

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNUKOLI,
SHAILASHREE VIHAR, BHUBANESWAR-751021

**Present: Shri U. N. Behera, Chairperson
 Shri S. K. Parhi, Member**

Case No. 11/2020

**IN THE MATTER OF: An Application for initiation of Suo Motu Proceeding to issue
 suitable directions with respect to sale of utility of CESU under
 Section 20 of the Electricity Act 2003 and for vesting of
 Utility(CESU) to the intending purchaser under Section 21 of
 the said Act.**

And

IN THE MATTER OF:

Director (Regulatory Affairs), OERC
..... Designated Petitioner

Vrs.

Principal Secretary to Government,
Department of Energy, Government of Odisha,
Bhubaneswar -1 and Others Respondents

Odisha Power Employees Union
and Seven Others Intervenor

ORDER

Date of order: 26.05.2020

1. In exercise of powers u/s 19 of the Electricity Act, 2003 (the “Act”) the Commission revoked the license of Central Electricity Supply Company of Orissa Ltd. (the “CESCO”) with effect from 01.04.2005. An Administrator was appointed u/s 20(1)(d) of the Act vide Commission’s Order dated 02.04.2005 which was subsequently revised vide Commission’s Order dated 18.04.2005.

2. After the revocation, the Commission invited applications for sale of the utility of CESCO u/S. 20 (1)(a) of the Actin 2005. Despite Commission's best effort, no applications were received.
3. As a result, the Commission decided to formulate a Scheme called the Central Electricity Supply Utility of Orissa (Operation and Management) Scheme, 2006 (the "**Scheme**") u/s 22 (1) of the Act for operation and management of the Utility wherein 'Utility' means the utility of CESCO, operated by the Chief Executive Officer & Administrator appointed vide Commission's order dated 18.04.2005. The utility of CESCO was renamed as the Central Electricity Supply Utility of Orissa (the "**CESU**") under this Scheme.
4. The Scheme came into force from 08.09.2006. Since then, the term of the Scheme has been periodically extended with the latest extension being upto 22.09.2020.
5. After the formulation of Scheme, the Commission vide Order dated 27.10.2006, laid down the license conditions for CESU which became applicable with effect from 01.11.2006.
6. In 2016, the Commission invited applications for sale of utility of CESU u/s 20(1)(a) of the Act. Only a single bid was received which was returned un-opened. Thereafter, post meetings with investors, bids were again invited as per the terms of a Request for Proposal dated 24.11.2017 (the "**RFP**") issued by the Commission.
7. As per terms of the RFP, upon completion of sale, the utility of CESU shall vest in a special purpose vehicle (the "**SPV**") in which the successful bidder shall either hold 100% equity shares or the successful bidder shall hold 51% equity shares and the Government of Odisha (the "**GoO**") shall have the option to hold 49% equity shares either on its own or through any of its undertakings. In case the GoO decides to hold 49% of equity shares, the successful bidder and GoO/GoO designated entity shall enter into a Share Acquisition Agreement and a Shareholders Agreement. Further, under the RFP, the reserve price of utility of CESU was kept as Rs. 300 crores (Indian Rupee Three hundred crore only). The bidders were required to quote a price bid for 100% equity shares in the SPV. This price bid must be higher than the reserve price.

8. After evaluation of bids as per the terms of RFP, the bid of The Tata Power Company Limited (the “**TPCL**”) submitted on 14.09.2018 (the “**Bid**”) was accepted by the Commission and the same was communicated to TPCL vide Letter of Intent no. RA/CESU-17/2015/1973 dated 20.12.2019 issued by the Commission (the “**LoI**”). TPCL vide letter No. T&D/BD/DOM/FY20/OERC/CESU/034 dated 02.01.2020 communicated its acceptance of the LoI. Further, the Commission communicated certain modifications to the terms of RFP. TPCL has provided its acceptance to all the conditions of RFP and subsequent modifications. Any reference to RFP in this order shall also include the conditions specified in the LoI and any other communication in this regard.
9. The GoO vide letter no. 10830/En., Bhubaneswar dt. 13-Dec-2019 ENG-RR-DISTCOM-0017-2018 conveyed its decision to hold 49% equity shares in the SPV. Further, the GoO vide letter no. 2131/En., Bhubaneswar dt. 17-Feb-2020 ENG-RR-DISTCOM-0017-2018, conveyed that GRIDCO Limited (the “**GRIDCO**”) shall be the entity of the GoO which will hold the 49% equity shares in the SPV on behalf of the GoO.
10. The Commission then directed GRIDCO to incorporate the SPV to which the utility of CESU shall be vested and license of CESU shall be transferred. On 06.04.2020, TP Central Odisha Distribution Limited (the “**TPCODL**”) was incorporated as wholly owned subsidiary of GRIDCO with an authorized share capital of Rs. 1000 crores (Indian Rupee One Thousand crores only) and paid-up capital of Rs. 5 lakhs (Indian Rupee Five lakh only). TPCODL shall be the SPV in which TPCL and GRIDCO shall hold 51% and 49% equity shares respectively after the completion of sale.
11. TPCL quoted a purchase price of Rs. 350 crores (Indian Rupee Three hundred and fifty crores only) in its financial Bid in response to the RFP for 100% equity in the SPV. TPCL is required to pay 51% of the purchase price of Rs. 350 crores (Indian Rupee Three hundred and fifty crores only) quoted by TPCL in its Bid. As per terms of RFP, this amount is required to be deposited by TPCL with the Commission.
12. The Commission vide letter no. OERC/RA/CESU-17/2015(Vol. VII)/332 dated 02.03.2020 provided the RFP Documents namely – Share Acquisition Agreement,

Shareholders Agreement and Bulk Supply Agreement for execution by concerned parties and directed TPCL to submit the Performance Guarantee and deposit the amount equivalent to 51% of the purchase price of Rs. 350 crore (Indian Rupee Three hundred and fifty crore) only with the Commission.

13. TPCL vide letter No. T&D/BD/DOM/FY-20/OERC/CESU dated 16.03.2020 communicated that the amount has been deposited with the Commission and the Performance Guarantee of Rs.150 crores (Indian Rupee One hundred and fifty crores) only has been submitted as per the directions of the Commission vide letter No. OERC/RA/CESU-17/2015(Vol. VII)/332 dated 02.03.2020.
14. The Commission also shared the Bulk Power Transmission and SLDC Agreement to be executed with OPTCL. These four agreements - Share Acquisition Agreement, Shareholders Agreement, Bulk Supply Agreement and Bulk Power Transmission and SLDC Agreement constitute the “**RFP Documents**” and form an integral part of the terms and conditions of the sale process which are to be complied with by the concerned parties.
15. As per the proviso to section 21(a) of the Act, the debt, mortgage or similar obligation shall attach to the purchase price in substitution for the utility of CESU. Further, as per section 20(2) of the Act, the purchase price shall be paid by TPCL to CESU as may be agreed upon. Therefore, the parties may agree upon the manner of execution of transaction and flow of purchase price ensuring regulatory compliances subject to the approval of the Commission.
16. The transaction related costs shall be deducted by the Commission from the purchase price to be paid to CESU. The transaction related costs shall comprise of the fees paid to transaction advisor and legal advisor engaged by the Commission for advising in sale of utility of CESU, the cost of incorporation of TPCODL, the fees of auditors for audit of the annual accounts for FY 20 and accounts for the period from 01.04.2020 to 31.05.2020 of CESU as provided in the para 53 of this order and the cost of incorporation of a residual company in which the liabilities of CESU shall remain, if decided by the Commission and any other cost as determined by the Commission (the “**Transaction**

Process Costs”). The actual amount of Transaction Process Costs shall be determined by the Commission.

17. On 18.03.2020, the Director (Regulatory Affairs), OERC initiated a petition as the Designated Petitioner with the following prayers to the Commission:
 - a) To issue suitable directions to give effect to the vesting of utility of CESU to TPCODL as per Section 21(a) of the Act.
 - b) To issue suitable directions for attachment of purchase price to debt, mortgage or similar obligation of CESU as per proviso to Section 21(a) of the Act.
 - c) To issue suitable directions for transfer of license of CESU to TPCODL as per Section 21(b) of the Act.
18. The petition also stated that the following are required to comply with the provisions of the Act and the conditions of RFP:
 - (a) The paid-up share capital of TPCODL shall be Rs. 300 crores (Indian Rupees Three hundred crore only).
 - (b) TPCL shall hold 51% equity shares and GRIDCO shall hold 49% equity shares in TPCODL. Share Acquisition Agreement and Shareholders Agreement shall have been executed to this effect between TPCL and GRIDCO;
 - (c) The Bulk Supply Agreement shall have been executed between TPCODL and GRIDCO and the Bulk Power Transmission and SLDC Agreement shall have been executed between TPCODL and Odisha Power Transmission Corporation Limited (the “OPTCL”).
 - (d) CESU shall sell its utility to TPCODL and receive the purchase price at the completion of sale after adjustment of Transaction Process Costs.
 - (e) The purchase price which is to be paid to CESU against sale of utility of CESU u/S. 20(2) of the Act and which amount is currently deposited with the Commission, shall be remitted to CESU or to any other party as identified by the parties namely CESU, TPCL and GRIDCO in their response to the petition, after deduction of Transaction Process Costs incurred by the Commission for the sale process. As per Section 21(a) of the Act, such purchase price shall attach to the

debt, mortgage or similar obligation of utility of CESU. Remittance of this amount shall be as approved by the Commission.

- (f) CESU shall deliver the utility to TPCODL on 01.04.2020.
 - (g) The Management Board of CESU is required to make available its provisional balance sheet as on 31.03.2020 on the same date.
 - (h) An opening balance sheet for TPCODL shall be carved out from the balance sheet of CESU as on 31.03.2020 to effect the transfer of utility from CESU to TPCODL. The carve out of the balance sheet shall be as per the broad principles laid out in Annexure 1.
19. The petitioner requested the Commission to seek the response of the parties on the following:
- (a) Details of the transaction structure including activities, timelines, responsibilities.
 - (b) Detailed principles of segregation of balance sheet of CESU as of 31.03.2020 into opening balance sheet of TPCODL and the residual balance sheet of CESU.
 - (c) TPCL is required to provide the names and detailed CV's against each profile, mentioned in Format 6.2.1 (E) of the Bid, which will form part of the Senior Management Team of TPCODL as per the terms of RFP.
20. The Commission admitted the petition and initiated a suo-moto proceeding in Case No. 11/2020, to issue a suitable direction with respect to sale of utility of CESU under Section 20 of the Act and for vesting of utility of CESU to the intending purchaser under Section 21 of the Act. The Commission decided to dispose of the petition through a hearing of the concerned parties namely CESU, TPCL, GRIDCO, OPTCL and the Government of Odisha. On 18.03.2020, the Commission issued a notice directing parties to file written submissions to the suo-moto petition on or before 24.03.2020 and appear for the hearing.
21. The parties filed their written responses separately wherein they have outlined the manner of execution of transaction and requested for resolution of certain issues.

22. CESU submitted its response on 21.03.2020 with certain prayers related to framing of modalities for operation of Trusts, safeguarding the interest of employees and fixing modalities for utilization of government grants.
23. GRIDCO submitted the response on 24.03.2020 with prayers related to suitable addressal of past power purchase dues and right to use the land and land rights instead of transfer of land to TPCODL.
24. On 24.03.2020, nationwide lockdown was imposed due to the COVID-19 crisis. In view of lockdown, the Commission allowed TPCL to file its response vide email. TPCL filed its response vide email dated 27.04.2020 with prayers such as devising a suitable mechanism to ring-fence TPCODL from the impact of additional liabilities and right to use the land and land rights instead of transfer of land.
25. Odisha Power Employees Union and seven others were allowed to intervene in the present proceeding. In their application they have highlighted that while issuing LOI dated 20.12.2019 the Commission has failed to protect and safeguard the service condition and statutory dues for which the member of the Employee Unions are entitled to. Before sale of the Utility the terminal benefit funds should be adequately maintained. The issue of continuity of service of employees of CESU under TPCODL should also be taken into consideration before conclusion of sale process. OERC must ensure that the TPCL after taking over the Utility must invest in the Utility and share the burden of past power purchase bills of GRIDCO. While deciding the equity value of the Utility, OERC should also take into account the capital investment by the State Government in CESU.
26. The Commission had initially planned to conduct a hearing of the parties under suo-moto proceedings. However, as the national lockdown kept on getting extended, with the latest extension being upto 31.05.2020, the Commission decided to dispose of the suo-moto petition on the basis of written submissions of the parties and waived the requirement of a hearing. The Commission has taken note of the submissions filed by all the parties and is issuing this order considering the best interest of all the stakeholders including present and past employees and the consumers of the utility.

