Add: Addition during 2023-24	725	277	526	100
Less: Retirement/Expired/ Resignation during year 2023-24	0	30	0	0
No. of employees as on 31.03.2024	1808	1313	1497	998
Average no. of employees for FY 2022-23	799	795	723	837
Average no. of employees for FY 2023-24	1446	1190	1234	948
Total no. of employees including CTC	3732	3220	3200	5165

Against the above, 798 personnel have been recruited till March’23 for various newly formed Department towards ensuring better reliability and superior consumer services. Still, many functions are required to be strengthened looking at vast operational area and increasing consumer expectations. Specifically, it is submitted that TPCODL has inducted around 146 Junior Engineer (JE) – Commerce and posted in Section offices to ensure fast resolution of consumer grievances, timely revenue recovery and facilitating new connection. However, there are around 40 Section offices working without JE-Commerce at rural regions and absence of JE Commerce to those 40 rural Sections is creating multiple commercial challenges. Considering the above challenges 36 Nos. of JE commerce are planned to be inducted in FY-2024.

Safety : Dedicated Safety department was not functional since beginning. However, TPCODL has set up dedicated Safety team at Head office, Circles Offices. However, looking at large geographical area, exclusive Safety Manpower in each Division is required to monitor Safety practices across all location. Around 11 more Safety Engineers are required to ensure minimum manning across all Divisions. However, for FY – 2024 only 4 Nos. of Safety officers are planned to be inducted.

Employee Services: Employee services are core to the people strategy of TPCODL. As of now HR offices are available up to Circle offices. To ensure better employee services 20 Nos. of HR officers are required to address various employee issues. However, for FY -24 only 6 nos. of Divisional HR officers will be recruited for rural divisions only.

Future Workforce: Considering the requirement for future ready workforce Trainees like Management Trainees, Graduate Engineer Trainees , Diploma Engineer trainees need to inducted into the system. Accordingly, in FY- 2024 , 30 Nos. of trainees will be inducted.

APSCC : TPCODL has planned to start APSCC operation in three shifts in each Five Circles to ensure seamless PTW, Maintenance Quality & Safety monitoring during planned / breakdown maintenance or Fuse call complaints handling. Around 14 more APSCC Engineers are required to ensure minimum manning across all APSCC. However, for FY – 2024 only 7 nos. of employees will be inducted for APSCC.

Other Support functions: Apart from the above-mentioned functions employees are required in functions like Automation, E&MR, Legal, and Stores & Strategy. To adhere minimum manning in these functions 17 employees will be inducted in FY – 2024.

Lineman requirement for Operational activities:

Similarly, it has been found that there is an acute shortage of Lineman across Section Offices and Fuse Call Camps (FCCs). This has serious impact on maintenance quality and operational Safety of Employees, Public & Animals at large. Hence, TPCODL has revised the Organization Structure across Section Offices and FCC's and optimized regular employees with Employees through business associates. Proposed structure will ensure bare minimum regular manpower in each section offices / FCC for Maintenance and to ensure Safety of all stakeholders involved in daily operations.

Looking at the scarcity of technician at fuse call center TPCODL has developed an optimised organization structure to ensure minimum operational requirement while ensuring safety of all stakeholders and equipment's. As per the optimized Organization structure minimum 2552 Nos. of lineman are required. However, as of date TPCODL has 1907 nos. of Lineman A,B & C who are of less than 57 years of age. This indicates a gap of around 645 Lineman A,B & C. 100 no's of Lineman are estimated to be recruited in FY-24. For FY-25 to FY-28 it is estimated that 110 no's for FY-25, 110 no's for FY-26 , 100 no's for FY-27 and 100 no's for FY-28 will be recruited for sections office and fuse call centers.

Summary of Recruitment

Considering the Hon'ble Commission's direction on restricting the manpower strength to 1.4/ 1'000 consumers in a phased manner, TPCODL has proposed the following additional recruitments till FY'28 taking into account the existing manpower, expected separations through superannuation, etc. and the resource gap.

As can be seen from the Table below, the proposed recruitments from FY 25 to FY 28 are restricted only to recruitment of Linemen, which are the backbone of a Distribution Utility and the First Responders to ensure availability and faster restoration of supply. As shall be appreciated by the Hon'ble Commission, certain minimum no of in-house, on-rolls, professionally trained linemen are essential vis-à-vis outsourced BA employees.

4.2.6 : Long Term Manpower Plan

In view of the organizational requirement as mentioned in above sections, the proposed manpower addition plan for the control period is as follows.

Table 4-2 : Proposed Manpower Addition for the Control Period

Location	No. of Offices	Employees (31.03.2023)	New Additions				
			FY 24	FY 25	FY 26	FY 27	FY 28
Corporate Office	4	513	17	-	-	-	-
Circle Offices	5	174	7	-	-	-	-
Divisions	20	686	10	-	-	-	-
Sub-Divisions	65	394	10	-	-	-	-
Sections	247	915	56	30	30	30	30
Fuse Call Centers	942	2113	100	80	80	70	70
EMR, MRT & Stores	NA	275	-	-	-	-	-
Total		**5070**	**200**	**110**	**110**	**100**	**100**

Taking into account the above proposed manpower addition, the year wise manpower vis-a vis Manpower ratio per 1000 consumers is as provided below.

Table 4-3 : Manpower Ratio per thousand consumers

Year	I. Erstwhile CESU Employees			II . New TPCODL (CTC) Employees			Total Employees (I+II)				No's of Consumers	Manpower Ratio per thousand Consumers
	Opening	Superannuation/ Separation	Closing	Opening	Addition	Closing	Opening	Superannuation/ Separation	Addition	Closing		
	A	B	C =A-B	D	E	F = D+E	G	H	I	J =G-H+I	K	L =J/(K/1000)
1.06.2020	4917	0	4917	0	0	0	4917	0	0	4917	2682567	**1.83**
FY 21	4917	269	4648		611	611	4917	269	611	5259	2792773	**1.88**
FY 22	4648	208	4440	611	98	709	5259	208	98	5149	2896629	**1.78**
FY 23	4440	168	4272	709	89	798	5149	168	89	5070	3075430	**1.65**
FY 24	4272	109	4163	798	200	998	5070	109	200	5161	3172553	**1.63**
FY 25	4163	138	4025	998	110	1108	5161	138	110	5133	3272562	**1.57**
FY 26	4025	136	3889	1108	110	1218	5133	136	110	5107	3375914	**1.51**
FY 27	3889	130	3759	1218	100	1318	5107	130	100	5077	3482677	**1.46**
FY 28	3759	117	3642	1318	100	1418	5077	117	100	5060	3592970	**1.4**

4.2.7 Estimate of Employee Cost for the Control Period

4.2.7.1 Erstwhile CESU Employees and Outsourced Employees:

The Hon'ble Commission in Regulations 3.9.4 to 3.9.8 has laid down guidelines for estimating Employee Cost of erstwhile CESU employees

The cost estimate for erstwhile CESU employees has been estimated based on following factors.

a. 3% escalation considered on Basic Salary after adjusting for retirements.
b. The DA assumption is provided in table below (4% every six month in line with trend of DA approval by the Govt.)
c. Housing Rent allowance considered at 20% of Basic Salary
d. Reimbursement of Medical expenses are considered at 5% of the basic Salary.
e. Nominal escalation of 10% considered for Staff Welfare & Other Employee Benefit expenses and Other Allowances.
f. 9.5 % cost escalation has been considered for outsourced employees also.
g. Liabilities disbursed towards terminal benefits (pension, gratuity, leave encashment and rehabilitation liabilities etc) on cash out go basis as stipulated in Regulations 3.9.8 of the New Tariff Regulation, 2022.
h. Other Costs are projected on the basis of our estimate.

Table: The DA Assumption

Month	DA (Est.)
Apr-23	42%
Jul-23	46%
Jan-24	50%
Jul-24	54%
Jan-25	58%
Jul-25	62%
Jan-26	66%
Jul-26	70%
Jan-27	74%
Jul-27	78%
Jan-28	82%
Jul-28	86%

Based on the above , the cost estimate for erstwhile CESU employees for the control period is as provided below.

TP CENTRAL ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)
Corporate Office : Power House Square, Unit - 8, Bhubaneswar - 751012
Registered Office : IDCO Towers, 2nd Floor, Janpath, Bhubaneshwar - 751022, Tel.: 0674 2541575
Web.: www.tpcentralodisha.com, E-mail : tpcodl@tpcentralodhisa.com, CIN : U40100OR2020PLC032901

Table 4-4: Projections of Employee Cost of erstwhile CESU & Outsourced Employees (Rs Cr)

Sr No	Particulars	Projection for FY-24	Projection for FY-25	Projection for FY-26	Projection for FY-27	Projection for FY-28	Basis of Projection for FY-24
	A.Erstwhile CESU Employees						
1	Basic + Grade Pay	206.60	205.60	202.73	199.49	196.87	3% Escalation every year after accounting for Retirements
2	Dearness Allowance	92.97	112.32	126.94	141.19	155.45	Please Refer to DA Projection Table
3	House Rent Allowance	39.45	41.64	40.89	40.16	39.59	20% of the Basic
4	Medical Allowance/Reimbursement of Medical Expenses	10.69	10.03	9.92	9.80	9.72	5% of the Basic
	Terminal Beneits						
5.a	*Pension & Commuted pension*	199.28	214.00	227.00	236.00	239.00	Projected on Cash Outgo basis
5.b	*Gratuity*	16.00	19.00	21.00	21.00	19.00	
5.c	*Leave*	13.00	14.00	14.00	14.00	13.00	
5.d	*PF (employer share)*	34.00	43.00	53.00	63.00	71.00	
5.e	***Less** :Interest Earned from Pension and Gratuity Trust Investments*	-24.84	-24.40	-23.98	-23.57	-19.85	
5	**Total Terminal Benefit on Cash Out go Basis**	**237.44**	**265.60**	**291.02**	**310.43**	**322.15**	
6	Staff Welfare and Other Employee Benefit Expenses	11.21	12.33	13.57	14.92	16.41	Nominal Escalation of 10% each year
7	Other Allowances	6.51	7.16	7.88	8.67	9.54	Nominal Escalation of 10% each year
8	Ex-Gratia / Performance Pay	18.04	16.83	16.05	15.86	15.72	Projected
9	Uniform , Shoes,Rain coat	2.60	2.86	3.15	3.46	3.81	Nominal Escalation of 10% each year
10	Employee Engagement Initiatives	3.00	3.30	3.63	3.99	4.39	Nominal Escalation of 10% each year
11	Group Health Insurance Scheme, Medical Benefits :- Health Checkup;Tele medicines ;Medical Centers;Tie up with Ambulance,Hospital;First Aid Kits; Group Personal Accident Pollicy, EDLI for Pensioner etc.	10.71	11.78	12.95	14.26	15.68	Nominal Escalation of 10% each year
12	Training & Development	3.30	3.63	3.99	4.39	4.83	Nominal Escalation of 10% each year
A	**A. Sub Total (erstwhile CESU employees)**	**642.52**	**693.07**	**732.71**	**766.63**	**794.17**	
B	**B.** Outsourced Employee Cost	64.9	71.07	77.82	85.21	93.30	Nominal Escalation of 9.5 % each year
C=A+B	**C Total (Erst while CESU + Outsourced)**	**707.42**	**764.14**	**810.52**	**851.84**	**887.47**	

4.2.7.2 New TPCODL Employees recruited after effective date:

For projection of the cost of new TPCODL (CTC employees) employees, we have considered an annual cost escalation of 9.5% and in addition the cost of new recruitment have considered .The total estimate of CTC employees for the Control period is as provided below.

Table 4-5: New TPCODL Employee (CTC structures) expenses for the Control Period

Particular	Emp No's	Employee Cost (CTC Structure) in Rs. Cr					
		FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Manpower Recruited up to FY 23	798	110	120.45	131.89	144.42	158.14	173.17
Additional Manpower Recruited in FY-24	200	NA	7.06	10.12	11.08	12.13	13.28
Additional Manpower Recruited in FY-25	110	NA	NA	4.22	4.62	5.05	5.53
Additional Manpower Recruited in FY-26	110	NA	NA	NA	4.62	5.05	5.53
Additional Manpower Recruited in FY-27	100	NA	NA	NA	NA	4.60	5.03
Additional Manpower Recruited in FY-28	100	NA	NA	NA	NA	NA	5.03
Total Cost		**110**	**127.51**	**146.23**	**164.73**	**184.98**	**207.58**

Note : FY 23 cost is at actuals

The Hon'ble Commission in its Tariff Order for FY-24, has approved Rs.95.8 Cr towards CTC employees against proposed cost of Rs. 132.7 Cr. We have reevaluated the CTC employees cost for FY-24 and have estimated that total cost of CTC employees for FY-24 would be Rs. 127.51 Cr (i.e. the cost of existing manpower recruited till FY-23 will be Rs. 120.45 Cr and the impact of 200 new recruitment in FY-24 would be Rs. 7.06 Cr); An annual growth @ 9.5% p.a. over previous year's cost has been factored in while computing the yearly costs for existing employees. The Cost of employees recruited in a particular year are adjusted for full year expense in the subsequent year together with a 9.5% average increase. It is submitted that the annual growth of 9.5% considered for CTC New Employees is reasonable and be allowed in-order to ensure parity in average increase of the two structures. It is further submitted that the annual growth at CPI as provided in the Tariff Regulations, 2022 is entirely inadequate considering that a CPI growth barely compensates the employees only for any inflation and does not factor any reward for additional experience gained over the year as well as for better performance. It is worthwhile to point out that in case of employees governed by OSCR, while the DA increase compensates the employees for inflation, the annual increment rewards the employees for additional experience, etc. Consequently a 3.5% increase over CPI is proposed, based on which an annual average increase of 9.5% has been considered for New CTC Employees.

All India CPI

Particular	FY-22	FY-23
Average CPI (All India Average)	123.63	131.12
% increase		6.05%

4.2.7.3 Summary of Total Employee Expenses

Based on the above, the summary of the total employee expenditure for the Control Period is as follows:

Table 4-6: Total Employee expenses for the Control Period

All Amount in Rs. Cr

Sr No	Particular	FY 2023-24 (Estimated)	FY 2024-25 (Estimated)	FY 2025-26 (Estimated)	FY 2026-27 (Estimated)	FY 2027-28(Estimated)
1	Salaries of existing CESU Employees	642.5	693.1	732.7	766.6	794.2
	Outsourced Employees	64.9	71.1	77.8	85.2	93.3
2	New TPCODL Employees (CTC)	127.5	146.2	164.7	185.0	207.6
3	**Total Gross Employee Cost**	**834.9**	**910.4**	**975.3**	**1036.8**	**1095.1**
4	Less: Employee Cost Capitalized	26.3	28.8	31.5	34.5	37.8
5= 3-4	**Total**	**808.6**	**881.57**	**943.72**	**1002.29**	**1057.24**
	% Annual Increase of PY		9%	7%	6%	5%

4.3 R & M Cost – Objective, Activities & Initiatives Planned and estimated Cost

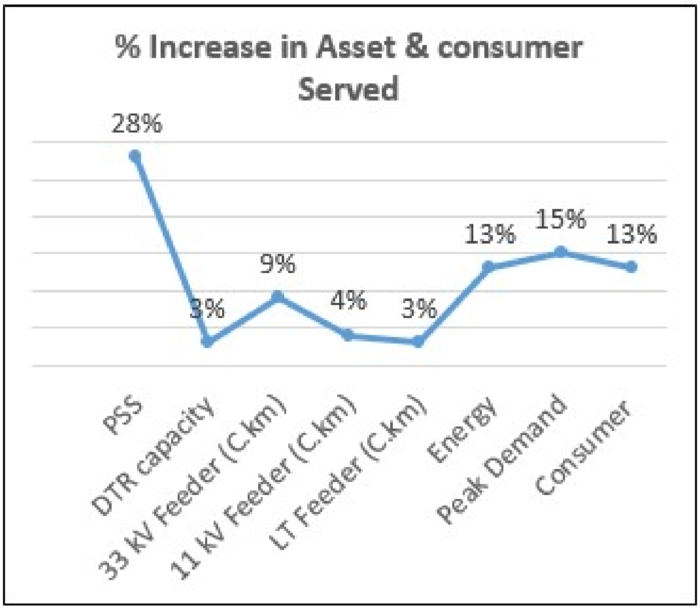
4.3.1 Journey so far

TPCODL has a geographically spread of approx. 29,354 square kilometer having topological as well as economical diversity.

The asset base catering to such a large geography and consumer base is huge and have been inherited from Erstwhile CESU on As-is where-is basis.

Since inception, multiple assets have been added to the inherited network through Govt. funded schemes, 100%/6% Deposit works and Own CAPEX. A synopsis of Asset addition is shared below:

Asset	UoM	FY 20-21 (A)	FY 21-22 (B)	FY 22-23 (C)
PSS	No.s	288	348	368
DTR	MVA	5257.64	5317.68	5441.23
33 kV Feeder	C.Km	3639	3916	3974
11 kV Feeder	C.Km	37757	38620	39264
LT Feeder	C.Km	48034	49491	49617
Energy	MU	8789	8814	9918
Peak Demand	MW	1531	1527	1764
Consumer	Lakh	27.17	27.67	30.76

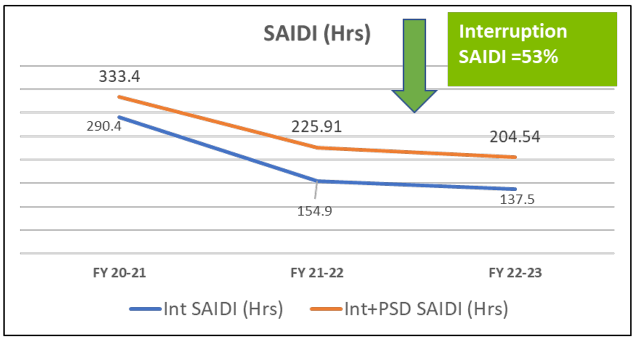


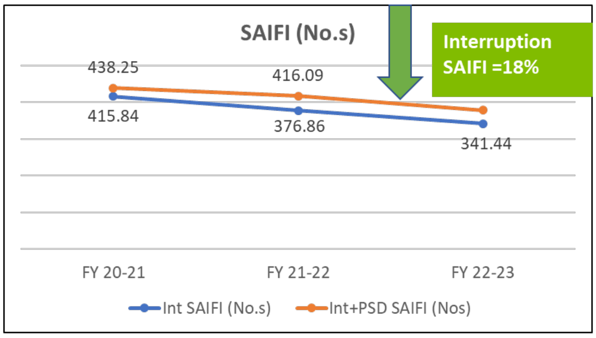
TPCODL has implemented structured maintenance program for 33 KV and downstream network. Annual maintenance contracts have been established with various service providers for maintenance and upkeep of 11KV and downstream network. Each asset is being inspected and maintained as per defined procedures. We have a defined Annual maintenance plan which is being carried out under R&M.

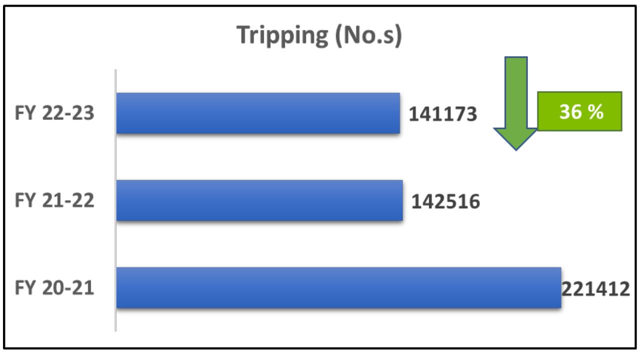
The BA AMC has deployed employees who along with TPCODL workforce are engaged in Preventive Maintenance, Breakdown Maintenance and attending to No Power Supply Complaints. With such a vast geography and asset base, it becomes challenging to adhere to the Annual maintenance plan with limited resources.

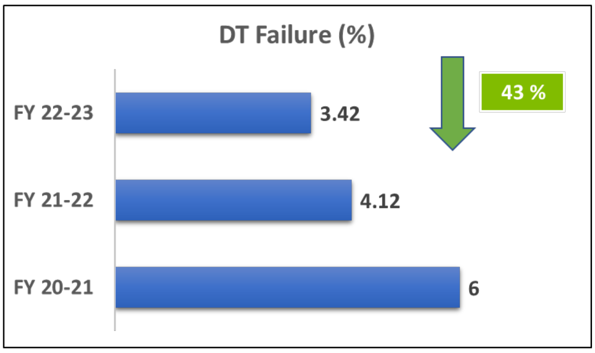
It is pertinent to share that the in addition to the routine O&M activities, above work force (BA AMC) is also engaged in additional activities such as De-hooking drives, Operation clean drives, Disconnection and re-connection of Service connection from time to time to bring in Commercial Discipline.

