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ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
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Present: **Shri B. Mohanty, Chairperson**
Shri S. S. Barpanda, Member

Case No. 30/2026

Odisha Power Transmission Corporation Ltd. (OPTCL) … Petitioner

Vrs.

Addl. Chief Secretary to Govt., Energy Department, Government of Odisha ……. Respondent

In the matter of: Application under Section 16 of the Electricity Act, 2003 for extension of Licence Conditions of M/s OPTCL, the deemed Transmission Licensee issued under Section 14 read with Section 86 of the said Act read with relevant provisions of the OERC (Conduct of Business) Regulations, 2004.

For the Petitioner: Shri Srikanta Kumar Sahoo, Director (Finance), Shri P. K. Dash, Director (Project) and Shri Malaya Ranjan Das, DGM (Finance), OPTCL.

For the Respondent: Shri Ishwar Mohanty, Learned Counsel for the Energy Department, Government of Odisha, Shri Bharat Bhadawat, Chief Regulator, Odisha DISCOMs and Shri Ananda Kumar Mohapatra do appear.

Date of hearing: 08.09.2026 **Date of Order: 20.11.2026**

O R D E R

Background and statutory framework

1. The Petitioner, OPTCL, carries on the business of Intra-State transmission in Odisha and is the State Transmission Utility (STU) notified under Section 39(1) of the Electricity Act, 2003 ("the Act") with effect from 01.04.2005. It is a deemed transmission licensee under the second and fifth provisos to Section 14 of the Act, read with the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005. By the present application dated 24.04.2026, OPTCL has prayed for (i) extension of its existing Licence Conditions for a

further period of 30 years, and (ii) the amendments set out in Annexure-B to the petition.

2. The licence of OPTCL traces back to Licence No. 2/97, issued by this Commission on 31.03.1997 to GRIDCO for transmission and bulk supply under the Orissa Electricity Reform Act, 1995, as amended on 31.03.1999 in Case No. 21/1998. On vesting of the transmission undertaking in OPTCL under the Transfer Scheme, 2005, the Commission, in a suo motu proceeding in Case No. 22/2006, laid down the Licence Conditions of OPTCL by order dated 27.10.2006, effective from 01.11.2006 ("Licence Conditions, 2006"). These comprise the General Conditions in Appendix 4B of the OERC (Conduct of Business) Regulations, 2004, as modified under Clause 18.2 thereof, and the Specific Conditions in Part III.

3. In Case No.22 of 2006, the Commission held that since the same licence was continuing and OPTCL was the successor of GRIDCO for transmission, the period of licence would be 30 years counted from 01.04.1997. Condition 4.1 accordingly provides that unless revoked earlier, the licensee will carry on its licensed activity for 30 years from 01.04.1997. The term therefore ends on 31.03.2027.

4. The relevant statutory provisions need to be noted here. Section 16 of the Act empowers the Commission to specify general or specific conditions applicable to a licensee. Section 18(1) permits the Commission, where the public interest so permits, to alter or amend the terms and conditions of a licence on the application of the licensee or otherwise, but not without the licensee's consent unless such consent has been unreasonably withheld. Section 18(2) requires that (a) where the licensee applies, it shall publish notice of its application as specified; (c) where amendments are proposed otherwise than on the licensee's application, the Commission shall publish them; and (d) no amendment shall be made until all suggestions and objections received within 30 days of first publication have been considered. Section 15(8) provides that a licence granted under the Act shall continue in force for 25 years unless revoked.

5. Condition 14 of the Licence Conditions, 2006 reproduces the procedure laid down in Section 18 and Condition 4.2 provides that the Licence Conditions may be modified or amended in accordance with the relevant Regulations and the Act.

Procedural history

6. At the first hearing on 16.06.2026, the Respondent-Energy Department, Government of Odisha, sought time to file its reply. Time was allowed until 30.06.2026 and the matter was listed on 14.07.2026.

7. On 14.07.2026, the Commission decided to dispose of the matter through a public hearing noting that the petition also relates to certain amendments of the Licence Conditions. A public notice dated 15.07.2026 was issued inviting objections and suggestions by 17.08.2026 and fixing the public hearing on 08.09.2026. OPTCL was directed to file its response within ten days thereafter.

8. In compliance of the Commission's letter dated 15.07.2026, OPTCL published the public notice on 17.07.2026 in *The Sambad* (Odia) and *The Times of India* (English). The petition and its annexures were made available on the websites of the Commission and OPTCL.

9. The Commission received the responses, which are mentioned in the following Table:

Table-1
Filings received in response to the public notice

Filing	Party	Date
Reply with Annexure-1 (suggested modifications)	TP DISCOMs	10.08.2026
Objections and suggestions	Shri Ananda Kumar Mohapatra	17.08.2026
Reply of Respondent	Energy Department, Government of Odisha	05.09.2026
Rejoinder to Shri A. K. Mohapatra	OPTCL	05.09.2026

10. At the public hearing on 08.09.2026, the responses of the public and the rejoinder of OPTCL thereto as well as the views/suggestions of TP DISCOMs were taken on record and the parties were heard. The Commission concluded the hearing and reserved the orders giving liberty to the parties to file written notes of submission within the next week. OPTCL has filed no separate rejoinder to the reply of the TP DISCOMs.

Submissions of the Petitioner (OPTCL)

11. OPTCL submitted that its Licence Conditions expire on 31.03.2027. The last date of the filing of its ARR for FY 2027-28 is 30.11.2026. As per the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 ("Transmission Tariff Regulations"), it needs to file the Long-Term Transmission Plan and Business Plan for the control period beginning 01.04.2027. It therefore sought extension of the Licence Conditions for a further period of 30 years, together with the following amendments (Annexure-B to the petition):

Table-2
Amendments proposed by OPTCL (Annexure-B to the petition)

Sl.	Licence Condition	Existing	Proposed by OPTCL	OPTCL's justification
1	Throughout	"Orissa"	"Odisha"	Name of the State changed on 04.11.2011
2	Throughout	Companies Act, 1956	Companies Act, 2013	Act of 2013 in force from 29.08.2013
3	3.1(a) and elsewhere	"Accounting Statement"	"Financial Statement"	Defined in Section 2(40), Companies Act, 2013
4	8.4	No change of basis of charge/ allocation "without prior intimation to the Commission"	"in compliance to prevailing Accounting Standard"; reference to Companies Act, 2013	Companies Act, 2013 is sufficient
5	10 (Investments)	—	Modify, if required, in line with the draft OERC (Approval of Capital Investment Schemes) Regulations, 2026	Draft Regulations published by the Commission
6	23.1 (Major Investment)	Rs. 10 crore	Rs. 25 crore	Rise in equipment and execution costs; OPTCL has proposed Rs. 25 crore as the DPR threshold in its comments on the draft Regulations, in line with the MERC Regulations, 2022
7	24.1, 24.2 (Disposal of assets)	Rs. 30 lakh	Rs. 5 crore	Rs. 30 lakh is very low at present

Sl.	Licence Condition	Existing	Proposed by OPTCL	OPTCL's justification
8	25.1, 25.2 (Licence fee)	Rs. 50 lakh per year	As determined by the Commission from time to time	Licence fee increased to Rs. 3.00 crore for FY 2026-27

Submissions of the Respondent and the objectors

Energy Department, Government of Odisha:

12. The Energy Department, Government of Odisha raised no objection over the prayer for extension of the Licence Conditions as sought, subject to such terms as the Commission considers appropriate. On the amendments, it submitted that:

(i) linking the Major Investment threshold to the ceiling in the applicable OERC Regulations, rather than retaining a separate fixed figure, would keep the Licence Conditions consistent with the regulatory framework;

(ii) the disposal limit may be raised to Rs.5 crore, subject to such safeguards and regulatory oversight as the Commission deems fit; and

(iii) payment of licence fee "as determined by the Commission from time to time" may be adopted. The Annexure-B amendments may be considered subject to such modifications and safeguards as the Commission deems appropriate.

TP DISCOMs:

13. TP DISCOMs have supported the prayer for extension, since the filings of ARR application and business plan for the control period from 01.04.2027 depend on it. It is submitted that the 30-year term flows from Condition 4.1. The Commission may consider the prayer keeping in view the provisions of sections 16 and 18 of the Act. They have not opposed the amendments, proposed by OPTCL. On the other hand, they have suggested the following amendments:

Table-3
Further modifications suggested by the TP DISCOMs

Condition	Suggestion	Stated basis
3.1(a)	Redefine as "Financial Statements" with reference to the Companies Act, 2013	Companies Act, 2013
3.1(f)	Redefine "Ancillary Services" (primary, secondary, tertiary reserves, etc.)	Draft OERC (Ancillary Services) Regulations, 2026
3.1(h)	Auditors under Sections 139 to 148 of the Companies Act, 2013	Companies Act, 2013

Condition	Suggestion	Stated basis
3.1(l), 3.1(oo), 3.2	Revise definitions of "Distribution System", "Transmission System" (design voltage 132 kV and above) and the interpretation clause	Draft Supply Code
3.1(bb)	"Other Business" to mean other business under Section 41 of the Act	Section 41 of the Act
10.11	Investment outside the approved plan to require prior approval of the Commission, save for unforeseen circumstances under 10.12	Avoids later disallowance in the ARR
11.2	Cross-reference to read "condition 11.1" in place of "condition 11.2"	Clerical

Shri Ananda Kumar Mohapatra:

14. Shri Mohapatra submitted that:

a. The petition seeks not only the extension of the term but amendment of the Licence Conditions and therefore, OPTCL should state its case and follow the procedure, laid down in Section 18 of the EA. 2003.

b. The Licence Conditions should expressly incorporate the licensee's statutory duties under Section 74 (returns to the CEA), Section 34 (Grid Standards) and Section 128 of the Act. Condition 9.1, by routing information to the CEA through the Commission, is said to be inconsistent with Section 74.

c. The Major Investment threshold of Rs.10 crore should be retained. The comparison with Maharashtra is inapt given the difference in States' economy.

d. The disposal limit may be raised from Rs.30 lakh to Rs.1 crore at the most.

e. Interest on delayed payment of licence fee under Condition 12.2 should be raised from 1.25% to 1.50% per month.

f. The amendment to Condition 8.4 would remove the requirement of prior intimation to the Commission of a change in the basis of cost allocation, which would dilute the regulatory scrutiny and therefore, should be rejected.