27. In the written submissions filed by the parties, the Commission has observed that the parties have agreed to enter into the following agreements on or before 01.04.2020 (which was the date on which utility of CESU was initially planned to be vested to TPCODL before the COVID-19 situation arose and delayed the process):
- (a) Share Acquisition Agreement shall be signed between GRIDCO and TPCL
 - (b) Shareholders Agreement shall be signed between GRIDCO and TPCL;
 - (c) Bulk Supply Agreement shall be signed between GRIDCO and TPCODL;
 - (d) Bulk Power Transmission and SLDC Agreements shall be signed between OPTCL and TPCODL
28. The Commission has further observed the following from the submissions made by the parties that:
- (a) TPCODL has been incorporated with a paid-up share capital of Rs. 5 lakhs.
 - (b) TPCL and GRIDCO have stated that the trade payables to GRIDCO (in the books of CESU) amounting to Rs. 299.95 crore (Indian Rupee Two hundred ninety-nine crore and ninety-five lac only) shall be converted to equity share capital of TPCODL. With this, the equity share capital shall be Rs.300 crores (Indian Rupee Three hundred crore only) as required for the transaction. CESU has stated that it shall comply with the directions of the Commission in this regard. The Commission is concluding that the proposed transaction structure has been agreed among all the parties- GRIDCO, CESU and TPCL.
 - (c) As per the Share Acquisition Agreement, TPCL shall acquire 51% of the equity shares of TPCODL. Therefore, TPCL and GRIDCO shall hold 51% and 49% of the equity shares respectively in TPCODL.
 - (d) CESU shall transfer the utility to TPCODL on 01.04.2020
 - (e) GRIDCO and TPCODL shall execute the Bulk Supply Agreement on or before 01.04.2020. This agreement incorporates the terms of RFP related to power procurement conditions, payment of Bulk Supply Price dues from the collection in

1st month of operations after the Effective Date and establishment of payment security mechanism.

- (f) OPTCL and TPCODL shall execute the Bulk Power Transmission and SLDC Agreement on or before 01.04.2020. This agreement incorporates the terms related to payment of transmission and SLDC charges and establishment of payment security mechanism.
- (g) TPCL and GRIDCO have stated that the purchase price shall be remitted to GRIDCO against extinguishment of past liabilities of CESU towards power purchase cost from GRIDCO, after deduction of Transaction Process Costs determined by the Commission. CESU has stated that it shall comply with the directions of the Commission in this regard.
- (h) The Management Board of CESU shall ensure that provisional accounts of CESU as of 31.03.2020 shall be made available on the same date. From this, a provisional opening balance sheet for the utility of CESU transferred to TPCODL shall be prepared. This shall be done in accordance with the principles laid out in the suo-moto petition and response filed by parties. Thereafter based on statutory audit of CESU, the provisional accounts of CESU as of 31.03.2020 shall be updated to prepare the final accounts. This shall be done on or before 30.09.2020. From this, the actual opening balance sheet of TPCODL shall be finalized based on the same principles laid out in suo-moto petition and the response filed by parties. The audited accounts of CESU as of 31.03.2020 shall be made available on or before 30.09.2020 and be submitted to the Commission.
- (i) As per the Shareholders Agreement, TPCL and GRIDCO shall maintain 51% and 49% shareholding respectively at all times and any future equity investment from GRIDCO in TPCODL shall be either in form of cash, kind or any other consideration as decided by GRIDCO in accordance with the Shareholders Agreement. Pursuant to this, GRIDCO has communicated that it may consider contributing its portion of equity investment in TPCODL in the form of GoO assets which will be transferred to TPCODL subject to approval of the GoO. This

will be done to ensure there is no dilution of GRIDCO's equity stake. GRIDCO has also submitted to the Commission to consider the assets transferred in lieu of equity be allowed as part of the fixed asset base for determination of tariff. The Commission has made its observations in this regard in para72 of this order.

- (j) The suo-moto petition provided the principles for carving out the balance sheet of TPCODL from the balance sheet of CESU. Following these principles, an indicative opening balance sheet as of 01.04.2020 had been prepared based on the provisional accounts of CESU available at the time of suo-moto petition. Based on the latest available provisional accounts of CESU as of 31.03.2020, the revised provisional opening balance sheet of the proposed operating company as of 01.04.2020 has been prepared and is provided at Annexure – 2.
29. The Commission has taken into consideration the submissions made by the parties and the contractual agreements to be entered into by the parties. As the national lockdown is extended upto 31.05.2020 but restrictions on movement of people have been eased to an extent, the Commission has decided that the new date of vesting of utility CESU to TPCODL would be 01.06.2020. Accordingly, the Commission directs that the parties must undertake the transaction in such a manner that all the activities proposed to be completed on or before 01.04.2020 in their response shall now be completed on or before 01.06.2020. The vesting shall be effected by carving out the opening balance sheet of TPCODL as of 01.06.2020, comprising the fixed assets, from the provisional balance sheet of CESU as of 31.05.2020. TPCL shall become 51% equity shareholder of TPCODL pursuant to the transfer of shares and execution of the Shareholders Agreement on 01.06.2020.
30. The Commission has taken cognizance of all the communications and submissions of all the parties till date and now issues this vesting order.

ORDER OF THE COMMISSION

31. As per Section 21(a) of the Act, the utility of CESU shall be vested in TPCODL from 01.06.2020 (the “**Effective Date**”) subject to completion of sale and delivery of utility by CESU to TPCODL as outlined in the response of the parties to suo-moto petition.
32. The Commission approves the transaction structure proposed by the parties. The trade payables to GRIDCO (in the books of CESU) amounting to Rs. 299.95 crore (Indian Rupee Two hundred ninety-nine crore and ninety-five lac) only shall be converted to equity share capital of TPCODL. With this, the equity share capital shall be Rs.300 crore (Indian Rupee Three hundred crore) only (including the initial paid up share capital Rs 5 lakhs). TPCL shall purchase equity shares equivalent to 51% of the equity share capital in TPCODL from GRIDCO at the premium of Rs.25.50 crores (Indian Rupee Twenty-five crore and fifty lacs) only by paying to GRIDCO an amount of Rs.178.50 crores (Indian Rupee One hundred seventy-eight crore and fifty lacs) only.
33. The amount of Rs. 178.50 crores (Indian Rupee One hundred seventy-eight crore and fifty lacs only) is already deposited by TPCL with the Commission as per the requirement of RFP documents. The Commission shall, within 30 days of vesting of utility of CESU with TPCODL, remit the amount after deducting the Transaction Process Costs incurred by the Commission for the sale process directly to GRIDCO. Suitable accounting adjustments may be made in the financial statements of CESU and GRIDCO to this effect.
34. Where CESU has delivered the utility to TPCODL but if the sale has not been completed in its entirety by 01.06.2020, TPCODL shall, as per section 20(4) of the Act, operate and maintain the utility for a maximum period of upto 7 days from 01.06.2020, pending completion of transaction. In case transaction is not completed in its entirety within such extended period, then the Commission may, at its discretion, either grant extension on day by day basis or cancel the LoI. The decision of the Commission shall be final in this regard.

TERMS OF VESTING

35. As per section 21(a) of the Act, the utility of CESU shall vest in TPCODL free from any debt, mortgage and similar obligation of CESU. However, certain serviceable liabilities have been transferred to TPCODL along with mechanism for funding of such liabilities as provided in para 54 of this order.
36. As per Section 21(b) of the Act, the license of CESU shall stand transferred to TPCODL on 01.06.2020 upon delivery of utility by CESU on same date. The amended license shall be issued by the Commission within 90 days of this order.
37. With the transfer of utility of CESU and license, the rights and responsibilities of CESU shall transfer to TPCODL with effect from 01.06.2020.
38. Performance Guarantee
 - (a) As per the terms of RFP, TPCL has provided to the Commission a Performance Guarantee of amount Rs. 150 crores (Indian Rupee One hundred and fifty crores only) vide bank guarantee no 2001261BGP00039 dated 13.01.2020 with validity upto 13.01.2023
 - (b) The Performance Guarantee shall be extended by TPCL from time to time to be valid for a period up to the fifth (5th) anniversary of this order at least thirty (30) days before the expiry date of such Performance Guarantee.
 - (c) TPCL will replenish the Performance Guarantee to its original value within thirty (30) days of it being encashed for any reasons mentioned in the Annexure – 1 to the letter no. OERC/RA/CESU – 17/2015 (Vol.-VII)/332 dated 02.03.2020 issued by the Commission. Failure to restore the Performance Guarantee to its original value shall result in non-compliance of the license conditions and the Commission shall then act as per the relevant provisions provided under the Act.
 - (d) Upon satisfactory performance of TPCODL for a period of five (5) years from the date of this order, and TPCODL having met all its obligations in regard to commitments made as part of Bid in response to the RFP as determined by the

Commission in performance review as per para 58 of this order, the value of the Performance Guarantee shall be reduced to half of the original amount as mentioned in Clause (a) above (viz., to Rs. 75 crore) (Indian Rupee Seventy-five crore only).

- (e) The then existing bank guarantee shall be returned to TPCL on submission of a revised Performance Guarantee of Rs. 75 crores (Indian Rupee Seventy-five crore only) by TPCL which shall initially be valid for three (3) years and thereafter renewed every year by TPCL till the tenth (10th) anniversary of this order.
- (f) Further, the Commission, on having satisfied with the performance of TPCL between the 6th and the 10th year of operations as determined by the Commission in performance review, may reduce the Performance Guarantee to twenty five percent (25%) of the original amount as mentioned in Clause (a) above (viz., to Rs. 37.5 crore) (Indian Rupee Thirty-seven crore and fifty lacs only). This will be required to be maintained by TPCL till the end of the 15th anniversary of this order.
- (g) The reduced Performance Guarantee shall be refunded to TPCL in full after the 15th anniversary of this order.
- (h) The Performance Guarantee may be encashed for any reasons mentioned in Annexure – 1 to the letter no. OERC/RA/CESU – 17/2015 (Vol.-VII)/332 dated 02.03.2020 issued by the Commission that are as follows:
 - i. Failure to meet loss reduction target as specified in Para 43
 - ii. Failure to collect past arrears as per Para 46(e)
 - iii. Failure to pay the Bulk Supply Price and Transmission Charges as per Para 40 and 41
 - iv. Any other reason as mentioned in the RFP and required under the license conditions

39. Power Procurement conditions

- (a) GRIDCO, a wholly State-owned Company, is engaged in the business of purchase of electricity in bulk from various generators located inside Odisha and the State share of power from the Central Generators for supply in bulk to the four distribution utilities in the State. Pursuant to the Government of Odisha notification No. PPD-II-2/05 (pt) 7947, Bhubaneswar dated 17.08.2006, GRIDCO is notified as the “State Designated Entity” to sign the Power Purchase Agreements (PPA) for procurement of all forms of power from different generators. The terms of sale of power by GRIDCO to TPCODL shall be governed under the Bulk Supply Agreement.
- (b) In order to fulfil its obligation as the bulk supplier in the State, GRIDCO has signed PPAs to meet the existing as well as future demand of power from the retail supply licensees in the State. As of 03.03.2020, the list of PPAs tied up by GRIDCO along with details such as quantum, supply start date and supply end date are as provided in Annexure - 4.
- (c) If in the opinion of GRIDCO, at any time during the term of license of TPCODL, the PPAs provided in Annexure - 4 is insufficient to meet the power purchase requirement of the retail supply licensees, then GRIDCO may sign additional PPAs with prior consultation with TPCODL, other retail supply licensees in the State and prior approval of the Commission. Such consultation shall also be required in case GRIDCO signs any PPAs to procure power from renewable energy sources to fulfil its Renewable Purchase Obligation targets set under the regulations and orders of the Commission.
- (d) Till the time GRIDCO expresses its ability to meet the power purchase requirement of TPCODL from the PPAs provided in Annexure - 4 and any additional PPAs signed as per clause (c) above, TPCODL shall be obligated to meet the full extent of its power purchase requirement from such PPAs.

- (e) At any time, if GRIDCO conveys its inability to meet the power purchase requirement of TPCODL, then TPCODL may procure power from alternative source, provided that such alternative source is selected through a transparent and competitive process and with the prior approval of the Commission.
40. Payment security mechanism for payment of BSP bills
- (a) In order to ensure security to GRIDCO for payment of its Bulk Supply Price (BSP) bills in full, TPCODL would need to provide GRIDCO with a revolving letter of credit facility equivalent to two (2) months of the average BSP bill as a primary payment security mechanism. This Letter of Credit would be opened and maintained as per the provisions laid out in the Bulk Supply Agreement. TPCL shall assist in opening of Letter of Credit and shall provide necessary security such as corporate guarantee, if required.
 - (b) In case of failure of GRIDCO to recover its dues through this letter of credit mechanism, it can approach the Commission with a request to encash the Performance Guarantee to the extent of the shortfall in the payment of BSP bills. Encashment of the Performance Guarantee would be at the sole discretion of the Commission. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 38(c) of this order. The Commission shall provide TPCODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.
41. Payment security mechanism for payment of transmission and SLDC charges
- (a) In order to ensure security to OPTCL for payment of transmission and SLDC charges in full, TPCODL would need to provide OPTCL with two (2) separate revolving letters of credit as payment security for transmission charges and SLDC charges. The amount of letters of credit shall be equivalent to two (2) months of the average transmission charges and average SLDC charges respectively. These letters of credit would be opened and maintained as per the provisions laid out in the Bulk Transmission Agreement. TPCL shall assist in opening of letters

of credit and shall provide necessary security such as corporate guarantee, if required.

