

**Summary of ARR & Transmission
Tariff Filings**

Submitted by

OPTCL

For

FY 2023-24

Summary of OPTCL's ARR & Transmission Tariff filing For FY 2023-24

- 1) In exercise of powers conferred under Sections 39,131,133 and 134 of the Electricity Act, 2003 read with Sections 23 & 24 of the Orissa Electricity Reform Act, 1995, the State Government published the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005 ("Transfer Scheme") in the Gazette dated 09.06.2005 which was effective retrospectively from 01.04.2005 wherein the Transmission Undertaking (the Undertaking related to the activities of Transmission, State Transmission Utility and State Load Dispatch Centre and acts incidental and ancillary thereto) of the Grid Corporation of Odisha Limited (Transferor), (now renamed GRIDCO Ltd.- "GRIDCO") has been transferred and vested in Odisha Power Transmission Corporation Limited ("OPTCL").
- 2) As per Clause 10 of the Transfer Scheme, OPTCL is a deemed Transmission Licensee under Section 14 of the Electricity Act 2003 for undertaking the business to transmit electricity in the State of Odisha. OPTCL has also been notified as the State Transmission Utility and accordingly, shall discharge the State Load dispatch functions from the date of transfer till further orders of the State Government.
- 3) The Commission (hereinafter referred to as 'OERC') has issued License Conditions of OPTCL effective from 01.11.2006 vide order dated 27.10.2006 passed in Case No 22 of 2006 to undertake the activities relating to transmission of electricity in the State of Odisha.
- 4) Consequent upon transfer of Transmission undertaking and related functions to OPTCL as per the Transfer Scheme, all the obligations under Bulk Supply Agreement executed on 24.05.1999 between GRIDCO & WESCO (now Tata Power Western Odisha Distribution Limited -"TPWODL"), GRIDCO & NESCO (now Tata Power Northern Odisha Distribution Limited -"TPNODL") and GRIDCO & SOUTHCO (now Tata Power Southern Odisha Distribution Limited -"TPSODL") and the same was executed on 18.09.1999 between GRIDCO & CESCO (now Tata Power Central Odisha Distribution Limited -"TPCODL"), including all other contracts of GRIDCO with any party other than those four Distribution Licensees, in so far they relate to transmission of electricity and matter connected therewith including the provisions dealing with operating arrangements, connections & metering, rights of access, non-interfering with the equipment etc. is required to be discharged by OPTCL in the same manner as GRIDCO was doing / performing under the said agreements and also as per the Regulations, orders and directions of OERC made from time to time and all such services shall be rendered by OPTCL to GRIDCO. Since, CESU has been vested with TPCODL (Tata Power Central Odisha Distribution Limited) w.e.f. 01.06.2020 by order dated 26.05.2020 of OERC in Case No. 27/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPCODL was executed on 30.07.2020. WESCO has been vested with TPWODL (Tata Power Western Odisha Distribution Limited) w.e.f. 01.01.2021 by order dated 28.12.2020 of OERC in Case No. 82/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPWODL was executed on 29.04.2021. NESCO has been vested with TPNODL (Tata Power Northern Odisha Distribution Limited) w.e.f. 01.04.2021 by

order dated 25.03.2021 of OERC in Case No. 09/2021, Bulk Power Transmission and SLDC Agreement between OPTCL and TPNODL was executed on 27.04.2021. SOUTHCO has been vested with TPSODL (Tata Power Southern Odisha Distribution Limited) w.e.f. 01.01.2021 by order dated 28.12.2020 of OERC in Case No. 83/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPSODL was executed on 29.04.2021.

- 5) As provided under Regulation 53 (1) at Chapter VIII of OERC (Conduct of Business) Regulations, 2004 and under Clause 19.3 of License Conditions of OPTCL, OPTCL is required to submit its Aggregate Revenue Requirement (ARR) application for the ensuing year before OERC for approval by 30th November each year under Regulation 5.2 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. In compliance to the above, OPTCL has submitted its Aggregate Revenue Requirement & Transmission Tariff application for FY 2023-24 for approval of the Commission. Although the applicability of the Transmission Tariff Regulations, 2014 has ceased to continue beyond 31.03.2019, the Commission vide para 186 of the order dated 21.04.2020 (Case No. 72/2019) in exercise of power conferred under Regulation 9.1 of the Transmission Tariff Regulations, 2014 has extended the same until further order. Hence, OPTCL has adopted the principles enunciated in the Transmission Tariff Regulations, 2014 for proposing the different components of ARR for FY 2023-24.