TPCODL has been able to reduce the numbers of interruptions to a large extent through Strategic maintenance









4.3.2 Operational KPI and Target Maintenance Plan

TPCODL is taking number of initiatives to improve its operational performance. TPCODL has formulated Performance matrix that it will endeavor to achieve.

Table 4-7 : Projection of Operational Performance Matrix that TPCODL will endeavor to achieve

Particular	UoM	FY-23 Actuals	FY-24	FY-25	FY-26	FY-27	FY-28
Operation							
SAIDI	Hours	138	130	111	94	85	76
SAIFI	No's	341	306	275	248	223	201
DTR Failure Rate	%	3.42%	3%	2.40%	1.92%	1.73%	1.56%

Further, TPCODL is targeting maintenance as per following

Asset Details	Maintenance Frequency
33 KV Feeder	Yearly Twice
33/11 KV PSS Equipment	Yearly Once
11 KV Feeder	i) High Priority /Urban Feeders- Yearly ii) Rural Feeders – Once in two years.
11/0.4 KV DSS	i) 250 KVA & Above – Yearly. ii) 100 KVA- Once in two years. iii) 63 KVA & below- **Condition Based.**
LT Network	Condition Based (such as re-stringing of low sag areas, new Earthing etc.)

4.3.3 Activities / Initiatives Planned

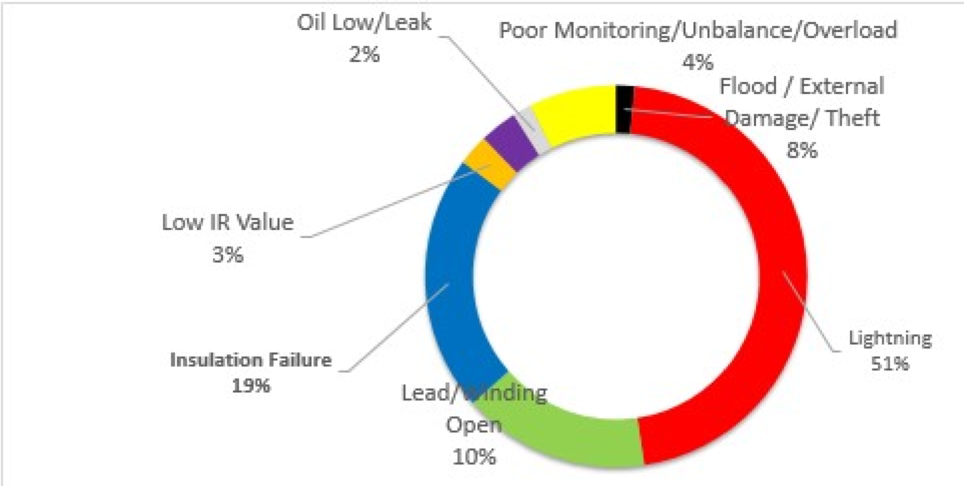
4.3.3.1 Distribution Transformers

Due to lack of preventive and condition based maintenance during erstwhile CESU time, condition of distribution transformers is bad at many locations.

Oil leakage is observed in many transformers, power connections are bad, and condition of earth connections are found bad. Insulation resistance values of windings and dielectric strength of oil is also found bad in many distribution transformers. TPCODL has made maintenance program to improve the condition of distribution transformer substation gradually. Accordingly, materials for maintenance and upkeep of distribution transformers including insulating oil is planned to be procured.

Besides, condition of distribution substations will be improved through repair/replacement of defective equipment and accessories which includes, DO fuses, GO switches, lightning arresters, and LTDB etc

We have analyzed the primary reasons of DT failure pertaining to FY 22-23 and found that Lightening has contributed to the most number of failures followed by Insulation failure which may be for various reasons including low oil level.



4.3.3.1.1 Initiatives taken/ proposed

1. Adherence to Annual Maintenance Plan through dedicated maintenance teams
2. Regular Condition monitoring
3. Load Balancing of DTs
4. Augmentation of Overloaded DTs
5. Installation of LT Protection
6. Installation of DO Fuses
7. Installation of Lightening arrestors
8. Safety fencing of DSS to prevent unauthorized interference from Public as well as animals

4.3.3.1.2 Technological Interventions

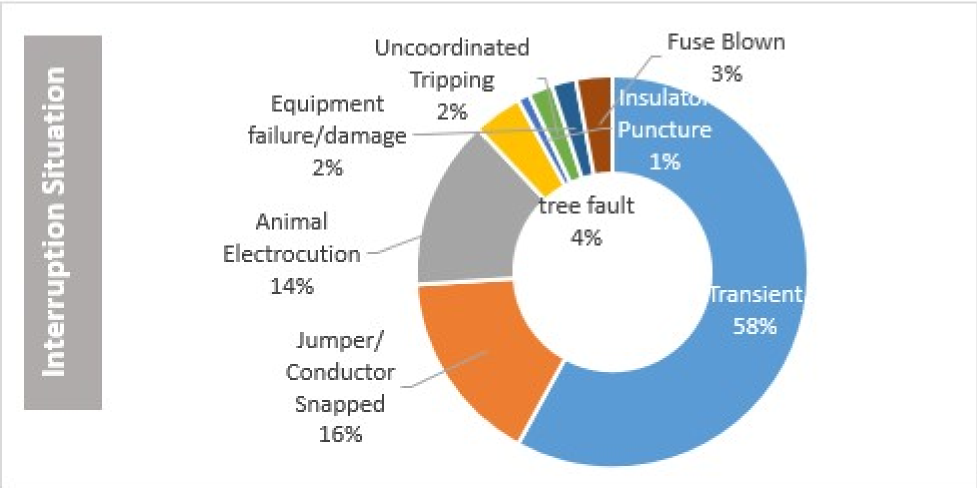
1. Conversion of HVDS to LVDS
2. On site repair of Transformers

3. Establishing state of art DT Workshop
4. DTR health monitoring unit
5. Installation of Surge Suppressors

4.3.3.2 Overhead feeders

TPCODL network comprises of nearly 38000KMs of 11KV network, and 54000KMs of LT network. Due to lack of preventive maintenance during erstwhile CESU time, the condition of network has got deteriorated. TPCODL has taken up structured maintenance of feeders which includes replacement of defective accessories such as poles, cross arms, insulators, undersize conductor, and stay wires.

The interruption analysis of FY 22-23 is shared below



It is evident that almost 60% of interruptions are transient in nature owing to the Dense Vegetation, Birdage, flying Foreign particles etc. There are 16% of cases pertaining to parting of Jumper/ snapping of conductors. It is pertinent to share that at many places, there are long spans, undersize conductors, sick conductors etc which need immediate attention.

TPCODL is continuously addressing these through

4.3.3.2.1 Initiatives taken/ proposed

- Preventive Maintenance through dedicated maintenance teams for both 33 KV and 11 KV

- Breakdown maintenance through round the clock breakdown teams
- Condition monitoring
- LA installation
- LT Protection
- Repair/ replacement of AB switches
- Installation of interposing poles
- Re-sagging of Conductors
- Replacement of Sick conductors

4.3.3.2.2 Technological Interventions

- Use of Drone for feeder audit
- Lightening Neutralizer
- Installation of Autoreclosures
- RMU Installation at strategic location

TPCODL is planning to keep sufficient spares for maintenance and upkeep of these equipment along with service contracts with original equipment manufacturers so as to avail the services during exigencies.

4.3.3.3 Underground Cable and Associated Switchgears

Part of TPCODL network is underground especially in cities and towns. 11KV and LT cables develops fault due to ageing, harsh weather conditions, and damage caused by external agencies. TPCODL has arranged for identification and repair of cable faults in least possible time through service contracts and procurement of cable terminations, accessories and straight through joints.

4.3.3.4 No Power Supply Management through Bidyut Seva Kendras

As an organization, Fuse call centers are first touch points for our esteemed customers. The consumer grievances, complaints, new connection requests etc. in rural areas are primarily received at Fuse call centers through Linemen/ Helper and other non-executives which then gets escalated to functional centers for early resolution.

It becomes difficult for us to interact directly with customers in absence of physical Fuse call centers and establish our presence across geography. TPCODL has initiated the process of establishing physical Bidyut Seva Kendra across its geography as an imperative to improve customer reach and satisfaction.

TPCODL has established more than 500 Bidyut Seva Kendras across its geography.

All these Bidyut Seva Kendras will be manned by TPCODL and BA Lineman to have a direct connect with customer and attend No power supply Complaints as per SOP defined by Hon'ble Commission.

4.3.3.5 R&M Cost Optimization

TPCODL is constantly rolling out new initiatives and deploying new technologies to optimize the R&M cost. Some of the initiatives are mentioned below.

4.3.3.5.1 Switchgear workshop

TPCODL is carrying out on-site in-house maintenance of its Switchgears such as RMU, Feeder pillars, Autoreclosures, LTDBs etc. We are establishing a Switchgear workshop to have a more structured approach to repairing of Switchgears on a large scale.

4.3.3.5.2 DT Workshop

We have managed to bring down the DT failure, but the figures are still on the higher side. We are setting up a state of art DT Workshop in TPCODL to carry out in-house repair of DTs.

4.3.3.5.3 Swapping of PTRs/ DTRs based on loading

Swapping of PTRs /DTRs based on loading condition being done to achieve optimum loading ,longevity and Cost optimization.

4.3.3.5.4 Automation

Automation of PSS has been a stepping stone in cost optimization. It is pertinent to share that TPCODL, despite adding new PSS under its geography, has been managing all its PSS through the inherited Sub-station Operators and is being addressed through Un-manning of PSS. Manning of all upcoming PSS through ODSSP, CAPEX and other govt. schemes will also be addressed through Unmanning by automating the PSS.

4.3.4 Estimate of R&M Cost for the Control Period

4.3.4.1 R&M on Own Asset:

The Hon'ble Commission at the Regulations 3.9.19 has stipulated the % of opening GFA that would allowed as R&M expenses for the control period.

The GFA addition for the Control period has already been discussed at chapter **3.6** of this submission , further the year wise GFA addition has been depicted at **Annexure 5: Year wise GFA Addition**

The Normative R&M on own Asset based on estimated opening GFA for the control period is as provided below.

Table 4-8: R&M on Own Assets for the control period

All Amount in Rs. Cr

Sr No	Particular	FY-25	FY-26	FY-27	FY-28	Remark
1	Estimated Opening GFA (Own Asset)	6059	6768	7326	7872	Please Refer Table-3-10
2	GFA Addition during the FY (Est.)	709	558	547	539	
3=1+2	Estimated Closing GFA	6768	7326	7872	8412	
4	R&M % Norm as per New Tariff Regulations,2022	4.00%	3.50%	3%	3%	
5= 1 x 4	**R&M on Own Asset**	**242**	**237**	**220**	**236**	

4.3.4.2 R&M on Assets not in Books of TPCODL:

The quantum of assets created under various Govt funded Schemes (not in books of TPCODL) and CWIP as on 31.03.023 are mentioned in Note 38 of the Audited Financial Statement for FY 2022-23. The total assets as on 31.03.2023 (as per Note-38) not in books of TPCODL but maintained by TPCODL on which TPCODL is entitled to get R&M at 3% as per regulations 3.9.22 of the New Tariff Regulations 2022 is provided below.

Extract from the Audited Financial Statement for FY 2022-23

As per Note 38 of Audited Financial Statement FY 2022-23

SI No	Name of Scheme	Completed	WIP	Total
1	ODSSP (Net of Assets Transferred by GRIDCO in lieu of equity)	662.64	184.55	847.19
2	SCRIPS	511.86	58.56	570.42
3	DDUGJY	289.96		289.96
4	IPDS	217.73		217.73
5	SOUBHAGYA	168.99		168.99
6	Nabakalebar	158.83		158.83
7	RGGVY	38.93		38.93
8	ODAFFP	59.24	7.21	66.45
9	BGJY (OPTCL DTR)	153.33		153.33
A	**Total (A)**	**2,261.51**	**250.32**	**2,511.83**
	Less:			
7	SOUBHAGYA	168.99		
8	BGJY	153.33		
12=A-10-11	**Total Govt Asset**	**1,939.19**		

We have estimated that the WIP of Rs. 250.32 Cr as on 31.03.2023 will be capitalized in Fy-24 and FY-25.

In addition to above, assets that are going to be created under various Govt. funded schemes as mentioned at chapter **3.4 Capex works carried out by Govt. of Odisha with OPTCL/TPCODL being the PMA(Assets not in the books of TPCODL)** which will not be owned by TPCODL but will be maintained by TPCODL. The estimated R&M on these assets is as provided below.

Table 4-9: R&M on Assets not owned by TPCODL but maintained by TPCODL for the Control Period

All Amount in Rs. Cr

Sr No	Particular	FY -24	FY-25	FY-26	FY-27	FY-28
1	**Estimated Opening GFA (Asset not in books)**	**1939**	**2227**	**2908**	**3164**	**3164**
2	**GFA Addition during the FY (Est.)**	**288**	**680**	**256**	**0**	**0**
2.a	CWIP at 31.03.23 getting capitalized	125	125			
2.b	ODSSP Phase -IV		350			
2.c	CMPDP	130	130			
2.d	SDMF-I	33				
2.e	SDMF-II		75			
2.f	SACI			256		
3=1+2	**Estimated Closing GFA for the FY**	**2227**	**2908**	**3164**	**3164**	**3164**
4	R&M % Norm as per New Tariff Regulations,2022		3%	3%	3%	3%
5= 1 x 4	**R&M on Asset not in Books of TPCODL but maintained by TPCODL**		**67**	**87**	**95**	**95**

4.3.4.3 Summary of Total R&M for the Control Period

Based on the above estimates, the total R&M for the control period is as provided below.

Table 4-10: Total R&M for the Control Period

All Amount in Rs. Cr

Sr No	Particular	FY-25	FY-26	FY-27	FY-28
1	R&M on Own Asset	242	237	220	236
2	R&M on Assets not in books of TPCODL but maintained by TPCODL	67	87	95	95
	Total estimated R&M for FY 2023-24	**309**	**324**	**315**	**331**

4.4 A&G Cost estimate

4.4.1 A&G Cost estimate for FY 2025 to FY 2028

TPCODL has done a zero based budgeting exercise for estimating the A&G cost for the control period FY 2025- FY 2028 , which is provided in the summary table below. The detailed explanation is provided in **Annexure 7 : Detailed Justification for A&G Cost estimate for the Control Period**

Table 4-11 : A&G Cost estimate for the Control Period based on Zero Based Budgeting

Particulars	FY-25	FY-26	FY-27	FY-28
Rental of land, buildings, plant and equipment, etc	11.50	12.30	13.17	14.09
Electricity consumption expenses	5.0	5.3	5.7	6.1
Telephone & Communication expenses	2.4	2.6	2.8	3.0
Foods and conveyance	1.2	1.2	1.3	1.4
Bank & other charges	7.9	8.5	9.0	9.7
Office expenses + Facility Management and House Keeping etc	8.09	8.66	9.26	9.91
Travelling expenses	7.1	7.6	8.2	8.7
Insurance premium	4.6	5.0	5.3	5.7
Legal and professional charges	10.76	11.45	12.17	12.94
Software & IT expenses	0.66	0.70	0.75	0.81
Other Expenses	5.56	5.95	6.37	6.82
Advertisement & marketing expenses	2.58	2.76	2.95	3.16
Metering and billing expenses Collection, Payment Transcation Charges,Customer Awareness for Digital/Prompt/Regular Payments, Customer Service (Cust. Care, Call Center,Meter Services etc.)	110.60	116.13	121.93	128.03
Printing and stationary	2.39	2.56	2.74	2.93
Miscellaneous expenses including Contingency	2.39	2.71	3.08	3.50
TOTAL	**182.8**	**193.4**	**204.7**	**216.7**

The normative A&G Cost estimate for the Control Period is as provided below.

Table 4-12: Total normative A & G cost estimate for the Control Period

All Amount in Rs. Cr

Sr No	Particular	FY -24 (Approved)	FY-25	FY-26	FY-27	FY-28
1	Normal A&G Cost Estimate @ 7% Escalation	142.00	152	163	174	186
2	Additional/ Special A&G Cost estimate		30	30	30	30
3=1+2	Total A&G Cost Estimate	142	182	193	204	216

The activities that will be undertaken for the control period for which A&G cost (Normal+ Additional) are sought are as provided below.

4.4.2 Activities to be undertaken during the Control Period

Commercial activities in TPCODL is meant for enhancing superior customer services and improve our focus towards serving customers in best possible way. In order to execute the commercial activities, various A&G expenditure to be incurred in the control period . Incremental expenditure over the control period is mainly due to the following reasons:

- **a) Increment in daily wages:** Revision of Daily Wages for Skilled and Semi-Skilled resources involved in Metering, Billing and Collection activities,
- **b) Consumer Growth:** Considering growth of consumers in each year over a period of 5 years,
- **c) Creating Consumer Awareness:** Conducting more Activities for creating Consumer Awareness through SMS, Whatsapp, Print/Digital & Electronic media,
- **d) Developing a culture of regular payment by customer:** We are deploying resources to conduct door to door collection, deploying various bike squads , disconnection squads to knock the consumer and undertake more disconnection activities for bringing behavioral change in consumers to electricity on time
- **e) Enhancing Customer Services:**
    - i. Operating more customer care centers to address consumer requests/ issues
    - ii. More efforts to improve bidirectional communication with consumers through Whatsapp & SMS
    - iii. Gaon Chalo initiatives to be conducted over 5 years
    - iv. 'Pay Win Schemes for Digital and other avenues will be initiated'
    - v. Strengthening and upgrading Call centers
    - vi. Conducting more Customer Satisfaction Surveys to identify area of improvement and streamline process accordingly,
- **f) Metering Activities:**
    - **i. Technology Upgradation:** Enabling AMR/ Installing Smart meters for 3-phase/ High value consumers. This project will require high A&G cost during initial phase however in long run it will positively to reduce the expenditure in conducting meter reading activities.

- **g) Conducting OCR Activities** for improving correct meter reading on actual consumption
- **h) Deployment more teams for conducting Dehooking and Load Booking Activities**

4.4.2.1 New Initiatives:

a) ***Bluetooth enabled Meters*** to reduce provisional billing (caused due to house lock, inaccessible meters and others)

b) ***Strengthening Meter Data Analytics*** to improve lead generation process and detect thefts

c) ***Improving Digital Literacy*** through Mobile Application for different activities

d) Addition of more numbers of ***Consumer touch points and Collection Counters*** to improve customer experience in rural areas.

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e) Additional expenses for ensuring 100% bill distribution and 100% collection through special projects for bringing ***all the consumers into the billing fold and collection from Temporary Disconnection (TD) and Non-paying active consumers.***

f) Digital reading of connections with CD> 10KW.

g) Adding Collection touch points and transform culture for voluntary payment (digitally/ at collection touch point) for power consumption, from doorstep collection

4.4.2.2 DSM Initiatives:

TPCODL has launched a number of programs for our Consumers in collaboration with vendors for to purchase energy-efficient appliances such as Air Conditioners, BLDC fans and energy efficient Motors at a discounted rate along with extended warranty and doorstep delivery. TPCODL has also signed a MoU with a National Level ESCOs (EESL) to distribute Energy Efficient Products (BLDC Fan, Super Energy Efficient AC and IE3 Motors).

We are also working towards collaborating with Energy Service Companies (ESCO) who offer energy intensive consumers' Energy Audit Services as well as innovative plans for reducing energy consumption through Revenue Sharing models, without Capex/ Opex by the Consumer.

Further, details of the various DSM initiatives already underway are available on our Website as well as displayed in our Consumer Care Centers.

For carrying out various DSM initiatives as mentioned above ,we are requesting minimum annual expenditure of Rs. 5 Cr under Additional / Special A&G cost head.

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Chapter 5. Other Cost : Interest on Working Capital, Int. on Consumer Security Deposit ,Provision for Bad & Doubtful Debt

5.1 Interest on Working Capital

The Interest on working Capital has estimated bases on the Regulations 3.10 of the Tariff Regulations ,2022 and is as provided below.

Table 5-1: Interest on Working Capital Computations for the (Rs Cr)

in Rs. Crores

Sr No.	Particulars	UoM	FY-25	FY-26	FY-27	FY-28
1	O&M Expenses for One Month	Rs. Cr	114.39	121.70	126.74	133.70
2	Power Purchase Cost for One Month (incl. Transmission & SLDC Charges)	Rs. Cr	310.48	319.38	328.78	342.70
3	Maintenance Spares at 20% of R&M expenses for one Month	Rs. Cr	5.15	5.40	5.24	5.52
4=1+2+3	Total Working Capital	Rs. Cr	430.02	446.48	460.77	481.93
5	*Applicable Interest Rate	%	11.5%	11.5%	11.5%	11.5%
6= 4 x 5	Interest on Working Capital	Rs. Cr	49.45	51.34	52.99	55.42

* Norm: SBI Base Rate (One Year MCLR) as on 1st April of the FY plus 300 Basic Points , For the the pupose of estimation for the Control period , One Year MCLR as on 01.04.2023 (8.5%) + 300 Basic Points Considered

5.2 Interest on Consumer Security Deposit

The Regulations 4.8 of the Tariff Regulations, 2022 has stipulated the guidelines for computation of interest on Consumer Security Deposit. The Regulations stipulates computation of interest on security deposit at Bank rate prevailing as on 1st April of the financial year. As a best possible assumption of bank rate we have considered the bank rate of 6.75% notified by RBI w.e.f 8th Feb 2023 (RBI Circular DOR.RET.REC.101/12.01.001/2022-23 dated 8th Feb 2023) . The Computation of interest on Security Deposit is as provided below.