- (b) In case of failure of OPTCL to recover its dues through this letter of credit mechanism, it can approach the Commission with a request to encash the Performance Guarantee to the extent of the shortfall in the payment of transmission charges and SLDC charges. Encashment of the Performance Guarantee would be at the sole discretion of the Commission. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 38(c) of this order. The Commission shall provide TPCODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.

42. Capital investment plan

- (a) The RFP required the bidders to provide a capital expenditure plan for first 5 years of license operations as part of their bid. The minimum cumulative capital expenditure commitment sought from bidders was Rs. 500 crores (Indian Rupee Five hundred crore only) for the first 5 years of operations.
- (b) In its Bid submitted in response to the RFP, TPCL committed capital expenditure of Rs. 1,541 crores (Indian Rupee One thousand five hundred and forty-one crore only) for period FY 2021 to FY 2025 as follows:

Table 1: TPCL Capital Expenditure Commitment

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
201	393	310	338	299	1,541

(Values in Rs. crore)

- (c) To allow flexibility in the capital expenditure planning, the Commission stipulates that, in the capital expenditure plan to be submitted by TPCODL as per the license conditions, the capital expenditure commitment for each year of the period FY 2021 to FY 2025 must be such that capital expenditure proposed upto a year shall be at least equal to the cumulative capital expenditure committed upto that year in

the Bid submitted by TPCL. For avoidance of doubt, the minimum cumulative capital expenditure to be proposed by TPCODL for the period FY 2021 to FY 2025 must be as provided in the table below:

Table 2 : TPCL Cumulative Capital Expenditure for 5 years

Upto 31-Mar-2021	Upto 31-Mar-2022	Upto 31-Mar-2023	Upto 31-Mar-2024	Upto 31-Mar-2025
201	594	904	1,242	1,541

(Values in Rs. crore)

- (d) In view of COVID-19 crisis, the Commission notes that TPCODL might face challenges in meeting the capital expenditure commitment for year 1 i.e. FY 21. The Commission therefore relaxes the minimum capital expenditure requirement for year 1 i.e. for FY 21. TPCODL shall be allowed to roll over the capital expenditure planned for FY 21 to the year FY 22. By the end of FY 22, TPCODL shall be required to meet the cumulative capital expenditure of Rs. 594 crores (Indian Rupee Five hundred and ninety-four crore only) as per its commitment.
- (e) TPCODL would be required to seek the Commission's approval on the detailed capital expenditure plan in line with the regulations. TPCODL shall satisfy the Commission that the capital expenditure plan submitted in line with regulations adheres to the capital expenditure plan submitted as part of the Bid.
- (f) The capital investments made by TPCODL shall be allowed recovery of depreciation in line with the rates prescribed in Annexure –3 till the time applicable regulation is notified by the Commission. The depreciation rates specified in regulations shall prevail over the rates specified in Annexure – 3 as and when applicable regulation is notified by the Commission.
- (g) Depreciation on all existing assets transferred to TPCODL shall be determined based on the existing methodology being followed by the Commission.

- (h) The funding on account of the various ongoing schemes of the Government of Odisha will be made available to TPCODLas and when available and applicable.

43. AT&C loss targets

- (a) As per terms of the RFP, the bidders were required to provide AT&C loss trajectory for first 5 years of operations with the condition that the AT&C loss level in the 3rd and 5th year from takeover shall not be higher than 27% and 23.70% respectively. Accordingly, as part of the Bid, TPCL provided an AT&C loss reduction trajectory shown in table below based on the FY 2018 audited AT&C loss level of 34.07% known at the time of submission of Bid.

Table 3 : TPCL AT&C Loss Trajectory Commitment

As on 31-Mar-2019	As on 31-Mar-2020	As on 31-Mar-2021	As on 31-Mar-2022	As on 31-Mar-2023
Year 1	Year 2	Year 3	Year 4	Year 5
32.57%	30.07%	26.57%	24.57%	22.57%

- (b) During the course of the bid process, it was brought to the notice of TPCL that the AT&C loss level of CESU area in FY 2019 has been ascertained to be 30.49% (audited). In view of this, TPCL was informed that the AT&C loss reduction trajectory committed by TPCL in its Bid shall be reduced in the same proportion as the reduction in the AT&C loss level of FY 2019 as compared to the loss level of 34.07% existing at the time of issuance of RFP. TPCL vide letter no. T&D/BD/DOM/FY20/OERC/CESU/028 dated 17-Oct-2019 provided unconditional acceptance to follow this methodology for revision of AT&C loss trajectory commitment.
- (c) Based on above, the LoI issued to TPCL vide letter no. RA/CESU-17/2015/1973 dated 20.12.2019 provided the following revised AT&C loss trajectory commitment of TPCL for period FY 2021 to FY 2025 based on the audited AT&C loss level of FY 2019:

Table 4 : TPCL Revised AT&C Loss Trajectory Commitment

As on 31-Mar-2021	As on 31-Mar-2022	As on 31-Mar-2023	As on 31-Mar-2024	As on 31-Mar-2025
Year 1	Year 2	Year 3	Year 4	Year 5
29.13%	26.89%	23.76%	21.98%	20.19%

- (d) The Commission notes that the AT&C loss level for FY 2020 may either increase or decrease compared to the AT&C loss level for FY 2019. Accordingly, as per the methodology accepted by TPCL vide letter no. T&D/BD/DOM/FY20/OERC/CESU/028 dated 17.10.2019, the AT&C loss trajectory commitment shown in Table 4 may be proportionately revised upwards or downwards as and when the audited AT&C loss level of FY 2020 is available. In case of downward revision, such reduced AT&C loss levels shall be considered as the AT&C loss commitment of TPCODL. In case of upward revision, such higher AT&C loss levels shall be considered as the AT&C loss commitment of TPCODL provided that the maximum AT&C loss level commitment for FY 2023 shall be restricted to 27.00%. This is only to the extent to determine AT&C loss target for 3rd year i.e. FY 2023 for purpose of penalty in form of encashment of Performance Guarantee as per clause (e) below. However, in the event of upward revision of AT&C loss level, the AT&C loss target for FY 2025 shall be 20.19% for the purpose of performance review.
- (e) As stated in the RFP, the Commission shall review the performance of TPCODL at the end of FY 2023 and FY 2025 to ascertain whether the AT&C loss targets have been achieved. In case of failure to achieve the targets, the Commission shall have the right to recover the penalty amount by encashing the Performance Guarantee for any shortfall in meeting the AT&C loss targets committed by TPCL in its Bid. The TPCL shall be liable to pay a penalty of Rs. 50 crores for every 1% (one percent) shortfall in meeting the committed AT&C loss targets, or proportionately for a part thereof, found as a result of the Commission's review at the end of the FY 2023 and FY 2025. For the purpose of clarity, for example, if at the end of FY 2023, TPCODL has achieved an AT&C loss of 24.50%, vis-à-vis the committed target of 23.76% (being the committed

AT&C loss for FY 2023 provided in Table 4), an amount of Rs. 37 crores, being [Rs. 50 crore x (24.50 – 23.76)], shall be recovered by the Commission by way of encashment of the Performance Guarantee. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 38(c) of this order. The Commission shall provide TPCODL and/or TPCL with a reasonable opportunity to be heard before encashment of Performance Guarantee.

- (f) This penalty for non-achievement of AT&C loss targets may be relaxed by the Commission under conditions of Force Majeure, including acts of God, acts of GoO or the Government of India (de jure or de facto) or regulatory body or public enemy, war, riots, embargoes, industry-wide strikes, thereby, hindering the performance by TPCODL or any of its obligations hereunder. The Commission's decision in this regard shall be final and binding on all parties.

44. AT&C Loss Trajectory for tariff determination

- (a) As part of the RFP, the Commission initially provided a 10-year AT&C loss trajectory to be adopted for determination of tariff for period FY 2019 to FY 2028. This is shown in table below:

Table 5 : 10-year AT&C Loss Trajectory for Tariff Determination

Financial Year	AT&C Loss
FY 2019	23.70%
FY 2020	23.70%
FY 2021	23.70%
FY 2022	23.70%
FY 2023	23.70%
FY 2024	22.00%
FY 2025	20.00%
FY 2026	18.00%
FY 2027	16.00%
FY 2028	15.00%

- (b) Thereafter, taking into consideration that the handover of utility of CESU to the successful bidder may take place in FY 2021, the Commission provided a revised

10-year AT&C loss trajectory for period FY 2021 to FY 2030 for tariff determination. This is shown in table below:

Table 6 : 10-year AT&C Loss Trajectory for Tariff Determination

Financial Year	AT&C Loss
FY 2021	23.70%
FY 2022	23.70%
FY 2023	23.70%
FY 2024	22.00%
FY 2025	20.00%
FY 2026	18.00%
FY 2027	16.00%
FY 2028	15.00%
FY 2029	14.00%
FY 2030	13.50%

- (c) TPCL provided acceptance on the revised AT&C loss trajectory for tariff determination vide letter no. T&D/BD/DOM/FY20/OERC/CESU/028 dated 17.10.2019.
- (d) TPCL in its email dated 15.05.2020 has highlighted that the AT&C loss levels may increase in the coming months due to impact of COVID-19 on collection efficiency. Further, the Capex implementation plan might get delayed due to takeover of utility on 01-06-2020 instead of 01.04.2020 and further continuation of Covid-19 lockdown conditions. In view of this, the Commission has decided that if TPCODL substantially fails to achieve the AT&C loss commitments for 3rd year i.e. FY 23 determined as per point (d) of para 43 of this order then the Commission may review the AT&C loss level for tariff determination for 4th year i.e. FY 24 and revise it subject to a maximum of 23.70%. The decision of the Commission shall be final in this regard. However, it is clarified that the AT&C loss level for tariff determination for 5th year i.e. FY 25 and beyond shall not be revised under any circumstances.
- (e) TPCODL would be entitled to retain any additional gains resulting from its meeting and surpassing the AT&C loss targets. This would be over and above the return on equity allowed by the Commission as part of OERC (Terms and

Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations 2014 (the “**Tariff Regulations**”) and shall not be adjusted as other income or in any way appropriated through any truing up process or future Aggregate Revenue Requirement process.

45. Collection of revenue against bills raised in April, May and June

- (a) As per the RFP, TPCODL is liable to collect the bills made after the Effective Date. However, considering that lockdown was imposed from 24.03.2020, the collections of CESU have been impacted starting from the last week of Mar-2020. The uncollected amount from the bills of Apr and May-2020 will therefore have to be collected by TPCODL.
- (b) Since the collection for these months (uncollected amount from the amount billed in April and May-2020 and the entire amount billed in June-2020) will happen after the Effective Date, TPCODL shall be liable to collect such amount and make the following payments, in the same priority.
 - i. Unpaid employee salaries and other dues including terminal benefits
 - ii. Payments to GRIDCO and OPTCL for power purchase and transmission/SLDC charges for the months of March, April and May-2020
 - iii. Payments to suppliers, sub-contractors, vendors, DF and such similar dues pertaining to the months of March, April and May-2020
- (c) TPCODL shall be liable to collect the amounts billed in the months of April and May-2020 limited by the collection efficiency for FY 20 net of amount already collected. For the amount billed in the month of June-2020, TPCODL shall be liable to collect the entire billed amount.
- (d) The excess amount after making payments specified in point (b) shall be dealt with in the manner specified in para 54 of this order. In case the situation specified in para 54 does not arise, then the collected amount shall be paid to GRIDCO.

- (e) The collections against the bills of Mar-2020, April-2020 and May-2020 shall not be considered of the nature of Past Arrears for which the RFP envisaged an incentive for the selected bidder. These collections shall not be counted towards the past arrear recovery commitment of TPCL provided in para 46 of this order. Past Arrears for the purpose of para 46 shall refer to the accumulated arrears on amount billed prior to 31.03.2020. The incentive sharing mechanism of retention of 10% of arrear collected from live consumers and retention of 20% of arrear collected from permanently disconnected consumers as mentioned in para 46 (b) of this order shall not be applicable on this amount.
- (f) The mechanism described in point (d) and (e) above shall apply only upto the ceiling amount specified in point (c) above. Collections beyond such amount shall be considered as past arrears and TPCODL shall be allowed to gain an incentive on such amount.
- (g) If there is any contradiction between this para 45 and the provisions of the Bulk Supply Agreement which was finalized before the Covid-19 situation, then this para 45 shall prevail over the Bulk Supply Agreement.

46. Past arrear recovery and sharing of incentives

- (a) As part of the RFP, the bidders were required to provide a commitment to recover past arrears from live as well permanently disconnected consumers in the first 5 years of operations. This was one of the criteria for evaluation of bids.
- (b) The incentive mechanism for sharing of past arrears collection was also provided in the RFP. TPCODL shall be offered an incentive of ten percent (10%) for Past Arrears collected from live consumers and twenty percent (20%) for Past Arrears collected from permanently disconnected consumers. This incentive would be on the amount of Past Arrears collected from the consumers, net of all taxes and duties recovered from consumers. However, the collection from current live Consumers may first be appropriated towards current bill and then towards the

arrears. The cost incurred by TPCODL for such recovery will not form a part of Aggregate Revenue Requirement of TPCODL.