15. In its rejoinder to Shri A. K. Mohapatra, OPTCL submitted that:

a. The petition is a continuation of Case No. 22/2006. Omission to cite every provision of the Act does not affect the relief sought. The notice under Section 18 was published on 17.07.2026 giving 30 days for submission of views / objections. It is submitted that the requirements of Section 18 have been duly followed.

b. Keeping in view the rise in prices since the threshold was fixed, a Major Investment threshold of Rs.100 crore could have been asked for, but only Rs.25 crore has been sought. A comparison of the State GDPs of Maharashtra

and Odisha has no bearing, since transmission equipment costs are uniform across the country.

c. The licensee is bound by the provisions of Sections 34 and 74 of the Act for which there is no need for its specific incorporation in the license Conditions. Section 40 (duties of a transmission licensee) and Section 74 (Furnish to Authority) operate in distinct fields. OPTCL regularly furnishes data to the CEA as and when sought.

d. The proposal to raise the delayed-payment interest on licence fee from 1.25% to 1.50% per month is unsupported since the applicable regulations fix late payment surcharge at 1.25%.

e. The amendment to Condition 8.4 only aligns with the conditions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under Section 133 of that Act. OPTCL's financial statements are audited and subject to regulatory oversight. So, the apprehension of "accounting jugglery" is unfounded.

Commission's analysis and findings

16. We have heard the parties and examined the petition, the replies, the rejoinder and the Licence Conditions, 2006. The following issues need for consideration:

(i) the nature of the relief and compliance with Section 18;

(ii) the term for which the Licence Conditions should continue;

(iii) the amendments consequential to changes in law;

(iv) Condition 8.4;

(v) Conditions 10 and 23 on investment;

(vi) Condition 24 on disposal of assets;

(vii) Conditions 12 and 25 on licence fee; and

(viii) the further suggestions of the objectors.

Issue (i): Nature of the relief and compliance with Section 18

17. OPTCL's status as a transmission licensee is not going to be affected by this order. As the notified STU, it is a deemed transmission licensee by virtue of the second proviso to Section 14 of the Act. What expires on 31.03.2027 is the term stated in Condition 4.1. We agree with the TP DISCOMs that the prayer for "extension" is, in substance, a prayer to amend Condition 4.1. Together with the proposals noted in Annexure-B, the application is one under Section 18(1) read with Section 16 of the Act. Mis-quotation of a provision does not defeat the object of an application particularly when its substance is clearly spelt out therein.

18. The procedure under Section 18(2)(a) and (d) has been followed. The application was duly published on 17.07.2026 in one Odia and one English daily, as directed by the Commission. The petition and the annexures were uploaded on both the websites. Thirty days were allowed for objections, up to 17.08.2026. All objections received are being considered in this order. The licensee's consent under the proviso to Section 18(1) is not relevant, since OPTCL itself is the applicant. The objection of Shri Mohapatra on this count therefore does not stand to reason.

19. Section 18(2)(c) requires the Commission to publish alterations proposed otherwise than on the licensee's application. In response to OPTCL's application, certain modifications in the License conditions were also proposed by TP DISCOMs on 10.08.2026. The above suggestions were taken on record and placed for hearing on 08.09.2026 in OPTCL's presence.

Issue (ii): Term of the Licence Conditions

20. OPTCL seeks extension of the licence conditions for a further term of 30 years. The Energy Department, Government of Odisha, raises no objection thereto. The TP DISCOMs support the proposed extension. The 30-year term in Condition 4.1 was carried over in 2006 from Licence No. 2/97, issued under the Orissa Electricity Reform Act, 1995 (order dated 27.10.2006, para 5). The term to be fixed now must be governed by the Electricity Act, 2003.

21. Section 15(8) of the Act provides that "a licence shall continue to be in force for a period of twenty-five years unless such licence is revoked". It is the only provision of the Act that prescribes the term of a licence. The Act fixes no separate term for a deemed licensee. Accordingly, in terms of Section 15(8) of the Act, we hold that the Licence Conditions shall continue for 25 years from 01.04.2027, i.e. up to 31.03.2052, unless revoked earlier.

Issue (iii): Amendments consequential to changes in law

22. The substitution of the words "*Orissa*" and the words "*the Companies Act*, *1956*" by the words "*Odisha*" and "*the Companies Act, 2013*" respectively are formal in nature being consequential to changes in law. The same are also not opposed. Hence, the prayers to that effect are accepted. Accordingly, the words '*Odisha'* and "*the Companies Act, 2013*" may be substituted respectively in place of '*Orissa'* and "*the Companies Act*, *1956*". Consequently, the respective references

to the Companies Act shall be updated *viz* Holding Company [Section 2(46)] and Subsidiary [Section 2(87)] and the definition of *Auditors* (Sections 139 to 148). Names of enactments and schemes cited by their short titles (the Orissa Electricity Reform Act, 1995 and the Transfer Scheme, 2005) shall be retained.

23. On the term "Accounting Statement", we accept the request for the change to "Financial Statements" in the form, as suggested by TP DISCOMs, with reference to the Companies Act, 2013. The definition retains the components of the statements and the requirement of separate disclosure of revenue, cost, assets and liabilities charged or apportioned between the Licensed Business and any Other Business. That requirement is regulatory and is essential to ring-fencing the licensed business under Conditions 7.6 and 8. The definition adds "a cash flow statement" and "a statement of changes in equity", which form part of the financial statements under Section 2(40) of the Companies Act, 2013.

Issue (iv): Condition 8.4

24. OPTCL has proposed that a change in the basis of charge, apportionment or allocation of revenues or expenses be made in compliance with the prevailing Accounting Standards, in place of prior intimation to the Commission. The proposal is accepted. The Commission retains its power under Condition 8.5 to call for Financial Statements on the previous year's basis, and any change affecting the ARR will be examined in the tariff process. Shri Mohapatra's concern that the change would dilute regulatory scrutiny is not well founded.

Issue (v): Investment — Conditions 10 and 23

25. The Major Investment threshold of Rs.10 crore (Condition 23.1) and the disposal limit of Rs.30 lakh (Condition 24.1) were fixed by order dated 27.10.2006, not in 1997, as stated by OPTCL. The Commission rejected the prayer for enhancement of threshold limit holding the following:

- such a ceiling would remove high-value projects from prior scrutiny;
- price indices and cost escalation are no basis for fixing regulatory thresholds;
- urgent works can be taken up within Rs.10 crore.

26. The Commission has since finalised the OERC (Approval of Capital Investment Schemes) Regulations, 2026 ("Capex Regulations"). The notification in the Official Gazette in this regard is awaited. No threshold limit for major investment is fixed therein. Regulation 4.1 on the other hand specifies that it has to be fixed

in the Licence Conditions. The Energy Department's suggestion to link the condition of threshold limit with the Regulations therefore is not acceptable and therefore, this must be fixed in this order.

27. The Capex Regulations govern the threshold limits and take care of the process of scrutiny. Under the existing Condition 10, a scheme below the threshold limit is examined only at the tariff stage. Under the Regulations, a Non-DPR Scheme:

- must be a part of the Rolling Capital Investment Plan and the STU Plan;
- must be completed within one year;
- cannot be created by splitting a larger work;
- has its cost allowed only after a prudence check.

28. A scheme above the threshold limit i.e. DPR Scheme needs in-principle approval before investment and approval of its completed cost.

29. In Case No. 63/2025, loss of prior scrutiny was the basis for rejection of the prayer for enhancement of the threshold limit to Rs.100 Cr. Under the Capex Regulations, schemes below the threshold limit no longer escape scrutiny. We are conscious of the fact that price of every commodity is going up. We do not consider the request for enhancement based solely on price indices. We are only concerned with lack of prudence scrutiny. Keeping these aspects, we feel it proper to make a limited enhancement and find it appropriate to make a rise in the threshold limit to Rs.20 crore, which we may revise by general or special order. Consequently, the request of OPTCL on this score is taken care of.

30. OPTCL has itself proposed that Condition 10 be modified in line with the Capex Regulations. Condition 10 is accordingly aligned with them:

- the Investment Plan becomes the five-year Rolling Capital Investment Plan;
- applications for approval, procurement and half-yearly progress reporting follow the Regulations;
- since the cost approved in-principle is the ceiling, the proviso permitting re-allocation of funds within the investment plan is replaced; emergency works and approval of completed cost follow the Regulations.

31. Condition 10 shall be governed as per the Capex Regulations. In case of inconsistency, the Capex Regulations shall prevail.