Categorization of Open Access Customers

- 6) All the customers seeking open access to OPTCL Transmission System are classified under three categories:

(a) Long Term Open Access Customers (LTOA Customers)

A Long-term Open Access Customer means the right to use the Intra-State Transmission System for a period of exceeding 12 years but not exceeding 25 years. Based on such premise, four DISCOMs, NALCO, IMFA, ABREL and BEL happen to be the long-term customers of OPTCL.

(b) Medium Term Open Access Customers (MTOA Customers)

Medium Term Open Access means the open access for a period exceeding three (3) months but not exceeding three (3) years.

(c) Short Term Open Access Customers (STOA Customers)

Short Term Open Access means open access for a period up to one (1) month at a time.

Medium-term open access or short-term open access shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution, provided no augmentation shall be carried out transmission system for the sole purpose of granting such open access.

Formulation and Computation of Transmission Cost

- 7) The Commission has framed OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (hereinafter called “OERC Regulations, 2014”) for determination of Intra-State Transmission Tariff which has been published in Extra Ordinary issue of the Odisha Gazette on 04.12.2014. The said Regulations are effective from 04.12.2014 and are to be followed by the Transmission Licensee while formulating its ARR and Transmission Tariff application. This Regulation was valid till 31.03.2020. The Commission in exercise of power conferred under Regulation 9.1 of the OERC Regulations, 2014 had extended same till further orders vide its order dated 21.04.2020 in Case no. 72 of 2019.
- 8) OPTCL has formulated its present ARR & Transmission Tariff application for FY 2023-24 as per the provisions under OERC Regulations, 2014. Regulation 5 of the OERC Regulations, 2014 specifies the Procedure for Tariff Determination and Regulation 8 specifies the Principles for Determination of ARR. As per the Regulation 8.1, the ARR for the Transmission Business for each year shall contain the following items:
- (a) Operation and Maintenance expenses;
 - (b) Interest and Financial Charges;
 - (c) Depreciation;
 - (d) Return on Equity;
 - (e) Income Tax;
 - (f) Less: Deposits from Transmission System Users;
 - (g) Less: Non-Tariff Income
 - (h) Less: Income from Other Business as specified in these Regulations
- 9) The various costs involved for carrying out transmission business by OPTCL for FY 2023-24 while formulating the ARR and Transmission Tariff have been categorized under the following heads:

I. Fixed Cost

- 1) Operation & Maintenance (O & M) Expenses
- 2) Interest and Financial Charges
- 3) Depreciation
- 4) Return on Equity

II. Others:

- 1) Incentive for System Availability

DETAILS OF FIXED COST

O&M Expenses

- 10) As per the Regulation 8.2 of OERC Regulations, 2014, Operation and Maintenance (O&M) expenses shall include:
- (a) Salaries, wages, pension contribution and other employee costs;
 - (b) Administrative and General Expenses;
 - (c) Repairs and Maintenance;
 - (d) Expenses related to auxiliary energy consumption in the sub-station for the purpose of air-

- conditioning, lighting, technical consumption, etc.; and
 (e) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax)

Accordingly, OPTCL proposes O & M Expenses as **Rs.720.51 Cr** for FY 2023-24. Component wise details are under:

Salaries, wages, pension contribution and other employee costs:

11) The Employee Cost includes Salaries, Dearness Allowance, Conveyance Allowance/Reimbursement, HRA, Medical Allowance, Bonus/Ex-gratia etc. The Employee Expenses for FY 2023-24 estimated as **Rs. 508.76 Cr** including Terminal Benefit Liability.

12) The component wise details of Employee Cost are given in Table-1 below.