- (c) In its Bid submitted in response to the RFP, TPCL has committed past arrear recovery of amount shown in table below:

Table 7 : TPCL Past Arrear Recovery Commitment

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Year 1	Year 2	Year 3	Year 4	Year 5	
20	80	40	40	20	200

(Values in Rs. crore)

- (d) As stated in the RFP, the Commission would review the performance of TPCODL vis-à-vis its commitment to collect Past Arrears, at the end of FY 2025, on an aggregate cumulative basis, by when TPCODL is required to meet the commitment of Past Arrears collection for the entire period of 5 (five) years.
- (e) Failure to meet the committed Past Arrears collection target at the end of FY 2025 would lead to encashment of Performance Guarantee, to the extent of 10% of this shortfall, as computed at the end of FY 2025. For the purpose of clarity, for example, if at the end of the FY 2025, TPCODL has achieved Past Arrears collection of Rs.100 crore vis-à-vis the committed target of Rs. 200 crores, an amount of Rs. 10 crores (Indian Rupees Ten Crore), being $[10\% \times (\text{Rs.200 crore} - \text{Rs. 100 crore})]$, shall be recovered by the Commission by way of encashment of the Performance Guarantee. The Commission's decision in this regard shall be final and binding on all parties. Upon encashment, TPCL shall be required to replenish the Performance Guarantee to its original value as provided in para 38(c) of this order.
- (f) The past arrear recovery after deducting the incentive of TPCODL shall be dealt with in manner specified in para 54 of this order. In case the situation specified in para 46 of this order does not arise or such Additional Serviceable Liabilities stated in para 54 of this order are extinguished, then the past arrear recovered after deducting the incentive shall be paid to GRIDCO.

- (g) This incentive will be allowed to be retained by TPCODLin full and shall be over and above the return on equity allowed by the Commission from time to time. Such incentive earned by TPCODLin any year shall not be adjusted by the Commission in the truing up of the Aggregate Revenue Requirement or for adjustment in the Aggregate Revenue Requirement in future years.

47. Depreciation on assets transferred to TPCODL

- (a) As stated in the RFP, all existing assets (being transferred to TPCODL on the Effective Date) would continue to earn depreciation as per existing depreciation rates approved by the Commission. Since, the depreciation relates to existing assets against which no loan has been availed by TPCODL, the depreciation allowed to be recovered from tariff must be utilised in the manner as provided below:
 - i. For the purpose of determination of Aggregate Revenue Requirement, the depreciation on the opening Gross Fixed Assets of TPCODL, as determined by the Commission subject to prudence check, shall be utilized as per the following priority order:
 - a. Funding of Additional Serviceable Liabilities as per para 54 of this order
 - b. Capital Investment
 - c. Working Capital requirement computed as per Tariff Regulations
 - ii. The manner of utilization of such depreciation shall be as per the directions of the Commission. TPCODL shall maintain a separate account for such depreciation.
 - iii. No depreciation shall be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to TPCODL or not.

48. Management structure and staff deployment plan of TPCODL

- (a) As part of the Bid, TPCL has provided a staff deployment plan for TPCODL taking into consideration the existing employees of CESU. This is as shown in table below:

Table 8 : Staff Deployment Plan for TPCODL

Sr.	Department Area/Category	Full Time	Part Time	Total
1	Corporate Head Office /Management	39	5	44
2	Chief Operation Officer Function	4,441	111	4,552
3	Consumer Service, Legal & Regulatory	457	15	472
4	Technology	74	13	87
5	Technical Services	443	17	460
6	Finance	164	7	171
7	HR & Admin	234	11	245
8	Staff of Heads (directly reporting to CEO)	67	9	76
TOTAL		5,919	188	6,107

- (b) Further, as part of the Bid, TPCL has provided profiles of Senior Management Team comprising of following:

Table 9 : Senior Management Team proposed by TPCL

Departments	Key Function
Corporate Head Office / Management	<ol style="list-style-type: none"> 1. Chief Executive Officer 2. Chief Operating Officer 3. Chief – Regulatory& Legal 4. Chief – Technology 5. Chief – Technical Services 6. Chief Human Resources Officer 7. Chief Finance Officer 8. Head – Corporate Communications, PR & Govt. Affairs 9. Head – Strategy, BE and BPR 10. Company Secretary 11. Head – Safety
Regulatory & Legal	<ol style="list-style-type: none"> 1. Head – Power Management 2. Head – Regulatory 3. Head – Legal & Enforcement Assessment

Operations	<ol style="list-style-type: none"> 1. Head – Customer Service 2. Head Circle – Operation & Commercial 3. Head – Vigilance 4. Head – Energy Audit 5. Head – Materials Management 6. Head – CSR
Technology	<ol style="list-style-type: none"> 1. Head – Information Technology 2. Head – Operation Technology
Technical Services	<ol style="list-style-type: none"> 1. Head – Technical Analysis Group 2. Head – Planning & Performance 3. Head – Engineering 4. Head – Projects & Civil 5. Head – Procurement
HR, L&D & Admin	<ol style="list-style-type: none"> 1. Head – Business HR 2. Head – Strategic HR & L&D 3. Head – IR & Compliances 4. Head – HR Shared Services 5. Head – ES&A 6. Chief Medical Officer
Finance	<ol style="list-style-type: none"> 1. Head – Corporate Finance 2. Head – Expenditure Controls & Payables 3. Head – Revenue Management 4. Head – Internal Audit & Risk

- (c) TPCL is directed to submit the names and profiles of Senior Management Team proposed to be deployed in TPCODL on or before 30.05.2020. TPCL should satisfy the Commission that the profiles submitted are inline with the profiles committed in the Bid.
- (h) TPCODLshall be required to inform the Commission during recruitment or replacement of the resources forming part of Senior Management Team. The deployment of such resources will be subject to the satisfaction of the Commission.
- (i) Within 45 days of the Effective Date, TPCODLshall submit a detailed management structure and staff deployment planas per para 48 of this order.
- (j) TPCODLshall be required to seek Commission’s approval on the staff deployment plan from time to time as per the directions of the Commission.

49. Treatment of existing employees

- (a) As per the terms of RFP, all the existing staff/employees of CESU as on the Effective Date shall be transferred to TPCODL excluding personnel on deputation from the State Government of Odisha.
- (b) CESU has on its rolls, 4,917 (Four thousand nine hundred and seventeen) number of regular employees and 435 (Four hundred thirty-five) number of contractual employees as of 31.05.2020.
- (c) All such staff shall form a part of TPCODL and shall be governed by the terms of their appointment. The terms and conditions of employment of these employees in TPCODL shall not be made inferior to their existing service conditions in any manner. TPCODL shall have the operational flexibility to design the organization structure to ensure efficiency in operations and staff deployment.

50. Treatment of employee liabilities

- (a) All the existing staff/employees of CESU shall be transferred to TPCODL as mentioned in para 49 above. The corresponding liabilities towards pension, gratuity, leave encashment and provident fund of such employees (the **“Employees’ Liabilities”**) shall also be transferred to TPCODL.
- (b) The CESCO Employees Pension Trust, CESCO Employees Gratuity Trust, CESCO Employees Provident Fund Trust and CESCO Rehabilitation Trust (the **“Trusts”**) are managing funds against pension, gratuity, provident fund and rehabilitation liabilities respectively.
- (c) At present, by the end of each month, respective Trusts except CESCO Employees Provident Fund Trust raise a requisition to CESU to disburse the balance amount required towards Employees’ Liabilities for such month after deducting the interest earned by the Trust on its investments. The contribution towards provident fund is remitted by CESU without the requirement of any requisition from the CESCO Employees Provident Fund.

Trust. CESU remits such amount to the respective Trusts for disbursement to the beneficiaries covered under the Trusts. The same mechanism shall continue from the Effective Date and TPCODL shall be responsible to remit such amounts to the Trusts towards Employees' Liabilities.

(d) The investments made by these Trusts as of 31.03.2019 are as follows:

Name of the Employee Trust	Investments (Rs. Crores)
CESCO Employees Pension Trust	248.37
CESCO Employees Gratuity Trust	37.13
CESCO Employees Provident Fund Trust	234.14
CESCO Rehabilitation Trust	4.84
Total	524.48

NOTE: The amounts indicated herein shall be updated as of the Effective Date i.e. 01.06.2020 as per the audited balances which shall be available on or before 30.11.2020. The audited values shall be considered as the final values for all purposes.

(e) The Trusts, their investments as well as Employees' Liabilities shall be dealt with in the manner specified below:

- i. All the Trusts shall continue to exist, and investments made by the Trusts shall not be liquidated without prior approval of the Commission.
- ii. TPCODL shall disburse the Employees' Liabilities to Trusts as per the mechanism specified in point (c) above.
- iii. Of the total Employees' Liabilities disbursed by TPCODL as per point ii above, the Commission shall allow as part of the Aggregate Revenue Requirement the actual cash out go for TPCODL for every year on account of pension, gratuity, leave encashment and rehabilitation liabilities.
- iv. For provident fund liabilities, the Commission shall allow as part of the Aggregate Revenue Requirement, only the Employer's contribution towards provident fund made to CESCO Provident Fund Trust.

- v. Except as provided in (iii) and (iv) above, no amount shall be allowed in Aggregate Revenue Requirement of TPCODL for contribution to the Trusts for increasing their corpus fund or investments.
- vi. Investments made by the Trust shall be appropriately disclosed in the accounts of TPCODL as per the applicable accounting standards.

51. Treatment of deposits of CESU

- (a) As per the provisional opening balance sheet provided in RFP, the liabilities related to security deposit from consumers, deposits from suppliers/contractors and deposits for electrification/service connection shall be transferred to TPCODL. Consequently, the corresponding fixed deposits created against such liabilities shall be transferred to TPCODL as part of the current assets.
- (b) As on 31.03.2020, the details of deposit amounts collected by CESU as per provisional financial statements of CESU are as follows:

Table 10 : Details of security deposits with CESU

Sr. No.	Type of deposit	Amount (Rs. crore)
1	Security deposit from consumers	712.30
2	Deposits from Suppliers/Contractors	69.09
3	Deposits for Electrification, Service Connection	299.94
	Total	1,081.32

NOTE: The amounts indicated herein shall be updated as of the Effective Date i.e. 01.06.2020 as per the audited balances which shall be available on or before 30.11.2020. The audited values shall be considered as the final values for all purposes.

- (c) The total fixed deposits with banks as per provisional balance sheet of CESU as at 31.03.2020 amounting to Rs. 696.21 Crores (Indian Rupee Six hundred ninety-six crore and twenty-one lac only) shall be transferred to TPCODL. The amounts indicated herein shall be updated as of the Effective Date i.e. 01.06.2020 as

per the audited balances which shall be available on or before 30.11.2020. The audited values shall be considered as the final values for all purposes.

- (d) TPCODL shall not be allowed to liquidate the fixed deposit with Banks related to such deposits except for the reasons for which it was collected. TPCODL shall also provide an annual account of fixed deposits with banks along with interest accrued thereon as part of the Aggregate Revenue Requirement petition.

52. Treatment of past litigations

- (a) The liabilities or gains arising out of litigation, suits, claims, etc. pending on, and/or arising due to events prior to the Effective Date, shall be allowed by the Commission in the Aggregate Revenue Requirement subject to prudence check.
- (b) TPCODL shall make all diligent efforts to contest the litigation, suits, claims etc. as if it is a party to such litigation, suits, claims etc. and satisfy the Commission in this regard.

53. Accounts and audit

- (a) The RFP provided an indicative opening balance sheet of TPCODL based on CESU accounts as of 31.03.2015. Further the RFP stated that these provisional balances shall be updated as of the Effective Date to provide a provisional opening balance sheet for TPCODL as on the Effective Date.
- (b) Based on the provisional balances of CESU as of 31.03.2020, the provisional opening balance sheet of TPCODL as of 01.04.2020 is provided in Annexure-2. This is based on the principles of segregation provided in the suo-moto petition.
- (c) As stated in the RFP, the actual opening balances to be transferred to TPCODL shall be as of the Effective Date and shall be based on the audited accounts of CESU, within a period of 6 months from date of vesting order i.e. on or before 30.11.2020. Exercising its powers under clause 6 of the Scheme, the Commission issues directions to CESU to undertake a statutory audit to ensure that the audited balance sheet for CESU as of 31.03.2020 and

31.05.2020 be made available and be submitted to the Commission on or before 30.09.2020 and 30.11.2020 respectively.