32. OPTCL also relies on the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 for filing its Business Plan (para 3(h) of

the petition). Conditions 9.9, 19.3, 24.3, 27.1 and 29 are therefore brought in line with those Regulations. These changes shall be applicable to the Business Plan, the annual investment plan, reporting of retired and disposed assets and separate SLDC accounts. To keep the Licence Conditions in alignment with the future changes (if any) in the Regulations, a general clause (Condition 3.3) is provided to the extent that the Act, Rules and Regulations, as amended from time to time shall prevail in case of inconsistency.

Issue (vi): Disposal of assets — Condition 24

33. Disposal or relinquishment of operational control over an asset takes it out of the transmission system created from tariff, and its proceeds have a direct impact on the consumers. OPTCL has asked for the limit to be raised to Rs.5 crore. The Energy Department, Government of Odisha, has supported it with the rider that it shall be subject to the safeguards. Shri Mohapatra has suggested Rs.1 crore at the most. The limit of Rs.30 lakh was fixed by order dated 27.10.2006. During the last twenty years, OPTCL has not approached the Commission even once for approval of a disposal under Conditions 11 and 24, nor has it placed on record the number or value of disposals it has made, or any instance where the present limit has delayed the disposal. A limit that has never been invoked cannot be said to have caused any difficulty. Thus, no case for raising the limit is made out. The limit of Rs.30 lakh in Conditions 24.1 and 24.2 is therefore retained

Issue (vii): Licence fee — Conditions 12 and 25

34. Condition 25 fixes the annual licence fee at Rs.50 lakh. As OPTCL itself states, the fee has since been revised to Rs 3.00 crore for FY 2026-27, there should be no fixed figure in the licence conditions. OPTCL has proposed that this condition should be suitably amended to the extent that the Commission shall determine the licence fee from time to time. The Energy Department supports this suggestion. No one has opposed it. The same is therefore, accepted.

35. Shri Mohapatra's plea to raise the delayed-payment interest in Condition 12.2 from 1.25% to 1.50% per month is not accepted. The rate of 1.25% was fixed in 2006 to keep it at par with the delayed payment surcharge (order dated 27.10.2006, para 4.15). Regulation 8.48 of the Transmission Tariff Regulations still prescribes late payment surcharge at 1.25% per month. No material has been placed to consider a departure there from.

Issue (viii): Further suggestions of the objectors

36. **Sections 34, 74 and 128.** We agree with OPTCL that there is no requirement for inserting similar provisions in the licence conditions since it is a mandate of law, as per the Electricity Act. 2003. Condition 6.1 requires OPTCL to comply with the Act, the Rules and the Regulations. Condition 28 makes provisions of the consequences of any contravention of the Licence Conditions. Condition 9.1 requires OPTCL to share the information with the CEA and the Commission as per the requirement of Section 74. No amendment to that effect is therefore, justified.

37. **Suggestions of the TP DISCOMs.** We have considered the suggestions of the TP DISCOMs. None of them is opposed by OPTCL. The same are reproduced below:

(i) **Financial Statements, Auditors and Condition 11.2:** Accepted, as recorded in paragraphs 22, 23 and 38

(ii) **Ancillary Services:** The definition suggested, which lists the reserve and grid-support services now in use, is accepted.

(iii) **Distribution System:** Not accepted. The existing definition reproduces Section 2(19) of the Act, and the words suggested in addition do not change its scope.

(iv) **Other Business:** Accepted. The definition is aligned with Section 41 of the Act and Regulation 2.1(27) of the Capex Regulations.

(v) **Transmission System:** Accepted, with one change. The system shall consist of lines having design voltage above 33 kV, in place of "132 kV and higher". The definition so modified keeps the bays and equipment up to the interconnection with the distribution system within the Transmission System and excludes any part of a distribution system.

(vi) **Condition 3.2:** The interpretation clause suggested is accepted, being consistent with Regulation 2.2 of the Capex Regulations.

(vii) **Condition 10.11:** The text suggested would require the Commission's prior approval for every investment outside the approved plan. That conflicts with Regulation 4.7 of the Capex Regulations, under which Non-DPR Schemes, schemes funded entirely by grant and emergency works need no prior in-principle approval. Condition 10.11 is therefore substituted in a form consistent with the Capex Regulations: DPR Schemes need prior in-principle approval (Regulation 4.6); Non-DPR Schemes must form part of the Rolling Capital Investment Plan (Regulations 3.16(u) and 7); and emergency works must be intimated within 15 days and placed for post-facto approval (Regulation 4.9).

38. Clerical corrections. Condition 11 contains three wrong cross-references:

- Condition 11.1 refers to itself ("as per condition 11.1 above");
- Condition 11.2 refers to a notice "given under condition 11.2", which should be 11.1;
- Condition 11.3(a) refers to "this clause 8", which should be Condition 11.

Being clerical errors, these are corrected.

39. **Comprehensive review.** The Licence Conditions date from 2006 and are built on Appendix 4B of the Conduct of Business Regulations, 2004. In the meantime, the Companies Act, 2013, the Ind AS, the Odisha Grid Code, 2015 and other regulations have come into force. Gazette Notification for Capex Regulations is awaited. The Commission may, if required, take up necessary corrections in the Licence Conditions in line with the current framework separately, in accordance with Section 18 of the Act.

Decision and directions

40. Having regard to the above observations in the light of sections 16 and 18 of the Act, the Commission hereby allows extension of the license, as stipulated in order dated 27.10.2006 in Case No. 22/2006 with the amendments, as noted above, for a period of 25 years in favour of OPTCL. The amended Licence Conditions shall take effect from 01.04.2027, unless revoked, as specifically mentioned in Condition 4.1 of the license.

41. The prayer of OPTCL is accordingly allowed in part:

Table-4
Decision on the proposals of OPTCL

Proposal	Decision	Paragraph
Extension by 30 years	Allowed for 25 years, from 01.04.2027 to 31.03.2052	20–21
"Orissa" to "Odisha"	Accepted	22
Companies Act, 1956 to 2013	Accepted, with updated section references	22
"Accounting Statement" to "Financial Statements"	Accepted in the form suggested by the TP DISCOMs; separate disclosure for Licensed and Other Business retained	23
Condition 8.4	Accepted; reference to the Companies Act, 2013 and Ind AS.	24

Proposal	Decision	Paragraph
Conditions 10 and 23.1 (Rs. 10 crore to Rs. 25 crore)	Raised to Rs. 20 crore; Condition 10 aligned with the Capex Regulations; SLDC schemes at Rs. 1 crore under Regulation 4.1(c)	25–32
Condition 24 (Rs. 30 lakh to Rs. 5 crore)	Rejected; Rs. 30 lakh retained	33
Condition 25 (licence fee)	Accepted: as determined by the Commission from time to time	34

42. The Commission further directs as follows:

a. **Statutory duties.** OPTCL shall continue to comply with the Grid Standards specified by the CEA under Section 34 of the Act and to furnish to the CEA the statistics, returns and information required under Section 74 of the Act directly, in addition to information shared with the Commission under Condition 9.1.

b. **Publication.** OPTCL shall upload the Licence Conditions, as amended by this order, on its website within 30 days of this order, and shall make copies available to any person on payment of reasonable charges. OPTCL shall also publish a notice in one widely circulated English daily and one widely circulated Odia daily informing the public of the amended Licence Conditions and their availability.

c. **Licence Conditions.** The Annexure to this order contains the complete Licence Conditions of OPTCL, as amended, and shall be the operative text from the date, as stated in paragraph 40.

43. A copy of this order shall be communicated by the Secretary of the Commission to the Energy Department, Government of Odisha and the Central Electricity Authority.

44. With the above observations and directions, the case is disposed of.

Sd/- **Sd/-**

(S. S. Barpanda) **(B. Mohanty)**
Member **Chairperson**

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ANNEXURE
LICENCE CONDITIONS
OF
ODISHA POWER TRANSMISSION CORPORATION LIMITED
(OPTCL)

(A Deemed Transmission Licensee under Section 14 of the Electricity Act, 2003)

Laid down by order dated 27.10.2006 in Case No. 22/2006 and amended by order dated 20.11.2026 in Case No. 30/2026

INTRODUCTION

The Odisha Electricity Regulatory Commission (the Commission), by its order dated 31.03.1997 in Case No. 2/97, amended by order dated 31.03.1999 in Case No. 21/1998, under the Orissa Electricity Reform Act, 1995, issued Licence No. 2/97 to Grid Corporation of Orissa Ltd. (GRIDCO), Janpath, Bhubaneswar, to carry on the business of transmission and bulk supply in the State of Odisha. Under the said licence, GRIDCO carried on both transmission and bulk supply as its licensed activities.

The Electricity Act, 2003 (the Act) came into force on 10th June 2003. The State Government framed the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005 under Section 131 and other relevant provisions of the Act, and vested the assets and personnel of the transmission activity of GRIDCO in a newly incorporated Government Company namely, Odisha Power Transmission Corporation Limited (OPTCL). Under the second and fifth provisos to Section 14 of the Act read with the said Transfer Scheme, OPTCL became a deemed transmission licensee. It is also the State Transmission Utility notified under Section 39(1) of the Act.