The quantum of Consumer Security Deposit as on 31.03.2023 is Rs. 1013 Cr as per the Audited Financial Statement for FY 2022-3. We have kept this amount constant for the entire control period for computing interest on consumer security deposit considering the national mandate to switch to smart meters in pre-paid mode.

Table 5-2: Interest on Security Deposits for the Control Period

Sr No.	Particular	As on 31.03.2023	As on 31.03.2024	As on 31.03.2025	As on 31.03.2026	As on 31.03.2027	Remark
1	Qunatum of Consumer Security Deposit	1013	1013	1013	1013	1013	As per Note-16 of the Audited Financial Statement , the Security Deposit Amount as on 31.03.2023 is Rs. 1013.34 Cr against Rs. 876.4 Cr on 31.03.2022
Sr no	**Particular**		**For FY 2024-25**	**For FY 2025-26**	**For FY 2026-27**	**For FY 2027-28**	
2	*Applicable Interest Rate		6.75%	6.75%	6.75%	6.75%	
3= 1 x2	Interest on Consumer Security Deposit		68.40	68.40	68.40	68.40	

* Note: Applicable Interest Rate for the Control Period is taken as Bank Rate notified by RBI w.e.f 8th Feb 2023 (i.e. 6.75%)

The extract from the RBI Circular is provided below.

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

Azadi Ka Amrit Mahotsav

आज़ादी का अमृत महोत्सव

RBI/2022-23/174
DOR.RET.REC.101/12.01.001/2022-23 February 08, 2023

Madam/Sir,

Change in Bank Rate

Please refer to our circular DOR.RET.REC.88/12.01.001/2022-23 dated December 07, 2022 on the captioned subject.

2. As announced in the Monetary Policy Statement 2022-23 dated February 08, 2023, the Bank Rate is revised upwards by 25 basis points from 6.50 per cent to 6.75 per cent with immediate effect.

3. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, also stand revised as indicated in the Annex.

Applicability

5.3 Provision for Bad and Doubtful Debts

As per the provision of Regulations 5.8 of the Tariff Regulations 2022, the provision of Bad and Doubtful Debt has been calculated at 1% of the estimated revenue.

Chapter 6. Recovery of ASL Payment

6.1 Recovery of ASL Payments

The Hon'ble Commission in the Carve Out Order dated 30th September 2021 has allowed Additional Serviceable Liability (ASL) under Paragraph 37 of the Order. TPCODL has submitted a petition vide letter dated 9th Nov 2021 before the Hon'ble Commission for determination and approval of the ASL as per its computation. Further an independent audit was carried out on various aspects of the above petition. Based on the report submitted by the Auditor M/s SRB & Associates, a reworked ASL (amounting to Rs. 386.64 Cr) was submitted for the approval of the Hon'ble Commission vide letter dated 17th Feb 2022 which is under consideration by the Hon'ble Commission.

The Hon'ble Commission has provided a methodology for recovery of such liabilities (ASL) as per clause 54 (e) of the Vesting Order.

The Hon'ble Commission in the Tariff order for FY 2023-24 dated 23.03.2023 has stipulated that the matter of ASL determination will be taken up separately. In this petition, we have only specified the payment made under ASL till FY-23 and estimated payment to be made under ASL during the control period as explained in below section. Further, we wish to submit that the financing cost will be in addition to these payments.

TPCODL's net settlement towards ASL by 31.03.2023 is depicted in table below. This amount is claimed in FY-25 considering that the FY'24 ARR has been approved.

Table 6-1 : ASL settled till 31.03.2023

Particular	Amount (Rs. Cr)
Settlement of Liabilities (under ASL) approved by the Hon'ble OERC in FY-22	77.74
Settlement of Liabilities (under ASL) approved by the Hon'ble OERC in FY-223	12.98
Payment made by TPCODL but approval is pending with the Hon'ble OERC	44.26
Power Purchase Bills for Apr and May 2020	225.16
Less: Amount Recovered from Apr and May '20 Bills	-124.25
Add: Negative Arrear	25.91
Add: Shortfall in Revenue in June '20 over expenditure	78.64
Add: 100% Deposit Work payment of Rs 24.37 Cr made from Jun'20-Sep'21 out of DW bank balance of Rs 299.80 Cr.	24.37
Total ASL Paid	**364.81**
Less:	
Free Cash in Opening Balance Sheet	-73.5
Depreciation for 1st Year on Opening Assets (Net of Amortization on Consumer Contribution)	-12.55
Depreciation for 2nd Year on Opening Assets (Net of Amortization on Consumer Contribution)	-27.94
*Depreciation for 3rd Year on Opening Assets (Net of Amortization on Consumer Contribution)	-13.03
Net ASL for Funding	**237.79**

* Note: Depreciation for 3rd Year (FY-23) on Opening Assets (Net of Amortization on Consumer Contribution) was Rs. 28.69 Cr.The Hon'ble Commission at Table-53 of the Tariff order for FY-24 dated 23.03.2023 has used Depreciation (for Year FY 2022-23) on old Assets amouting to Rs. 15.66 Cr for funding of Working Capital for FY 2023-24. Hene in the above table we have claimed the balance i.e. (Rs. 28.69 Cr - Rs. 15.66 Cr = Rs.13.03 Cr

Based on the total ASL of Rs. 386.84 Cr as per our filing dated 17th Feb 2022 and the amount settled till FY'23, the balance has been considered equally in the years of the control period which is proposed to be funded through depreciation on inherited assets .

This ASL amount could increase considering the Contingent labilities in the CESU Balance Sheet as at 31.05.2020 which, if converted to firm liabilities would be required to be discharged by TPCODL, including matters such as RPFC Claim before the Hon'ble Odisha High Court and erstwhile franchisee's ongoing arbitration before the arbitral tribunal. In view of some of these issues being before judicial bodies, no impact of the same has been presently considered in the ASL projections.

Table 6-2 : Recovery of ASL payment during the Control Period

Sr No.	Particulars	FY -24	FY-25	FY-26	FY-27	FY-28
1	Opening ASL	237.79	267.56	264.39	261.21	258.04
2	ASL Estimated to be paid during the FY	29.8	29.8	29.8	29.8	29.8
3	Depreciation Available for ASL funding	0.00	32.94	32.94	32.94	32.94
4= 1+2-3	Closing ASL / Net ASL to be funded	267.56	264.39	261.21	258.04	254.87
5= 4-1	Recovery of ASL Payment claimed in ARR	*	26.60	-3.17	-3.17	-3.17

* The ASL reccovery for FY-24 claimed in FY-25 along with FY-25

Note: As the Hon'ble Commission in Tariff order for FY-24 dated 23.03.2023 (at Table-53) has used the Depreciation on old Assets for FY-24 for funding Working capital , no depreciation has been utilized for ASL funding in above table

Chapter 7. Non-Tariff Income

7.1 Non-Tariff Income /Misc. Receipt including Open Access Charges

The Hon'ble Commission in Regulations 5.9.2 have laid down the guidelines for computing the Non-Tariff Income.

The Non-Tariff Income is quite difficult to project as the same is not entirely dependent on any operational activity. TPCODL has therefore relied on the quantum of actual Non-Tariff Income for FY 2022-23 for certain element and estimate for certain element for projecting the Non-Tariff Income for the Control Period.

Based on the above, the estimate for the control period is as provided below.

Table 7-1: Non Tariff Income / Misc Receipts (incl. Open Access Charges) for FY 2025 to FY 2028

Sr No.	Heads of Income / GL Description	Actual for FY-23 (as booked in Accounts)	FY-25 (Est.)	FY-26 (Est.)	FY-27 (Est.)	FY-28 (Est.)	Remark
1	Miscellaneous Revenue	32.50	35.83	37.62	39.50	41.48	5% Escalation for each year over FY-23 Actuals
2	Interest on Bank Deposits	48.57	68.40	68.40	68.40	68.40	Estimated
3	Other income	11.32	12.48	13.10	13.75	14.44	5% Escalation for each year over FY-23 Actuals
4	Rebate on Power Purchase Cost including Transmission & SLDC Charges	34.71	37.26	38.33	39.45	41.12	Estimated at 1% of Total Gross Power Purchase Cost as depicted in Table below
5	Delayed payment Surcharges (DPS)	14.16	15.61	16.39	17.21	18.07	5% Escalation for each year over FY-23 Actuals
6	Less: Rebate Allowed to Consumers	65.2	59.17	62.43	65.90	69.57	Estimated , Refer Table below
A=sum(1:5)-6	Total Non Tariff Income	76.06	110.41	111.41	112.43	113.95	
B	Income from Open Access Charges	33.43	22.44	17.95	14.36	11.49	Estimated
C=A+B	Total Non Tariff Income / Misc. Receipts including Income from Open Access Charges	109.49	132.85	129.36	126.79	125.44	

The estimation of Miscellaneous Revenue, Other Income, ,DPS and as derived from the FY-23 actuals is provided in **Annexure 8 : Estimation of Component of Non Tariff Income /Misc Receipts from FY-23 Actuals**.

The declining estimate of Income from Open Access is attributable to the fact that a major player of Open access has been converted to two part tariff.

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Table 7-2: Estimation of Rebate on Power Purchase Cost

Particular	UoM	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Remark
Power Purchase Cost (GRIDCO)	Rs. Cr	3452.38	3551.32	3655.93	3810.82	Please Refer Table 2-5 for detailed Computation
Transmission Charges	Rs. Cr	271.66	279.45	287.68	299.87	
SLDC Charges	Rs. Cr	1.74	1.74	1.74	1.74	
Total Estimated Power Purchase Cost	**Rs. Cr**	**3726**	**3833**	**3945**	**4112**	
Rebate Considered at 1%	**Rs. Cr**	**37**	**38**	**39**	**41**	

Table 7-3: Rebate Allowed to Consumer

All Amount in Rs. Cr

Sr No	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	Revenue from Power Supply-LT	2720	2879	3047	3227
2	Revenue from Power Supply-HT	1419	1504	1594	1690
3	Revenue from Power Supply-EHT	1329	1382	1438	1496
4	**Total Gross Revenue**	**5468**	**5765**	**6079**	**6413**
5	**Rebate / Cash Discount to Consumers**	**59**	**62**	**66**	**70**

Chapter 8. Estimated Revenue and ARR for the Control Period

8.1 Estimated Tariff at existing Revenue

The summary of revenue (billed) at existing Tariff is as follows.

Table 8-1: Estimated Revenues for FY-25 to FY-28

All Amount in Rs. Cr

Sr No	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	Revenue from Power Supply-LT	2720	2879	3047	3227
2	Revenue from Power Supply-HT	1419	1504	1594	1690
3	Revenue from Power Supply-EHT	1329	1382	1438	1496
4	**Total Gross Revenue**	**5468**	**5765**	**6079**	**6413**

8.2 Estimated Cost and Revenue for the Control Period

Based on the above parameters the estimated cost and revenue at existing Tariff and the resultant Gap/ Surplus for the control period is provided below.

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Table 8-2: Est. Cost and Revenue and resultant Gap/Surplus for the Control Period (Rs. Cr)

Sr No	Particular	UoM	*FY 23-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
I	**Key Parameters**						
a	Sales	MU	8868	9147	9644	10171	10728
b	Estimated Power Purchase (MU)	MU	11256	11319	11644	11987	12495
	Expenditure						
1	Cost of Power Purchase	Rs. Cr	3433	3452	3551	3656	3811
2	Transmission Cost	Rs. Cr	270	272	279	288	300
3	SLDC Cost	Rs. Cr	1.74	1.74	1.74	1.74	1.74
A =1+2+3	**Total Power Purchase ,Transmission & SLDC Cost**	**Rs. Cr**	**3704.97**	**3725.79**	**3832.51**	**3945.36**	**4112.44**
4.a	Gross Employee Cost	Rs. Cr	834.93	910.37	975.26	1036.82	1095.05
4.b	Less: Employee Cost Capitalization	Rs. Cr	26.3	28.80	31.53	34.53	37.81
4= 4.a-4.b	Net Employee Cost	Rs. Cr	808.64	881.57	943.72	1002.29	1057.24
5	R&M Expenditure	Rs. Cr	279.37	309	324	315	331
6	A&G Expenditure		142.01	182	193	204	216
7	Provision for Bad & Doubtful Debt	Rs. Cr	52	54.68	57.65	60.79	64.13
8	Depreciation	Rs. Cr	81.38	117.78	149.96	171.50	192.38
9.a	*Interest on Consumer Security Deposit*	Rs. Cr	61	68.40	68.40	68.40	68.40
9.b	*Interest on Long Term Loan*	Rs. Cr	28	80.28	101.31	114.21	124.14
9.c	*Interest on Working Capital Loan*	Rs. Cr	26.28	49.45	51.34	52.99	55.42
9.d	*Finance Cost*	Rs. Cr		1.92	1.93	1.95	1.97
9=9.a+9.b+9.c+9.d	Total Interest on SD, Long Term & Working Capital Loan	**Rs. Cr**	**114.71**	**200.06**	**222.98**	**237.55**	**249.94**
B =4+5+6+7+8+9	**Total Operation & Maintenance Cost and Other Cost**	**Rs. Cr**	**1477.82**	**1745.19**	**1890.99**	**1990.75**	**2110.89**
10	RoE	Rs. Cr	80.63	119.12	142.06	160.65	178.44
11	Tax on RoE	Rs. Cr		40.07	47.78	54.04	60.02
C = B+10+11	**Total Distribution Cost**	**Rs. Cr**	**1558.45**	**1904.38**	**2080.83**	**2205.45**	**2349.35**
12	Less: Misc Receipt/Non Tariff Income (including Open Aceess Charges)	Rs. Cr	109.55	132.85	129.36	126.79	125.44
D = C-12	**Net Distribution Cost**	**Rs. Cr**	**1448.90**	**1771.53**	**1951.47**	**2078.66**	**2223.91**
E	Special Appropriation	Rs. Cr	83.33	0.00	0.00	0.00	0.00
F = A+D+E	**Total Revenue Requirement (A+D+E)**	**Rs. Cr**	**5237.19**	**5497.32**	**5783.98**	**6024.01**	**6336.35**
G	Estimated Revenue at existing Tariff	Rs. Cr	5170.68	5467.98	5764.63	6079.21	6413.01
H= G-F	**(Gap) / Surplus**	**Rs.Cr**	**(66.51)**	**(29.34)**	**(19.36)**	**55.20**	**76.66**
I	Recovery of ASL paid till FY-23	Rs. Cr		237.79			
J	Recovery of ASL Payments for FY-25 to FY-28			26.60	-3.17	-3.17	-3.17
K= H-I-J	**(Gap) / Surplus after considering Recovery of ASL Payment**	**Rs.Cr**		-293.73	-16.18	58.38	79.83

* Note: Employee Cost for FY 2023-24 is actual amount that is estimated to be incurred in FY 2023-24 , all other figures for FY-24 are as approved in the Tariff Order for FY-2023-24

Note: True up Amount for FY-21,FY-22,Fy-23 & FY-24 not considered in above ARR calculation for FY-25 to FY-28

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8.3 Cumulative Gap along with carrying Cost

TPCODL has worked out the cumulative Gap for the consideration of the Hon'ble Commission along with the carrying cost. In this regard, the New Tariff Regulations ,2022 stipulate the following:

2.11.5

Carrying cost to be allowed on the amount of Revenue Gap or Revenue Surplus for the period from the date on which such gap/surplus has become due, i.e., the interest should be calculated for the period from the middle of the Financial Year in which the revenue gap had occurred upto the middle of the Financial Year in which the recovery has been proposed, calculated on simple interest basis at the weighted average Base Rate of the respective Financial Year or any replacement thereof by SBI from time to time being in effect applicable for 1 year period, as applicable for the relevant year:

Further the Base rate is defined as following in the New Tariff Regulations 2022.

10) ***"Base Rate"*** *shall mean the one-year Marginal Cost of Lending Rate ('MCLR') as declared by the State Bank of India (SBI) from time to time;*

As a best possible projection of weighted average interest rate we have considered the one year MCLR w.e.f 01.04.2023 that is notified by SBI for computing the carrying cost on gap/surplus for the control period..

The Closing Gap for FY-24 as shown in table above has been taken as opening gap for FY-25.

Based on the submissions in this petition, the Gap has been worked out considering the above interest rates.

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Table 8-3 : Year wise Gap/Surplus Movement with carrying cost

A.Revenue Gap/ (Surplus) Standalone

Sr No	Particular	UoM	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	Opening Gap with Interest	Rs. Cr	66.51	102.75	131.67	85.31
2	Addition of Gap/Surplus	Rs. Cr	29.34	19.36	-55.20	-76.66
4=1+2	Closing Gap	Rs. Cr	95.9	122.1	76.5	8.7
5	Interest Rate (SBI Base Rate considered in IoWC)	%	8.50%	8.50%	8.50%	8.50%
6=Average(1,4) X5	Interest	Rs. Cr	6.90	9.56	8.85	3.99
7=4+6	**Closing Gap with Interest**	**Rs. Cr**	**102.75**	**131.67**	**85.31**	**12.65**

B.Additional Revenue Gap due to Recovery of ASL Payment

Sr No	Particular	UoM	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	Opening with Interest	Rs. Cr	0.00	275.62	295.74	317.57
2	Recovery of ASL Payment	Rs. Cr	264.39	-3.17	-3.17	-3.17
4=1+2	Closing	Rs. Cr	264.4	272.4	292.6	314.4
5	Interest Rate (SBI Base Rate considered in IoWC)	%	8.50%	8.50%	8.50%	8.50%
6=Average(1,4) X5	Interest	Rs. Cr	11.24	23.29	25.00	26.86
7=4+6	**Closing Gap with Interest**	**Rs. Cr**	**275.6**	**295.7**	**317.6**	**341.3**

A+B. Total Revenue Gap incl. recovery of ASL Payment

Sr No	Particular	UoM	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1	Opening Gap with Interest	Rs. Cr	66.51	378.38	427.41	402.88
2	Addition	Rs. Cr	293.73	16.18	-58.38	-79.83
4=1+2	Closing Gap	Rs. Cr	360.2	394.6	369.0	323.1
5	Interest Rate (SBI Base Rate considered in IoWC)	%	8.50%	8.50%	8.50%	8.50%
6=Average(1,4) X5	Interest	Rs. Cr	18.14	32.85	33.85	30.85
7=4+6	**Closing Gap with Interest**	**Rs. Cr**	**378.4**	**427.4**	**402.9**	**353.9**

TPCODL

Chapter 9. Performance Matrix

With the initiatives that are estimated to be undertaken during the Control Plan as explained in this petition, TPCODL has formulated a Performance matrix that it will endeavor to achieve in this control period.

Table 9-1 : Performance Matrix that TPCODL will endeavor to achieve

Sr No	Particular	UoM	FY-24	FY-25	FY-26	FY-27	FY-28
	Overall						
1	AT&C Loss	%	22%	20.00%	18%	16%	15%
2	Collection Efficiency	%	99%	99%	99%	99%	99%
3	T&D Loss	%	21.21%	19.19%	17.17%	15.15%	14.14%
	Past Arrear Collections						
4	Past Arrear Collections	Rs. Cr	30	20			
	Operation						
5	SAIDI	Hours	130	111	94	85	76
6	SAIFI	No's	306	275	248	223	201
7	DTR Failure Rate	%	3%	2.40%	1.92%	1.73%	1.56%
	Customer						
8	CSAT Score (for Top 3 Boxes)	%	90%	92%	94%	96%	98%
	HR						
9	Employee Engagement Score (Through third party)	%	60%	65%	68%	70%	75%
10	Gender Diversity	%	5.48%	5.86%	6.24%	6.62%	7%
11	Indias Top 50 Best Places to Work	%	NA	NA	Top-100		Top-50
12	Safety Competency of BA Employees.						
	a. Gold Category	%	8%	16%	24%	32%	40%
	b.Silver category	%	26%	32%	38%	44%	50%
	c.Bronze category	%	66%	52%	38%	24%	10%

Chapter 10. Others

10.1 Previous Years Cost and Revenue Parameters

The Hon'ble Commission in Tariff Regulations,2022 has directed to submit the cost and revenue parameters for previous five years along with the Business Plan submission. We wish to submit that TPCODL commenced its operation on 1.6.2020. We have already provided the cost and revenue parameters for FY -21 (June'20 – Mar'21) and FY-22 along with our True up petition for FY-21 and FY-22 submitted vide our submission TPCODL/Regulatory/2022/183/8722 dated 29th Nov 2022 and TPCODL/Regulatory/2022/184/8723 dated 29th Nov 2022 respectively . Along with these True up petitions, we have submitted our audited financial statements for the both the true up years. Further, for FY 2022-23 we have already submitted our audited Financial Statement to the Hon'ble Commission.