Table 1: Employee Cost Proposed by OPTCL for FY 2023-24

Particulars	Amount (Rs. Cr.)
Employee cost including Salary, Dearness Allowance etc.	295.51
Terminal Benefit Liability of Employees and Existing Pensioners	226.76
Less: Capitalization	13.51
Total	508.76

Administrative and General (A&G) Expenses

13) OPTCL Proposed that the A&G Expenses include property related expenses, communication, professional charges, conveyance and travelling, SLDC charges, license fee and material related expenses. The A&G Expenses have shown an increasing trend in recent years due to increase in number of establishments (for smooth operation, maintenance and project execution), price rise and inflation and is on the higher side than the amount approved by the Commission. Further it has submitted the comparative charts of its asset addition and number of establishments during FY 2012-13 & FY 2021-22 in the tables 2& 3 are given below:

Table -2: Assets additions:

Year	No. of Grid substations	MVA capacity	Ckt. Kms. of Line
2012-13	101	11554	11386
2021-22	177	24403.50	15707.45

Table 2

Table-3: Number of Establishments:

Year	Subdivisions	Divisions	Circles	Zones	CGMs	Directors
2012-13	190	38	11	0	5	4
2021-22	376	64	16	4	8	4

OPTCL has proposed **Rs. 47.07 Cr.** towards A&G Expenses for FY 2023-24.

Repair and Maintenance (R & M) Expenses

14) OPTCL Stated that, it has 177 nos. Grid Sub-Stations of different voltage classes and 15,707.454 ckt. kms of EHT transmission lines as on 01.04.2022. The details are shown in the Table-4 given below.

Table 4: Sub-station and line details of OPTCL

Sub-Station and Line Details		
400/220/33kV S/S	2	
400/220/132/33kV S/S	3	
220/132/33kV S/S	25	
220/33kV S/S	15	
220/132kV S/S	1	
132kV Sw. Stn.	23	
132/33kV S/S	108	
Total No. of Sub-Stations	177	
Voltage Level	Lines (ckt. km.)	Bays
400kV	1196.872	70
220kV	6499.154	414
132kV	8011.428	1151
33kV		1364
25kV		0
11kV		0
TOTAL	15,707.45	2999

Further, around 9 Nos. and 11 Nos. new grid substations are proposed to be commissioned during the year 2022-23 and 2023-24.

15) OPTCL stated that the R&M works are undertaken in different streams namely O&M, Telecom, Civil Works and Information Technology (IT). Accordingly, it has proposed R&M Expenses of **Rs. 164.34 Cr** for FY 2023-24. The head wise R & M expenses are shown in the Table-5 below:

Table 5: Repairs and Maintenance Expenses for FY 2023-24

Particulars	OERC Approval (FY 2021-22)	OERC Approval (FY 2022-23)	Amounts (Rs. Cr)
(i) O&M	118.61	110.50	140.23
(ii) Telecom			01.80
(iii) Civil Works			16.34
(iv) Information Technology			05.97
Total R & M Expenses			164.34

Other miscellaneous expenses, statutory levies and taxes (except corporate incometax)

16) **Grid Coordination Committee (GCC) Expenses:** Under (GCC) expenses, OPTCL proposes **Rs. 0.35 Cr** towards annual GCC Expenses for FY 2023-24 in line with the Orissa Grid Code (OGC) Regulations, 2006.

Summary of O & M Expenses:

17) Taking into account the proposed expenditure towards manpower (Employee Cost including Terminal Benefit), Repair & Spares (R&M Expenses) towards consumables, insurance and overheads (A&G Expenses), GCC expenses, OPTCL proposes the O&M Expenses as **Rs.720.51 Cr.** The summary of O&M Expenses for FY 2023-24 is shown in the Table-6 below:

Table 3 : Summary of O&M Expenses for FY 2023-24

Particulars	Amount (Rs. Cr.)
(i) Employees Cost including Terminal Benefits	508.76
(ii) A&G Cost	47.07
(iii) R&M Cost	164.34
(iv) Expenses related to auxiliary energy consumption in sub-stations	0.00
(v) Other miscellaneous expenses, statutory levies and taxes (GCC expenses)	0.35
Total O&M Expenses	720.51

Interest and Financial Charges

Interest on Loan

18) OPTCL in its ARR application has proposed Rs.137.59 Cr. as interest on loan capital for FY 2023-24.

The details are given below in table -7.