Under Section 16 of the Act, the Commission laid down the Licence Conditions of OPTCL by its order dated 27.10.2006 in Case No. 22/2006, effective from 1st November 2006. The General Conditions for Transmission Licensees specified in Appendix 4B of the OERC (Conduct of Business) Regulations, 2004, as modified by the Commission in exercise of its powers under Clause 18.2 of that Appendix, are laid down in Part II of these Licence Conditions. The Specific Conditions for OPTCL are laid down in Part III.

On the application of OPTCL in Case No. 30/2026, the Commission, in exercise of its powers under Sections 16 and 18 of the Act, has amended these Licence Conditions by order dated 20.11.2026. The amendments take effect from 1st April 2027, except the amendment to Condition 4.1, which takes effect from the date of that order. The Licence Conditions as so amended are set out below.

PART I: PRELIMINARY

1. Short Title

1.1 These Licence Conditions may be called "The Licence Conditions of Odisha Power Transmission Corporation Limited" (a Deemed Licensee under Section 14 of the Electricity Act, 2003), which are applicable to Odisha Power Transmission Corporation Ltd.

1.2 These Licence Conditions came into force from 1st November 2006 and, as amended by order dated 20.11.2026 in Case No. 30/2026, shall apply with effect from 1st April 2027, except Condition 4.1, which shall apply from the date of that order.

2. Area of Operation of Licensed Activity (Area of Supply)

The area of operation of the licensed activity of the Licensee shall comprise the State of Odisha excluding any cantonment, aerodrome, fortress, arsenal, dockyard or camp or any building or place in occupation of the Central Government for defence purposes.

3. Definitions

3.1 Unless the context otherwise requires, in these Licence Conditions:

(a) "**Act**" means the Electricity Act, 2003 (36 of 2003);

(b) "**Annual Accounts**" means the accounts of the Transmission Licensee prepared in accordance with Condition 8 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(c) "**Ancillary Services**", in relation to power system operation, means the services necessary to support the grid operation in maintaining power quality, reliability and security of the grid, and includes Primary Reserve Ancillary Service, Secondary Reserve Ancillary Service, Tertiary Reserve Ancillary Service, active power support for load following, reactive power support, black start and such other services as defined in the Odisha Grid Code;

(d) "**Area of Activity**" means the area of activity stated in Condition 2 of these Licence Conditions within which the Transmission Licensee is authorised to establish, operate and maintain transmission lines;

(e) "**Auditors**" means the Transmission Licensee's auditors holding office in accordance with the requirements of Sections 139 to 148 or any other Section as appropriate, of the Companies Act, 2013 (18 of 2013);

(f) "**Authorised**", in relation to any Person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth provisos to Section 14 of the Act, or exemption granted under Section 13 of the Act and the regulations of the Commission;

(g) "**Commission**" means the Odisha Electricity Regulatory Commission;

(h) "**Distribution**" means the conveyance of electricity by means of a Distribution System;

(i) "**Distribution System**" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumer;

(j) "**Distribution Code**" means the Code governing all material technical aspects relating to connections to and the operation and use of the Distribution System as notified by the Commission from time to time;

(k) "**Encumbrance**" means any mortgage, charge, right of possession, assignment by way of security or other form of security interest;

(l) "**Existing Transmission System Planning and Security Standards**" means the Transmission Licensee's standards for system planning and security of the Transmission System as of the date of the grant of the Transmission Licence and, in the event of a new Transmission business, such standards applicable to the other or previous Transmission Licensees in the State;

(m) "**Existing Transmission System Operating Standards**" means the Transmission Licensee's standards for operating the Transmission System as of the date of the grant of the Transmission Licence and, in the event of a new Transmission business, such standards applicable to the other or previous Transmission Licensees in the State;

(n) "**Financial Statements**" means, for each financial year, the statements for the Licensed Business comprising a Balance Sheet, Profit & Loss Account, a Cash Flow Statement, a Statement of Changes in Equity together with notes thereto as detailed under section 2 (40) of the Companies Act, 2013 (18 of 2013), and such other particulars and details in the manner as the Commission may direct from time to time. If the Transmission Licensee engaged in any other business or activity in addition to the Licensed Business, the Financial Statements shall comply with the regulations of the Commission dealing with the treatment of Other Business of Transmission Licensees and show separately the amounts of any revenue, cost, asset, liability, reserve or provision which has been either:

(i) charged from the Licensed Business to any Other Business or vice versa, together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the Licensed Business and any Other Business of the Licensee, together with a description of the basis of the apportionment or allocation.

(o) "**Force Majeure**" means any event which is beyond the control of the licensee, which with a reasonable amount of diligence could not be foreseen or which could not be prevented, and which substantially affects the performance by the licensee, including but not limited to:

(i) Acts of God, natural phenomena including but not limited to floods, droughts, earthquake, cyclone, storms, adverse weather condition and epidemics;

(ii) Acts of any Government, domestic or foreign, including but not limited to war, declared or undeclared, hostilities, priorities, quarantines, embargoes;

(iii) Terrorist attack, riots or civil commotion;

(iv) Grid failure not attributable to the licensee; and

(v) Other similar occurrence that leads to any act that would involve a breach of relevant laws or regulations connected with electrical safety.

(p) "**Generator Interconnection Facilities**" means electrical lines, transformers, busbars, switchgear, plant or apparatus utilised to enable access to a Transmission System or Distribution System by the Generating Set(s);

(q) "**Holding Company**" shall have the same meaning as in Section 2(46) of the Companies Act, 2013;

(r) "**Intervening Transmission Facilities**" means the electric lines owned or operated by a Transmission Licensee where such electric lines can be utilised for transmitting electricity for and on behalf of another licensee at his request and on payment of a tariff or charge;

(s) "**Licence**" means the licence under Section 14 of the Act under which the Licensee is authorised to conduct the Licensed Business;

(t) "**Licensee**" means Odisha Power Transmission Corporation Limited (OPTCL);

(u) "**Licensed Business**" means the business of transmission of electricity as authorised under the licence;

(v) "**Major Incident**" means an incident associated with the transmission of electricity which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise directed by the Commission, and shall also include any other incident which the Commission expressly declares to be a major incident;

(w) "**Non-core Activity**" means any activity of the Licensee or an Affiliate of the Licensee other than that carried out as a part of the Transmission Business;

(x) "**Operational Control**" means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipment;

(y) "**Odisha Grid Code (OGC)**" means the Odisha Grid Code specified by the Commission, covering all material technical aspects relating to connections to and the operation and use of a Transmission System, or (in so far as relevant to the operation and use of a Transmission System) the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any Supplier;

(z) "**Other Business**" means business of the Licensee other than the licensed business on its non-core activity;

(aa) **"Other Licensees"** means the licensees who are granted license under section 14 of the Act and excludes OPTCL**.**

(bb) "**Performance Standards**" means the standards as may be determined by the Commission pursuant to Section 57 of the Act;

(cc) "**Person**" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;

(dd) "**Regulations**" means the regulations made by the Commission under the provisions of the Act or the State Act;

(ee) "**Specific Conditions**" means the conditions in addition to or in variation of the General Conditions, which the Commission lays down specifically for a Transmission Licensee in Part III;

(ff) "**State Act**" means the Orissa Electricity Reform Act, 1995;

(gg) "**State Government**" means the Government of the State of Odisha;

(hh) "**Subsidiary**" shall have the same meaning as in Section 2(87) of the Companies Act, 2013 (18 of 2013);

(ii) "**Transfer**" shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist, or parting with physical possession, or any other disposition or dealing;

(jj) "**Transmission Business**" means the Authorised business of a Transmission Licensee to transmit electricity, whether for its own account or for that of any other Person, through any system owned and/or operated by such Licensee;

(kk) "**Transmission Licensee**" means the entity which has been granted a Transmission Licence, or is a deemed Licensee under the first, second, third or fifth proviso to Section 14 of the Act, authorised to transmit electricity;

(ll) "**Transmission Operating Standards**" means the standards related to the Transmission Licensee's operation of its Transmission System approved by the Commission;

(mm) "**Transmission Planning and Security Standards**" means the standards related to the adequacy of the Transmission Licensee's system planning and security of its Transmission System as approved by the Commission;

(nn) "**Transmission System**" means the system consisting of extra high voltage electric lines having design voltage above 33 kV, owned or operated by a transmission licensee authorised to transmit electricity, for the purposes of the transportation of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external interconnection, including bays/equipment up to the interconnection with the distribution system, and includes any plant and apparatus and meters owned or used by the transmission licensee in connection with the transmission of electricity, but shall not include any part of a distribution system;

(oo) "**Use of System**" means use of the Transmission System for the transportation of electricity for any person pursuant to a contract entered into with the Transmission Licensee;

(pp) "**Users**" means anyone who uses the Transmission System.

3.2 Words, terms and expressions defined in the Electricity Act, 2003, as amended from time to time, and used in these Licence Conditions shall have the same meaning as assigned to them in the said Act and/or the General Clauses Act (Central/State). Expressions used herein but not specifically defined in the Act, but defined under any law passed by Parliament or the State Legislative Assembly as applicable to the electricity industry in the State, shall have the same meaning as assigned to them in such law.

3.3 References in these Licence Conditions to the Act, any Rules or any Regulations of the Commission, or to any of their provisions, shall be read as references to them as amended or replaced from time to time. If any of these Licence Conditions is inconsistent with the Regulations of the Commission, the Regulations shall prevail.

3.4 References in these Licence Conditions to Paragraphs, Conditions, Parts and Schedules shall, unless the context otherwise requires, be construed as references to conditions, paragraphs and parts of, and schedules to, these Licence Conditions.