- (d) The cost incurred for such statutory audit shall form part of the Transaction Process Costs specified in para 16 of this order.
- (e) It is to be noted that all the account balances and information related to CESU finances specified in this order are based on provisional accounts of CESU as of 31.03.2020. This is for indicative purposes only. The actual opening balance sheet of TPCODL shall be as of 01.06.2020 which will be prepared from the audited balances of CESU as of 31.05.2020. The audited balances of CESU as of 31.03.2020 and 31.05.2020 shall be determined only after the statutory audit is completed on or before 30.09.2020 and 30.11.2020 respectively. For determination of Additional Serviceable Liabilities (para 54), investments of the Trusts (para 50(d)), security deposits (para 51(b)) and fixed deposits (para 51(c)), the Commission shall consider the audited balances as of 31.05.2020 based on the statutory audit to be completed on or before 30.11.2020.
- (f) All the accounting books shall transfer from CESU to TPCODL from the Effective Date.

54. Treatment of Additional ServiceableLiabilities

- (a) Section 21 (a) of the Actstates that “the utility shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the utility”
- (b) The indicative opening balance sheet provided in the RFP was prepared in compliance with Section 21 (a) of the Act, which requires that the utility of CESU must be transferred free from any debt, mortgage or similar obligation.
- (c) The Commission, however, notes that certain current assets &liabilities pertaining to employees, consumers, suppliers and statutory payments, etc.which were not indicated in the opening balance sheet provided in RFP,

must be passed on to TPCODL since CESU will not have any revenue to fund the liabilities. The Commission, therefore, decides that in the interest of the employees, consumers, suppliers of CESU and to ensure that the continuing operation of the utility is not adversely impacted, certain current assets & liabilities shall be passed on to TPCODL.

- (d) Such additional current assets and current liabilities transferred to TPCODL over and above those provided in RFP are given in table below:

Table 11 : Details of Additional Serviceable Liabilities

Liabilities	Description
Grants received / Adjustment	It is not a liability to be paid in future but required to balance the opening balance sheet
Long-term provisions	Payables towards CESCO Employees Provident Fund Trust
Short-term borrowings	Secured overdraft from bank
Other Liabilities	Sundry liabilities relating to TDS, CST, VAT and other dues for last month and amount payable to agencies
Electricity Duty Payable	Liability related to Electricity Duty received from consumers but not remitted for the last month
Interest Payable on Security Deposit	Interest accrued on security deposits but not paid
Short-term provisions	Last month employee expense and running contractor bills (excl. rolling and unreconciled amounts)
Payable to Franchisees	Amount payable to franchisees operating in the CESU area
Liabilities Total (A)	
Assets	
Other non-Current assets	Interest accrued on FDR and claims for loss/damaged materials
Receivable from franchisees	All the receivable from franchisees
Current Accounts	All the current account balances with banks
Short-term loan and Advance	All the loans and advances to Staff
Other Current assets	Advance to suppliers and prepaid expenses
Assets Total (B)	
Additional Serviceable Liabilities (A) - (B)	

- (e) The Commission further states that the shortfall, if any, in meeting the current liabilities after using the proceeds of the current assets (the “**Additional Serviceable Liabilities**”), transferred to TPCODL, shall be dealt within the following manner, so that TPCODL is not adversely impacted:
- i. The final amount of Additional Serviceable Liabilities shall be determined when the audited financial statements as on 31.05.2020 are made available on or before 30.11.2020.
 - ii. Within 1 month from date mentioned in point i above, TPCODL shall file a petition claiming the Additional Serviceable Liabilities based on such financial statements required to be serviced.
 - iii. From the Effective Date, TPCODL shall be responsible to receive / pay amounts pertaining to assets and liabilities transferred to TPCODL as Additional Serviceable Liabilities.
 - iv. To fund the Additional Serviceable Liabilities, TPCODL shall be allowed to avail of a separate appropriate financial instrument including but not limited to short-term loan / overdraft facility.
 - v. For the limited purpose of securing finance to fund the Additional Serviceable Liabilities, the Commission shall also allow the fixed deposits transferred to TPCODL to be pledged with the banks. Provided that the amount of fixed deposits pledged shall, at any time, not exceed Rs. 304.67 crores (Indian Rupees Three hundred four crore and sixty-seven lac only) which is the principal amount of fixed deposits pledged as of 31.05.2020. The amount of fixed deposits pledged must be gradually reduced over a period of time.
 - vi. The financing cost of appropriate financial instruments shall be dealt with in the manner as specified in point vii and viii till the time such financial instrument is discharged in full.

- vii. Interest payable on appropriate financial instruments shall be allowed in Aggregate Revenue Requirement by the Commission, subject to prudence check.
- viii. Principal repayments of such financial instruments shall be allowed by Commission to be made from the following amounts in the same order:
 - a. Excess recovery net of payments to be made to GRIDCO/ Transmission Charges/SLDC Charges in first month of operation
 - b. Recovery of past arrears by TPCODL after deducting incentives as specified in para 46 of this order
 - c. Annual Depreciation on assets as on 31.03.2020 (existing assets recognized in Tariff Order) allowed in Aggregate Revenue Requirement.
- ix. In case above amounts falls short to fund principal repayments of appropriate financial instrument, the shortfall shall be considered by the Commission in Aggregate Revenue Requirement in the same year or over a period as the Commission may decide, subject to prudence check
- x. TPCODL shall maintain separate account for receipt/payment of amounts pertaining to Additional Serviceable Liabilities and the receipts as allowed in point viii above.
- xi. TPCODL shall submit annual reconciliation statements to the Commission relating to the receipts / payments with respect to Additional Serviceable Liabilities transferred to TPCODL, till such liabilities are liquidated in full.
- xii. Any write-off or write-on of Additional Serviceable Liabilities or assets has to be done with prior permission of the Commission.

- (f) At any point of time if any additional liability of the period prior to the Effective Date accrues to TPCODL irrespective of whether it is reflected in the audited financial statements available on or before 30.11.2020, the same shall also be dealt with in the manner provided herein subject to prudence check by the Commission.

55. Operation and Maintenance Expenses

- (a) The O&M expenses comprise of three components as given below:

- i. Salaries, wages, pension contribution and other employee costs
- ii. Administrative and General (A&G) expenses
- iii. Repair and Maintenance (R&M) expenses

- (b) **Salaries, wages, pension contribution and other employee costs**

For the first year of operations, TPCODL shall within 45 days of the Effective Date, submit a detailed management structure and staff deployment plan including implementation timelines, key activities and an estimate of expenses that may be incurred by TPCODL in the first year of operations. Along with estimate of expenses, TPCODL shall provide detailed justification for any deviation from the expenses approved by the Commission in the Aggregate Revenue Requirement of CESU for the current year. The Commission shall undertake a prudence check of the plan submitted by TPCODL before approving the same. TPCODL shall make expenses in-line with the approved expenses and the actual expenses allowed shall be determined at the time of true-up based on prudence check as per the Tariff Regulations.

- (c) **Administrative & General (A&G) expenses**

For the first year of operations, TPCODL shall within 45 days of the Effective Date, submit an estimate of A&G expenses that may be incurred by TPCODL in the first year of operations. Along with estimate of expenses, TPCODL shall provide detailed justification for any deviation from the A&G expenses

approved by the Commission in the Aggregate Revenue Requirement of CESU for the current year. The Commission shall undertake a prudence check on the submission made by TPCODL before approving the same. TPCODL shall make expenses in-line with the approved expenses and the actual expenses allowed shall be determined at the time of true-up based on prudence check as per the Tariff Regulations. The Commission may while approving A&G expenses allow cost incurred for special measures to be undertaken by TPCODL towards reduction of AT&C losses, improving collection efficiency and other areas of intervention proposed by TPCL for meeting its Bid commitments. Provided the Commission will undertake a prudence check before allowing such expenditure.

(d) **Repair and Maintenance (R&M) expenses**

For the first year of operations, TPCODL shall within 45 days of the Effective Date, submit a detailed R&M plan including implementation timelines, key activities and an estimate of R&M expenses that may be incurred by TPCODL in the first year of operations. Along with estimate of R&M expenses, TPCODL shall provide detailed justification for any deviation from the R&M expenses approved by the Commission in the Aggregate Revenue Requirement of CESU for the current year. The Commission shall undertake a prudence check of the plan submitted by TPCODL before approving the same. TPCODL shall make expenses in-line with the approved expenses and the actual expenses allowed shall be determined at the time of true-up based on prudence check as per the Tariff Regulations. The Commission may while approving R&M expenses allow cost incurred for special measures to be undertaken by TPCODL for loss reduction, energy audit, consumer indexing and other areas of intervention proposed by TPCL for meeting its Bid commitments. Provided the Commission will undertake a prudence check before allowing such expenditure. With regards to R&M expenses, the Commission shall allow in the Aggregate Revenue Requirement, R&M expenses incurred on the existing assets transferred to TPCODL as well as

assets created out of grants which are not reflected in the books of CESU subject to prudence check by the Commission, as per existing practice.

- (e) For the subsequent years, TPCODL shall include the estimated expense for each component of O&M expense in the Aggregate Revenue Requirement petition submitted to the Commission as per the Tariff Regulations. The Commission shall undertake a prudence check of the submission made by TPCODL before allowing the expenditure in the Aggregate Revenue Requirement. Provided that the actual expense allowed shall be subject to true-up as per the Tariff Regulations.

56. Return on equity:

As per the terms of RFP, the Commission shall allow return on equity, as per the Tariff Regulations, to TPCODL on the equity capital of Rs. 300 crore (Indian Rupees Three hundred crore only) which was the reserve price of the utility of CESU specified in the RFP.

57. Treatment of existing DF agreements:

As per the RFP, the rights and obligations of CESU under the respective franchisee agreements as on the Effective Date, if any, will be transferred to TPCODL.

58. Performance Review vis-à-vis commitments provided in the Bid:

- (a) As part of the RFP, the bidders were required to submit a business plan for the first 5 years of operations covering the following aspects to achieve successful turnaround of utility of CESU
 - i. AT&C Loss Reduction
 - ii. Capex and Financing Plan
 - iii. Plan for recovery of Past Arrears
 - iv. Human Resource Plan
 - v. Customer Service

vi. Additional Commitments – CSR, Customer Engagement etc.

Accordingly, TPCL in its Bid has made commitments on all the above aspects.

- (b) The Commission shall review the performance of TPCODL vis-à-vis its commitments every year for the first 5 years of operations at the time of filing of Aggregate Revenue Requirement petition by TPCODL. The commitments related to capital expenditure, AT&C Loss reduction and recovery of past arrears shall be dealt with in a manner as provided in paras 42, 43 and 46 of this order respectively.
- (c) TPCODL shall be required to furnish required information in this regard for each completed year in the Aggregate Revenue Requirement petition filed in subsequent year.
- (d) The Commission while evaluating the performance of TPCODL for reduction in Performance Guarantee amount at the end of 5th year as per para 38 of this order shall, inter alia, take into consideration the performance of TPCODL vis-à-vis its commitments in the Bid.
- (e) The Commission shall also continue to undertake a quarterly performance review of TPCODL as per the prevalent practice followed for all the retail supply licensees in the State. TPCODL shall comply with the directions of the Commission in this regard.

59. Terms of revocation of license:

- (a) In addition to the provisions related to revocation of license u/s 19 of the Act and the license conditions applicable to TPCODL, the Commission may revoke the license of TPCODL under the following conditions as specified in the RFP:
 - i. Change in legal standing of TPCODL by way of merger/acquisition/sale/divestment/demerger unless duly approved by the Commission
 - ii. Any alteration in equity shareholding, as specified in para 28, of TPCODL without the explicit and prior written approval of the Commission

- iii. Failure to make payment of Bulk Supply Price, transmission charges and SLDC charges in terms of the Bulk Supply Agreement and the Bulk Power Transmission and SLDC Agreement

TRANSFER OF LICENSE

60. As per Section 21(b) of the Act, the rights, powers, authorities, duties and obligations of the CESU under its license dated 27.10.2006 issued by the Commission shall stand transferred to TPCODL upon completion of sale
61. TPCODL shall be the licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles of Bhubaneswar, Cuttack, Paradeep, and Dhenkanal in the state of Odisha for a period of 25 years from 01.06.2020 unless the LoI is cancelled or this order is withdrawn pursuant to para 34 of this order.
62. Under Section 16 of the Act, the Commission has powers to lay down the license conditions of TPCODL. To incorporate the terms of the sale process and commitments made by TPCL in its Bid, the Commission shall through a separate order, amend the license conditions applicable to TPCODL.
63. The order amending license conditions shall be issued within 90 days of this order. Till the time amended license is granted, the provisions of this order and the rights, powers, authorities, duties and obligations specified in the license issued to CESU as stated in para 5 of this order, shall apply to TPCODL.

RELAXATION OF CONDITIONS RELATED TO PROFIT SHARING

64. As per the RFP, the gains accruing to TPCODL on account of better performance in reducing AT&C loss and incentive on past arrear recovery shall be allowed to be retained in full upto FY 2030 by TPCODL. This would be over and above the return on its equity allowed by the Commission as part of Tariff Regulations and shall not be adjusted as other income or in any way appropriated through any true up process or future Aggregate Revenue Requirement process.