10.2 Segregation of Wheeling and Retail Supply Business

We have segregated the wheeling cost and retail supply cost as per the Allocation matrix provided at para 2.5.2 of the Tariff Regulations, 2022. The same is provided at **Annexure 9 : Allocation of Wheeling & Retail Supply Cost**

Chapter 11. Consumer Category wise Sales Estimate for Control Period

Annexure 1 Consumer Category wise Sales estimate for the Control Period

SL.No	CATEGORY OF CONSUMERS	VOLTAGE OF SUPPLY	2023-24			2024-25			2025-26			2026-27			2027-28		
			No of cosumers As on 31st March '24	Connected Load/Contract Demand (MW)	Consumption (MU)	No of cosumers As on 31st March '25	Connected Load/Contract Demand (MW)	Consumption (MU)	No of cosumers As on 31st March '26	Connected Load/Contract Demand (MW)	Consumption (MU)	No of cosumers As on 31st March '27	Connected Load/Contract Demand (MW)	Consumption (MU)	No of cosumers As on 31st March '28	Connected Load/Contract Demand (MW)	Consumption (MU)
	LT Category																
1	Kutir Jyoti (<=30KWH)	LT	28737	15.32	9.86	28737	15.32	9.86	28737	15.32	9.86	28737	15.32	9.86	28737	15.32	9.86
1.a	Domestic	LT	2831642	4135.71	3919.95	2916591	4466.57	3919.95	3004089	4823.90	4116.44	3094212	5209.81	4322.88	3187038	5626.59	4539.38
2	General Purpose	LT	229684	756.49	830.63	241169	817.01	897.08	253227	882.37	968.84	265888	952.96	1046.35	279183	1029.20	1130.06
3	Irrigation, Pumping & Agriculture	LT	28772	116.27	36.79	30211	125.57	39.73	31721	135.62	42.91	33307	146.47	46.34	34973	158.19	50.05
4	Allied Agricultural Activities	LT	5987	20.42	25.70	6286	22.05	27.76	6601	23.82	29.98	6931	25.72	32.38	7277	27.78	34.97
5	Allied Agro-industrial Activities	LT	52	1.28	3.24	55	1.34	3.41	58	1.41	3.58	61	1.48	3.75	64	1.55	3.94
6	Public Lighting	LT	4178	22.12	69.20	4387	23.22	72.66	4606	24.39	76.30	4836	25.60	80.11	5078	26.88	84.12
7	LT Industrial (S) Supply < 22KVA	LT	8710	81.96	33.02	9145	86.06	34.68	9603	90.36	36.41	10083	94.88	38.23	10587	99.62	40.14
8	LT Industrial (M) Supply >= 22KVA	LT	1354	49.19	42.50	1421	51.65	44.63	1492	54.23	46.86	1567	56.94	49.20	1645	59.79	51.66
9	Specified Public Purpose	LT	17411	33.42	36.50	17760	34.09	37.23	18115	34.77	37.98	18477	35.47	38.74	18847	36.18	39.51
10	Public Water Works <100KW	LT	3502	32.77	45.42	3677	34.41	47.69	3861	36.13	50.08	4054	37.94	52.58	4256	39.83	55.21
11	Public Water Works >=100KW	LT	14	1.57	2.55	14	1.65	2.68	15	1.74	2.81	16	1.82	2.95	17	1.91	3.10
12	General Purpose (=> 110 KVA)	LT	35	4.63	6.10	37	5.00	6.59	40	5.40	7.12	44	5.83	7.69	47	6.30	8.30
13	Large Industry	LT	10	0.94	2.71	10	0.99	2.85	11	1.04	2.99	11	1.09	3.14	12	1.14	3.30
	LT Total ---->	**LT**	**3160087**	**5272**	**5064**	**3259501**	**5685**	**5147**	**3362175**	**6130**	**5432**	**3468223**	**6611**	**5734**	**3577760**	**7130**	**6054**
	HT Category																
14	Bulk Supply - Domestic	HT	923	70.66	87.27	922.95	70.66	87.27	969	76.31	91.64	1018	82.42	96.22	1068	89.01	101.03
15	Irrigation	HT	2319	15.91	3.74	2435	17.18	4.04	2557	18.55	4.36	2685	20.04	4.71	2819	21.64	5.08
16	Allied Agricultural Activities	HT	521	27.26	66.08	547	29.44	71.36	574	31.79	77.07	603	34.33	83.24	633	37.08	89.90
17	Allied Agro-industrial Activities	HT	93	20.38	81.95	98	21.40	86.05	103	22.47	90.35	108	23.59	94.87	113	24.77	99.61
18	Specified Public Purpose	HT	504	67.77	140.19	514	69.13	143.00	524	70.51	145.86	535	71.92	148.77	545	73.36	151.75
19	General Purpose > 70 KVA <110 KVA)	HT	956	57.52	63.64	1032	62.12	68.73	1115	67.09	74.23	1204	72.46	80.16	1300	78.26	86.58
20	General Purpose >= 110 KVA	HT	1118	339.98	603.34	1207	367.18	651.61	1304	396.55	703.73	1408	428.28	760.03	1521	462.54	820.84
21	H.T.Industrial (M) Supply	HT	1748	86.79	72.06	1836	91.13	75.66	1928	95.69	79.44	2024	100.47	83.42	2125	105.50	87.59
22	Public Water Works	HT	3590	71.51	141.58	3769	75.09	148.66	3958	78.84	156.09	4156	82.79	163.90	4364	86.92	172.09
23	Large Industry	HT	645	245.04	553.95	652	257.29	581.65	658	270.16	610.73	665	283.66	641.26	671	297.85	673.33
24	Power Intensive Industry	HT	4	11.46	73.25	4	11.80	76.91	5	12.16	80.76	5	12.52	84.80	5	12.90	89.04
25	Mini Steel Plant	HT	2	9.53	39.03	2	9.63	40.98	2	9.73	43.03	2	9.82	45.18	2	9.92	47.44
26	Railway Traction	HT															
27	Emerg. Supply to CPP	HT															
28	Colony Consumption	HT			4.93			5.03			5.13			4.98			5.08
	HT Total---->	**HT**	**12424**	**1024**	**1931**	**13020**	**1082**	**2041**	**13696**	**1150**	**2162**	**14412**	**1222**	**2292**	**15168**	**1300**	**2429**
	EHT Category																
29	General Purpose	EHT	2	37.16	158.83	2	37.16	171.54	2	37.16	185.26	2	37.16	200.08	2	37.16	216.09
30	Large Industry	EHT	11	287	511.62	11	287.03	537.21	11	287.03	564.07	11	287.03	592.27	11	287.03	621.88
31	Railway Traction	EHT	14	185	574.63	14	184.55	591.86	14	184.55	609.62	14	184.55	627.91	14	184.55	646.75
32	Heavy Industry	EHT	3	137.70	440.60	3	137.70	462.63	3	137.70	485.77	3	137.70	510.05	3	137.70	535.56
33	Power Intensive Industry	EHT	3	60.67	145.22	3	60.67	152.48	3	60.67	160.11	3	60.67	168.11	3	60.67	176.52
34	Mini Steel Plant	EHT	1	5.35	4.38	1	5.35	4.60	1	5.35	4.83	1	5.35	5.07	1	5.35	5.32
35	Emerg. Supply to CPP	EHT	7	33.38	13.03	7	33.38	13.68	7	33.38	14.36	7	33.38	15.08	7	33.38	15.83
36	Colony Consumption	EHT			24.69			25.18			25.69			26.20			26.72
	EHT Total ----->	**EHT**	**42**	**746**	**1873**	**42**	**746**	**1959**	**42**	**746**	**2050**	**42**	**746**	**2145**	**42**	**746**	**2245**
	GRAND TOTAL		**3172553**	**7042**	**8868**	**3272562**	**7513**	**9147**	**3375914**	**8026**	**9644**	**3482677**	**8579**	**10171**	**3592970**	**9176**	**10728**
37	**POWER PURCHASED FROM GRIDCO IN (MU)**							**11346.23**			**11643.67**			**11986.67**			**12494.51**
38	**LOSS UNITS (MU)**							**2199.34**			**1999.42**			**1816.16**			**1766.90**
	BILLING EFFICIENCY							**80.62%**			**82.83%**			**84.85%**			**85.86%**
39	**DISTRIBUTION LOSS**							**19.38%**			**17.17%**			**15.15%**			**14.14%**
40	**COLLECTION EFFICIENCY (%)**							**99%**			**99%**			**99%**			**99%**
41	**AT &C LOSS (%)**							**20.19%**			**18.00%**			**16.00%**			**15.00%**

TPCODL

Chapter 12. Detailed Capital Investment Plan for FY 25 to FY28

Annexure 2 : Detailed Capital Investment Plan for the Control Period FY 25 to FY 28

BUSINESS PLAN

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
Safety & Statutory	SaaS (Software as a Service) - Cloud Services for Day Ahead Load Forecasting using ML /AI	0.25	0.25	0.25	0.25	1
	Safety and Security arrangement at various Central Stores.	2.75	0.25	0.25	0	3.25
	Testing Equipment for STS	2	1.5	1	0	4.5
	Interposing Pole	4	4	5	5	18
	Fencing / Boundary Wall / DT plinth	7	8	8	7	30
	Unsafe to Safe (11kV/ LT Network Refurbishment)	5	6	5.5	4.75	21.25
	Safety & Statutory	**21**	**20**	**20**	**17**	**78**
Loss reduction	Damaged Service Line replacement	5	4.7	4	4	17.7
	33KV & 11kv Feeder Metering for Energy Accounting	2	2	2	2	8
	Feeder Loss reduction - Aug/ Interconnector	13	13.3	10	10	46.3
	Conversion of LT Bare to LT AB Cable	25	30	24	24	103
	Loss reduction	**45**	**50**	**40**	**40**	**175**
Reliability	SCADA Enablement of Conventional Substation – 60 Nos. of 33/11 kV Primary Substations	8	8	4	4	24
	FRTUs and Communication for RMU	3	2	2	2	9
	GSAS Implementation	7	15	15	11	48
	Replacement of Sick Equipment	7	10	10	10	37
	Capacitor Bank Installation for Reactive Power compensation	1	1	1	1	4
	33KV Network Infrastructure	55	47	58	53	213
	11KV Network Infrastructure	46	51	56	51	204
	Reliability	**127**	**134**	**146**	**132**	**539**
Load Growth	New Connection Release	20	15	15	15	65
	Power Transformer Augmentation	35	35	30	20	120
	DT Augmentation	10	10	10	10	40
	Load Growth	**65**	**60**	**55**	**45**	**225**
	APSCC Modernization work for 23 APSCC at all Divisions	1.5	0	0	0	1.5
	IT - Software, User Devices, Back-up system, Storage devices and Applications	15	8	5	5	33
	Server Room PAC & BMS	3	0	0	0	3
	Civil Upgradation	20	15	13	11	59
	RMU / DT Workshop	1.5	1	0	0	2.5
	Ready to Use Admin Asset	2	2	2	2	8
	Infrastructure	**43**	**26**	**20**	**18**	**107**
Grand Total		**301**	**290**	**281**	**252**	**1124**

SAFETY & STATUTORY

The proposed budget for Safety & Statutory under CAPEX FY25-28 is Rs. 78 Cr. The details of the same are as given in the table below:

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
Safety & Statutory	SaaS (Software as a Service) - Cloud Services for Day Ahead Load Forecasting using ML /AI	0.25	0.25	0.25	0.25	1
	Safety and Security arrangement at various Central Stores.	2.75	0.25	0.25	0	3.25
	Testing Equipment for STS	2	1.5	1	0	4.5
	Interposing Pole	4	4	5	5	18
	Fencing / Boundary Wall / DT plinth	7	8	8	7	30
	Unsafe to Safe (11kV/ LT Network Refurbishment)	5	6	5.5	4.75	21.25
	Safety & Statutory	**21**	**20**	**20**	**17**	**78**

SAFETY & SECURITY ARRANGEMENTS AT CRITICAL LOCATIONS

Scheme Proposed	A. CCTV Installation, Racking system Installation B. Access control system for PSCC
Capex Amount	₹ 3.25 Cr
Justification	For proper watch and ward, safety, security and monitoring of all high value items, also to avoid the risk of theft/burglary CCTV installation is necessary at all stores. Racking system is required for proper storage of these indoor items. Due to space constraint, we are not able to keep meters & meters box, jointing kit etc. with available space in store. These items cannot be kept at open space.

TESTING EQUIPMENT FOR STS

Scheme Proposed	Procurement of standardized testing kits/equipment, calibration of the kits, distribution of the kits to each EMR office and providing training wherever required.
Capex Amount	₹ 4.50 Cr

Justification	Currently with lesser number of testing equipment, there is delay in resolution of faults. Advanced testing kits procurement and providing them to decentralised locations will enable in better & quick response in the case of exigency. Enough amount of testing equipment will help us to monitor the healthiness of power equipment throughout the year. It will also help to take proactive initiatives in case of abnormalities in the trend of healthiness. 1. Reliable and Quality power supply to the consumers 2. Reduction of frequent tripping 3. Downtime will reduce due to fast response in diagnosis of problem and reduced downtime

INTERPOSING POLES

Scheme Proposed	Installation of intermediate poles to ensure safety and reliable power supply to end consumers.
Capex Amount	₹ 18.00 Cr
Justification	Installation of interposing poles in between the spans is required to overcome scenarios, where the span length is on the higher side and violates the safety and statutory guidelines. Addition of intermediate poles will address the issue of sagging, low ground clearances & accidents caused due to this. Proper upkeep of the feeders is important for ensuring safety and reliability of power supply.

INSTALLATION/ CONSTRUCTION OF DT PLINTH, BOUNDARY WALL AND FENCING OF DSS

Scheme Proposed	Installation of Boundary Wall Fencing, DT Plinth.
Capex Amount	₹ 30.00 Cr
Justification	Distribution Substations are located at various locations catering the power supply requirement to consumers. These are installed at various scattered locations along the road, public places, near the commercial areas etc. At many places, it was found that the condition of the Boundary wall of DSS are in a very poor and unsafe condition and DT plinth are in deteriorated condition. This allows public and animals to have unattended access to the charged electrical equipment. During the survey, it was observed that boundary walls or fencing and transformer plinth either is damaged or not exists thus posing safety threat to stray animal and public at large. Ensuring safety of people & equipment is very important and hence is required to be attended on priority

UNSAFE TO SAFE

Scheme Proposed	Replacement of defective LT AB cable/ LT Bare conductor to new LT AB cable, replacement of HT conductors to ensure safety of humans and animals along with ensuring reliability of power supply to the end consumer.
Capex Amount	₹ 21.25 Cr
Justification	LT network plays important role of the power supply distribution system and spread across TPCODL licensed area for power distribution. There have been many LT Bare conductors and defective LT AB cables in the network, which result in accidents of common commuters in the area and animals. Insulation of LT AB cable degrades due to sun exposure. The LT bare overhead lines and defective LT AB cables used are more prone to transient fault due to tree branch touching or any foreign particle falls on the line. Due to this, consumer experiences frequent faults. To overcome such scenarios, where there are LT Bare overhead conductors and defective LT AB cables, it is of utmost importance to replace the same with new LT AB cables. Replacement with new overhead LT AB cable will address the issue of accidents caused due to this along with mitigation of overloading issues. Also, this ensures safety of humans and animals along with ensuring reliability of power supply to the end consumer

LOSS REDUCTION

The proposed budget for Loss Reduction under CAPEX FY 25-28 is Rs.175.00 Cr. The details of the same are as given in the table below:

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
Loss reduction	Damaged Service Line replacement	5	4.7	4	4	17.7
	33KV & 11kv Feeder Metering for Energy Accounting	2	2	2	2	8
	Feeder Loss reduction - Aug/ Interconnector	13	13.3	10	10	46.3
	Conversion of LT Bare to LT AB Cable	25	30	24	24	103
	Loss reduction	**45**	**50**	**40**	**40**	**175**

DAMAGED SERVICE LINE REPLACEMENT

Scheme Proposed	Replacement of defective service cable
Capex Amount	₹ 17.70 Cr
Justification	Service cables with joints become cause of electrocution and electricity pilferage. It also results in reduction in billing efficiency, high AT&C losses and thus hampers the collection efficiency. Replacement of damaged service cables will help in Reliable Power supply & Safety of the person.

33KV & 11KV FEEDER METERING FOR ENERGY ACCOUNTING

Scheme Proposed	Procurement of Metering accessories, CT, PT, Breakers, Control cables etc
Capex Amount	₹ 8.00 Cr
Justification	Accessories of metering system other than meters (like CTs/PTs, breaker, cables, etc.) may be defective and can become cause of wrong / improper energy recording at the meters. Hence, it is proposed for procurement & replacement of the same for accurate Energy accounting, billing & customer satisfaction as a whole.

CONVERSION OF LT BARE TO LT AB CABLE

Scheme Proposed	Replacement of LT bare conductor with LT AB Cable to ensure reduced direct ‘hooking’ done on bare LT conductor lines thereby reducing commercial losses drastically in theft prone areas.
Capex Amount	₹ 103.00 Cr
Justification	Statutory Compliance requirement Hon’ble OERC had given target of AT&C loss reduction for TPCODL and the same has been mandated in vesting order. By implementation of aerial bunched insulated cables instead of bare conductors, pilferage of electricity can be curtailed which subsequently helps in reduction of AT&C losses. It will ensure Quality Power supply to the consumers. Also, frequent tripping can be avoided by use of aerial bunched insulated cables instead of bare conductors and theft of electricity through hooking will be reduced leading to lower AT&C losses

RELIABILITY

The proposed budget for Reliability under CAPEX FY 25-28 is Rs. 539.00 Cr. The details of the same are as given in the table below:

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
Reliability	SCADA Enablement of Conventional Substation – 60 Nos. of 33/11 kV Primary Substations	8	8	4	4	24
	FRTUs and Communication for RMU	3	2	2	2	9
	GSAS Implementation	7	15	15	11	48
	Replacement of Sick Equipment	7	10	10	10	37
	Capacitor Bank Installation for Reactive Power compensation	1	1	1	1	4
	33KV Network Infrastructure	55	47	58	53	213
	11KV Network Infrastructure	46	51	56	51	204
	Reliability	**127**	**134**	**146**	**132**	**539**

SCADA ENABLEMENT OF CONVENTIONAL SUBSTATIONS

Scheme Proposed	• SCADA Enablement of Conventional Substation – 60 Nos. of 33/11 kV Primary Substations • FRTUs and Communication for RMU
Capex Amount	₹ 33.00 Cr
Justification	Part of already approved DPR

GSAS IMPLEMENTATION

Scheme Proposed	Implementation of GSAS comes in an integrated package of involvement of less work force, smart utilization of asset, quick decision-making, automated remote monitoring and control along with state of the art asset management.
Capex Amount	₹ 48.00 Cr
Justification	One of the significant challenges that the utilities face is restricting the fault at minimum possible section of the electrical network and clearing the fault in minimum possible time. To achieve this feat and utility works round the clock to minimize equipment failure, equipment down time and faster restoration thus ensuring reliability and enhanced MTTR. All the utility across the globe moving towards

	deployment of smart grid in order to ensure above mentioned goals. Going towards that direction TPCODL deploys GSAS (Grid station automation system) in its working region – the very first step towards the direction of the integrated smart grid

REPLACEMENT OF SICK EQUIPMENT

Scheme Proposed	The Power distribution network & its equipment health is a critical factor for ensuring reliable & quality power supply to the end consumers.
Capex Amount	₹ 37.00 Cr
Justification	Apart from a strong 33kV & 11kV network, healthy & trouble free network equipment or asset base is necessary. It forms the base for reliable power supply to the consumer. In TPCODL, based on the detailed survey reports, it was found that at some places intervention at Equipment level is required to make the network strong & trouble free, so as to ensure reliable power distribution till customer point. To strengthen the existing network, it is suggested to replace the sick equipment in the existing network. Further, this replacement will help in utilization of the resource to the optimum level, managing the load in case of any exigency and mitigate the issue of overloading etc.

INSTALLATION OF CAPACITOR BANKS FOR REACTIVE POWER COMPENSATION

Scheme Proposed	In order to mitigate low voltage issues in the downstream network, i.e. LT network, improvement of voltage at LT side of the DT is proposed to mitigate low voltage issues and avoid huge investments.
Capex Amount	₹ 4.00 Cr
Justification	To ensure quality power supply to consumers.