4. Term of Licence

4.1 Unless the licence is revoked earlier, the Licensee shall carry on its licensed activity for a further period of 25 (twenty-five) years with effect from 1st April 2027, i.e. up to 31st March 2052.

4.2 These Licence Conditions may be modified or amended in accordance with the provisions of the relevant Regulations and in accordance with the provisions of the Act.

PART II: GENERAL CONDITIONS

5. General Conditions

The General Conditions for the Licensee as specified by the Commission in Appendix 4B of the OERC (Conduct of Business) Regulations, 2004, after necessary modifications in exercise of powers conferred under Clause 18.2 thereof, shall be the General Conditions as given below.

6. Compliance with Laws, Rules and Regulations

6.1 The Licensee shall duly comply with the provisions of the Act, Rules, Regulations including Policies, Notifications, Circulars and Orders made thereunder, and the provisions of all applicable laws, orders and directions issued by the Commission from time to time. The Licensee shall also comply with the Distribution Code to the extent it is applicable to it.

6.2 The Licensee shall act in accordance with these General Conditions except where the Licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation therefrom.

6.3 The Licensee shall duly comply with the orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre, State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act or the State Act.

7. Activities of the Licensee

7.1 The Licensee shall duly discharge the duties of the Transmission Licensee as provided under Section 40 of the Act.

7.2 The Licensee shall provide non-discriminatory open access to the Transmission System for use by the Licensees and Generating Companies, including Captive Generating Plants, and Consumers, subject to availability of transmission capacity in the transmission lines and, in the case of use of such Transmission System for supply of electricity to consumers, subject to payment of surcharge to meet the current level of cross subsidy, as envisaged in Section 40 read with sub-section (2) of Section 42 of the Act.

7.3 The Licensee shall not, without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise the utility of any other Licensee;

(b) merge its utility with the utility of any other licensee;

(c) acquire any beneficial interest in any Generating Company or Generating Station; or

(d) transmit electricity to any Person in the State of Odisha not authorised by the Commission.

7.4 The Transmission Licensee shall not engage in the business of electricity trading directly or indirectly or associate in the business of an electricity trader or the Distribution Licensee.

7.5 The Licensee shall provide to the other licensees Intervening Transmission Facilities to the extent of surplus capacity available in its Transmission System and, in the event of any dispute as to the availability of the surplus capacity, the same shall be determined by the Commission. The charges and terms and conditions for the intervening facilities may be mutually agreed between the Licensees and, in the event of any disagreement, the same shall be decided by the Commission.

7.6 In the event the Licensee engages in any Other Business, the same shall be subject to the following conditions:

(a) the Licensed Business and the conduct thereof by the Transmission Licensee is not prejudiced and/or adversely affected in any manner by reason of the Other Business;

(b) a proportion of the revenue, as may be directed by the Commission, derived from such Other Business shall be utilised for reducing the charges for Transmission and Wheeling;

(c) the Licensee shall prepare and keep, in respect of the Other Business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, such Other Business activities are separately identifiable from those of the Licensed Business;

(d) the Licensed Business does not subsidise in any way such Other Business nor creates Encumbrance on its transmission assets in any way to support such Other Business; and

(e) the Licensee shall not transfer any assets utilised in the Transmission System for the purposes of Other Business activities without the prior approval of the Commission.

7.7 The Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of, any Person, except when made or issued for the purposes of the Licensed Business. Loans to employees pursuant to

their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

7.8 The Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company to provide any goods or services to the Licensee in connection with the Licensed Business, subject to the following conditions:

(a) the transaction will be on an arm's-length basis and at a value that is fair and reasonable in the circumstances;

(b) the transaction will be consistent with any Regulations framed by the Commission relating to the provision of goods and services with respect to the Licensed Business; and

(c) the Licensee will give 15 days' notice with details of such arrangement to the Commission prior to commencement of such arrangement.

7.9 In all other cases of engagement of such Subsidiary or Holding Company or a Subsidiary of the Holding Company, prior permission of the Commission will be required. Where such prior permission is required, the Licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within 30 days of the filing of the application, seek further information in support of the application.

The Commission shall generally within 30 days of such further information being submitted by the Licensee, and where no such further information is required, ordinarily within 60 days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate, or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

7.10 The Licensee shall not at any time assign its licence or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission. To obtain such approval, the Licensee will file a suitable application with the Commission disclosing the relevant facts, and the Commission shall dispose of such application expeditiously.

8. Accounts

8.1 Unless otherwise permitted by the Commission, the Financial Year of the Licensee for the purposes of these Conditions and matters relating to the Licensed Business shall run from the first day of April to the following thirty-first day of March.

8.2 The Licensee shall maintain separate accounts for each such business undertaking to ensure that the transmission business neither subsidises in any way such business undertaking nor encumbers its transmission assets in any way to support such business.

8.3 The Licensee shall, in respect of the Licensed Business and any Other Business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Licensed Business are separately identifiable in the books of the Transmission Licensee from those of any Other Business in which the Transmission Licensee may be engaged; and

(b) prepare on a consistent basis from such accounting records and deliver to the Commission the Financial Statements, namely:

(i) in respect of the first six months of each financial year, a half-yearly profit and loss account, cash flow statement and balance sheet, together with such supporting documents and information as the Commission may prescribe from time to time, such statements and documents to be published in the manner directed by the Commission;

(ii) in respect of the Financial Statements prepared, an Auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this Condition and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, such businesses to which the statements relate; and

(iii) a copy of each half-yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the Financial Statements and Auditor's report not later than seven months after the end of the financial year to which they relate.

8.4 The Licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Financial Statements in respect of a financial year from those applied in respect of the previous financial year, except where required for compliance with the prevailing Accounting Standards. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 2013, the Indian Accounting Standards notified under Section 133 thereof, the Rules made thereunder and any guidelines issued by the Commission in this regard.

8.5 Where, in relation to the Financial Statements in respect of a financial year, the Licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if directed by the Commission (in addition to preparing Financial Statements on the basis which it has adopted), prepare and deliver to the Commission such Financial

Statements on the basis which it applied in respect of the immediately preceding financial year.

8.6 Financial Statements under Condition 8.3 above shall, unless otherwise approved or directed by the Commission:

(a) be prepared and published with the Annual Accounts of the Licensee, in the manner provided herein;

(b) state the accounting policies adopted;

(c) be prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013; and

(d) be prepared in the form as the Commission may stipulate from time to time.

8.7 The references to costs or liabilities of, or reasonably attributable to, the Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.

8.8 The Licensee shall ensure that the Financial Statements in respect of each financial year prepared under Condition 8.3 and the Auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

9. Information to the Commission

9.1 The Licensee shall furnish to the Commission without undue delay such information, documents and details related to the Licensed Business or any Other Business of the Licensee as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, the State Government, the Central Commission and/or the Central Electricity Authority, the State Transmission Utility and the State Load Despatch Centre.

9.2 The Licensee shall duly maintain the information as the Commission may direct.

9.3 The Licensee shall notify the Commission as soon as possible of the occurrence of any Major Incident affecting any part of its Transmission System and, in any event, not later than 48 hours of such occurrence, and shall:

(a) submit a report to the Commission giving full details of the facts within the knowledge of the Licensee regarding the incident and its cause;

(b) in the event the report under sub-clause (a) is likely to take more than two months from the date of such incident, within one month from the date of the incident submit a preliminary report with such details as the Transmission Licensee can reasonably furnish, and state reasons why the Licensee requires more than two months for giving the full report of such incident; and

(c) give copies of the report to all parties concerned with the Major Incident and to such other Persons as the Commission may direct.

9.4 The decision of the Commission as to what is a Major Incident shall be final. The Commission may by order, after providing an opportunity of hearing, direct the Licensee to provide such amount of compensation as the Commission may direct to persons who suffer substantial injury, or to the heirs of those who lose their lives, as a result of such Major Incident where a Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Licensee.

9.5 The Commission, at its own discretion, may require the submission of a report to be prepared by an independent person at the expense of the Licensee.

9.6 The Licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its Transmission Business and any other matter concerning the Transmission Business that the Commission considers necessary in the public interest to avoid the occurrence of any such Major Incident.

9.7 The Licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under the licence granted, including any act of omission or commission by others, and the steps taken by the Licensee to mitigate the effect of such incident.

9.8 The Commission may at any time require the Licensee to comply with the provisions of these clauses as to incidents which the Commission may specifically direct, and the Licensee shall be obliged to comply with the same notwithstanding that such incidents are not Major Incidents; provided that the time limits specified shall commence from the date that the Commission notifies the Licensee of such requirement.

9.9 The Licensee shall submit to the Commission for approval of a Business Plan based on approved Transmission Plan for each Control Period in accordance with the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 ("Transmission Tariff Regulations"), as amended from time to time. The capital investment plan forming part of the Business Plan shall be based on the Rolling Capital Investment Plan under Condition 10.3, as last updated.

The Licensee will duly implement the aforesaid Business Plan approved by the Commission.

9.10 The Commission may require the Licensee to intimate, by the end of the first quarter of each financial year, the progress made in implementing the Business Plan of the previous financial year, with a comparison of actual implementation vis-à-vis the Plan as approved by the Commission. The Licensee shall post the Financial Statements in respect of each financial year, along with the auditor's comments, on its website.