65. The above RFP provision is not in conformity with clause 7.66 of Tariff Regulations which provides for sharing of profits on account of improved performance.
66. In the RFP, the incentive to retain all gains for better performance was balanced through a penalty in the form of encashment of Performance Guarantee, in case of under-performance. This incentive-penalty mechanism was envisaged part of the RFP to encourage private sector participation with an objective to achieve successful turnaround of CESU.
67. For the reason mentioned above, the Commission, exercising the Power to Relax under clause 9.4 of the Tariff Regulations, hereby relaxes the application of clause 7.66 of Tariff Regulations to TPCODL upto FY 2030.

RELAXATION OF CONDITIONS RELATED TO RETURN ON EQUITY

68. As provided in para 56 of this order, the Commission shall allow to TPCODL return on equity, as per the regulations, on the equity capital of Rs. 300 crore (Indian Rupee Three hundred crore only) which was the reserve price of the utility of CESU specified in the RFP.
69. The above provision of the RFP is not in conformity with clause 7.51 of the Tariff Regulations
70. In the RFP, a return on equity on the reserve price of Rs. 300 crores (Indian Rupee Three hundred crore only) is assured in order to encourage investor participation by providing certainty on returns.
71. For the reason mentioned above, the Commission, exercising the Power to Relax under clause 9.4 of the Tariff Regulations, hereby relaxes the application of clause 7.51 of the Tariff Regulations to TPCODL.

TREATMENT OF EQUITY INVESTMENT FROM GRIDCO FOR FUTURE CAPITAL INVESTMENT

72. Pursuant to GRIDCO's submission as provided in para 28(i) of this order, the Commission orders that the assets transferred to TPCODL 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. The Commission, exercising powers conferred to it u/s 86(2) of the Act, advises the State Government to consider providing a one-time approval on transfer of its assets to TPCODL through GRIDCO in lieu of equity investment from GRIDCO as and when such transfer is necessitated.

CESU SCHEME

73. With the vesting of utility of CESU to TPCODL, a part of assets and liabilities of CESU shall get transferred to TPCODL whereas remaining assets and liabilities shall remain in the balance sheet of CESU. To manage the residual assets and liabilities of CESU post vesting of utility to TPCODL, the Scheme under which CESU is operating shall continue till further order of the Commission in this regard.
74. Till further orders of the Commission, GRIDCO shall on part time basis, depute one GM level personnel, one DGM level personnel, provide required staff and infrastructure to manage the residual assets and liabilities of CESU.

RIGHT TO USE THE LAND INSTEAD OF TRANSFER

75. TPCL in its response to the suo-moto petition has highlighted that although all the assets of CESCO have been vested with CESU in accordance with clause 3(1) of the CESU Scheme but all the formalities of legal transfer of freehold and leasehold land, buildings and other immovable assets transferred to CESCO/ CESU by GRIDCO in terms of Orissa Electricity Reform (Transfer of Assets, Liabilities, Proceedings and Personnel of GRIDCO to Distribution Companies) Rules, 1998 are still pending. In view of this, TPCL and GRIDCO have requested the Commission to allow TPCODL the right to use the land

at nominal rate (at a license fee of Re 1/ year) for the distribution business instead of transfer of land and land rights.

76. The Commission has taken note of the above submission and hereby allows TPCODL the right to use the land at nominal rate (at a license fee of Re 1/ year) for the distribution business instead of transfer of land and land rights. TPCODL, TPCL and GRIDCO shall procure necessary approvals and undertake necessary steps for implementation of this order.

MEASURES TO ADDRESS THE IMPACT OF COVID-19

77. The Commission is cognizant that due to COVID-19 lockdown, the collections of TPCODL may be impacted in the coming months. TPCL expects that collection may remain below-normal for the next 3 months and hence TPCODL might face challenges in meeting operating expenses such as employee salaries, power purchase cost, transmission charges, O&M expenses and vendor payments for 3-months. Any shortfall in payments to be made to GRIDCO may lead to levy of late payment surcharge. To address the liquidity issue due to impact of COVID-19 in the coming months, the Commission shall follow a redressal mechanism as described below:

- a. TPCODL may avail of a working capital facility at competitive rates to meet the shortfall between collection and operating expenses for first 3 months from the Effective Date when the collections are expected to be lower than normal. However, such working capital loan shall be liquidated with interest within the next 3 months. TPCL shall be responsible to arrange for such a facility. The interest expense for such working capital facility shall be allowed by the Commission as part of the true-up of FY 21 based on prudence check. In case of extended impact of COVID-19, the Commission may consider extending the period of such working capital loan subject to prudence check.
- b. At the end of FY 21, TPCODL shall provide the Commission with detailed information on the quantum of working capital facility availed specifically to tackle the liquidity crunch caused due to COVID-19. The Commission shall undertake a prudence check on the quantum of working capital loan availed and interest expense claimed taking into

consideration, inter alia, the following points:

- I. Reliefs provided by GRIDCO and OPTCL towards power purchase cost and transmission charges
 - II. Collection shortfall and consequent liquidity crunch faced by other licensees in the State on account of COVID-19
 - III. Collection efficiency of previous year i.e. FY 20
 - IV. Whether loan has been availed at competitive rates
- c. After prudence check, the Commission shall allow interest on such working capital facility as part of the ARR.

COMMISSION'S OBSERVATIONS ON INTERVENOR - RESPONDENTS SUBMISSIONS

78. Now, we deal with the points raised by the intervenor i.e. Odisha Power Employees Union and Seven others.

It is clearly mentioned in para (G) of LoI that “As per clause 2.4.5 of RFP, all existing staff of CESU as on the date on which CESU would be vested in the Deemed Licensee pursuant to the Vesting Order of the OERC would form a part of the Deemed Licensee and shall be governed by the terms of their appointment.” In addition to that, we have dealt with this matter extensively at Para 49 and 50 of this vesting order. Regarding the service conditions of the transferred employees of CESU to TPCODL we have dealt with this matter at Para 49 of this order which states that the terms and conditions of employment of these employees in TPCODL shall not be made inferior to their existing service conditions in any manner. We have dealt with the matter of Pension Trust, PF Trust, Gratuity Trust and Leave Encashment Salary suitably in paras 49 and 50 of this vesting order. The present mechanism of funding of different trusts shall continue under TPCODL towards employees liabilities. The Commission shall continue to allow as part of Annual Revenue Requirement the actual cash outgo for TPCODL for every year on account of pension, gratuity, leave encashment, rehabilitation liabilities and employer

share of PF contribution as per Para 50 of this order. As per Section 21 (a) of the Act the Utility shall vest in the intending purchaser free from any debt, mortgage and similar obligations. As per the transaction agreed upon by the Parties the purchase consideration paid by TPCL shall be adjusted against the power purchase dues of GRIDCO pursuant to first proviso to Section 21 (a) of the Act. On the matter of setting the reserve price of the Utility of CESU, it is observed that the reserve price of Rs.300 crores was determined by considering the net present value of the future cash flows. It may be noted that high reserve price will result into increased tariff burden on consumers due to return on equity allowed on the reserve price. Further, the depreciation on the existing fixed assets transferred to the TPCODL can be utilized only for limited purposes as stated in Clause 47 (a)(i) of this order. It cannot be utilized by the TPCL for any other purpose. It is also stated in Clause 47 (a)(ii) that TPCODL shall maintain a separate account for such depreciation. TPCODL will only be entitled for return on equity on the reserve price of Rs.300 crore. Moreover, some assets created by out of capital investment made by the State Government are not transferred to TPCODL.

OTHER ORDERS OF THE COMMISSION

79. Without the prior approval of the Commission, TPCODL shall not create any charge over any of the assets of TPCODL including but not limited to receivables of TPCODL.
80. In case of any conflict between this order and the provisions of RFP or RFP Documents namely Share Acquisition Agreement, Shareholders Agreement, Bulk Supply Agreement and Bulk Power Transmission and SLDC Agreement, the decision of the Commission shall be final.
81. The Commission shall not allow recovery or true up of costs owing to tax implications or any other costs arising out of this transaction in any manner except stamp duty on transfer of asset. The Commission directs TPCL and GRIDCO to ensure that necessary steps be taken while executing the transaction so as to not burden the consumers due to taxes and duties arising out of this transaction.

82. The terms of this vesting order shall be final and binding on the parties. The parties shall not be allowed to make any further submissions with regard to the matters dealt with in this vesting order.
83. The Suo-motu petition is disposed of.

(S K Parhi)
MEMBER

(U. N. Behera)
CHAIRMAN

ANNEXURE – 1: Note on Principles of transfer of assets and liabilities of CESU to TPCODL

Particulars	Amount transferred to TPCODL	Amount remaining with CESU	Note No.
<u>I. EQUITY AND LIABILITIES</u>			
Equity Share Capital	300.00	-	1
1. Capital Funds:			
(a) Capital Funds	-	FULL	
(b) Reserve and Surplus			
<i>Reserve for Contingencies</i>	-	FULL	
<i>Consumers' Contribution under ESA</i>	FULL	-	2
<i>Grants received/Adjustment</i>	PARTIAL	PARTIAL	3
<i>Staff Welfare Fund</i>	-	FULL	
<i>Material Cost Variance Reserve</i>	-	FULL	
<i>Profit/(Loss) for the year</i>	-	FULL	
<i>Profit/(Loss) B/F from previous year</i>	-	FULL	
<i>Written back of excess provision for depreciation</i>	FULL	-	4
2. Non-current liabilities			
(a) Long term borrowings	-	FULL	
(b) Deferred tax liabilities (Net)	-	FULL	
(c) Other Long-term liabilities	FULL		5
(d) Long-term provisions			
<i>P.F. Trust</i>	FULL	-	6
<i>Pension trust</i>	-	FULL	
<i>Gratuity Trust</i>	-	FULL	
<i>Leave Encashment</i>	-	FULL	
3. Current liabilities			
(a) Short-term borrowings	FULL	-	7
(b) Trade payables		FULL OR PARTIAL	8
(c) Other Current Liabilities			
<i>Sundry Creditors</i>	FULL	-	9
<i>Other Liabilities</i>	FULL	-	10
<i>Electricity Duty Payable (Subject to realization from consumer)</i>	-	FULL	
<i>Electricity Duty Payable</i>	FULL	-	11
<i>Interest Payable on Security Deposit</i>	FULL	-	12
(d) Short Term Provisions			

			Note No.
<i>Short-term provisions</i>	PARTIAL	PARTIAL	13
<i>Payable to Franchisees</i>	FULL	-	14
Total			
II. Assets			
Non – Current Assets			
1. (a) Fixed Assets			
(i) Property, Plant and Equipment	FULL	-	15
(ii) Intangible assets	FULL		16
(iii) Capital Work-in-Progress	FULL	-	17
(b) Non-current investments	-	FULL	
(c) Deferred tax assets (Net)	-	FULL	
(d) Long term loans and advances	-	FULL	
(e) Other non-Current assets	PARTIAL	PARTIAL	18
Receivable from franchisees	FULL	-	19
2. Current Assets			
(a) Current investments	-	FULL	
(b) Inventory	FULL	-	20
(c) Trade receivables	-	FULL	
(d) Cash and Bank Balance	FULL	-	21
(e) Short-term loan and Advance	FULL	-	22
(f) Other Current assets	FULL	-	23
Total:			

Principles of segregation of balance sheet:

1. Equity Share Capital:

Equity share capital of TPCODL shall be maintained at reserve price of Rs. 300 Crores as per RFP.

2. Consumers' Contribution under ESA:

Since consumer contribution received under Electricity Supply Act, 1948 relates to assets to be transferred to TPCODL, same shall be transferred to TPCODL

3. Grants received/Adjustment:

Grant received/adjustment may be transferred to TPCODL to the extent required to match balance sheet of TPCODL.

4. Written back of excess provision for depreciation:

Since this relates to fixed assets transferred, the same shall be transferred to TPCODL

5. Other long-term liabilities:

Security deposit from consumers, deposits from suppliers/contractors and deposit for electrification, service connection shall be transferred to TPCODL

6. P.F. Trust:

Payables towards CESCO Employees Provident Fund Trust shall be transferred to TPCODL

7. Short-term borrowings:

Secured overdraft from bank along with FDs pledged to Banks, shall be transferred to TPCODL. Provided that the amount of fixed deposits pledged shall, at any time, not exceed Rs. 457.08 which is the amount of fixed deposits pledged as of 31.03.2019. The amount of fixed deposits pledged must be gradually reduced over a period of time.

8. Trade Payables:

This shall remain with CESU except any amount required to be converted into equity capital as part of transaction structure shall be transferred to TPCODL

9. Sundry Creditors:

Sundry Creditors shall be transferred to TPCODL.

10. Other Liabilities:

Current liabilities including TDS, CST, VAT, Entry Tax payable, inspection fees payable, etc. shall be transferred to TPCODL

11. Electricity Duty Payable:

Current liabilities relating to Electricity duty collected but not remitted, shall be transferred to TPCODL

12. Interest Payable on Security Deposit:

Interest payable on security deposits shall be transferred to TPCODL since corresponding deposits are transferred to TPCODL

13. Short term provisions:

Current liabilities towards last month salaries and provisions for suppliers/ contractor's bill shall only be transferred to TPCODL, rest shall remain with CESU.