33KV NETWORK INFRASTRUCTURE STRENGTHENING

Scheme Proposed	Proposal for construction of new 33kV lines, conductor augmentation, 33kV bus splitting and proposal for HT AVR at PSS in order to optimize the feeder loadings, mitigate feeder overloading, mitigate low voltage issues, power evacuation from Grids and achieving N-1 redundancy.
Capex Amount	₹ 213.00 Cr
Justification	To strengthen existing 33kV network, it is suggested to lay some interconnectors in the existing network to convert the system in ring and mitigate the issue of single connectivity. Further, this interconnection would help in managing the load in case of

	any exigency and mitigate the issue of overloading. Apart from the interconnectors, we have also proposed conductor augmentation, 33kV new lines, 33kV bus splitting and installation of HT AVR in substations to address the overloading and low voltage issues. By executing the proposals as made in this head, 33kV network can be strengthened and consumers can avail reliable and quality power supply.

11KV NETWORK INFRASTRUCTURE STRENGTHENING

Scheme Proposed	Proposal for conductor augmentation, new 11kV line to optimize the feeder loadings, achieving N-1 contingency condition, avoiding feeder overloading and low voltages.
Capex Amount	₹ 204.00 Cr
Justification	This sheme is proposed to ensure flexibility to the field teams in 11kV feeder operation. In this head, all such issues can be mitigated by: i. Laying of new 11kV feeders. ii. Augmenting the existing 11kV feeders to address overloading issues of the feeders. This will help in strengthening the existing 11kV network. Benefit to customer: 1. Reliable power supply to consumers 2. Improvement in reliability Indices like SAIDI & SAIFI.

LOAD GROWTH

The proposed budget for Load Growth under CAPEX FY 25-28 is Rs. 225.00 Cr. The details of the same are as given in the table below:

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
Load Growth	New Connection Release	20	15	15	15	65
	Power Transformer Augmentation	35	35	30	20	120
	DT Augmentation	10	10	10	10	40
	Load Growth	**65**	**60**	**55**	**45**	**225**

RELEASE OF NEW CONNECTIONS

Scheme Proposed	Release of New connections
Capex Amount	₹ 65.00 Cr
Justification	In order to meet the growing load, network infrastructure needs to be strengthened and new energy meters to be installed to release the new connection. Some of the connections can be released from the existing network and some may require augmentation/addition/extension before release of new connection. For carrying out network extension/ augmentation/addition, we propose expenditure to the tune of Rs 85.00 Crores under this head. To consider load growth, network extension / augmentation / addition is expected to be carried out to cater the new demand.

POWER TRANSFORMER AUGMENTATION

Scheme Proposed	To cater the increasing load demand, PTR augmentation is required to avoid any overloading conditions. In addition, to ensure reliable power supply to our consumers, PTRs has to be kept at optimum loading to avoid any mechanical stress on the transformers due to overloading.
Capex Amount	₹ 120.00 Cr
Justification	To avoid any overloading issues especially in urban areas where the load growth is high, TPCODL has undertaken the assessment of the loading of the power transformers and found that to meet the estimated summer'23 load, it is required to augment some of the power transformers which may get overloaded considering the current peak and load growth for the next two years. To mitigate the same, various proposals are put forth for approval where we have considered:

	1. Power Transformer augmentation 2. Power Transformer swapping 3. Load shifting from one transformer to other transformer within the substation These proposals will thereby reduce the overloading of PTRs and in turn improve the reliability and ensure quality power supply to the consumers.

DISTRIBUTION TRANSFORMER AUGMANTATION

Scheme Proposed	To cater the increasing load demand, especially with the introduction of schemes like 5T and others, DT augmentation is required to avoid overloading of transformer leading to transformer failure and power interruptions.
Capex Amount	₹ 40.00 Cr
Justification	In case of overloading of the Distribution Transformer, it not only hampers the power supply to the consumers but also may cause pre-mature failure of DT occurs due to operating for long hours on overload condition. Thus to abide by the safe loading limits, augmentation of distribution transformers are proposed for locations, where loading is exceeding the maximum value.

INFRASTRUCTURE

The proposed budget for Infrastructure under CAPEX FY 25-28 is Rs.182.04 Cr. The details of the same are as given in the table below:

Main Budget Head	Activity	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	Total Budget
	APSCC Modernization work for 23 APSCC at all Divisions	1.5	0	0	0	1.5
	IT - Software, User Devices, Back-up system, Storage devices and Applications	15	8	5	5	33
	Server Room PAC & BMS	3	0	0	0	3
	Civil Upgradation	20	15	13	11	59
	RMU / DT Workshop	1.5	1	0	0	2.5
	Ready to Use Admin Asset	2	2	2	2	8
	Infrastructure	**43**	**26**	**20**	**18**	**107**

APSCC MODERNIZATION AT ALL DIVISIONS

Scheme Proposed	Scope of this proposal includes installation of two no. of workstations at each APSCC along with necessary infra for control room such as tables, chairs, toilets, drinking water facility, etc. in order to establish the same with typical control room standards.
Capex Amount	₹ 1.50 Cr
Justification	After implementation of the above stated infrastructure, following tangible and intangible benefits will be there: 1. Better equipment with APSCC control rooms 2. Desktops with better internet connectivity would ensure seamless operation. 3. More stabilized to manage the control area more effectively.

IT SYSTEM UPGRADATION – SOFTWARE, USER DEVICES, BACK UP SYSTEM, STORAGE DEVICES & APPLICATIONS, SERVER ROOM PAC & BMS

Scheme Proposed	IT Systems Upgradation – including new software procurement, laptops & desktops, back up systems, storage devices etc , to leverage the IT infra at TPCODL to best in class level.
Capex Amount	₹ 36.00 Cr

Justification	1. Desktops and Laptops : To enable employees to work on automated systems, and for providing various services to the Consumers, Laptops and Desktops are being required 2. Printers and Scanners : For functioning of important business processes and meeting the PA timelines, TPCODL is required to procure approx. 600 numbers of printers and 600 numbers of scanners for the office locations 3. Enterprise Grade Next GEN Firewall : Next-generation firewalls (NGFWs) are a core cybersecurity product, up there with endpoint protection as a foundational security tool that our organization needs 4. Enterprise aggregation Router: Link Aggregation increases bandwidth and throughput by aggregating multiple network interfaces and provides traffic failover to maintain the network connection in case the connection is down. 5. Storage capacity Increase: It is proposed to upgrade storage for business continuity purpose when its primary data center is unavailable. 6. Backup Software : Backup software create copies of business data & keep them secure and restore backup data onto devices if and when necessary 7. Upgrade Existing Tape library: For functioning of important business processes, backup and archiving of massive amount of business data and meeting the PA timelines, TPCODL is required to upgrade existing Tape Library. 8. Document Digitization: It is proposed for implementation of Centralized Digital Workplace Suite (namely, TP DWS) for its distribution companies within Odisha. 9. Server with OS at DR and DC: It is proposed to procure and install 30numbers of Servers with OS at DR for business continuity purpose and to procure and install 30numbers of Servers with OS at DC to replace the out of warranty Servers. 10. Set up of Server room with 100-rack space at Technology Center : A robust, reliable, resilient, scalable and secure IT and OT system is vital for providing reliable power and services to consumers. To ensure the running of critical IT & OT applications, set up of Server Room is required for housing of hardware, server, rack and network communication equipment

CIVIL UPGRADATION

Scheme Proposed	In the Infrastructure Head, many civil related activities are planned in the next 5 years, which will help improve current seating condition of various offices, material stores, improve equipment & person safety, provision of training centres etc.
Capex Amount	₹ 59.00 Cr
Justification	Details of the civil works to be carried out in the control period are as follow: 1. DSS plinth Fencing with brick masonry and gate - 100 no.s/year 2. Distribution Transformer foundation - 100 no.s/year 3. PSS Compound Wall works - 25 no.s / year 4. Chain-link fencing in switch yard 5. Structural strengthening of Section Offices 6. New construction for Rented to own locations 7. Workshop at Infocity 8. Furniture at offices 9. New Store Shed at KED-I 10. Store-Security enhancement and Concrete flooring 11. Training Hall 50 seating-2 no.s/ year : 1 in each circle 12. DT overhauling workshop division wise

IN HOUSE WORKSHOPS FOR DT & RMU REPAIR

Scheme Proposed	In house workshop for DT/RMU/CSS/AR repair
Capex Amount	₹ 2.50 Cr
Justification	TPCODL has a vast ring network comprising of 750 RMU, 238 CSS & 270 auto reclosers, which deliver reliable and quality power supply to its valuable customer base. Faults arising in the same are attended at site by Cable & Switchgear team many of the times, but there are several other issues which can't be repaired on site. Either the switchgear needs to be lifted by OEM for repairing at their manufacturing plant or is scrapped along with installation of a new one. Repairing at vendor premises is again a very costly affair as the transportation charges for "To & Fro" journey is too expensive in addition to repairing cost. Hence, proposed for Inhouse workshop for DT/RMU/CSS/AR repair, with basic testing & repair facility. This will help to enhance the life of switchgear through in-house 'testing & repair' facility as well as reduce the operational expenditure (OPEX) as compared to repairing of this high value assets at vendor premises

UPGRADATION OF OFFICE ASSETS

Scheme Proposed	Upgradation of office infrastructure & office assets
Capex Amount	₹ 8.00 Cr
Justification	Upgradation of office infrastructure & office assets will help in providing best in class services to consumers, earn consumer delight, and improve satisfaction among other stakeholders and ensure maintain a clean & safe working environment. This budget is proposed for procurement of 1. Office Furnitures 2. Water Cooler / Purifier 3. Air conditioner 4. Office Ready to use Asset

TPCODL

Chapter 13. IDC Computation

Annexure 3 : IDC Computation

Summary of IDC Capitalization

Summary					
IDC Capitalization	FY-24	FY-25	FY-26	FY-27	FY-28
FY-24 Capex Plan	1.33	3.19			
FY-25 Capex Plan		1.16	1.98		
FY-26 Capex Plan			1.34	2.49	
FY-27 Capex Plan				1.30	2.42
FY-28 Capex Plan					1.17
Old Fy-21,FY-22 & FY-23 Capex	4.44				
Total	**5.76**	**4.35**	**3.33**	**3.80**	**3.58**

Yearly Computation

		8.62%	9.00%	9.00%
	For FY-24 Approved Capex			
			Year	
Sr No	**Particulars**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**
1	Opening CWIP	0.00	73.25	
2	Capex	183	116.87	
3	Capitalisation	110	190.12	
4	Closing CWIP	73.25	0.00	
5	Average CWIP	36.63	36.63	
	Loan Movement			
6	Opening Balance	0.00	51.28	
7= 70% of (2)	Addition= 70 % of (2)	128.19	81.81	
8= 70 % of (3)	Capitalisation= 70% of (3)	76.92	133.08	
9	Closing Balance	51.28	0.00	
	IDC Working movement (on Loan OB and Addition)			
10	Opening Balance	0.00	0.88	
11	IDC for the Year= RoI x (OB+Net Addtion/2)	2.21	2.31	
12= (10 +11)x(8/(6+7))	IDC Capitalised	1.33	3.19	
13	Closing Balance	0.88	0.00	

Net Addtion = Capex for the year - Capitalisation for the year

		9.00%	9.00%
For FY-25Approved Capex			
			Year
Sr No	**Particulars**	**FY 2024-25**	**FY 2025-26**
1	Opening CWIP	0.00	49.93
2	Capex	190.92	110.08
3	Capitalisation	141.00	160.00
4	Closing CWIP	49.93	0.00
5	Average CWIP	24.96	24.96
	Loan Movement		
6	Opening Balance	0.00	34.95
7= 70% of (2)	Addition	133.65	77.05
8= 70 % of (3)	Capitalisation	98.70	112.00
9	Closing Balance	34.95	0.00
	IDC Working movement (on Loan OB and Addition)		
10	Opening Balance	0.00	0.41
11	IDC for the Year= RoI x (OB+Net Addtion/2)	1.57	1.57
12= (10 +11)x(8/(6+7))	IDC Capitalised	1.16	1.98
13	Closing Balance	0.41	0.00

		9.00%	9.00%
For FY-26 Capex			
			Year
Sr No	**Particulars**	**FY 2025-26**	**FY 2026-27**
1	Opening CWIP	0.00	60.90
2	Capex	203.00	87.00
3	Capitalisation	142.10	147.90
4	Closing CWIP	60.90	0.00
5	Average CWIP	30.45	30.45
	Loan Movement		
6	Opening Balance	0.00	42.63
7= 70% of (2)	Addition	142.10	60.90
8= 70 % of (3)	Capitalisation	99.47	103.53
9	Closing Balance	42.63	0.00
	IDC Working movement (on Loan OB and Addition)		
10	Opening Balance	0.00	0.58
11	IDC for the Year= RoI x (OB+Net Addtion/2)	1.92	1.92
12= (10 +11)x(8/(6+7))	IDC Capitalised	1.34	2.49
13	Closing Balance	0.58	0.00

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		9.00%	9.00%
	For FY-27 Capex		
			Year
Sr No	**Particulars**	**FY 2026-27**	**FY 2027-28**
1	Opening CWIP	0.00	59.01
2	Capex	196.70	84.30
3	Capitalisation	137.69	143.31
4	Closing CWIP	59.01	0.00
5	Average CWIP	29.51	29.51
	Loan Movement		
6	Opening Balance	0.00	41.31
7= 70% of (2)	Addition	137.69	59.01
8= 70 % of (3)	Capitalisation	96.38	100.32
9	Closing Balance	41.31	0.00
	IDC Working movement (on Loan OB and Addition)		
10	Opening Balance	0.00	0.56
11	IDC for the Year= RoI x (OB+Net Addtion/2)	1.86	1.86
12= (10 +11)x(8/(6+7))	IDC Capitalised	1.30	2.42
13	Closing Balance	0.56	0.00

		9.00%	9.00%
	For FY-28 Capex		
			Year
Sr No	**Particulars**	**FY 2027-28**	**FY 2028-29**
1	Opening CWIP	0.00	52.92
2	Capex	176.40	75.60
3	Capitalisation	123.48	128.52
4	Closing CWIP	52.92	0.00
5	Average CWIP	26.46	26.46
	Loan Movement		
6	Opening Balance	0.00	37.04
8= 70 % of (3)	Addition	123.48	52.92
9	Capitalisation	86.44	89.96
9	Closing Balance	37.04	0.00
	IDC Working movement (on Loan OB and Addition)		
10	Opening Balance	0.00	0.50
11	IDC for the Year= RoI x (OB+Net Addtion/2)	1.67	1.67
12= (10 +11)x(8/(6+7))	IDC Capitalised	1.17	2.17
13	Closing Balance	0.50	0.00

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		7.70%	7.70%	8.06%	8.62%
	For FY-21 Approved Capex				
			Year		
Sr No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening CWIP	0.00	17.44	21.53	20.61
2	Capex	85	128.30	40.59	26.44
3	Capitalisation	68	124.21	41.50	47.05
4	Closing CWIP	17.44	21.53	20.61	0.00
5	Average CWIP	8.72	19.48	21.07	10.31
	Loan Movement				
6	Opening Balance	0.00	12.21	15.07	14.43
7= 70% of (2)	Addition= 70 % of (2)	59.72	89.81	28.41	18.51
8= 70 % of (3)	Capitalisation= 70% of (3)	47.51	86.94	29.05	32.94
9	Closing Balance	12.21	15.07	14.43	0.00
	IDC Working movement (on Loan OB and Addition)				
10	Opening Balance	0.00	0.10	0.17	0.45
11	IDC for the Year= RoI x (OB+Net Addtion/2)	0.47	1.05	1.19	0.62
12= (10 +11)x(8/(6+7))	IDC Capitalised	0.37	0.98	0.91	1.07
13	Closing Balance	0.10	0.17	0.45	0.00

Net Addtion = Capex for the year - Capitalisation for the year

		7.70%	8.06%	8.62%
	For FY-22 Approved Capex			
			Year	
Sr No	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening CWIP	0.00	15.07	28.74
2	Capex	110.70	115.47	72.56
3	Capitalisation	95.62	101.80	101.30
4	Closing CWIP	15.07	28.74	0.00
5	Average CWIP	7.54	21.91	14.37
	Loan Movement			
6	Opening Balance	0.00	10.55	20.12
7= 70% of (2)	Addition	77.49	80.83	50.79
8= 70 % of (3)	Capitalisation	66.94	71.26	70.91
9	Closing Balance	10.55	20.12	0.00
	IDC Working movement (on Loan OB and Addition)			
10	Opening Balance	0.00	0.06	0.28
11	IDC for the Year= RoI x (OB+Net Addtion/2)	0.41	1.24	0.87
12= (10 +11)x(8/(6+7))	IDC Capitalised	0.35	1.01	1.15
13	Closing Balance	0.06	0.28	0.00

		8.06%	8.62%
	For FY-23 Capex		
			Year
Sr No	Particulars	FY 2022-23	FY 2023-24
1	Opening CWIP	0.00	54.17
2	Capex	143.49	237.07
3	Capitalisation	89.32	291.24
4	Closing CWIP	54.17	0.00
5	Average CWIP	27.08	27.08
	Loan Movement		
6	Opening Balance	0.00	37.92
7= 70% of (2)	Addition	100.44	165.95
8= 70 % of (3)	Capitalisation	62.53	203.87
9	Closing Balance	37.92	0.00
	IDC Working movement (on Loan OB and Addition)		
10	Opening Balance	0.00	0.58
11	IDC for the Year= RoI x (OB+Net Addtion/2)	1.53	1.63
12= (10 +11)x(8/(6+7))	IDC Capitalised	0.95	2.21
13	Closing Balance	0.58	0.00

Chapter 14. GFA & Depreciation for the Control Period

Annexure 4 : GFA & Depreciation for the Control Period

14.1 Total GFA as on 31.03.2023 as per Audited Financial Statement for FY 2022-23

Total GFA as on 31.03.2023 as per Audited Financial Statement for FY 2022-23 is as provided below.

Table 14-1 : Total GFA as on 31.03.2023 as per Audited Financial Statement for FY 2022-23

Asset Class	GFA of Inherited Asset as on 31.03.2023	GFA as on 31.03.2023 as per Audited Financial Statement for FY 2022-23								Total GFA as on 31.03.2023 as per Audited B.S for FY 2022-23
		Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from GRIDCO's equity contribution in kind	Assets to be funded through meter rent (Meter)	Total GFA as on 31.03.23 of Assets capitalized after effective date	
	A	B	C	D	E	F	G	H	I =sum(B:H)	J = A+ I
Land										
Building	23.47	0.0	0.0	0.0	0.0	32.7	7.3		39.9	63.39
Network Assets	1998.82	222.6	27.4	26.4	154.9	280.3	105.7		817.4	2816.21
Overhead Lines	1329.24	206.6	275.1	0.0	116.5	100.0	29.0		727.2	2056.43
Furniture & Fittings	3.43	10.9	0.0	0.0	0.0	6.1	0.0		17.1	20.50
Vehicles	0.08	0.0	0.0	0.0	0.0	3.2	0.0		3.2	3.32
Office Equipment	10.02	0.0	0.0	0.0	0.0	7.2	0.0		7.2	17.17
O&E- Computers		0.0	0.0	0.0	0.0	69.8	0.0		69.8	69.78
Meters		7.6	0.0	0.0	0.0	9.3	0.0	192.2	209.1	209.10
Softwares						48.96			49.0	48.96
Total	3365.06	447.86	302.42	26.41	271.42	557.53	141.97	192.19	1939.80	5304.9

Inherited Assets

Assets Created after effective date

Linkage with Audited Financial Statements:

Table 14-2 : Total GFA as on 31.03.2023 –Linkage with Audited Financial Statement for FY 2022-23

Sr No.	Particular	Amount (Rs. Cr)	Linkage to Audited Financial Statement for FY 2022-23
1	Gross Block of Propert,Plant, Equipment as on 31.03.23	3929.58	Note 4.02
2	Gross Block of Software as on 31.03.23	48.96	Note 4.03
3	Opening Accumulated Depreciation of Inherited Asset as on 1.06.2020	1349.76	Note 4.04
4	Less: Accumulated Depreciation of Assets Retired in FY-22	4.80	Note 4.04
5	Less: Accumulated Depreciation of Assets Retired in FY-23	18.61	Note 4.04
6 =1+2+3-4-5	**Total GFA as on 31.03.2023**	**5304.9**	

14.2 GFA of the Inherited Assets & Depreciation

14.2.1 GFA of the Inherited Assets

The Hon'ble Commission vide its carve out order dated 30.09.2021 has approved the opening balance sheet for TPCODL as on 01.06.2020. In this Opening Balance sheet, the assets of erstwhile CESU that was transferred to TPCODL (inherited assets) was of Gross Block amounting to Rs. 3403.73 Cr. Subsequently , based on the Physical verification carried out by an Independent Auditor and with approval of the Board, TPCODL has decapitalized certain assets as these assets are not physically available/ traceable and fall under the category of 'Theft and Not Traceable' as per the PV Report.