Table 4

Projection for Interest on loan for FY 2023-24 (Rs. Cr.)

Sl. No.	Particular	Rate of Interest	Principal as on 01.04.23	Loan to be received (FY 23-24)	Loan to be redeemed (FY 23-24)	Interest payment (FY 23-24)	Total Payment (FY 23-24)
1	JICA	5.00%	542.11	-	43.53	21.88	65.41
2	Bank of India	8.35%	18.09	-	6.75	1.23	7.98
3	REC Loan	10.83% (Avg.)	100.67	-	14.38	10.77	25.15
4	Union Bank of India-I	7.25%	432.16	-	46.67	29.64	76.31
5	Union Bank of India-II	7.25%	598.35	-	-	37.94	37.94
6	UCO Bank	6.75%	274.33	150.00	-	25.27	25.27
7	New Loan	6.75%	73.68	87.20	-	10.86	10.86
8	Grand Total		2039.39	237.20	111.33	137.59	248.92

Interest on Working Capital:

19) As per the Regulation 8.26 of OERC Regulations, 2014, the rate of interest for working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1st January of the preceding year for which tariff is determined. In case of STU (OPTCL), the Commission shall determine the quantum of working capital if needed depending on the cash flow position of the licensee and shall allow interest on the same. OPTCL submitted that the Working Capital is estimated as Rs. 290.49 Cr. The interest on working capital works out to **Rs. 33.99 Cr.** considering interest rate of

11.70% (SBI Base rate of 8.70% +3.00%).

Rebate

20) OPTCL has projected 2% rebate amounting to **Rs. 22.04 Cr.** which is calculated based on the projected ARR for the FY 2023-24.

New Projects

21) OPTCL proposed to spend **Rs. 1,006.59 Cr.** during FY 2023-24 towards Capital Expenditure (CAPEX) on new projects in different streams of activities like Telecom, O&M, IT, Civil Works and Construction. The summary of proposed CAPEX under various wings is furnished in the Table-8 below.

Table 5: Projected CAPEX - FY 2023-24

Particulars	Amount (Rs. Cr.)
(i) Telecom Wing	54.70
(ii) Existing Assets (O&M Wing)	197.19
(iii) Information Technology (IT Wing)& others	30.51
(iv) Civil Wing	78.19
(v) New Transmission Projects (Construction Wing)	646.00
Total Capital Expenditure [(i)+(ii)+(iii)+(iv)+(v)]	1,006.59

Depreciation

22) The Book value of Transmission Fixed Assets of OPTCL is Rs. 7237.58 Cr. on as on 01-04-2021. The above assets are including the value of up-valued assets of Rs.534.58 Cr., Grant, Beneficiary/Deposit works assets of Rs.1450.59 Cr., and book value of Assets fully depreciated (i.e.,90%) assets of Rs 1562.57 Cr. as on 01-04-2021.

23) Therefore, considering the above facts and figures and norms of tariff regulations, OPTCL submits that the actual Original book value of transmission fixed assets is Rs 3689.84Cr. (Rs.7237.58 Cr. – Rs.534.58 Cr. – Rs. 1450.59 Cr. – Rs.1562.57 Cr.) as on 01-04-2021 after excluding up valued assets, grant assets, beneficiary assets and fully depreciated assets, which was approved by the Commission while finalizing the ARR for FY 2022-23.

24) Further, OPTCL submits that as per the Audited Accounts for the FY 2021-22, assets value Rs.1032.99 Cr. have been added during FY 2021-22 which includes Rs.198.67 Cr. towards cost of the assets created from the funding of Grants, deposits etc. and Rs.69.42 Cr. of asset has been depreciated upto 90% during the FY 2021-22. Considering the above, the book value of the assets as on 31.03.2022 on which depreciation is to be calculated works out to Rs.4457.36 Cr. Also, OPTCL has projected that during the FY 2022-23 & 2023-24, cost of the own assets will be added as Rs.824.17 Cr. & Rs.847.58 Cr respectively.

25) Considering the same, the original book value of transmission fixed assets of OPTCL will be Rs. 5281.53 Cr as on 31-03-2023 and Rs. 6129.11 Cr as on 31-03-2024. Based on the norms of tariff regulations and rates as specified in the Transmission Tariff regulations, OPTCL has proposed Rs. **Rs. 293.96 Cr** as depreciation for FY 2023-24.