10. Investments

10.1 Unless otherwise directed by the Commission, the Licensee shall obtain the prior in-principle approval of the Commission, in accordance with the OERC (Approval of Capital Investment Schemes) Regulations, 2026 (in short, 'Capex Regulations'), as amended from time to time for any investment in the Licensed Business of a value equal to or above the limit laid down in Condition 23.1 (a DPR Scheme).

10.2 The Licensee shall duly comply with the Regulations, guidelines, directions and orders the Commission may issue from time to time in regard to the investments to be made in the Transmission Business. In the event of any inconsistency, the said Regulations shall prevail.

10.3 The Licensee shall submit to the Commission a Rolling Capital Investment Plan for a period of five years, in sync with the approved Transmission Plan and Business Plan, and shall update it annually on or before 30th September, in accordance with Regulations 7 and 16.4 of the Capex Regulations. In respect of the schemes in the Plan, the Licensee shall demonstrate to the satisfaction of the Commission that:

(a) there is a need for such Investments in the Transmission System; and

(b) the Transmission Licensee has examined the economic, technical, system and environmental aspects of all viable alternatives to the proposal for investing in or acquiring new Transmission System assets to meet such need.

10.4 In the application for in-principle approval of a DPR Scheme, the Licensee shall furnish the particulars specified in Regulation 5 of the Capex Regulations, in the format in Appendix 1 thereto, including, but not limited to, the following:

(a) a detailed project report containing examination of the economic, technical, system and environmental aspects of the investment, together with the outline of the work to be undertaken, the salient features and particulars demonstrating the need for investment;

(b) the name of the Scheme, Project Cost, Sources and cost of funding together with the cost-benefit analysis;

(c) whether the investment is in a new project or for expansion or upgradation of an existing system;

(d) sanctions and statutory clearances required for execution of the project and the status of such sanctions and statutory clearances;

(e) phasing of investment over the financial years and commissioning schedule;

(f) the manner in which investments will be capitalised for the purposes of inclusion in the revenue requirements of the Licensee;

(g) constraints which the Licensee may face in making the investments or in implementing the project, including constraints on information available;

(h) resource mobilisation and financial plans for meeting the investment;

(i) the process of procurement for the investment, in accordance with Condition 10.9; and

(j) such other particulars as the Commission may from time to time direct.

10.5 The Licensee shall cooperate with the Commission's staff, consultants and experts to enable them to discharge their functions and to submit a report to the Commission on the outcome of their findings.

10.6 The Licensee shall furnish to the Commission, at the end of September and March of every year, the status of implementation of all Capital Investment Schemes that have received in-principle approval of the Commission, along with the Completion Report of the schemes put to use in the preceding six months, in accordance with Regulations 13.1, 15.2 and 17.2 of the Capex Regulations.

10.7 The Licensee shall make the investments in a prudent manner, being guided by the duty to build, maintain and operate an efficient, co-ordinated and economical Transmission System in the State.

10.8 The Licensee shall not undertake any DPR Scheme which is not included in the Rolling Capital Investment Plan under Condition 10.3 and in the STU Plan, or which has not received the prior in-principle approval of the Commission, and for such approval the Licensee shall demonstrate to the satisfaction of the Commission the factors mentioned in Condition 10.3 above.

10.9 The Licensee shall procure equipment, material, services and turnkey contracts relating to its Capital Investment Schemes in accordance with the Public Procurement Policy/Guidelines of the Government of Odisha, as required by Regulation 13.1(a) of the Capex Regulations, or, where applicable, in accordance with the OERC (Development of Intra-State Transmission Projects through Tariff Based Competitive Bidding in the State of Odisha) Order, 2022.

10.10 For the purposes of this Condition 10, the term "Major Investment" or "DPR Scheme" means any planned investment in or acquisition of Transmission facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds the amount contained in Specific Condition 23.1 applicable to the Licensee or as otherwise decided by the Commission from time to time by a general or special order. The Licensee shall not split the scope of work of a scheme into parts to bring it below that amount, nor club unrelated schemes or Operation and Maintenance works to qualify as a DPR Scheme, as provided in Regulations 4.17, 4.18 and 4.20 of the Capex Regulations.

10.11 The Licensee may make Investment in the Transmission Business other than that covered under Condition 10.3 above only in accordance with the Capex Regulations. A DPR Scheme shall require the prior in-principle approval of the Commission. A Non-DPR Scheme shall form part of the Rolling Capital Investment Plan of the Licensee, and emergency works shall be intimated to the Commission within 15 days of the start of the work and placed for post-facto

approval, as provided in the said Regulations. For the purposes of considering any such Investment while determining the tariff, the Licensee shall satisfy the Commission that the Investment was required for the Transmission Business and was made in an efficient, co-ordinated and economical manner.

10.12 The Licensee shall submit to the Commission, along with its application for determination of Annual Revenue Requirement and tariff under Section 62 of the Act, the highlights of the annual investment under the Rolling Capital Investment Plan, the approvals granted by the Commission for investments under this Condition, the details of completed DPR Schemes for approval of completed cost as specified in Regulation 6.1 of the Capex Regulations, and the actions and inactions on the part of the Licensee in complying with the terms contained in this Condition.

Provided that the cost of a DPR Scheme approved in-principle by the Commission shall be the ceiling capital cost, and any revision of its scope or cost shall be governed by Regulations 5.8, 5.9 and 12 of the Capex Regulations.

Provided further that emergency works shall be undertaken and reported in accordance with Regulation 4.9 of the Capex Regulations.

11. Transfer of assets

The Licensee shall not, in a single transaction or a set of related transactions, transfer or relinquish Operational Control over any asset whose book value at the time of the proposed Transfer exceeds the amount decided by the Commission in Specific Condition 24 applicable to the Licensee, or otherwise by a general or special order, without complying with Conditions 11 and 24.

11.1 The Licensee shall give the Commission prior written notice of its intention to transfer or relinquish Operational Control over any asset whose value exceeds the amount decided by the Commission as per Condition 11 above, and the Licensee shall disclose all relevant facts in the communication to the Commission. The Commission may, within 30 days of the receipt of the notice, seek further information in support of the transaction and shall, generally within 30 days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission, within 60 days of the filing of the application, approve the Transfer arrangement subject to such terms and conditions or modifications as are considered appropriate, or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

11.2 The Licensee may transfer or relinquish Operational Control over any asset as is detailed in any notice given under Condition 11.1 where:

(a) the Commission confirms in writing that it consents to such transfer or relinquishment of Operational Control, subject to such conditions as the Commission may impose; or

(b) the Commission does not inform the Licensee in writing of any objection to such Transfer or relinquishment of Operational Control within the notice period referred to in Condition 11.1, and transparent and competitive bidding procedures for the transfer are followed.

11.3 The Licensee may also Transfer or relinquish Operational Control over any asset where:

(a) the Commission has issued directions for the purposes of this Condition 11 containing a general consent (whether or not subject to conditions) to:

(i) transactions of a specified description; and/or

(ii) the Transfer or relinquishment of Operational Control over assets of a specified description; and/or

(iii) the Transfer or relinquishment of Operational Control in accordance with any conditions to which the consent is subject; or

(b) the Transfer or relinquishment of Operational Control in question is mandated under any other law; or

(c) the asset in question was acquired and used by the Licensee exclusively or primarily in connection with any Other Business and does not constitute a legal or beneficial interest in land, or otherwise form part of the Transmission System, or is not otherwise an asset required for the Licensed Business.

11.4 The Licensee will be entitled to utilise the assets as a means of facilitating the financing of its investment requirement, including as collateral for debt financing and securitisation of receivables, subject to the conditions that:

(a) the Licensee will inform the Commission about such arrangements at least 15 days prior to the effective date of the relevant agreements;

(b) the Licensee acts in a prudent and reasonable manner in such utilisation of assets; and

(c) the Licensee retains Operational Control over the assets in the Transmission System.

12. Payment of licence fees

12.1 Within such period as the Commission may direct, the Licensee shall pay to the Commission the Licence Fees, initial and also periodic, mentioned in Specific Condition 25, in such manner as the Commission may direct in the said Specific Condition.

12.2 Where the Licensee fails to pay to the Commission any of the fees due under Condition 12.1 by the due dates:

(a) without prejudice to other obligations, the Licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of 1.25 percent per month, the interest being payable for the period beginning on the day

after which the amount became due and ending on the day on which the payment is made to the Commission; and

(b) in the event of continued default by the Licensee, the Commission may revoke the Licence.

12.3 In the determination of aggregate revenues to be charged to the tariff, the Licensee shall be entitled to take into account any fee paid by it under this Condition as an expense, excluding the interest for delayed payment and payment of penalty, fines and charges paid by the Licensee.

13. Revocation of licence

13(1) During the continuance of the licence period, the Commission, after making an enquiry and in the public interest, may revoke the licence of the Licensee for the grounds mentioned in sub-sections (1)(a), (b), (c), (d) and sub-section (2) of Section 19 of the Act.

13(2) The Commission may also revoke the licence of the Licensee for breach of the following Licence Conditions:

(a) where the Licensee fails to pay the Commission any of the fees due under Condition 12 of these Licence Conditions;

(b) where the Licensee fails to implement its Business Plan submitted under Condition 9.9 of these Conditions;

(c) where the Licensee fails to comply with the provisions of Condition 10.2 of these Licence Conditions with regard to investment to be made in the Transmission Business.