Further out of the above inherited assets, assets amounting to Rs. 1010.52 Cr has been depreciated up to 90% and total value of Depreciable assets amounts to Rs. 2354.54 Cr that remains constant for the control period and on this amount depreciation has been computed on the inherited assets. The GFA of the Inherited Asset and Depreciable amount for the control period is as provided in table below.

Table 14-3 : GFA of the Inherited Assets and Depreciable Amount for the Control Period

Sr No	Asset Class	Dep. Rate (Pre-92)	Gross Block (as on 01.06.2020) from approved Opening B/S	Retirement of Assets			GFA of Inherited Assets as on 31.03.2023 as per Audited Balance Sheet	Assets that have been fully Depreciated	Depreciable Asset Value/GFA as on 31.03.2023 (Same for the Control Period)
				FY-21	FY-22	FY-23			
		A	B	C	D	E	F=B-C-D-E	G	H= F-G
1	Land	0%							
2	Building	1.80%	23.47	-	0.00	0.00	23.47	1.77	21.70
3	Network Assets	3.60%	2011.54	-	12.72	0.00	1998.82	674.04	1324.78
4	Overhead Lines	3.60%	1354.47	-	0.00	25.23	1329.24	321.56	1007.68
5	Furniture & Fittings	4.55%	3.48	-	0.05	0.00	3.43	3.41	0.02
6	Vehicles	12.86%	0.60	-	0.52	0.00	0.08	0.07	0.00
7	Office Equipment	9.00%	10.17	-	0.15	0.00	10.02	9.66	0.36
8	O&E- Computers	9%		-					
	Total		**3403.73**	**-**	**13.45**	**25.23**	**3365.06**	**1010.52**	**2354.54**

The linkage with the Audited Financial Statement for FY 2022-23 is as provided below.

Table 14-4 : GFA of the Inherited Assets –Linkage with Audited Financial Statement for FY 2022-23

Sr No	Particular	Amount (Rs. Cr)	Remark
1	GFA of Inherited Asset as on 1.6.2020 as per approved Opening Balance Sheet	3403.73	Note 4.04 of the Audited Financial Statement for FY 2022-23
2	Less: Retirement of Assets in FY-22	13.44	
3	Less: Retirement of Assets in FY-23	25.23	
4=1-2-3	GFA of Inherited Asset as on 31.03.2023 as per Audited Financial Statement as on 31.03.2023	3365.07	

14.2.2 Depreciation on the Inherited Assets

As stipulated in the Tariff Regulations, 2022 (relevant extract mentioned) below ‘"pre- 92" rates’ have been used for computing depreciation on the ‘Inherited Assets’.

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

TPCODL

The computed estimated depreciation on the inherited assets for the control period is as provided in table below.

Table 14-5 : Depreciation on the Inherited Assets for the Control Period

Sr No	Asset Class	Dep. Rate (Pre-92)	GFA of Inherited Assets as on 31.03.2023 as per Audited Balance Sheet	Assets that have been fully Depreciated	Depreciable Asset Value/GFA as on 31.03.2023 (Same for the Control Period)	Est. Depreciation for the Control Period				
						FY 2023-24 (est.)	FY 2024-25 (est.)	FY 2025-26 (est.)	FY 2026-27 (est.)	FY 2027-28 (est.)
		A	B	C	D= B-C	E= D xA	F= D xA	G= D xA	H= D xA	I= D xA
1	Land	0%								
2	Building	1.80%	23.47	1.77	21.70	0.39	0.39	0.39	0.39	0.39
3	Network Assets	3.60%	1998.82	674.04	1324.78	47.69	47.69	47.69	47.69	47.69
4	Overhead Lines	3.60%	1329.24	321.56	1007.68	36.28	36.28	36.28	36.28	36.28
5	Furniture & Fittings	4.55%	3.43	3.41	0.02	0.00	0.00	0.00	0.00	0.00
6	Vehicles	12.86%	0.08	0.07	0.00	0.00	0.00	0.00	0.00	0.00
7	Office Equipment	9.00%	10.02	9.66	0.36	0.03	0.03	0.03	0.03	0.03
8	O&E- Computers	9%								
	Total		**3365.06**	**1010.52**	**2354.54**	**84.39**	**84.39**	**84.39**	**84.39**	**84.39**

14.3 GFA of the Assets created after the effective date & Depreciation on these Assets

14.3.1 GFA of Assets created out of opening CWIP and Depreciation for the Control Period

Out of the opening CWIP that was transferred to TPCODL in its opening balance sheet vide the Hon'ble Commission's order dated 30.09.2021 , assets amounting to Rs. 447.86 Cr have been capitalized as on 31.03.2023. Further capitalization of Rs. 68.14 Cr is estimated in FY 2023-24. The estimated GFA under this Category for the control period is as provided below.

Table 14-6 : GFA of Assets created out of the Opening CWIP for the Control Period

Asset Class	Applicable Depreciation rate (pre-92 rate)	GFA of Assets Created out of Opening CWIP as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.0%	0.0		0.0		0.0		0.0		0.0		0.0
Building	1.8%	0.0		0.0		0.0		0.0		0.0		0.0
Network Assets	3.6%	222.6	68.14	290.8		290.8		290.8		290.8		290.8
Overhead Lines	3.6%	206.6		206.6		206.6		206.6		206.6		206.6
Furniture & Fittings	4.6%	10.9		10.9		10.9		10.9		10.9		10.9
Vehicles	12.9%	0.0		0.0		0.0		0.0		0.0		0.0
Office Equipment	9.0%	0.0		0.0		0.0		0.0		0.0		0.0
O&E- Computers	9.0%	0.0		0.0		0.0		0.0		0.0		0.0
Meters		7.6		7.6		7.6		7.6		7.6		7.6
Softwares		0.0		0.0		0.0		0.0		0.0		0.0
Total		447.86	68.14	516.00	0.00	516.00	0.00	516.00	0.00	516.00	0.00	516.00

The Depreciation on the assets created out of opening CWIP is computed at the same rate that has been used for calculating depreciation on the opening assets (i.e. Pre-92 rates). Depreciation on Assets Created out of opening CWIP is given below . For the quantum of GFA on which depreciation has been computed above table may be referred to.

Table 14-7 : Depreciation on Assets Created out of Opening CWIP

Asset Class	Applicable Depreciation rate (pre-92 rate)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.0%	0.00	0.00	0.00	0.00	0.00
Building	1.8%	0.00	0.00	0.00	0.00	0.00
Network Assets	3.6%	8.01	10.47	10.47	10.47	10.47
Overhead Lines	3.6%	7.44	7.44	7.44	7.44	7.44
Furniture & Fittings	4.6%	0.50	0.50	0.50	0.50	0.50
Vehicles	12.9%	0.00	0.00	0.00	0.00	0.00
Office Equipment	9.0%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	9.0%	0.00	0.00	0.00	0.00	0.00
Meters		0.00	0.00	0.00	0.00	0.00
Softwares						
Total		15.95	18.40	18.40	18.40	18.40

14.4 GFA of Assets created of Govt. Grants and Depreciation for the Control Period

TPCODL has added assets worth Rs.302.42 Cr as on 31.03.2023 under various Govt. Schemes like Saubhagya, Fani , Elephant Corridor (i.e assets created against Govt. Grant). Further , TPCODL is estimated to add certain assets under this head during the control period as mentioned in table below**.** In FY 2023-24 ,Rs. 100 Cr of assets are estimated to be added under this category under various projects viz. Elephant Corridor, Puri Under Ground cabling projects & BGJY etc.

Table 14-8 : GFA of Asset created against Govt. Grants for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants) as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%			0.0		0.0		0.0		0.0		0.0
Building	3.34%			0.0		0.0		0.0		0.0		0.0
Network Assets	4.67%	27.4	100	127.4	10	137.4	10	147.4	5	152.4	5	157.4
Overhead Lines	4.67%	275.1		275.1		275.1		275.1		275.1		275.1
Furniture & Fittings	6.33%	0.0		0.0		0.0		0.0		0.0		0.0
Vehicles	9.50%	0.0		0.0		0.0		0.0		0.0		0.0
Office Equipment	6.33%	0.0		0.0		0.0		0.0		0.0		0.0
O&E- Computers	15.00%	0.0		0.0		0.0		0.0		0.0		0.0
Meters	4.67%	0.0		0.0		0.0		0.0		0.0		0.0
Softwares	30.00%	0.0		0.0		0.0		0.0		0.0		0.0
Total		302.42	100.00	402.42	10.00	412.42	10.00	422.42	5.00	427.42	5.00	432.42

As these assets are not funded by TPCODL , no depreciation , RoE and interest on loan are being claimed in the ARR on these assets. **The Depreciation computation is shown only to explain the amount that is going to be booked in the accounts, however as already mentioned no deprecation on these assets are claimed in ARR**.

Depreciation on these assets have been computed at the rate mentioned in Annexure-II of the Tariff Regulations ,2022. The computation of Depreciation on these assets for the control period (only for depicting the amount to be booked in accounts , however not claimed in ARR) is as provided in table below. For the quantum of GFA on which depreciation has been computed above table may be referred to.

Table 14-9 : Depreciation on Asset created against Govt. Grants for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	0.00	0.00	0.00	0.00	0.00
Network Assets	4.67%	1.28	5.95	6.42	6.88	7.12
Overhead Lines	4.67%	12.84	12.84	12.84	12.84	12.84
Furniture & Fittings	6.33%	0.00	0.00	0.00	0.00	0.00
Vehicles	9.50%	0.00	0.00	0.00	0.00	0.00
Office Equipment	6.33%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	15.00%	0.00	0.00	0.00	0.00	0.00
Meters	4.67%	0.00	0.00	0.00	0.00	0.00
Softwares	30.00%	0.00	0.00	0.00	0.00	0.00
Total		14.12	18.79	19.26	19.73	19.96

14.4.1 GFA of Assets created against Govt. Loans and Depreciation for the Control Period

TPCODL has added assets worth Rs.26.4 Cr under R-APDRP scheme (Govt.Loan) as on 31.03.2023. The Assets Class wise GFA under this category for the control period is depicted in table below..

Table 14-10 : GFA of Asset created against Govt. Loans for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Asset created under R-APDRP Scheme (Assets against Govt. Loans) as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%			0.0		0.0		0.0		0.0		0.0
Building	3.34%			0.0		0.0		0.0		0.0		0.0
Network Assets	4.67%	26.4		26.4		26.4		26.4		26.4		26.4
Overhead Lines	4.67%			0.0		0.0		0.0		0.0		0.0
Furniture & Fittings	6.33%			0.0		0.0		0.0		0.0		0.0
Vehicles	9.50%			0.0		0.0		0.0		0.0		0.0
Office Equipment	6.33%			0.0		0.0		0.0		0.0		0.0
O&E- Computers	15.00%			0.0		0.0		0.0		0.0		0.0
Meters	4.67%			0.0		0.0		0.0		0.0		0.0
Softwares	30.00%			0.0		0.0		0.0		0.0		0.0
Total		26.41	0.00	26.41	0.00	26.41	0.00	26.41	0.00	26.41	0.00	26.41

As these assets are not funded by TPCODL, no RoE and interest on loan are being claimed in the ARR on these assets.

The Vesting Order stipulates no depreciation shall be allowed on assets created out of Govt. Grant , as the above loan is yet to be converted to grant ,it is requested that depreciation on these assets be allowed for funding of Additional Serviceable liabilities .

Depreciation on these assets have been computed at the rate mentioned in Annexure-II of the Tariff Regulations, 2022 and the same has been depicted in table below. For the quantum of GFA on which depreciation has been computed above table may be referred to**.**

Table 14-11 : Depreciation on Asset created against Govt. Loans for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	0.00	0.00	0.00	0.00	0.00
Network Assets	4.67%	1.23	1.23	1.23	1.23	1.23
Overhead Lines	4.67%	0.00	0.00	0.00	0.00	0.00
Furniture & Fittings	6.33%	0.00	0.00	0.00	0.00	0.00
Vehicles	9.50%	0.00	0.00	0.00	0.00	0.00
Office Equipment	6.33%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	15.00%	0.00	0.00	0.00	0.00	0.00
Meters	4.67%	0.00	0.00	0.00	0.00	0.00
Softwares	30.00%	0.00	0.00	0.00	0.00	0.00
Total		1.23	1.23	1.23	1.23	1.23

14.4.2 GFA of Assets created against Consumer Contribution and Depreciation for the Control Period

TPCODL has added assets worth Rs.271.42 Cr. against Consumer Contribution as on 31.03.2023. The Assets Class wise GFA under this category for the control period is depicted in table below.

Table 14-12 : GFA of Asset created against Consumer Contribution for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Asset created against Consumer Contribution as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%			0.0		0.0		0.0		0.0		0.0
Building	3.34%			0.0		0.0		0.0		0.0		0.0
Network Assets	4.67%	154.9		154.9		154.9		154.9		154.9		154.9
Overhead Lines	4.67%	116.5		116.5		116.5		116.5		116.5		116.5
Furniture & Fittings	6.33%			0.0		0.0		0.0		0.0		0.0
Vehicles	9.50%			0.0		0.0		0.0		0.0		0.0
Office Equipment	6.33%			0.0		0.0		0.0		0.0		0.0
O&E- Computers	15.00%			0.0		0.0		0.0		0.0		0.0
Meters	4.67%			0.0		0.0		0.0		0.0		0.0
Softwares	30.00%			0.0		0.0		0.0		0.0		0.0
Total		271.42	0.00	271.42	0.00	271.42	0.00	271.42	0.00	271.42	0.00	271.42

As these assets are not funded by TPCODL , no depreciation , RoE and interest on loan are being claimed in the ARR on these assets. The Depreciation computation is shown only to explain the amount that is going to be booked in the accounts, however as already mentioned , no deprecation on these assets are claimed in ARR

Depreciation on these assets have been computed at the rate mentioned in Annexure-II of the Tariff Regulations, 2022.

For the quantum of GFA on which depreciation has been computed above table may be referred to.

Table 14-13 : Depreciation on Asset created against Consumer Contribution for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	0.00	0.00	0.00	0.00	0.00
Network Assets	4.67%	7.24	7.24	7.24	7.24	7.24
Overhead Lines	4.67%	5.44	5.44	5.44	5.44	5.44
Furniture & Fittings	6.33%	0.00	0.00	0.00	0.00	0.00
Vehicles	9.50%	0.00	0.00	0.00	0.00	0.00
Office Equipment	6.33%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	15.00%	0.00	0.00	0.00	0.00	0.00
Meters	4.67%	0.00	0.00	0.00	0.00	0.00
Softwares	30.00%	0.00	0.00	0.00	0.00	0.00
Total		12.68	12.68	12.68	12.68	12.68

14.4.3 GFA of Assets created against TPCODL's own Capex and Depreciation for the Control Period

Since the commencement of operation on 1.6.2020, TPCODL has been submitting Annual Capital investment plan and the Hon'ble Commission has been approving the same. Against the Capital investment plans approved by the Hon'ble Commission , TPCODL has added assets worth Rs. 557.53 Cr as on 31.03.2023. TPCODL' Capital investment plan for the control period is provided at **Table 3-1 : *Summary of Capital Investment Plan for the Control Period** of this submission. Based on the TPCODL 's Capital investment plan for the control period ,the GFA for the assets estimated to be created against TPCODL's own capex is as provided in table below.

Table 14-14 : GFA of Asset created against TPCODL's Own Capex for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Asset created against Own Capex as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0
Building	3.34%	32.7	27.38	60.0	28.0	88.1	19.74	107.8	18.97	126.8	18.05	144.8
Network Assets	4.67%	280.3	263.15	543.5	309.3	852.8	224.43	1077.2	214.86	1292.0	206.18	1498.2
Overhead Lines	4.67%	100.0	83.84	183.8	85.8	269.6	60.44	330.1	58.10	388.2	55.28	443.5
Furniture & Fittings	6.33%	6.1	5.14	11.3	5.3	16.5	3.71	20.2	3.56	23.8	3.39	27.2
Vehicles	9.50%	3.2	2.72	6.0	2.8	8.7	1.96	10.7	1.88	12.6	1.79	14.4
Office Equipment	6.33%	7.2	6.00	13.1	6.1	19.3	4.32	23.6	4.16	27.8	3.95	31.7
O&E- Computers	15.00%	69.8	58.51	128.3	15.6	143.9	7.50	151.4	7.50	158.9	5.65	164.6
Meters	4.67%	9.3	7.77	17.0	8.0	25.0	5.60	30.6	5.39	36.0	5.12	41.1
Softwares	30.00%	49.0	12.95	61.9	17.5	79.4	9.27	88.7	9.50	98.2	8.77	107.0
Total		**557.53**	**467.46**	**1024.99**	**478.34**	**1503.33**	**336.96**	**1840.29**	**323.92**	**2164.21**	**308.18**	**2472.39**

Depreciation on these assets have been computed at the rate mentioned in Annexure-II of the Tariff Regulations ,2022 as depicted in table below.

For the quantum of GFA on which depreciation has been computed above table may be referred to.

Table 14-15 : Depreciation on Asset created against TPCODL's own Capex for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	1.09	2.01	2.94	3.60	4.23
Network Assets	4.67%	13.09	25.38	39.82	50.30	60.34
Overhead Lines	4.67%	4.67	8.59	12.59	15.41	18.13
Furniture & Fittings	6.33%	0.39	0.71	1.05	1.28	1.51
Vehicles	9.50%	0.31	0.57	0.83	1.02	1.20
Office Equipment	6.33%	0.45	0.83	1.22	1.49	1.76
O&E- Computers	15.00%	10.47	19.24	21.59	22.71	23.84
Meters	4.67%	0.43	0.80	1.17	1.43	1.68
Softwares	30.00%	14.69	18.57	23.82	26.60	29.45
Total		**45.59**	**76.70**	**105.03**	**123.86**	**142.13**

14.4.4 GFA of Assets created against GRIDCO's contribution in kind and Depreciation for the Control Period

The GFA of assets estimated to be created against GRIDCO's contribution in kind are depicted in table below.

Table 14-16 : GFA of Assets against GRIDCO's contribution in kind for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Asset created against Capex in kind as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%			0.0		0.0		0.0		0.0		0.0
Building	3.34%	7.26		7.3		7.3		7.3		7.3		7.3
Network Assets	4.67%	105.70	34.36	140.1	82.41	222.5	58.05	280.5	55.81	336.3	53.10	389.4
Overhead Lines	4.67%	29.01		29.0		29.0		29.0		29.0		29.0
Furniture & Fittings	6.33%			0.0		0.0		0.0		0.0		0.0
Vehicles	9.50%			0.0		0.0		0.0		0.0		0.0
Office Equipment	6.33%			0.0		0.0		0.0		0.0		0.0
O&E- Computers	15.00%			0.0		0.0		0.0		0.0		0.0
Meters	4.67%			0.0		0.0		0.0		0.0		0.0
Softwares	30.00%			0.0		0.0		0.0		0.0		0.0
Total		**141.97**	**34.36**	**176.33**	**82.41**	**258.74**	**58.05**	**316.80**	**55.81**	**372.60**	**53.10**	**425.70**

Depreciation on these assets have been computed at the rate mentioned in Annexure-II of the Tariff Regulations ,2022 as depicted in table below.

Table 14-17 : Depreciation on Asset created against GRIDCO's contribution in kind for the Control Period

Asset Class	Dep. Rate (New Regulations 2022)	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	0.24	0.24	0.24	0.24	0.24
Network Assets	4.67%	4.94	6.54	10.39	13.10	15.71
Overhead Lines	4.67%	1.35	1.35	1.35	1.35	1.35
Furniture & Fittings	6.33%	0.00	0.00	0.00	0.00	0.00
Vehicles	9.50%	0.00	0.00	0.00	0.00	0.00
Office Equipment	6.33%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	15.00%	0.00	0.00	0.00	0.00	0.00
Meters	4.67%	0.00	0.00	0.00	0.00	0.00
Softwares	30.00%	0.00	0.00	0.00	0.00	0.00
Total		**6.53**	**8.14**	**11.99**	**14.70**	**17.30**

14.4.5 GFA of Assets created against Meters and Depreciation for the Control Period

TPCODL has been installing meters along with associated equipment , capital investment for which are to be recovered through meter rent. The estimated GFA of assets created under meter capex for the control period and estimated depreciation on these assets are provided below.