Return on equity

26) At the time of de-merger of GRIDCO effective from 1.4.2005, the equity share capital of OPTCL was stated at Rs. 60.07 Cr. Through infusion of additional capital by the state government, the paid-up equity capital of OPTCL has increased to Rs. 1886.71 Cr as on 31.03.2022 as per the Audited Account. Government of Odisha has already infused Rs. 184.76 Cr. during FY 2022-23 and Rs. 62.93 Cr will be infused during FY2023-24. The total Equity Capital as on 31.03.2024 will be Rs. 2134.40 Cr, which includes Rs 647 Cr. of bond with interest converted to equity. Accordingly, OPTCL proposes Return on Equity (RoE) of **Rs. 221.24 Cr.** for FY 2023-24 @ 15.5% as per clause 8.28 of Tariff Regulations, 2014 on Rs. 1427.33 Cr. (2134.40 -60.07-647.00).

Income Tax

27) As per the Regulation 8.43 of OERC Regulations, 2014, Income tax of the Transmission Licensee shall be recovered from the beneficiaries. As per the Audited Accounts for the FY 2021-22, OPTCL has paid Rs.27.21 Cr. as Income Tax. The same amount of Rs. 27.21 Cr. is proposed for FY 2023-24. However, difference if any, as per the Regulation 8.43 and 8.44, shall be adjusted during the true up exercise based on audited accounts.

Transmission Cost

28) Considering the proposed cost / expenses under different heads, the Transmission Cost of OPTCL for FY 2023-24 is worked out as **Rs. 1456.54 Cr.** as shown in table-9 below.

Table 9: TRANSMISSION COST FOR FY 2023-24

Particulars	Amount (Rs. Cr.)
Employee Cost including Terminal Benefits	508.76
R&M Cost	164.34
A&G Cost	47.07
Expenses related to auxiliary energy consumption	0.00
Other miscellaneous expenses, statutory levies and taxes (GCC)	0.35
Sub-Total (O&M Cost)	720.51
Interest on Loan Capital	137.59
Interest on Working Capital	33.99
Rebate	22.04
Sub-Total (Interest & Financial Cost)	193.61
Depreciation & amortisation expense	293.96
Return on Equity	221.24
Income Tax	27.21
Total	1,456.54 Cr.

Other Costs & Receipts

Incentive for System Availability:

- 29) The Regulation 6.4 of OERC Regulations, 2014 specifies the “Operational Norm” applicable for transmission system for recovery of full annual transmission charge by the Transmission Licensee. The Normative Annual Transmission System Availability Factor (NATAF) shall be 98.50% for AC system for recovery of full Annual Transmission Charges. As per the Regulation 6.5 of OERC Regulations, 2014, OPTCL is entitled to get incentive if the transmission system availability factor (TAFY) for the year is greater than the NATAF in per cent specified in Regulation 6.4.
- 30) OPTCL has filed the calculation of TAFY for the year 2021-22 as 99.98%. The computation and TAFY figure have been verified and certified by SLDC. In accordance with the formula prescribed in Regulation 6.5, OPTCL has worked out incentive of Rs.11.91 Cr. towards system availability for the year 2021-22, which is proposed to be included in ARR for FY 2023-24.

Other Income and Cost / Miscellaneous Receipt:

- 31) For FY 2023-24, OPTCL proposes **Rs. 366.45 Cr.** under the Miscellaneous Receipt from different sources such as inter-State wheeling, STOA and STU charges, Bank interest, supervision charges, other Misc receipts etc.:

Current status on revenue earnings from Supervision Charge:

- 32) Compared to earlier years, the earning from Supervision Charge is drastically reduced. The number of applicant industries is very less for which revenue from Supervision Charge during the balance period of FY 2023-24 would not be appreciable on higher side. Hence, in line with the trend of revenue earning during 1st six month of FY 2022-23, OPTCL expects the Miscellaneous Receipt of **Rs. 366.45 Cr.** during FY 2022-23.