14. Payable to Franchisees:

Payables to DFs shall be transferred to TPCODL

15. Property, Plant and Equipment:

All the property, plant and equipment shall be transferred to TPCODL since the utility of CESU shall be transferred to TPCODL

16. Intangible assets:

All the intangible assets shall be transferred to TPCODL, since the utility of CESU shall be transferred to TPCODL

17. Capital Work-in-Progress:

This shall also be transferred along with all other Property, Plant and Equipment to TPCODL

18. Other non-Current assets:

Only the income accrued and due and Other claims (for loss/damage materials) shall be transferred to TPCODL and rest shall remain with CESU

19. Receivable from Franchisees:

Receivables from franchisees shall be transferred to TPCODL

20. Inventory:

Inventories shall be transferred to TPCODL

21. Cash and Bank Balance:

Cash and bank balance shall be transferred to TPCODL

22. Short-term loan and Advance:

Short term loans and advances includes loans and advances given to CESU employees. Since all the CESU employees are transferred to TPCODL, the corresponding loans shall also be transferred to TPCODL

23. Other Current assets:

Other current assets include advance to suppliers and prepaid expenses; it shall be transferred to TPCODL

**Annexure 2 - Opening Balance Sheet (provisional) of Operating Company as at
01.04.2020 based on provisional financial statements as at 31.03.2020**

Particulars	INR Crores
Equity and Liabilities	
Equity share capital	300.00
Consumers' Contribution under ESA	1401.09
Grants received/Adjustment	502.20
Security deposits	715.51
Deposits from Suppliers/Contractors	70.84
Deposits for service connection	338.68
Long-term provisions - P.F. Trust	47.29
Short-term borrowings	243.13
Sundry Creditors	143.91
Other Liabilities	0.60
Electricity Duty Payable	8.70
Interest Payable on Security Deposit	29.73
Short-term provisions	85.40
Payable to Franchisees	71.90
Total	3959.00
Assets	
Property, Plant and Equipments	
GFA	3091.90
Depreciation	1393.62
Intangible assets	
Capital Work-in-Progress	545.68
Other non-Current assets	27.05
Receivable from franchisees	75.80
Inventory	213.79
Cash and cheques in Hand	31.52
Current Accounts	634.83
Fixed Deposit with Bank	684.47
Short-term loan and Advance	8.76
Other Current assets	38.83
Total:	3959.00

NOTE: The amounts indicated herein shall be updated as of the Effective Date i.e. 01.06.2020 as per the audited balances which shall be available on or before 30.11.2020. The audited values shall be considered as the final values for all purposes.

ANNEXURE 3: Depreciation Schedule

Sl.	Asset Particulars	Depreciation Rate (Salvage Value = 10%)
A.	Land under full ownership	0%
B.	Land under lease	
i.	for investment in the land	3.34%
ii.	For cost of clearing the site	3.34%
C.	Assets purchased new	
a	Building & Civil Engineering works of	
i.	Offices and showrooms	3.34%
ii.	Temporary erections such as wooden structures	100.00%
iii.	Roads other than Kutcha roads	3.34%
iv.	Others	3.34%
b	Transformers, Kiosk, sub-station equipment & other fixed apparatus (including plant foundation)	
i.	Transformers including foundations having rating of 100 KVA and over	5.28%
ii.	Others	5.28%
c	Switchgear including cable connections	5.28%
d	Lightning arrestor	
i.	Station type	5.28%
ii.	Pole type	5.28%
iii.	Synchronous condenser	5.28%
e	Batteries	
i.	Underground cable including joint boxes and disconnected boxes	5.28%
ii.	Cable duct system	5.28%
F	Overhead lines including cable support	
i.	Lines on fabricated steel operating at terminal voltages higher than 66 KV	5.28%
ii.	Lines on steel supports operating at terminal voltages higher than 13.2 KV but not exceeding 66 KV	5.28%
iii.	Lines on steel on reinforced concrete support	5.28%
iv.	Lines on treated wood support	5.28%
G	Meters	5.28%
H	Self-propelled vehicles	9.50%
I	Air Conditioning Plants	
i.	Static	5.28%
ii.	Portable	9.50%
J i.	Office furniture and furnishing	6.33%
ii.	Office equipment	6.33%
iii.	Internal wiring including fittings and apparatus	6.33%

iv.	Street Light fittings	5.28%
K	Apparatus let on hire	
i.	Other than motors	9.50%
ii.	Motors	6.33%
L	Communication equipment	
i.	Radio and high frequency carrier system	6.33%
ii.	Telephone lines and telephones	6.33%
M	I.T. equipment	15.00%
N	Assets purchased second hand and assets not otherwise provided for in the Schedule	5.28%

**ANNEXURE 4: LIST OF PPA – EXISTING AND UPCOMING POWER PROJECTS
HAVING ODISHA SHARE**



GRIDCO LIMITED

REGD. OFFICE: JANPATH, BHUBANESWAR – 751022

PHONE: 254 1127, FAX: 0674-254 3452

CN: L40109OR19955GCD00960

No.: DC – 202/2014/

998(3)

Date: 03.03.2020

To,

The Secretary, OERC
Plot No.-4, Shailashree Vihar, Chandrasekharpur
Bhubaneswar-751023

Sub: Information on PPAs with the existing and up-coming projects having Odisha shares

Sir,

As discussed kindly find enclosed herewith the information on PPAs executed with different power projects, having Odisha shares for your information and necessary action.

Yours faithfully,

Sonayah
03/03/2020
Chief General Manager, PP

C.C.:

EA to Director (F&CA), GRIDCO, Bhubaneswar for kind information of Director (F&CA)
EA to CMD, GRIDCO, Bhubaneswar for kind information of CMD

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)		IPP				
	1	M/s. Vedanta Ltd., Jharsuguda	2400 (4x600)	600 MW Units 1, 3 & 4 converted to CGP Units w.e.f. 01.04.2015	# 1: 02-03-2011 # 2: 10-08-2010 # 3: 21-07-2011 #4: 26-03-2012	Consolidated PPA: 19-12-2012 Term of PPA: 25 years & can be extended mutually Further revised PPA is to be signed
	2	M/s. GMR Kamalanga Energy Ltd., Bengaluru at Kamalanga, Dhenkanal	1400 (4x350)	25% (262.5 MW) at full cost plus power generated beyond 80% PLF at variable cost	# 1, 2 & 3: Already achieved COD # 4: Deferred	Principal PPA: 28-09-2006 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	3	M/s. Jindal India Thermal Power Ltd., New Delhi at Derang, Talcher, Angul	1800 (3x600)	14% (168 MW out of 1200 MW) at variable cost, if Coal Block allocated within the State. Otherwise, JITPL shall supply 12% (144 MW out of 1200 MW) at variable cost.	# 1 & 2: Already achieved COD # 3: Deferred	Principal PPA: 28-09-2006 Revised PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually
	4	M/s. Ind-Barath Energy (Utkal) Ltd., Hyderabad at Sahajbahal, Jharsuguda	1360 (2x350 + 1x660)	14% (49 MW out of 350 MW) at variable cost, if Coal Block allocated within the State. Otherwise, IBEUL shall supply 12% (42 MW out of 350 MW) at variable cost.	# 1: 20.07.2016 # 2: Substantial progress made # 3: Construction yet to start Presently the project has been referred to NCLT and there is no further progress	Principal PPA: 14-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	5	M/s. Lanco Babandh Power Ltd., Hyderabad at Khurunti, Dhenkanal	2640 (2x660 + 2x660)	25% at full cost plus power generated beyond 80% PLF at variable cost	# 1 & 2: Construction activities started # 3 & 4: Commissioning deferred Now there is no further progress	Principal PPA: 28-09-2006 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	6	M/s. Monnet Power Company Ltd., New Delhi at Mallibrahmani & Nisha, Dist. Angul	1050 (2x525)	25% at full cost plus power generated beyond 80% PLF at variable cost	# 1 & 2: Construction activities progressed substantially Now there is no further progress since 6 years Under NCLT.	Principal PPA: 28-09-2006 (MoU signed for 14%/12% power at variable cost) Revised PPA is to be signed Term of PPA: 25 years
	7	M/s. Maa Durga Thermal Power Company Ltd., Bhubaneswar at Tangi, Cuttack	120 (2x30 + 1x60)	14% (8.4 MW out of 2x30 MW) at variable cost, if Coal Block allocated within the State. Otherwise, MTPCL shall supply 12% (7.2 MW out of	Construction activities for 2x30 MW completed. Expected to be commissioned in September, 2020	PPA: 31-12-2010 Term of PPA: 25 years & can be extended mutually

Sanjay
01/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
	8	M/s. KVK Nilachal Power Pvt. Ltd., Hyderabad at Athagarh, Cottack	1050 (3x350)	25% at full cost plus power generated beyond 80% PLF at variable cost	Under NCLT and under liquidation process	PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually

Srinayak
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)	9	M/s. NSL Nagapatnam Power & Infratech Pvt. Ltd., Hyderabad [Formerly M/s. Mahanadhi Aban Power Company Ltd., Chennai] at Talcher, Angul	1320 (2x660)	14% (184.8 MW out of 1320 MW) at variable cost, if Coal Block allocated within the State. Otherwise, NNPIPL shall supply 12% (158.4 MW out of 1320 MW) at variable cost.	Construction activities yet to begin Under NCLT since 18.01.2018 Project activities will be resumed in the month of mid of 2020	Principal PPA: 28-09-2006 Amended PPA: 10-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	10	M/s. TATA Power Company Ltd., Mumbai at Begunia, Khurda	1000	25% at full cost plus power generated beyond 80% PLF at variable cost	Proposed for withdrawing from the proposal	PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	11	M/s. Brahmani Thermal Power Pvt. Ltd., Hyderabad [formerly M/s. Navabharat Power Pvt. Ltd.] at Meramundali, Dhenkanal	2250 (2x525 + 2x600)	25% (562.5 MW out of 2250 MW) at full cost plus power generated beyond 80% PLF at variable cost	Construction activities yet to start	PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	12	M/s. Bhusan Energy (P) Ltd., New Delhi at Nuahat, Angul	2000	25% (500 MW out of 2000 MW) at full cost plus power generated beyond 80% PLF at variable cost	Construction activities yet to begin	PPA: 28-09-2006 Term of PPA: 25 years & can be extended mutually
	13	M/s. Visa Power Ltd., Kolkata at Brahmanabasta, Athagarh, Cuttack	1320 (2x660)	25% (184.8 MW out of 1320 MW) at full cost plus 7% at variable cost, if Coal Block allocated within the State. Otherwise, VPL shall supply 5% at variable cost	Construction activities yet to begin	Principal PPA: 28-09-2006 Amended PPA: 14-09-2009 Revised PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	14	M/s. Astaranga Power Company Ltd., Bhubaneswar at Astaranga, Puri	2640 (2x660 + 2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, APCL shall supply 12% (158.4 MW out of 1320 MW) at variable cost.	Construction activities yet to begin	PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	15	M/s. Aarti Steels Ltd., Ludhiana, Punjab at Ghantikhal, Cuttack	500 (50 + 450)	14% at variable cost, if Coal Block allocated within the State. Otherwise, ASL shall supply 12% at variable cost.	Proposed for withdrawing from the proposal	PPA: 24-10-2009 Term of PPA: 25 years & can be extended mutually
	16	M/s. Sahara India Power Corporation Ltd., Mumbai at Titilagarh, Bolangir	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, SIPL shall supply 12% at variable cost.	Proposed for setting up of 200 MW solar power project	PPA: 14-09-2009 Term of PPA: 25 years & can be extended mutually

Samayak
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (IPP)	17	M/s. Adhunik Power & Natural Resources Ltd., Kolkata at Biramaharajpur, Sonepur	1320 (2x660)	14% (184.8 MW out of 1320 MW) at variable cost, if Coal Block allocated within the State. Otherwise, APNRL shall supply 12% (158.4 MW out of 1320 MW) at variable cost.	Construction activities yet to begin	PPA: 05-01-2011 Term of PPA: 25 years & can be extended mutually
	18	M/s. JSL Ltd., Hissar, Haryana at Luni, Dhankanal	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, JSL shall supply 12% at variable cost.	Construction activities yet to begin	PPA: 30-12-2010 Term of PPA: 25 years & can be extended mutually
	19	M/s. KU Projects Pvt. Ltd., Hyderabad at Pitamohul, Sonepur	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, KUPPL shall supply 12% at variable cost.	Construction activities yet to begin	PPA: 30-12-2010 Term of PPA: 25 years & can be extended mutually
	20	M/s. SPI Ports Pvt. Ltd., Chennai at Mahakalpada, Kendrapara	1320 (2x660)	14% (184.8 MW out of 1320 MW) at variable cost, if Coal Block allocated within the State. Otherwise, SPIPL shall supply 12% at variable cost.	Construction activities yet to begin	PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	21	M/s. NSL Orissa Power & Infratech Pvt. Ltd., Hyderabad at Handpa, Boinda, Angul	1320 (2x660)	14% at variable cost, if Coal Block allocated within the State. Otherwise, NOPIPL shall supply 12% at variable cost.	Proposed for withdrawing from the proposal	PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	22	M/s. Jindal Power Ltd., Hissar, Haryana at Badakerjang, Angul	1320 (2x660)	14% (184.8 MW out of 1320 MW) at variable cost, if Coal Block allocated within the State. Otherwise, JPL shall supply 12% (158.4 MW out of 1320 MW) at variable cost.	Construction activities yet to begin	PPA not yet executed though MoU signed on 07-02-2009