Table 14-18 : GFA of Asset created against meter Capex for the Control Period

Asset Class	Asset created against Meters Capex as on 31.03.2023	GFA Addition in FY-24	GFA as on 31.03.24	GFA Addition in FY-25	GFA as on 31.03.25	GFA Addition in FY-26	GFA as on 31.03.26	GFA Addition in FY-27	GFA as on 31.03.27	GFA Addition in FY-28	GFA as on 31.03.28
	A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land			0.0		0.0		0.0		0.0		0.0
Building			0.0		0.0		0.0		0.0		0.0
Network Assets			0.0		0.0		0.0		0.0		0.0
Overhead Lines			0.0		0.0		0.0		0.0		0.0
Furniture & Fittings			0.0		0.0		0.0		0.0		0.0
Vehicles			0.0		0.0		0.0		0.0		0.0
Office Equipment			0.0		0.0		0.0		0.0		0.0
O&E- Computers			0.0		0.0		0.0		0.0		0.0
Meters	192.19	83.78	276.0	138.39	414.4	152.83	567.2	162.00	729.2	173.19	902.4
Softwares			0.0		0.0		0.0		0.0		0.0
Total	**192.19**	**83.78**	**275.97**	**138.39**	**414.35**	**152.83**	**567.18**	**162.00**	**729.18**	**173.19**	**902.37**

Assets Created against Meter Capex												
Asset Class	**Dep. Rate (New Regulations 2022)**	**Asset created against Meters Capex as on 31.03.2023**	Less Assets fully Depreciated	Depreciable Asset as on 31.03.24	Less Assets fully Depreciated	Depreciable Asset as on 31.03.25	Less Assets fully Depreciated	Depreciable Asset as on 31.03.26	Less Assets fully Depreciated	Depreciable Asset as on 31.03.27	Less Assets fully Depreciated	Depreciable Asset as on 31.03.28
		A	B	C=A+B	D	E=C+D	F	G=E+F	H	I=G+H	J	K=I+J
Land	0.00%	0.0		0.0		0.0		0.0		0.0		0.0
Building	3.34%	0.0		0.0		0.0		0.0		0.0		0.0
Network Assets	4.67%	0.0		0.0		0.0		0.0		0.0		0.0
Overhead Lines	4.67%	0.0		0.0		0.0		0.0		0.0		0.0
Furniture & Fittings	6.33%	0.0		0.0		0.0		0.0		0.0		0.0
Vehicles	9.50%	0.0		0.0		0.0		0.0		0.0		0.0
Office Equipment	6.33%	0.0		0.0		0.0		0.0		0.0		0.0
O&E- Computers	15.00%	0.0		0.0		0.0		0.0		0.0		0.0
Meters	18.00%	192.2	0	276.0	0	414.4	55.15	512.0	88.04	586.0	0	586.0
Softwares	30.00%	0.0		0.0		0.0		0.0		0.0		0.0
Total		**192.19**	**0.00**	**275.97**	**0.00**	**414.35**	**55.15**	**512.03**	**88.04**	**586.00**	**0.00**	**586.00**

Table 14-19: Depreciation on Assets Created against Meter capex

Assets Created against Meter Capex						
Asset Class	**Dep. Rate (New Regulations 2022)**	Est. Depreciation for the Control Period				
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	L	M = LxA	N=LXC	O= L X E	P=L X G	Q = L X I
Land	0.00%	0.00	0.00	0.00	0.00	0.00
Building	3.34%	0.00	0.00	0.00	0.00	0.00
Network Assets	4.67%	0.00	0.00	0.00	0.00	0.00
Overhead Lines	4.67%	0.00	0.00	0.00	0.00	0.00
Furniture & Fittings	6.33%	0.00	0.00	0.00	0.00	0.00
Vehicles	9.50%	0.00	0.00	0.00	0.00	0.00
Office Equipment	6.33%	0.00	0.00	0.00	0.00	0.00
O&E- Computers	15.00%	0.00	0.00	0.00	0.00	0.00
Meters	18.00%	34.59	49.67	74.58	102.09	131.25
Softwares	30.00%	0.00	0.00	0.00	0.00	0.00
Total		**34.59**	**49.67**	**74.58**	**102.09**	**131.25**

14.5 Summary of Year wise GFA Addition

Annexure 5: Year wise GFA Addition

Total GFA as on 31.03.2023 as per Audited Financial Statement for FY 2022-23										
Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total GFA as on 31.03.2023 as per Audited Financial Statement for FY-23
Land	0.00								
Building	23.47	0	0.0	0.0	0.0	32.7	7.3	0.0	63.39
Network Assets	1998.82	222.63	27.4	26.4	154.9	280.3	105.7	0.0	2816.21
Overhead Lines	1329.24	206.65	275.1	0.0	116.5	100.0	29.0	0.0	2056.43
Furniture & Fittings	3.43	10.94	0.0	0.0	0.0	6.1	0.0	0.0	20.50
Vehicles	0.08	0.00	0.0	0.0	0.0	3.2	0.0	0.0	3.32
Office Equipment	10.02	0.00	0.0	0.0	0.0	7.2	0.0	0.0	17.17
O&E- Computers	0.00	0.00	0.0	0.0	0.0	69.8	0.0	0.0	69.78
Meters	0.00	7.64	0.0	0.0	0.0	9.3	0.0	192.2	209.10
Softwares						48.96			48.96
Total	**3365.06**	**447.86**	**302.42**	**26.41**	**271.42**	**557.53**	**141.97**	**192.19**	**5304.85**

Total Est. GFA as on 31.03.2024									
Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total Est. GFA as on 31.03.2024
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Building	23.47	0.00	0.00	0.00	0.00	60.04	7.26	0.00	90.77
Network Assets	1998.82	290.77	127.37	26.41	154.94	543.49	140.07	0.00	3281.87
Overhead Lines	1329.24	206.65	275.05	0.00	116.48	183.84	29.01	0.00	2140.27
Furniture & Fittings	3.43	10.94	0.00	0.00	0.00	11.27	0.00	0.00	25.64
Vehicles	0.08	0.00	0.00	0.00	0.00	5.96	0.00	0.00	6.04
Office Equipment	10.02	0.00	0.00	0.00	0.00	13.15	0.00	0.00	23.17
O&E- Computers	0.00	0.00	0.00	0.00	0.00	128.29	0.00	0.00	128.29
Meters	0.00	7.64	0.00	0.00	0.00	17.05	0.00	275.97	300.65
Softwares	0.00	0.00	0.00	0.00	0.00	61.91	0.00	0.00	61.91
Total	**3365.06**	**516.00**	**402.42**	**26.41**	**271.42**	**1024.99**	**176.33**	**275.97**	**6058.60**

Total Est. GFA as on 31.03.2025									
Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total Est. GFA as on 31.03.2025
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Building	23.47	0.00	0.00	0.00	0.00	88.06	7.26	0.00	118.79
Network Assets	1998.82	290.77	137.37	26.41	154.94	852.76	222.48	0.00	3683.55
Overhead Lines	1329.24	206.65	275.05	0.00	116.48	269.64	29.01	0.00	2226.07
Furniture & Fittings	3.43	10.94	0.00	0.00	0.00	16.53	0.00	0.00	30.90
Vehicles	0.08	0.00	0.00	0.00	0.00	8.74	0.00	0.00	8.82
Office Equipment	10.02	0.00	0.00	0.00	0.00	19.29	0.00	0.00	29.30
O&E- Computers	0.00	0.00	0.00	0.00	0.00	143.91	0.00	0.00	143.91
Meters	0.00	7.64	0.00	0.00	0.00	25.00	0.00	414.35	446.99
Softwares	0.00	0.00	0.00	0.00	0.00	79.41	0.00	0.00	79.41
Total	**3365.06**	**516.00**	**412.42**	**26.41**	**271.42**	**1503.33**	**258.74**	**414.35**	**6767.74**

Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total Est. GFA as on 31.03.2026
Total Est. GFA as on 31.03.2026									
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Building	23.47	0.00	0.00	0.00	0.00	107.80	7.26	0.00	138.52
Network Assets	1998.82	290.77	147.37	26.41	154.94	1077.19	280.53	0.00	3976.03
Overhead Lines	1329.24	206.65	275.05	0.00	116.48	330.08	29.01	0.00	2286.51
Furniture & Fittings	3.43	10.94	0.00	0.00	0.00	20.24	0.00	0.00	34.61
Vehicles	0.08	0.00	0.00	0.00	0.00	10.70	0.00	0.00	10.78
Office Equipment	10.02	0.00	0.00	0.00	0.00	23.61	0.00	0.00	33.63
O&E- Computers	0.00	0.00	0.00	0.00	0.00	151.41	0.00	0.00	151.41
Meters	0.00	7.64	0.00	0.00	0.00	30.60	0.00	567.18	605.43
Softwares	0.00	0.00	0.00	0.00	0.00	88.68	0.00	0.00	88.68
Total	**3365.06**	**516.00**	**422.42**	**26.41**	**271.42**	**1840.29**	**316.80**	**567.18**	**7325.58**

Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total Est. GFA as on 31.03.2027
Total Est. GFA as on 31.03.2027									
Land	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	
Building	23.47	0.00	0.00	0.00	0.0	126.77	7.26	0.00	157.50
Network Assets	1998.82	290.77	152.37	26.41	154.9	1292.05	336.34	0.00	4251.70
Overhead Lines	1329.24	206.65	275.05	0.00	116.5	388.18	29.01	0.00	2344.61
Furniture & Fittings	3.43	10.94	0.00	0.00	0.0	23.80	0.00	0.00	38.17
Vehicles	0.08	0.00	0.00	0.00	0.0	12.58	0.00	0.00	12.66
Office Equipment	10.02	0.00	0.00	0.00	0.0	27.76	0.00	0.00	37.78
O&E- Computers	0.00	0.00	0.00	0.00	0.0	158.91	0.00	0.00	158.91
Meters	0.00	7.64	0.00	0.00	0.0	35.99	0.00	729.18	772.81
Softwares	0.00	0.00	0.00	0.00	0.0	98.18	0.00	0.00	98.18
Total	**3365.06**	**516.00**	**427.42**	**26.41**	**271.42**	**2164.21**	**372.60**	**729.18**	**7872.30**

Asset Class	Inherited Assets	Out of Opening CWIP	Asset created from Govt Scheme like Saubhagya, Fani, Elephant Corridor (i.e. Assets against Grants)	Asset created under R-APDRP Scheme (Assets against Govt. Loans)	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind	Assets Created from Meter Cap.	Total Est. GFA as on 31.03.2028
Total Est. GFA as on 31.03.2028									
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Building	23.47	0.00	0.00	0.00	0.00	144.82	7.26	0.00	175.55
Network Assets	1998.82	290.77	157.37	26.41	154.94	1498.22	389.43	0.00	4515.97
Overhead Lines	1329.24	206.65	275.05	0.00	116.48	443.45	29.01	0.00	2399.88
Furniture & Fittings	3.43	10.94	0.00	0.00	0.00	27.19	0.00	0.00	41.56
Vehicles	0.08	0.00	0.00	0.00	0.00	14.37	0.00	0.00	14.45
Office Equipment	10.02	0.00	0.00	0.00	0.00	31.72	0.00	0.00	41.73
O&E- Computers	0.00	0.00	0.00	0.00	0.00	164.56	0.00	0.00	164.56
Meters	0.00	7.64	0.00	0.00	0.00	41.11	0.00	902.37	951.12
Softwares	0.00	0.00	0.00	0.00	0.00	106.95	0.00	0.00	106.95
Total	**3365.06**	**516.00**	**432.42**	**26.41**	**271.42**	**2472.39**	**425.70**	**902.37**	**8411.77**

14.6 Summary of total GFA for the Control Period

GFA of Inherited Asset

TPCODL

A. Inherited Asset						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	23.47	23.47	23.47	23.47	23.47	23.47
Network Assets	1998.82	1998.82	1998.82	1998.82	1998.82	1998.82
Overhead Lines	1329.24	1329.24	1329.24	1329.24	1329.24	1329.24
Furniture & Fittings	3.43	3.43	3.43	3.43	3.43	3.43
Vehicles	0.08	0.08	0.08	0.08	0.08	0.08
Office Equipment	10.02	10.02	10.02	10.02	10.02	10.02
O&E- Computers	0.00	0.00	0.00	0.00	0.00	0.00
Meters	0.00	0.00	0.00	0.00	0.00	0.00
Softwares	0.00	0.00	0.00	0.00	0.00	0.00
Total	**3365.06**	**3365.06**	**3365.06**	**3365.06**	**3365.06**	**3365.06**

GFA of Assets Created After effective date

B. Assets Cretaed after effective date including Assets created out of opening CWIP						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	39.92	67.30	95.32	115.05	134.03	152.08
Network Assets	817.39	1283.05	1684.73	1977.21	2252.88	2517.15
Overhead Lines	727.19	811.03	896.83	957.27	1015.36	1070.64
Furniture & Fittings	17.07	22.21	27.47	31.18	34.74	38.13
Vehicles	3.24	5.96	8.74	10.70	12.58	14.37
Office Equipment	7.15	13.15	19.29	23.61	27.76	31.72
O&E- Computers	69.78	128.29	143.91	151.41	158.91	164.56
Meters	209.10	300.65	446.99	605.43	772.81	951.12
Softwares	48.96	61.91	79.41	88.68	98.18	106.95
Total	**1939.80**	**2693.54**	**3402.68**	**3960.53**	**4507.25**	**5046.71**

TPCODL

Total GFA (Inherited + New Assets created after effective date)

C =A+B Total GFA (Inherited + New Assets Created after effective date)						
Asset Class	As on 31.03.2023 as per Audited Balance sheet	Est. as on 31.03.2024	Est. as on 31.03.2025	Est. as on 31.03.2026	Est. as on 31.03.2027	Est. as on 31.03.2028
Land	0.00	0.00	0.00	0.00	0.00	0.00
Building	63.39	90.77	118.79	138.52	157.50	175.55
Network Assets	2816.21	3281.87	3683.55	3976.03	4251.70	4515.97
Overhead Lines	2056.43	2140.27	2226.07	2286.51	2344.61	2399.88
Furniture & Fittings	20.50	25.64	30.90	34.61	38.17	41.56
Vehicles	3.32	6.04	8.82	10.78	12.66	14.45
Office Equipment	17.17	23.17	29.30	33.63	37.78	41.73
O&E- Computers	69.78	128.29	143.91	151.41	158.91	164.56
Meters	209.10	300.65	446.99	605.43	772.81	951.12
Softwares	48.96	61.91	79.41	88.68	98.18	106.95
Total	5304.85	6058.60	6767.74	7325.58	7872.30	8411.77

Chapter 15. Relevant Extract of Loan Sanction Letter

Annexure 6 : Relevant extract of the Loan Sanction letter

Relevant extract from SBI Sanction letter

Particulars	Proposed Terms
Borrower	TP Central Odisha Distribution Limited
Promoter	The Tata Power Co Ltd (TPCL)
Capex Cost	Rs.353 crores
Term Debt Facility (Amount)	Rs.247 crores
Purpose	For funding of approved capital expenditure.
Promoters contribution	For capex: the promoters' contribution will be 30% of the Capex requirement.
Upfront Fee	1.10% of the Term Loan Facility Amount plus applicable taxes payable upfront at the time of sanction.
Tenor of loan	Door to Door tenor of 15 years with Average Maturity of 7.87 years. Repayment Schedule starting from June 2021 till September 2036 is given below this table Repayments will be made as 4 equal quarterly payments at the end of each quarter.
External Credit Rating	External Credit Rating from any rating agencies approved by RBI to be obtained. Company will be permitted timeline upto 3 months for obtention of External Credit Rating from the date of first disbursement of credit facilities advised letter no. CAG/AMT-4/2020-21/690 dated 07.10.2020 and accepted by the company.
Rate of Interest	Applicable Rate of Interest shall be equivalent to SBI 6 month MCLR (Applicable Benchmark) prevailing at the time of first disbursement under the RTL + Spread. The proposed spreads for different levels of initial credit rating of the Facility are given below: if AA bucket MCLR + 0.75% i.e., 7.70% pa. if A bucket MCLR + 0.90% i.e., 7.85% pa. Applicable Benchmark rate as on date is 6.95% Applicable Benchmark will be reset at end of 6 months from first disbursement under the Facility and thereafter on 6 months intervals. Applicable Spread for SBI shall remain constant throughout the tenor of the Facility. Till the time, ECR is obtained by the company, interest rate as applicable for A+/A/A- would be applicable for the facility. All disbursements till next reset of Applicable Benchmark shall be linked to same Applicable

TPCODL

Relevant extract from Canara Bank Sanction letter

Particulars	Terms
Borrower	TP Central Odisha Distribution Limited (TPCODL)
Promoter	The Tata Power Company Limited (TPCL)
Capex Cost	Rs 357.14 Crore
Term Loan Amount	Rs.250.00 Crore (Rupees Two hundred fifty Crore only)
Project/ Purpose	For funding of approved capital expenditure up to FY 2022-23
Means of Finance/ Promoter Contribution	The Capex shall be funded 70% from debt and 30% from promoter contribution i.e. DER of 2.33:1 to be maintained.
Tenor of Facility	Door to Door tenor of 14 Years
Repayment	In 12 years ie. 48 Quarterly equal Installments post moratorium period of 2 years payable on 15th of first month of each quarter, from the date of first disbursement. Interest to be paid as and when due.(Due on last day of the month)
Availability Period	Up to 31.03.2023.
Upfront Fees	Nil
Documentation charges	Not applicable
Rate of Interest	One year MCLR i.e. Presently 7.35% p.a.
Reset of ROI	The rate of interest is subject to annual reset from date of first disbursement. Interest to be paid as and when due. Further bank shall reserve the right to review the rate of interest in case of the following: - In case of any adverse deviation in the External rating or internal rating of the Borrower. - Changes in interest rate policy, etc. made by the Reserve Bank of India /

Relevant extrcat from Union Bank of India Sanction letter

यूनियन बैंक ऑफ इंडिया Union Bank of India

भारत सरकार का उपक्रम A Government of India Undertaking

आन्ध्रा Andhra | कार्पोरेशन Corporation

Large Corporate Branch - Bhubaneswar

REF: LCB/BBSR/TPCODL/01/2022-23

Date: 06/10/2022

To,
The Chief Financial Officer,
TP Central Odisha Distribution Limited
Power House Square, Unit 8, Bhubaneswar
Odisha-751012

Dear Sir/Madam,

Subject: Sanction of Term Loan in favour of M/s TP Central Odisha Distribution Ltd (TPCODL)

We are pleased to inform that the following Term Loan has been sanctioned in favour of TPCODL by the competent authority with terms & conditions and other details as under:

1	DATE OF SANCTION	:	28.09.2022
2	VALIDITY OF SANCTIONS	:	27.03.2023
3	PURPOSE OF LOAN	:	Funding of Capex to carry out various improvements and safety activities in its area of operation.
4	DUE DATE FOR REVIEW/RENEWAL	:	27.09.2023

DETAILS OF LIMITS WITH MARGIN/INTEREST/SECURITY:

(Rs. in Crore)

Nature of Limit	Amount		Interest / Commission	Margin	Security
	Existing	Proposed			
Fund Based					
Term Loan	0.00	245.14	3 Months MCLR i.e. 7.35% p.a. at present	30%	**Prime Security:** First pari passu charge on the entire movable fixed assets of the company, both present and future, including on the assets created /to be created out of our bank finance under the capex project excluding assets transferred to the company from CESU vide vesting orders of OERC and any other assets as specified by OERC from time to time along with other Banks under MBA. **Collateral Security:** Second pari passu charge on the entire current assets of the company, both present and future, excluding regulatory deposits and any other assets as specified by OERC from time to time. "Regulatory Deposits" includes customer security deposits and Govt. deposits

Chapter 16. Detailed Justification for A&G Cost estimate

Annexure 7 : Detailed Justification for A&G Cost estimate for the Control Period

As can be seen from the explanation provided in the following paragraphs, the nature of expenses is largely towards either customer related activities, or statutory expenditure or office and admin expenses etc. The details of the expenditure are as follows:

16.1 Customer Related Activities

16.1.1 Customer Services

At the time of taken over by TPCODL (Then CESU), there were only 2 Customer Care Centre in Bhubaneswar and Cuttack only with very limited facility. There are 20 divisions and in CESU time and in most of the divisions all the customer queries and complaints were attended by the JE of concerned section. People working in customer care were never got any specific training for effective handling of customer queries and grievances.

To overcome the issues mentioned above, TPCODL after its takeover, took many initiatives for enhancing the customer experience and to provide a gamut of customer service offerings such as New Connection Applications, Bill Payments, Addressing to Customers' Queries and Complaints.

Concept of dedicated master customer care centre at division level and appointment of cashier cum customer care associate at section level introduced for providing a bunch of services and single interaction touch point for all customers of concerned division.

Master Customer Care Centre at Division is fully equipped with following advance services for providing better customer experience:

1. **Queue Management System:** To manage the customer footfall efficiently at the centre.
2. **Self Help Kiosk:** To providing New Connection related information/duplicate bill/Customer Connection Details from the E-kiosk itself.
3. **Feedback Tab:** To capture customer's feedback on the services rendered at the centre.
4. **Television**: Informing customers about Online Payment Options, Safety & other schemes.
5. **IT Infrastructure:** Laptops/Desktops, Internet, Scanner/Printer were made available to the customer care staff which indicate the Management priority towards

effective customer service delivery along with automated process for effective monitoring of consumer complaints and footfall.

6. **Standee/Banner/Posters:** Indicating the various platforms for complaints/query registration, call centre contact number, online payment offers, website details etc.