Summary of ARR proposed by OPTCL for FY 2023-24

- 33) Considering all the proposed expenses and receipts as explained in foregoing paragraphs, OPTCL has filed its Aggregate Revenue Requirement of **Rs.1102 Cr** for FY 2023-24 for approval of the Commission. Details are shown in the table-10 below.

Table 6: Summary of Aggregate Revenue Requirement of OPTCL for FY 2023-24

ITEMS	Amounts (Rs Cr.)	
A) FIXED COST		
1. O&M Expenses		720.51
(i) Employees Cost including Terminal Benefits	508.76	
(ii) A&G Cost	47.07	
(iii) R&M Cost	164.34	
(iv) Expenses related to auxiliary energy consumption	0.00	

ITEMS	Amounts (Rs Cr.)	
(v) Other misc. expenses, statutory levies and taxes (GCC)	0.35	
2. Interest & Financial Charges		193.61
(i) Interest on Loan Capital	137.59	
(ii) Interest on Working Capital	33.99	
(iii) Rebate	22.04	
3. Depreciation & amortisation expense		293.96
4. Return on Equity		221.24
5. Income Tax		27.21
Sub-Total (A)		1,456.54
B) Others		
Incentive for system availability		11.91
Total Trans. Cost (A+B)		1,468.45
C) Less Misc. Receipts		366.45
D) ARR to be recovered from LTOA Customers i.e. OPTCL's Aggregate Revenue Requirement		1,102.00

Transmission Loss

34) OPTCL's Transmission loss is already very low which means further reduction loss is bit difficult. However, OPTCL has been able to reduce the transmission loss year over year by commissioning a number of new transmission projects strategically and adopting innovative schemes under Master Maintenance Plan during last few years. The actual transmission loss in the OPTCL's transmission system from April' 22 to September' 22 is 3.14% against Commission's approval of 3.00% for FY 2022-23. OPTCL expects the loss level to remain around 3.15% in the current year. Accordingly, OPTCL proposes **3.10%** transmission loss during FY 2023-24.

OPTCL revenue receipt and deficit in the proposed ARR for FY 2023-24

35) OPTCL in the present application has taken the recent realistic demand projection of all four DISCOMs **33858 MU (3865.07 MW)** for FY 2023-24. OPTCL envisages 330MU (34.25 MW) energy to be transacted in DISCOMs 33kV & 11kV network for which OPTCL is not entitled to receive any transmission charge as per Commission's order. Hence, total MU to be transmitted in OPTCL network gets reduced to **33558 MU (33858-300)** from the total demand projection of DISCOMs.

36) During FY 2023-24, OPTCL will earn revenue from the LTOA Customers in the following manner:

- (i) By charging the rate applicable on DISCOMs for wheeling of 33558 MU (3830.82 MW).
- (ii) By charging the rate applicable on LTOA customers like IMFA, NALCO, ABREL & BEL towards wheeling and supply of Emergency/Back-up power of 678 MU (77.43 MW)

The revenue to be earned by OPTCL from wheeling of 34236 MU (33558+678) at the existing transmission tariff of 28 P/U will be Rs. 958.61 Cr.

Excess/Deficit of Revenue Requirement:

37) OPTCL will be having revenue deficit of **Rs. 143.39 Cr.** considering the ARR proposed and the revenue to be earned from wheeling of **34236 MU** at the existing transmission tariff of 28 P/U, the details of which are shown in **Table-11** below.

Table 7: Deficit of Revenue Requirement as per existing transmission tariff @ 28 p/u (Rs. Cr.)

Total Aggregate Revenue Requirement	1,102.00
Less: Revenue earned from Long Term Open Access Customer	958.61
Deficit of Revenue Requirement for FY 2023-24	- 143.39

Proposal for revision of Transmission Tariff/ Wheeling Charges:

38) OPTCL submitted that proposed ARR for FY 2023-24 cannot be met from the existing transmission tariff of 28 P/U, therefore OPTCL has requested to the Commission for approval of:

1. Aggregate Revenue Requirement of Rs.1102.00 Cr.
2. Recovery of Transmission Charge @ Rs. 7725.20 /MW-Day i.e. 32.19 Paise/unit.
3. Transmission Loss for wheeling as 3.10% on energy drawl.
4. Truing up exercise for the FY 2021-22 and consider the deficit amount of Rs.25.16 Cr. and the cumulative deficit is Rs. 254.13 Cr. (228.97+25.16).