14. Amendment of licence conditions

14.1 On the request of the Licensee or otherwise, the Commission may at any time, in the public interest, modify or amend these Licence Conditions in exercise of its powers under Section 18 of the Act. Before any such alterations or amendments in the Transmission Licence are made, the following shall have effect:

(a) where the Licensee has made an application under sub-section (1) of Section 18 of the Act proposing any alteration or amendment in the Conditions of Licence, the Licensee shall publish a notice of such application with such particulars and in such manner as may be directed by the Commission;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, the alterations or modifications shall be made only with the consent of the Central Government;

(c) where any alterations or amendments in a licence are proposed to be made otherwise than on the application of the Licensee, the Commission shall publish the proposed alterations or amendments with such particulars and in such manner as the Commission considers appropriate;

(d) the Commission may give reasonable opportunity of hearing to the Licensee and other affected persons on such proposed amendments or modifications;

(e) the Commission shall not make any alteration or amendment unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered by the Commission.

15. Dispute resolution

15.1 The Commission shall be entitled to act as arbitrator or nominate person(s) as arbitrator(s) to adjudicate and settle disputes between the Licensee and any other licensees, or between the Licensee and a generating company, in pursuance of clause (f) of sub-section (1) of Section 86 read with Section 158 of the Act and the Conduct of Business Regulations of the Commission.

16. Transmission Planning and Security Standards; Transmission Operating Standards

16.1 The Licensee shall plan and operate the Transmission System so as to ensure that the Transmission System is built, operated and maintained to provide an efficient, economical and co-ordinated system of transmission, in accordance with the Odisha Grid Code and the Overall Performance Standards, as notified by the Commission from time to time.

16.2 (a) The Licensee shall make arrangements, within such time as the Commission may direct, to meet the Power Supply Planning and Security Standards and Power Supply Operating Standards.

(b) The Security Standards are such standards as:

(i) will ensure that the Licensee conducts its planning security so that transmission of electricity will meet levels of reliability and quality proposed by the Licensee and approved by the Commission; or

(ii) the Commission may otherwise direct from time to time.

(c) The operating standards are such levels of operational security as approved by the Commission from time to time.

16.3 (a) The Licensee shall, within such time as the Commission may direct or otherwise, submit to the Commission the existing planning and security standards and operating standards for its Transmission System, and the existing planning and security standards and operating standards relating to generation capacity connected to its Transmission System being followed by the Transmission Licensee. Such existing standards, with such modification as the Commission

may direct, shall continue to remain in effect until the new standards are approved by the Commission.

(b) The Licensee shall, within such time as the Commission may direct or otherwise, prepare, in consultation with the Suppliers, Generating Companies, Central Transmission Utility, Eastern Regional Power Committee, Grid Co-ordination Committee and such other persons as the Commission may direct, and submit to the Commission for approval, the Licensee's proposal for Transmission Planning and Security Standards and Transmission Operating Standards in accordance with these General Conditions.

(c) The Transmission Planning & Security Standards and Transmission Operating Standards submitted by the Licensee pursuant to this Condition 16, with such modifications as the Commission may require, shall take effect from such dates as the Commission may direct.

16.4 The Licensee shall not be in breach of its obligations if the failure to meet the Transmission Planning and Security Standards or the Transmission Operating Standards is due to Force Majeure, provided that the Licensee has used its reasonable efforts to comply with the Transmission Planning and Security Standards or the Transmission Operating Standards, as the case may be.

16.5 The Licensee shall, in consultation with Suppliers, the Generating Companies, the Central Transmission Utility, the Eastern Regional Power Committee, the Grid Co-ordination Committee and such other persons as the Commission may order, review the standards and their implementation. Following any such review, the Licensee shall send to the Commission:

(a) a report on the outcome of such review;

(b) any revision which the Licensee proposes to make to such documents from time to time (having regard to the outcome of such review); and

(c) any written representations or objections (including those not accepted by the Licensee) from Suppliers, the Generating Companies, the Central Transmission Utility, the Eastern Regional Power Committee, the Grid Co-ordination Committee and such other persons as the Commission may order, arising during the consultation process.

16.6 The Commission may, having regard to any written representations and objections received and following such further consultation as the Commission may consider appropriate, issue directions requiring the Licensee to revise the standards in such manner as may be stated in the directions. The Licensee shall duly carry out the revisions directed by the Commission.

16.7 The Licensee shall, within three months of the end of each financial year, submit to the Commission a report indicating the performance of the Transmission System during the previous financial year. The Licensee shall, if required by the Commission, publish the report in a manner to be determined by the Commission.

Copies of this report shall also be furnished by the Licensee to all persons applying for the same at the normal cost of photocopying.

16.8 The Licensee shall, upon request by the Commission, provide to the Commission such information as the Commission may require under or for the purpose of monitoring the duties and responsibilities of the Licensee under this Condition 16.

17. Odisha Grid Code

17.1 The Licensee shall ensure due compliance with the Indian Electricity Grid Code and the Odisha Grid Code (OGC), as amended from time to time.

17.2 The Commission may, on reasonable grounds and after consultation with any affected Generating Companies, the Licensee, the State Transmission Utility, the State Load Despatch Centre and Electricity Traders, issue directions relieving the Licensee of its obligation in respect of such parts of the Odisha Grid Code and to such extent as may be decided by the Commission.

18. Connection and use of system

18.1 The Licensee shall make such arrangements for non-discriminatory open access to the use of its Transmission System by Users, subject however to the availability of adequate transmission capacity in accordance with the Open Access Regulations notified by the Commission, and further subject to the User agreeing to pay all applicable charges, including the transmission charges and surcharges wherever applicable.

18.2 On application made for grant of a connection by any person intending to use the Transmission System, the Licensee shall offer to enter into an agreement with such person for connection to the Transmission System or for modification of such an existing connection, and such offer shall make provision for:

(a) carrying out of works necessary to make the required connection, including the installation of meters;

(b) carrying out of any necessary works to reinforce the Licensee's Transmission System;

(c) the connection charges to be paid as directed by the Commission; and

(d) the completion date and such other terms as are relevant to the circumstances.

18.3 The Transmission Licensee shall offer terms for agreements in accordance with Conditions 18.1 or 18.2 as soon as practicable to the intended Users of the System. The Licensee shall not be obliged to offer to enter into any agreement if:

(a) adequate transmission capacity is not available in the Transmission System, provided that the existence or absence of such available capacity shall be subject to determination by the State Transmission Utility and, in

case of any dispute pertaining to such determination, the same shall be subject to the decision of the Commission;

(b) it is likely to result in breach of its duties under the Act or the State Act;

(c) it is likely to result in breach of any Rules or Regulations relating to safety or Standards applicable to the Transmission Business, including the prevailing Rules;

(d) it is likely to result in breach of any provisions of the Odisha Grid Code;

(e) the person making the application does not undertake to comply with the Odisha Grid Code, as amended from time to time in force to the extent that it is applicable to that Person; or

(f) the person making the application does not undertake to pay the applicable charges, surcharges and adjustment for losses of electricity in the Transmission System determined by the Commission.

18.4 If, after a period which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement with any intending user of the Transmission System, the Commission may, at the request of such intending user, settle such terms in dispute between the Licensee and that person, and the Licensee shall forthwith enter into and implement such agreement in accordance with its terms as settled by the Commission.

18.5 The Licensee shall prepare and submit to the Commission on an annual basis a statement showing, in respect of each of the five succeeding financial years, forecasts of circuit capacity, power flows and loading on the Transmission System under standard planning criteria, together with:

(a) such further information as shall be reasonably necessary to enable any person seeking Use of System to identify and evaluate the opportunities available when connecting to and making use of such system; and

(b) a statement prepared by the Licensee indicating its views as to those parts of its Transmission System most suited to new connections and transport of further quantities of electricity.

18.6 At the request of a person or a Supplier who wishes to use the Transmission System, the Licensee shall prepare an update to the above statement incorporating the most recent data, specifically including any facility for which any other person or Supplier has requested use of and connection to the Transmission System.

18.7 The Licensee may make a charge for any statement given or sent to persons seeking Use of System, of an amount reflecting the Licensee's reasonable costs of providing such a statement.

18.8 The Licensee is entitled to undertake all activities necessary, related or incidental to the conduct of the Transmission Business, which would include laying and operating an appropriate communication network to implement information

technology-based solutions such as remote metering for the Licensed Transmission Business.

19. Expected revenue calculation and tariffs

19.1 The Licensee shall calculate the expected revenue from charges which it is permitted to recover in accordance with the provisions of the Act, the State Act, the Regulations of the Commission, the tariff terms & conditions and other guidelines, orders and directions issued by the Commission from time to time.

19.2 The Licensee shall file the Expected Revenue Calculation and the application containing tariff proposals in the manner provided in the Conduct of Business Regulations, in complete shape and consistent with the Regulations under Section 61 read with Section 64 of the Act.

19.3 Unless otherwise provided in any order or direction made by the Commission, the Licensee shall every year, not later than 30th November, submit to the Commission:

(i) a statement with full details of its expected aggregate revenues and cost of service for the ensuing financial year (including financing costs and its proposed return on equity) for its Licensed Business, in accordance with the provisions of the Act and the regulations, guidelines and orders issued by the Commission from time to time; and

(ii) the investment which the Licensee proposes to make in the ensuing financial year, and desires to be covered under the revenue requirement for that year, out of the Rolling Capital Investment Plan under Condition 10.3, as last updated, with reference to the schemes, if any, already approved by the Commission of which such investment forms a part, and with reasons for any variation from the capital investment plan in the approved Business Plan.