On the journey of providing best services to consumers of TPCODL has established total 17 customer care center including 1 Mobile Customer Care Centre in Complete Rural Division in Marshaghai. Customer Care Centre are managing by team of officials who are trained to handle a gamut of customer services under the guidance of customer care executive (CRE).

16.1.2 Billing and Collection

Actual Meter reading, billing of live consumers with actual meter reading and 100% collection from all consumers plays a pivotal role in improving the billing and collection efficiency of the TPCODL, so that the AT&C loss target fixed by Hon'ble Commission will be achieved effectively. Hence, it is very critical to accomplish 100% consumer coverage target in both meter reading & collection activities.

Meter reading, Billing & Collection activities are carried out through agencies deployed across Division /Sub Division. These agencies were selected through the established procurement policy of TPCODL where Performance Based Contract has been awarded to the successful agencies for ensuring timely meter reading, Billing & Collection.
In line with the Performance based Contract for SBM Billing process, the meter readers and Bill collectors visit consumer premises based on the reading route sequence allotted to them. TPCODL has taken OCR based Meter Reading across its divisions for ensuring accurate and error free meter reading. In this process, Meter Readers scan the reading through the Android based Mobile application and capture the reading data to generate the bills as well as deliver the spot bill to the consumer during the same visit. In case of Spot Billing process, after punching the reading in spot billing Mobile application, Meter Readers deliver the spot bill to the consumer during the same visit. In some divisions, the Self Help Group as a part of Govt. of Odisha initiative does meter reading in certain rural areas.
In Non-SBM cases , Meter Readers visits the consumer premises to collect meter reading, then the bills are generated through SAP.

There are two type of models adopted by the agencies in field which are executed after detailed discussion with engineer in-charge/executive engineer of division. In the first model, meter readers & Bill Collectors are different. In this model, after the Meter Reader completes the reading in a particular route, the bill collectors carry out the collection in the same route after a gap of one-two days. In the second model, the Meter Reader & Bill

Collector is same i.e. one person carries out both meter reading and collection. After serving the spot bill to a consumer, same agency/SHG person collects energy bill amount and provides the acknowledgement slip to the consumer on the spot.

The Urban customers are encouraged to make payment either through online mechanism or at the counter. TPCODL plans to introduce various schemes/initiatives in FY 2023-24 for motivating customer to make the payment at the counter office and gradually reduce the burden of door to door collection. As per section 56(1) of the Supply Code 2019, if any consumer defaults on his/her current energy bill then DISCOM can issue disconnection notices to the defaulting consumer and give 15 days of time for payment in writing. After expiry of disconnection notice, DISCOM can issue disconnection order to disconnect supply of that consumer. In compliance to this regulation, TPCODL is doing disconnection activity by engaging disconnection squad across its license area.

As a part of various initiatives that TPCODL plans to introduce with a view to enhance consumer experience & billing efficiency, (a) Bills on WhatsApp and (b) Optical Character Read technology (OCR) to read meter reading directly from meter display to plug suppress reading and improve accuracy in reading have been implemented.

In order to carry out the above activities for a consumer base of ~ 30 Lakhs on monthly basis, cost is estimated for (combined – reading & collection activity) and estimated for Self Help Group. In addition, Other cost include thermal paper roll used at counter/SHG/TPCODL staff visit for collection, Disconnection Squad used for disconnecting supply of defaulters, Bill printing cost for Non Spot consumers (>5KW 3-phase consumers), Disconnection Notice Printing, Bill on WhatsApp initiative and Optical Character Read(OCR) for reading & Mobile SIM card rental. Various activities and Sub-activities meant for customer services along with projected expenditure have been entailed below:

16.1.3 Expenditures towards Reward & Recognition Programme in Commercial Activities and for Executing Special Projects to bring 100% consumers into Billing Fold and Revenue Realization From TD & Non-paying Consumers

TPCODL is taking consumer centric approaches to improve the degree of services in diverse areas such as releasing new service connections, replacing old and defective meters, delivering accurate bills on time, facilitating door step collection of monthly electricity bills, attending consumer complaints, resolving bill disputes and others. All these key activities are driven by its resources, for which they go beyond extra miles for enhancing service quality. Therefore, TPCODL has opted for the R&R mechanism to sustain the productivity momentum and motivate its resource base for remaining committed for elevating their performances, where ultimately our consumers can get hassle-free and reliable services at all times. Hence, as the transformation builds progressive trajectory for customer services, TPCODL will remain dedicated to serve its consumers in better way in future.

Hence, amount has been earmarked for developing a work culture of excellence in the field of WSHG works and MBC activities through Reward and Recognition Scheme. Further, cost has been estimated for implementing Special Projects to ensure bringing 100% consumers into the billing fold and collection from Temporary Disconnection (TD) and Non-paying active consumers; this will go a long way to develop a customer culture for regular payment of electricity dues

In order to carry out the above activities for a consumer base of ~ 30 Lakhs viz.

a. combined – reading cum spot billing & door to door collection activity)
b. Self Help Group.
c. Various special projects are being undertaken to ensure 100% Bill Distribution and Collection for bringing all consumers into the billing fold and collection from Temporary Disconnection and Non Paying Consumers
d. In addition, Other cost include payment transaction charges, Customer Awareness for Digital/Prompt/Regular Payment, Bill printing , thermal paper roll used by SHG, Ex-Service man, TPCODL staff for reading and collection, , Disconnection Notice Printing, Bill on Whatsapp initiative and Optical Character Read(OCR) for reading & Mobile SIM card rental ,vehicles requirement for delivering NSBM bills and monitoring commercial works at filed level ,Bill rectification initiatives etc.

   The estimated A&G cost for Customer related Activities for the control period is as provided below.

Table 16-1 : Estimated Expenditure towards Customer Related Activities for the Control Period

TPCODL

Sl No	Activity	Sub Activity	FY-25	FY-26	FY-27	FY-28
1	Meter reading and Collection Services	Reading cum Spot Billing Door to Door Collection	77.76	81.65	85.73	90.02
2		WSHG cost for approx. 4.5 Lakh Customer *(2 Lakhs both Reading and Collection, 2.5 lakhs only collection at present)*	9.59	10.07	10.57	11.10
4		Additional expenses for ensuring 100% bill distribution and 100% collection through special projects for bringing all the consumers into the billing fold and collection from Temporary Disconnection (TD) and Non-paying active consumers Developing a Work Culture of Excellence in the field of WSHG works and MBC activities through Reward and Recognition Scheme.	10.12	10.63	11.16	11.72
5	Meter reading and Collection Services: Other Items	Payment Transaction Charges	2.58	2.71	2.85	2.99
6		Customer Awareness for Digital/Prompt/Regular Payments.	1.00	1.05	1.10	1.15
7		Bill Printing / Distribution for Non SBM Bills	0.78	0.82	0.86	0.90
8		Thermal Paper Roll	0.34	0.35	0.37	0.39
9		SIM rental	0.38	0.40	0.42	0.44
10		For monitoring of commercial activities at field level and delivering of monthly NSBM bills at Divisions from HO & Deployment of Separate vehilcle for commercial team in all divisions & circles	2.96	3.11	3.26	3.43
12		Scan for Meter reading results through OCR Technology	0.93	0.98	1.03	1.08
13		Sending Bills through WhatsApp	0.50	0.53	0.56	0.58
14		Special Site Verification	0.69	0.73	0.76	0.80
15		Out sourced Bill Revision team	0.76	0.79	0.83	0.88
21	Meter Services	AMR/ Modem trouble shooting /Mainteance of Servers/Other Costs	2.21	2.32	2.43	2.55
	Total- Customer Related A&G Cost		**110.60**	**116.13**	**121.93**	**128.03**

16.1.4 The major reasons for increase in A&G expenditure towards following activities

i) **Increment in daily wages:** Revision of Daily Wages for Skilled and Semi-Skilled resources involved in Metering, Billing and Collection activities,

j) **Consumer Growth:** Considering growth of consumers in each year over a period of 5 years,

k) Creating Consumer Awareness: Conducting more Activities for creating Consumer Awareness through SMS, Whatsapp, Print/Digital & Electronic media,

l) Developing a culture of regular payment by customer: We are deploying resources to conduct door to door collection, deploying various bike squads , disconnection squads to knock the consumer and undertake more disconnection activities for bringing behavioral change in consumers to electricity on time

m) Enhancing Customer Services:

i. Operating more customer care centers to address consumer requests/ issues
ii. More efforts to improve bidirectional communication with consumers through Whatsapp & SMS
iii. Gaon Chalo initiatives to be conducted over 5 years
iv. 'Pay Win Schemes for Digital and other avenues will be initiated'
v. Strengthening and upgrading Call centers
vi. Conducting more Customer Satisfaction Surveys to identify area of improvement and streamline process accordingly,

n) Metering Activities:

i. Technology Upgradation: Enabling AMR/ Installing Smart meters for 3-phase/ High value consumers. This project will require high A&G cost during initial phase however in long run it will positively to reduce the expenditure in conducting meter reading activities.
ii. Conducting inspection of meters to ensure

o) Conducting OCR Activities for improving correct meter reading on actual consumption
p) Deployment more teams for conducting Dehooking and Load Booking Activities

16.1.5 New Initiatives:

h) ***Bluetooth enabled Meters*** to reduce provisional billing (caused due to house lock, inaccessible meters and others)
i) ***Strengthening Meter Data Analytics*** to improve lead generation process and detect thefts
j) ***Improving Digital Literacy*** through Mobile Application for different activities
k) Addition of more numbers of ***Consumer touch points and Collection Counters*** to improve customer experience in rural areas.

l) Additional expenses for ensuring 100% bill distribution and 100% collection through special projects for bringing ***all the consumers into the billing fold and collection from Temporary Disconnection (TD) and Non-paying active consumers***

m) ***Installation of Smart meters (prepaid) for 1-single phase*** with consumption > 50 units

n) Digital reading of connections with CD> 10KW.

16.1.5.1 DSM Initiatives:

TPCODL has launched a number of programs for our Consumers in collaboration with vendors for to purchase energy-efficient appliances such as Air Conditioners, BLDC fans and energy efficient Motors at a discounted rate along with extended warranty and doorstep delivery. TPCODL has also signed a MoU with a National Level ESCOs (EESL) to distribute Energy Efficient Products (BLDC Fan, Super Energy Efficient AC and IE3 Motors).

We are also working towards collaborating with Energy Service Companies (ESCO) who offer energy intensive consumers' Energy Audit Services as well as innovative plans for reducing energy consumption through Revenue Sharing models, without Capex/ Opex by the Consumer.

Further, details of the various DSM initiatives already underway are available on our Website as well as displayed in our Consumer Care Centers.

For carrying out various DSM initiatives as mentioned above ,we are requesting minimum annual expenditure of Rs. 5 Cr under Additional / Special A&G cost head.

16.2 Statutory and Compulsory Finance Related Charges

It is submitted that there are certain kinds of expenditure such as OERC license Fee, Insurance Premium, Bank Charges, Auditors fees etc that are compulsory or mandatory in nature. Such charges are either required to be paid either to meet the requirement under a statute or is required to be incurred to meet the lending or other important stipulation. In addition, TPCODL is also engaging the services of legal firms/lawyers to defend its cases. It is further added that TPCODL is in the business where adverse or favourable impact of any legal case outcome is ultimately borne by the consumer at large. Hence in a way TPCODL is fighting the cases on behalf of the consumers.

In our humble submission therefore there is no scope as such to reduce expenditure under this head as such. The breakup of the expenditure is as follows:

Statutory , Finance and Compulsory Charges

Particulars	**FY-25**	**FY-26**	**FY-27**	**FY-28**
Bank & other charges	7.9	8.5	9.0	9.7
Insurance premium	4.6	5.0	5.3	5.7
Legal and professional charges	10.76	11.45	12.17	12.94
Other Expenses	5.56	5.95	6.37	6.82
Total	**29**	**31**	**33**	**35**

16.3 Administrative Expenses

Break up of the expenditure for the control period is as follows.

Table: Administrative Expenditure

Particulars	FY-25	FY-26	FY-27	FY-28
Rental of land, buildings, plant and equipment, etc	11.50	12.30	13.17	14.09
Electricity consumption expenses	5.0	5.3	5.7	6.1
Telephone & Communication expenses	2.4	2.6	2.8	3.0
Office expenses + Facility Management and House Keeping etc	8.09	8.66	9.26	9.91
Travelling expenses	7.1	7.6	8.2	8.7
Advertisement & marketing expenses	2.58	2.76	2.95	3.16
Printing and stationary	2.39	2.56	2.74	2.93
Total	39.06	41.80	44.73	47.86

The increase in rental cost is attributable to following.

- This year we have added 23 site offices and approx. 750 nos. BSK's in rented Premises

The increase in office expenses is attributable to following.

- This year we have added a few offices i.e. Customer Care Centre, GRF,MRT ,E&MR and allied Corporate offices where we have started providing Tea ,Coffee, snacks & HK Services

16.4 Other A&G expenses

In addition to above, some of the expenditure needs to be incurred for dissemination of information through media and advertisement for propagating messages on safety, inviting tenders, invite objections and comments on ARR and other public filings, Food and conveyance and Miscellaneous expenditure.

The estimated expenditure under Other A&G Cost head for the Control period is as provided below.

Particulars	FY-25	FY-26	FY-27	FY-28
Foods and conveyance	1.2	1.2	1.3	1.4
Miscellaneous expenses including Contingency	2.39	2.71	3.08	3.50
Total	**3.6**	**4.0**	**4.4**	**4.9**

Chapter 17. Estimation on Component of Non Tariff Income from FY-23 Actuals

Annexure 8 : Estimation of Component of Non Tariff Income /Misc Receipts from FY-23 Actuals

Table 17-1: Estimation of Component of Non Tariff Income /Misc Receipts from FY-23 Actuals

Heads	GL	Head of Income/ GL Description	Amount as booked in Accounts (FY-23 Actuals)	FY-24 (5% Escalation over FY-23)	FY-25 (5% Escalation over FY-24)	FY-26 (5% Escalation over FY-25)	FY-27 (5% Escalation over FY-26)	FY-28 (5% Escalation over FY-27)
Miscellaneous Revenue	300015	Miscellaneous charges – Reconnection Charges	0.00	0.00	0.00	0.00	0.00	0.00
	300016	Miscellaneous charges – Service connection Charges	0.01	0.01	0.01	0.01	0.01	0.01
	300017	Miscellaneous charges – Customer Charges & Others	0.01	0.01	0.01	0.01	0.01	0.01
	300105	Customer Service Charge	2.90	3.05	3.20	3.36	3.53	3.70
	302101	Reconnection Charges	0.26	0.27	0.29	0.30	0.32	0.33
	302102	Processing Fee	1.08	1.13	1.19	1.24	1.31	1.37
	302104	Service Connection Charge	21.17	22.23	23.34	24.50	25.73	27.02
	302105	Meter Testing Fees	0.12	0.13	0.13	0.14	0.14	0.15
	302100	Disconnection Charges	0.03	0.04	0.04	0.04	0.04	0.04
	302106	Meter Shifting	0.61	0.64	0.68	0.71	0.75	0.78
	302110	Miscellaneous Charges	0.06	0.07	0.07	0.08	0.08	0.08
	304000	6% supervision charges	6.25	6.56	6.89	7.23	7.59	7.97
	302022	Amortisation of Revenue Grant	0.00	0.00	0.00	0.00	0.00	0.00
	A. Sub Total (Misc. Revenue)		**32.50**	**34.13**	**35.83**	**37.62**	**39.50**	**41.48**
DPS	302001	Delayed payment surcharge						
	302112	Delay Payment Surcharge	14.16	14.87	15.61	16.39	17.21	18.07
	B. Sub Total (DPS)		**14.16**	**14.87**	**15.61**	**16.39**	**17.21**	**18.07**
Other Income	302006	Rental for Staff Quarters	0.00	0.00	0.00	0.01	0.01	0.01
	302008	Rental from contractors	0.10	0.11	0.11	0.12	0.13	0.13
	302013	Sale of Tender forms	0.26	0.27	0.28	0.30	0.31	0.33
	302032	Net Profit on insur. claim recovery on stores & Spares	0.10	0.10	0.11	0.11	0.12	0.13
	302014	Penalties recovered from suppliers	0.00	0.00	0.00	0.00	0.00	0.00
	302015	Penalties recovered from contractors	4.05	4.25	4.46	4.68	4.92	5.16
	302016	Deposits from Supplier/Contractor/Others - forfei	0.01	0.01	0.01	0.01	0.01	0.01
	302018	Other miscellaneous receipts	1.04	1.09	1.15	1.21	1.27	1.33
	302020	Sale of scrap (sale proceeds since no cost is assi	5.15	5.40	5.67	5.96	6.26	6.57
	302030	Ground rent collected on scrap	0.00	0.00	0.00	0.00	0.00	0.00
	302023	Memorandum Franchisee Sale	0.00	0.00	0.00	0.00	0.00	0.00
	302027	Commission fees on Solar Energy	0.00	0.00	0.00	0.00	0.00	0.00
	302029	Late payment fees recovered from Customer	0.03	0.04	0.04	0.04	0.04	0.04
	304004	Other excess provisions in prior periods	0.00	0.00	0.00	0.00	0.00	0.00
	302107	Service Connection Shifting Charges	0.01	0.01	0.01	0.01	0.01	0.01
	302108	Meter Dump Charges	0.00	0.00	0.00	0.00	0.00	0.00
	302109	Cheque Bounce Return Charges	0.52	0.55	0.58	0.61	0.64	0.67
	302200	EBE- Advance Recovery	0.04	0.04	0.04	0.05	0.05	0.05
	302113	Short & Excess-ISU	0.00	0.00	0.00	0.00	0.00	0.00
	304005	Other Income relating to prior periods	0.00	0.00	0.00	0.00	0.00	0.00
	C.	**Sub Total (Other Income)**	**11.32**	**11.88**	**12.48**	**13.10**	**13.75**	**14.44**

Chapter 18. Allocation of Wheeling and Retail Supply Business Cost

Annexure 9 : Allocation of Wheeling & Retail Supply Cost

								FY-25		FY-26		FY-27		FY-28	
Sr No	**Particulars**	**FY-25 Total (Rs Cr)**	**FY-26 Total (Rs Cr)**	**FY-27 Total (Rs Cr)**	**FY-28 Total (Rs Cr)**	**Wheeling Business Share**	**Retail Supply Business Share**	**Wheeling Business ARR (Rs Cr)**	**Retail Supply ARR (Rs Cr)**	**Wheeling Business ARR (Rs Cr)**	**Retail Supply ARR (Rs Cr)**	**Wheeling Business ARR (Rs Cr)**	**Retail Supply ARR (Rs Cr)**	**Wheeling Business ARR (Rs Cr)**	**Retail Supply ARR (Rs Cr)**
1	Cost of power Purchase (including Transmission Charge and SLDC Charges)	3725.8	3832.5	3945.4	4112.4	0%	100%	0.00	3725.79	0	3833	0	3945	0	4112
	O&M Charges									0	0	0	0	0	0
2	Employee Costs (Net of capitalization)	881.57	943.72	1002.29	1057.24	60%	40%	528.94	352.63	566	377	601	401	634	423
3	Repairs and Maintenance	309.16	324.10	314.67	331.07	90%	10%	278.25	30.92	292	32	283	31	298	33
4	Admin and General	181.94	192.58	203.96	216.13	50%	50%	90.97	90.97	96	96	102	102	108	108
										0	0	0	0	0	0
5	Bad and Doubtful Debt including Rebate	54.68	57.65	60.79	64.13	0%	100%	0.00	54.68	0	58	0	61	0	64
6	Depreciation	117.78	149.96	171.50	192.38	90%	10%	106.00	11.78	135	15	154	17	173	19
7	Interest for Capital Loan (Net of Capitalization)	82.20	103.24	116.16	126.11	90%	10%	73.98	8.22	93	10	105	12	114	13
8	Interest for Working Capital	49.45	51.34	52.99	55.42	10%	90%	4.95	44.51	5	46	5	48	6	50
9	Interest on Security Deposits	68.40	68.40	68.40	68.40	0%	100%	0.00	68.40	0	68	0	68	0	68
10	Return on Equity	119.12	142.06	160.65	178.44	90%	10%	107.21	11.91	128	14	145	16	161	18
11	Tax on RoE	40.07	47.78	54.04	60.02	90%	10%	36.06	4.01	43	5	49	5	54	6
13	ASL Repayment	264.39	-3.17	-3.17	-3.17	90%	10%	237.95	26.44	-3	0	-3	0	-3	0
14	Non Tariff Income-Wheeling	-132.85	-129.36	-126.79	-125.44			-22.44		-17.95	0	-14.36		-11.49	
15	Non Tariff Retail Income								-110.41		-111.41		-112.43		-113.95
	Total	**5761.71**	**5780.81**	**6020.84**	**6333.17**			**1441.87**	**4319.84**	**1337.28**	**4443.53**	**1426.75**	**4594.09**	**1532.83**	**4800.35**