OPEN ACCESS CHARGES:

39) The new regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” has been published by OERC vide Odisha Gazette on dated 02.11.2020 (effective from 18.11.2021) in which Para 20 (2) of Chapter 5 specifies the details of Open Access Charges. As per the Regulations, transmission charges shall be payable on the basis of contracted capacity in case of long-term and medium-term open access consumers and on the basis of scheduled load in case of short-term open access consumers. For Open Access for a part of a day, the transmission charges shall be payable on pro-rata basis.

40) The Commission vide Letter No. DIR(T)-332/2008/77 dated 01.02.2021 clarified that the DISCOMs do not come under the new regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” and they are governed under OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Therefore, the transmission charges for the LTOA customers are to be recovered as under: -

- (i) From four DISCOMs (i.e. TPCODL, TPWODL, TPNODL & TPSODL) as per the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014

[For FY 2023-24, the DISCOMs projection 33558 MU (3830.82MW)]

and

(ii) From other LTOA customers (i.e. NALCO, IMFA, ABREL & BEL) as per OERC (Terms and conditions of Intra state open access) Regulations 2020.

[For FY 2023-24, NALCO, IMFA, ABREL & BEL have projected their respective demands as 87.60 MU (10.00 MW), 360 MU (41.10 MW), 164.25 MU (18.75MW) and 65.70 MU (7.50 MW).

41) OPTCL has proposed that the Open Access charges for FY 2023-24 as per table-12 below.

Table 8: Abstract of Open Access Charges proposed by OPTCL for FY 2023-24

DETAILS	In Rs. Per Unit approach
Net Aggregate Revenue Requirement (Rs. Cr.)	1102.00
Proposed Energy to be transmitted in OPTCL Network (MU)	34236
Power Flow (Equivalent of 34236 MU) in MWs	3830.82
Proposed Transmission Tariff (Rs. /MW-Day)	7725.20
Proposed Transmission Charges (Paise/unit)	32.19

Reactive Energy Charges

42) The Commission in Para 16 (page 5) of the order dated 05.02.2019 in Case No. 50/2017 has inter alia viewed that the provisional reactive energy charges of 3 paise/KVARH as allowed in ARR 2018-19 order continue for time being till a final justification is submitted by OPTCL in consultation with the stakeholders. Accordingly, OPTCL is holding consultation with the stakeholders at regular intervals and some more time is required in this regard.

In view of the above, OPTCL proposes that **3paise/KVARh** may be approved provisionally as Reactive Energy Charges FY 2023-24.

Levy of Grid Support Charges (GSC)

43) An Application has been filed before the Commission on 23.09.2020 for determination and approval for levy of Grid Support Charges for industries having Captive Generating / Cogeneration plants and running in parallel with the Grids of OPTCL. The same is registered as OERC Case No.-52/2020 and presently under consideration of the commission. If the same is decided in favor of OPTCL, the major portion of accrual from GSC shall be passed on to the end users resulting further reduction in transmission cost. However, the same is subjected to necessary clearance by the Hon'ble Orissa High Court in W.P(C) No-2220 of 2021 & W.P(C) No-16513 of 2021 filed by M/s Vedanta Limited and M/s CCPPO Odisha respectively.

Rebate:

44) On payment of monthly bill, the Open Access Customer shall be entitled to a rebate of 2% of the amount of the monthly bill (excluding arrears), if full payment is made within two working days (excluding holidays under N.I Act) of the presentation of the bill and 1% of the amount if paid within 30 days of the presentation of the bill.

Delayed Payment Surcharge:

45) The monthly charges as calculated above together with other charges and surcharge on account of delayed payments, if any, shall be payable within 30 days from the date of bill. If payment is not made within the said period of 30 days, delayed payment surcharge at the rate of 1.25% per month shall be levied pro-rata for the period of delay from the due date, i.e. from the 31st day of the bill, on the amount remaining unpaid (excluding arrears on account of delayed payment surcharge).

Duty and Taxes:

46) The Electricity Duty levied by the Government of Odisha and any other statutory levy/ duty/ tax/ cess/ toll imposed under any law from time to time shall be charged over and above the tariff.