S. Nayak
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (NTPC & PSU)		NTPC & PSU Plant				
	1	TTPS, NTPC, Talcher Thermal	460 MW (4x60 + 2x110) MW	100%	#1:17.12.1967 #2:28.3.1968 #3:11.7.1968 #4:11.4.1969 #5:24.3.1982 #6:24.3.1983	08.03.1995 Term of PPA-25 Years & can be extended mutually
	2	Ib Thermal Power Station (OPGC), Stage-I at Banharpalli, Jharsuguda	420 MW (2x210) MW	100%	#1:20.12.1994 #2:01.07.1996	PPA: 13.08.1996 Term of PPA: 30 years & can be extended mutually
	3	Ib TPS, Expansion Project, OPGC at Banharpalli, Jharsuguda (Unit 3 & 4)	1320 (2x660)	50%	# 3: Jul, 2019 # 4: Aug, 2019	PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	4	Farakka STPS, Stage - I & II	1600 (3x200 + 2x500)	14.18%	Unit-I-1.11.1986 Unit-II 01.10.1987 Unit-III 01.09.1988 Unit-IV 01.07.1996 Unit-V 01.04.1995	25.05.1993 Term of PPA-25 Years & can be extended mutually
	5	Farakka STPS, Stage - III	500 (1x500)	17.15%	Unit-I 04.04.2012	27.12.2010 Term of PPA-25 Years & can be extended mutually
	6	Kahalgaon STPS, Stage - I	840 (4x210)	15.77%	Unit-I 01.01.1995 Unit-II-01.04.1995 Unit-III 01.02.1996 Unit-IV 01.08.1996	25.05.1993 Term of PPA-25 Years & can be extended mutually
	7	Kahalgaon STPS, Stage - II	1500 (3x500)	2.62%	Unit-I 01.08.08 Unit-II 30.12.08 Unit-III 20.03.10	11.08.06 Term of PPA-25 Years & can be extended mutually
	8	Talcher STPS, Stage - I	1000 (2x500)	32.34%	Unit-I 01.07.97 Unit-II 01.07.97	25.05.93 Term of PPA-25 Years & can be extended mutually
	9	Talcher STPS, Stage - II	2000 (4x500)	10%	Unit-I 01.08.03 Unit-II 01.03.04 Unit-III 01.11.04 Unit-IV 01.08.05	20.01.07 Term of PPA-25 Years & can be extended mutually

S. Nayak
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
Coal Based Thermal Power Plant (NTPC & PSU)	10	North Karanpura STPS, NTPC at Hazaribad & Chhatra, Bihar	1980 (3x660)	20%	# 1: Mar-2021 # 2: Sept-2021 # 3: Mar-2022	PPA: 11-08-2006 Term of PPA: 25 years & can be extended mutually
	11	Integrated Thermal Power Station, NTPC at Darlipalli, Sundargarh	3200 (4x800)	50%	# 1: 01.03.2020 # 2: Sep-2020 # 3 & 4: Construction activities yet to start	PPA: 27-12-2010 Term of PPA: 25 years & can be extended mutually
	12	NSPCL, Rourkela, JV of NTPC & SAIL at RSP, Rorkela	250 (1x250)	25 MW	Commissioning of the Unit expected in Jun, 2020	PPA: 04-01-2011 Term of PPA: 25 years & can be extended mutually
	13	OTPCL (JV of OMC & OHPC) at Kamaksha Nagar, Dhenkanal	3200 (4x800)	100%	Construction activities yet to start	PPA: 31-12-2010 Term of PPA: 25 years & can be
	14	TTPS Expansion Project, NTPC at Talcher Thermal, Angul	1320 (2x660)	50%	Construction activities yet to start	PPA: 20.01.2007 Term of PPA: 25 years & can be extended mutually
Central Hydro Power Projects	1	Chukha HEP, Bhutan	336 (4x84) (270 MW ER Allocation)	15.19%	1988	21.08.2002 Term of PPA & can be extended mutually
	2	Tala HEP, Bhutan	1020 (6x170)	4.25%	31.07.2006	27.09.2006 Term of PPA: 25 years & can be extended mutually
	3	Teesta-V PS (NHPC)	510 (3x170)	20.59%	10.04.2008	04.04.2008 (Original) 21.02.2017 (Renewal PPA) Term of PPA: 25 years & can be extended mutually
	4	Mangdechhu HEP (NHPC), Bhutan	720 (4x180)	10.97%	16.08.2019	30.08.2019 Term of PPA: 25 years & can be extended mutually

Shreyach
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
State Sector Hydro Power Projects		<u>Hydro Power Stations</u>				
	1	Hirakud	275.5 (2x49.5 + 2x32 + 3x37.5) (Unit 5&6: Under RM&U)	100% - 5 MW for CSEB	# 1: 11.05.1958 # 2: 11.11.1957 # 3: 18.12.1956 # 4: 13.05.1957 # 5: 19.04.1962 # 6: 05.08.1963 # 7: 13.09.1990	PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually
	2	Chiplima	48 (3x24) (Unit 3: Under RM&U)	100%	# 1: 15.07.1962 # 2: 26.11.1962 # 3: 01.02.1964	PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually
	3	Balimela	250 (5x50)	100%	# 1: 14.08.1973 # 2: 25.01.1974 # 3: 24.08.1974 # 4: 26.03.1975 # 5: 07.05.1976 # 6: 05.01.1977 # 7: 23.12.2008 # 8: 23.01.2009	PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually
	4	Rengali	510 (6x60 + 2x75)	100%	# 1: 27.08.1985 # 2: 26.03.1986 # 3: 10.08.1989 # 4: 19.03.1990 # 5: 14.08.1992	PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually
	5	Upper Kolab	320 (4x80)	100%	# 1: 15.03.1988 # 2: 14.04.1988 # 3: 10.02.1990 # 4: 12.01.1993	PPA: 20.11.2009 Term of PPA: 25 years & can be extended mutually
	6	Upper Indravati	600 (4x150)	100%	# 1: 19.09.1999 # 2: 28.12.0999 # 3: 04.10.2000 # 4: 19.04.2001	PPA: 18.08.1998 Term of PPA: 25 years & can be extended mutually

S. Nayak
03/03/20

EXISTING AND UP COMING POWER PROJECTS HAVING ODISHA SHARE						
Nature of Plant	Sl. No.	Name of the Plant	Installed capacity as per PPA (MW)	Share of odisha	COD/Probable date of Completion	Date/Term of PPA
	7	Machhkund	120 (3x17 + 3x23)	50%	# 1: 19.08.1955 # 2: 11.12.1955 # 3: 04.07.1957 # 4: 15.01.1959 # 5: 12.08.1959 # 6: 12.08.1960	26.01.1946 (Original Agreement) 15.12.1978 (Supplementary Agreement) Term of PPA: 25 years & can be extended mutually

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03/03/20

Renewable Energy Projects from which GRIDCO is Procuring Power

IN SIDE THE STATE

A SOLAR						
Sl. No.	Name of the Project	Project Location	Installed/ Contracted Capacity (in MW)	Date of PPA/PSA	Term of PPA/PSA	COD date
1	M/s Rajarajna Energy Holdings Pvt. Ltd.	Vil: Sadeipalli, Dist: Bolangir	1	21.08.2010	25 years from COD Term of PPA: 25 years & can be extended mutually	13.07.2011
2	M/s S.N. Mohanty,	Vil: Patapur, G.P: Kundeipada, Block: Beranga, Dist: Cuttack	1	21.08.2010	- do -	23.08.2011
3	M/s. MGM Green Energy Ltd.	Vil: Patrapada, G.P: Tangi, Block: Tangi, Dist: Khurda	1	21.08.2010	- do -	13.10.2011
4	M/s Molisati Vinimay Pvt. Ltd.,	Vil: Ranja, G.P.: Danara, Block: Barkote, Dist: Deogarh	1	21.08.2010	- do -	22.12.2011
5	M/s Jay Iron and Steel Ltd.	Vil: Haripada, Block: Bamra, Dist: Sambalpur	1	21.08.2010	- do -	11.03.2012
6	M/s Abacus Holdings Pvt. Ltd.,	Vil: Ainlachhat, Chadheipanka, Block: Ulunda, Dist: Sonepur	1	21.08.2010	- do -	13.03.2012
7	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.,	Vil: Tankajoda, Block: Bonai, Dist: Sundergarh	1	21.08.2010	- do -	15.03.2012
8	M/s Vivacity Renewable Energy Pvt. Ltd.	Vil: Benta, G.P.: Tangi, Block: Tangi, Dist: Nayagarh	1	21.08.2010	- do -	16.03.2012
9	M/s Aftaab Solar Pvt. Ltd.	Vil: Sadeipalli, Dist: Bolangir.	5	12.01.2011	- do -	07.02.2012
10	M/s. Alex Green Energy Ltd.	Chingribandh, Patnagarh, Bolangir	5	26.05.2012	- do -	19.08.2014
11	ACME Odisha Solar Power Pvt. Ltd.	Deogaon, Bolangir	25	06.03.2013	- do -	22.06.2015
12	GEDCOL	Manamunda , Boudh, Odisha	20	12.08.2014	- do -	10 MW - 09.03.2016 5 MW - 26.03.2016 5 MW - 06.06.2016
13	M/s Jyoti Solar Solutions Pvt. Ltd.	Ganjahuda, Patnagarh, Bolangir	10	25.10.2016	- do -	04.05.2018
14	M/s Sadipali Solar Pvt. Ltd.	Kahdel & Sindhabhalli, Kesinga, Kalahandi	20	25.10.2016	- do -	14.05.2018
15	M/s Dakshin Odisha Urja Pvt. Ltd.	Ghuchapali, Padampur, Bargarh	40	25.10.2016	- do -	05.09.2018
16	M/s Vento Power & Energy Ltd.	Dendoguda, Kesinga, Kalahandi	40	25.10.2016	- do -	26.09.2018
17	M/s Vento Power Pvt. Ltd.	Kurkhaj, Tusra, Balangir	40	25.10.2016	- do -	18.01.2019
18	M/s Vento Power Infra Pvt. Ltd.	Salepali, Tusra, Balangir	40	25.10.2016	- do -	19.01.2019
19	M/s Vento Energy Infra Pvt. Ltd.	Panaspadar, Tentulikhunti, Nabarangpur	40	25.10.2016	- do -	21.01.2019
20	M/s Vento Power Projects Pvt. Ltd.	Dendoguda, Kesinga, Kalahandi	40	25.10.2016	- do -	21.01.2019
21	GEDCOL	Roof top solar on Govt./PSU buildings and institutes	4	March, 2019	- do -	31.03.2019
Sub Total			337			

Sanjay
03/03/20

Sl. No.	Name of the Project	Project Location	Installed/ Contracted Capacity (in MW)	Date of PPA/PSA	Term of PPA/PSA	COD date
B	SMALL HYDRO ELECTRIC POWER PROJECTS					
22	Meenakshi Power Ltd.	Middle Kolab, Koraput	(2x12.5) = 25	19.12.2008	- do -	14.07.2009
23		Lower Kolab, Malkangiri	(3x4) = 12		- do -	
24	Orissa Power Consortium Ltd. (OPCL)	Samal Barrage, Angul	(4x5) = 20	26.05.2009	- do -	12.10.2009
Sub Total			57			
C	BIO MASS POWER PROJECTS					
25	Shalivahana Green Energy Ltd.	Nimidha, Dhenkanal	(1x20) = 20	30.12.2010	- do -	19.12.2011
Sub Total			20			
TOTAL			414			

OUT SIDE THE STATE

A	SOLAR					
1	Through NVVN Ltd.	Rajasthan	15	12.01.2011	- do -	Aug '13
2	Dadri Solar PV Station (Developed by NTPC)	Dadri, Gaziabad, UP	5	26.04.2011	- do -	30.03.2013
3	Faridabad Solar PV Station (Developed by NTPC)	Faridabad, Haryana	5	26.04.2011	- do -	31.03.2014
4	Through SECI	Gujarat	40	12.08.2014	- do -	20 MW from Mar '15, 20 MW from Sep '15, 20 MW from Jun '16
5	Through SECI	Rajasthan	10	12.08.2014	- do -	June '15
Sub Total			75			
D	WIND					
6	ISTS Connected Wind Power Projects Phase-I (Through PTC INDIA LTD)	M/s OSTRO-KUTCH Wind Power Pvt. Ltd., Gujarat	50	20.07.2017	- do -	30.03.2019
7	ISTS Connected Wind Power Projects Phase-II (Through SECI)	M/s Green Infra Wind Energy Ltd., Kutch, Gujarat	100	24.11.2017	- do -	50.4 MW w.e.f 25.06.2019
Sub Total			150			
Total			225			
GRAND TOTAL			639			

Shreyas
03/03/20