The Licensee shall submit the statement and the investment details referred to above separately for its Licensed Business and any Other Business.

19.4 The Licensee shall, along with the Expected Revenue Calculation or at such other time and periodicity as the Commission may specifically permit, file the application containing tariff proposals and the revision to the existing tariffs approved by the Commission to match the revenue requirements of the Licensee.

19.5 The amount that the Licensee is permitted to recover from its tariffs is the amount that the Commission determines and approves in accordance with the provisions of the Act, the State Act and the Regulations of the Commission.

19.6 The Licensee may apply to the Commission to amend its tariffs in accordance with the Act and the applicable Regulations and directions of the Commission.

PART III: SPECIFIC CONDITIONS

20. Restrictions

20.1 In addition to the restrictions stated under Conditions 7.3, 7.4 and 7.10, the following restrictions are to be adhered to by the Licensee. Neither the Licensee nor any of its Affiliates shall, without the prior written consent of the Commission:

(a) own, hold any beneficial interest in, or operate any facilities for Transmission and Distribution in the Area of Transmission other than pursuant to a licence granted to the Licensee or the relevant Affiliate by the Commission; or

(b) start any non-core activity which is not reasonably incidental to the functions of transmission which it is authorised to carry on pursuant to its licence, unless specifically authorised by the Commission. Any non-core activity so authorised by the Commission shall constitute a Other Business for the purposes of Conditions 7.6 and 8.2 of these Licence Conditions.

20.2 With prior approval of the Commission, the Licensee shall guarantee any obligations incurred by an Affiliate of the Licensee in respect of a non-core activity. In carrying out the Transmission Business, the Licensee shall not incur any loan or loans for the purposes of any Other Business of the Licensee.

20.3 The Licensee shall not create or permit to subsist any encumbrance in favour of any other person over any of the Licensee's assets for the purposes of securing any obligation of any other person, or of the Licensee in relation to any non-core activity.

21. Subsidies among Other Businesses

In respect of each Other Business, the Licensee shall not, without the prior permission of the Commission, give any subsidy to or receive any subsidy from any Other Business or from any other business of the Licensee or any Affiliate of the Licensee.

22. Prohibition of Discrimination

22.1 Subject to Condition 22.2, where under the terms of these Licence Conditions the Licensee provides Use of System or connection services, the Licensee shall not (unless authorised by the Commission or pursuant to Condition 21) unduly discriminate in respect of price or other terms:

(a) between any users or classes of users of the Transmission System; or

(b) as between the Licensee (in the use of the Transmission System by the Licensee) and any other users or classes of users of the Transmission System.

22.2 Nothing in Condition 22.1 shall prohibit the Licensee from providing Use of System services to any user on price or other terms which materially differ from

those offered to other users, where such differences reflect different circumstances of service, including load factor, power factor, the level, timing, etc.

23. Investment

23.1 For the purposes of Condition 10.10, the term "Major Investment" means any planned investment in or acquisition of Transmission facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds Rs. 20 crore, or such other amount as the Commission may specify by general or special order. This amount shall be the threshold for DPR Schemes of the Licensee under Regulation 4.1(a) of the OERC (Approval of Capital Investment Schemes) Regulations, 2026.

23.2 Capital investment by the Licensee in discharge of the functions of the State Load Despatch Centre under Condition 29 shall be governed by the threshold specified for the SLDC in Regulation 4.1(c) of the said Regulations.

24. Disposal of Assets

24.1 The Licensee shall not dispose of or relinquish operational control over any assets with replacement cost in excess of Rs. 30 lakh otherwise than in accordance with Condition 11 of these Licence Conditions.

24.2 For the purpose of this Condition, the term "disposal" means any sale, including sale of shares and stock, gift, lease, licence, the grant of any right of possession (or ownership, whether immediate or in the future), transfer of ownership, grant of any encumbrance or the permitting of any encumbrance to subsist, or any other disposition to a third party, the cost of which, when aggregated with all other assets (if any) forming part of the same overall transaction, equals or exceeds Rs. 30 lakh, and "dispose" shall be construed accordingly. The cumulative sale of shares and stock to a single party shall be considered to form part of the same overall transaction.

24.3 The Licensee shall furnish, along with its application for determination of ARR each year, a statement of all assets with replacement cost exceeding Rs. 30 lakh disposed of, or over which operational control was relinquished, during the previous financial year, showing for each the book value, the value realised and the manner in which the proceeds have been accounted for.

Provided that this Condition is without prejudice to Regulation 8.38 of the Transmission Tariff Regulations, under which the Licensee shall submit year-wise details of all assets retired and disposed of and of the assets which have completed their useful life, and shall take the prior approval of the Commission for retiring any asset before the completion of its useful life; and any profit derived from the disposal of assets shall be treated as Non-Tariff Income under Regulation 8.40 thereof.

25. Payment of Annual Licence Fees

25.1 With reference to Condition 12 of the General Conditions, the Licensee shall pay to the Commission an annual licence fee of such amount as may be determined by the Commission from time to time.

25.2 The annual licence fee for each financial year shall be paid by 10th April of that year.

25.3 All licence fees (including interest, if due under General Condition 12.2) shall be deposited in "The Orissa Electricity Regulatory Commission Fund" operated by the Commission.

25.4 (a) The Licensee shall be subject to the proceedings for the recovery of such fees specified in the Act; and

(b) The Commission may review the amount of licence fee every three years.

26. Compliance with Distribution Code

26.1 The Licensee shall comply with the provisions of the Distribution (Planning & Operation) Code of Distribution Licensee, in so far as applicable to it.

26.2 The Commission may, following consultation with any Distribution Licensee which is directly affected thereby, issue directions relieving the Licensee of its obligation under Condition 26.1 in respect of such parts of the above Distribution (Planning & Operation) Code.

27. Basis of Charges

27.1 The Licensee shall, by the time specified in the OERC (Conduct of Business) Regulations, 2004 and the Transmission Tariff Regulations, prepare and lodge with the Commission submissions setting out in full detail:

(a) a statement of the Licensee's revenue requirement for the ensuing financial year, prepared in accordance with the aforesaid Regulations read with Section 61 of the Act; and

(b) a statement of the Licensee's expected revenue for the ensuing financial year at the prevailing tariff.

27.2 In accordance with Section 64 of the Act, an application in complete shape for determination of Annual Revenue Requirement (ARR) and calculation of tariff shall be made by the Licensee, setting out in full the following:

(a) all filings for Annual Revenue Requirement as per the annual schedule, by 30th November of every year, indicating the manner in which the gap, if any, between the charges which it is permitted to recover and the expected revenue calculated shall be filled up;

(b) a new or amended tariff proposed by the Licensee, indicating the date of implementation and drawing attention to the proposed changes. Such date

shall be not less than 120 days from the date of the submission of the tariff proposal with all information, data, calculations, etc. as required;

(c) the aggregate revenue which the Licensee expects to be able to recover from the proposed new or amended tariff. Such aggregate revenue figure shall relate to the first full financial year after the proposed specified date where the specified date coincides with the beginning of the financial year and, where the specified date does not coincide with the beginning of the financial year, the aggregate revenue figure shall be calculated at the prevailing tariff up to the date of revision and thereafter at the revised tariff up to the end of the relevant financial year.

Provided that no tariff or part of tariff shall be amended more than once in any financial year.

27.3 The Commission may require comparative data for the first six months of the current and preceding full financial year, for the purposes of comparison, along with such other data, calculations, etc. as the Commission considers necessary, and the Licensee shall furnish such data, calculations and comparisons as directed by the Commission.

27.4 Subject to the provisions of the Act and the Regulations, the Commission shall, within one hundred and twenty days from receipt of an application for determination of tariff and after considering all suggestions and objections received from the public, notify the Licensee either:

(i) that it accepts the Licensee's calculation under (a), (b) and (c) of Condition 27.2; or

(ii) that it does not consider the Licensee's calculation to be in accordance with the prescribed methodology or procedure and will propose an alternative calculation which the Licensee shall accept; or

(iii) that it rejects the application.

27.5 Following approval by the Commission of any new or amended tariff, the Licensee shall publish details of the same in accordance with the requirements of the Act. The previously notified tariff shall remain in effect till the new or amended tariff takes effect.

27.6 The Licensee shall ensure that all amounts due to other Users in respect of the electricity generated or supplied, or other goods or services provided by them, are paid promptly.

28. Contravention of Licence Conditions

In case of any contravention of any Licence Conditions (General or Specific) by the Licensee, the Licensee shall be liable for penal action under Sections 19, 24, 128, 129 and 142 of the Act and under other relevant provisions of the Act, Rules, Regulations and Notifications.

29. Functions of STU and SLDC

29.1 Subject to the Notification of the State Government under Section 39 of the Act, read with the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005, the Licensee shall act and discharge its functions as the State Transmission Utility (STU).

29.2 Subject to the Notification of the State Government under Section 31 of the Act, the Licensee shall also discharge the functions of the State Load Despatch Centre (SLDC) and shall maintain separate books of accounts of the SLDC functions and the SLDC charges shall be recovered in accordance with the OERC (Fees and Charges of SLDC and Other Related Matters) Regulations, 2010.

30. Miscellaneous

30.1 All issues arising in relation to the interpretation of these Conditions and as to the terms and conditions thereof shall be a matter for the determination of the Commission, and the decision of the Commission on such issues shall be final.

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