OPTCL TRUE UP APPLICATION FOR FY 2021-22:

47) As per Regulation 7.1 (Truing up of Capital Expenditure and Tariff) of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (in short 'Transmission Tariff Regulations, 2014'), OPTCL may file an application each year for truing up along with the tariff petition filed for the next tariff period and the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period. OPTCL in the present application submits its truing up proposal for the FY 2021-22 relating to Transmission Tariff and prays before the Commission for carrying out truing up exercise. The Trueing up of annual fees and charges of SLDC Functions shall be carried out by Regulation-4 of the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010.

48) The details of SLDC transaction for the FY 2021-22 regarding true-up are given in the Table-13 below:

Table- 13: True-up for SLDC function for FY 2021-22

A	Revenue from SLDC Business	Amount (Rs. Cr.)
	i. System operation charges	8.36
	ii. Market operation charges	2.09
	iii. Scheduling charges	3.79
	iv. Registration fees	0.05
	v. Application fees	2.02
	vi. Othre Income	0.14
	TOTAL-A	16.46
B	Expenditure	
	a-Employee benefits expense	9.87
	b-Finance costs	0.09
	c-Depreciation and amortisation expense	0.82
	d-Other expenses	
	R&M Expenses	0.69
	A&G Expenses	1.18
	TOTAL-B	12.65
C	Surplus transferred to SLDC Development Funds (A-B)	3.81

- 49) Accordingly, Surplus derived from SLDC Transaction during the FY 2021-22 amounting to Rs. 3.81 Cr. has been transferred to SLDC Development Funds.
- 50) Further, OPTCL submits that the Commission may kindly consider the component wise surplus/shortfall as explained in the Petition for carrying out the truing up of ARR for FY 2021-22. The net deficit of Rs.25.16 Cr. is worked out in the Table-14 below for FY 2021-22.

Table- 14: Abstract of OPTCL Truing-up Proposal for the FY 2021-22 (Rs.Cr)

Particulars	OERC Approved	Actual as per Audited Accounts of OPTCL	Truing up	Surplus/ (Deficit)
Expenditure				
A. Employee Cost (Net)	457.88	477.52	477.52	(19.64)
B. R & M Cost	118.61	98.86	98.86	19.75
C. A & G Cost (Including SLDC and GCC)	30.70	86.01	86.01	(55.31)
Sub-Total (A+B+C)	607.19	662.39	662.39	(55.20)
D. Depreciation	232.95	342.56	209.82	23.13
E. Interest on long-term liability	94.50	72.42	72.42	22.08
F. Rebate	15.86	14.40	14.40	1.46
G. Incentive for system availability	5.00	-	11.91	(6.91)
Sub-Total (A to G)	955.50	1,091.77	970.94	(15.44)
H. Return on Equity	131.70	-	182.84	(51.14)
I. Income tax	-	-	27.21	(27.21)
Grand Total (A to I)	1,087.20	1,091.77	1,180.99	(93.79)
Less: Inter-state wheeling & Misc. Revenue	243.28	319.00	319.00	75.72
Net Transmission Cost	843.92	772.77	861.99	(18.07)
Revenue from Transmission Charges	792.93	785.84	785.84	(7.09)
Difference to be allowed in truing up (FY 2021-22)	50.99	(13.07)	76.15	(25.16)

- 51) Also, OPTCL submits that, OPTCL has filed a review application vide petition No. 61/2022 against the order dated 12.07.2022, case No-119/2021 in the matter of turning up the ARR of OPTCL for the FY 2020-21 to consider the net deficit as at 31.03.2021 as Rs. 228.97 Cr.
- 52) Accordingly, OPTCL prays before the Commission to approve:
- Aggregate Revenue Requirement of **Rs. 1102.00 Cr.**
 - Recovery of Transmission Charge @ **Rs. 7725.20 /MW-Day i.e. 32.19 Paise/unit.**
 - Transmission Loss for wheeling as 3.10% on energy drawl
 - Truing up exercise for the FY 2021-22 and consider the deficit amount of Rs.25.16 Cr. and the cumulative deficit is Rs. 254.13 Cr. (228.97+25.16).