

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

Present : **Shri G. Mohapatra, Chairperson**
 Shri S. K. Ray Mohapatra, Member

CASE NO.106 OF 2021

DATE OF HEARING : **17.02.2022 (3:00 P.M.)**

DATE OF ORDER : **24.03.2022**

IN THE MATTER OF: An application for approval of Annual Revenue Requirement and Determination of Fees & Charges for State Load Despatch Centre (SLDC) functions for the FY 2022-23.

ORDER

A. PROCEDURAL HISTORY: (Para 1 to 9)

1. The Odisha Power Transmission Corporation Limited, Bhubaneswar (OPTCL), a Govt. Company registered on 29th March, 2004 under the Companies Act, 1956 has been carrying out the business of transmission of electricity within the State of Odisha. It has also been notified as the State Transmission Utility (STU) under Section 39 (1) of the Electricity Act, 2003 hereinafter referred to as “the Act”. By virtue of the 2nd Proviso to Section 14 of the Act, OPTCL has been a deemed Transmission Licensee, so far as transmission functions are concerned. OPTCL is now governed by License Conditions set forth in OERC (Conditions of Business) Regulations, 2004, at Appendix 4B issued under Section 16 of the Act, as modified by the Commission’s Order dated 27th October, 2006. By Clause 10(2) & (3) of the said Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the State Govt. has expressly notified OPTCL, a Govt. Company created for taking over transmission function of GRIDCO, as the State Transmission Utility with effect from 01.04.2005. Moreover, even though by the said Scheme, vide Clause 10(2), OPTCL was ‘notified’ as STU; it was also empowered to discharge the State Load Despatch functions till further orders of the State Govt. This provision as regards “discharge of State Load Despatch functions” in the Transfer Scheme was obviously intended to be an interim, temporary and stop-gap measure pending

establishment/Notification of a State Load Despatch Centre (SLDC) under Section 31(1) and the substantive part of Section 31(2) of the Act.

2. Sections 31 & 32 of the Electricity Act, 2003 contemplate SLDC as an independent apex body to ensure integrated operation of the power system in the State. SLDC has been empowered by Section 33 of the Act to give such directions and exercise such supervision and control as may be required for ensuring integrated grid operations and for achieving maximum economy and efficiency in the operation of power system in the State. These are all highly responsible, technical, and non commercial statutory functions conceived by the Electricity Act, 2003 and are entrusted to SLDC to be carried out as an independent apex body. Every Licensee including OPTCL, generating companies, generating stations and sub-stations are to comply with such directions vide Section 33 (2) and Section 40 (b) of the Act. At present SLDC has not been organizationally separated from OPTCL which is a regulated entity. In this context it is noteworthy that under Section 31(2) of the Act; a government body is supposed to operate SLDC and directions of the State Govt. to such a body are to be confined within the ambit of Section 37 of the Act. The State Govt. has been advised accordingly from time to time to remove this anomaly and the latest reminder has been issued by the Commission vide DO Letter No. OERC/Tariff/Case No.56/2015/1646 dated 26.11.2015.
3. The Act has also provided financial independence of SLDC under Sub-section 3 of Section 32 by way of levy and collection of fees and charges from generating companies and the distribution utilities engaged in Intra-State Transmission of electricity. Sub-section under Section 2 of the electricity (Removal of Difficulty) Sixth Order, 2005 issued by Ministry of Power (MoP) Govt. of India on 08.06.2005 provides that the SLDC may levy and collect such fee and charges from the Licensees using the intra-State transmission system as may be specified by the State Commission.
4. So far the State Government has not exercised its power under Section 31 (1) and (2) of the Act to establish a separate and independent entity for operation of SLDC. Hence, by virtue of the 1st Proviso to Section 31 (2) of the Act, OPTCL as STU has to “operate” the SLDC for the time being. As such it is fit and proper that SLDC shall collect Annual Fees and Charges for SLDC functions from the various stakeholders as per Section 32 (3) of the Act and other sources permissible under law from various

stakeholders. Accordingly OPTCL has filed an application on 29.11.2021 for approval of Annual Fees and Charges for SLDC functions for FY 2022-23.

5. In exercise of powers conferred under Section 181 (2)(g) of the Act read with Section 32(3) and all other enabling powers, the Commission has framed OERC (Fees and Charges for SLDC and other related matters) Regulations, 2010, which has been published in Odisha Gazette No.1924 dated 18.11.2010 and has come into force with effect from 18.11.2010.

As per Regulation 3 of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 as well as in conformity with OERC (Conduct of Business) Regulations, 2004, SLDC is to submit the full details of its calculations of estimated Annual Revenue Requirement (ARR) and other related information in the prescribed formats for determination of Annual Fees and Charges for the ensuing financial year by 30th November before commencement of the said financial year. Accordingly, SLDC has filed this application for approval of ARR & Annual Fees and Charges for its functions in Odisha for FY 2022-23.

6. The said application dated 29.11.2021 was duly scrutinized, registered as Case No. 106 of 2021 and was taken up for hearing. Objections were invited after wide publication of the application in English & Odia daily newspaper and in website of Commission as well as OPTCL. In response to the aforesaid public notice of the applicant, the Commission received two objections/suggestion, i.e. from (a) Shri Soumya Ranjan Patnaik, MLA, Khandapada, Son of Late Brajabandhu Patnaik, Plot No.185, VIP Colony, Nayapalli, Bhubaneswar – 751015, and (b) Shri Ashok Kumar Nanda, Son of Late Bana Bihari Nanda, Convener, Odisha, Janashakti Manch, Khandagiri, Bhubaneswar – 751030. The Commission has appointed World Institute of Sustainable Energy (WISE), Pune as consumer counsel for objective analysis of ARR and annual fees and charges proposal of SLDC for FY 2022-23. The consumer counsel presented its views in the hearing.
7. The Commission also issued individual notice to the objector and the Department of Energy, Government of Odisha informing them about the date and time of hearing through virtual mode due to COVID-19 pandemic situation in the State and requested the applicant, the objectors and the Government's authorized representative to furnish their individual e-mail ID and Whatsapp number in the address oerc.vc@gmail.com on the previous day of hearing to facilitate and for providing links for hearing.

Accordingly, the applicant, objectors and the representative of DoE, GoO had participated in the proceedings and have offered their valuable views/suggestion/proposal during the hearing on virtual mode on the date and time fixed by the Commission.

8. The above named objectors along with the representatives from the Department of Energy, Government of Odisha, Bhubaneswar, Sri R.P.Mohapatra & Sri Anand Kumar Mohapatra, Power Analyst, S/o Sri Jachindranath Mohapatra on behalf of Sri Soumya Ranjan Pattnaik were present during tariff hearing through virtual mode and their submissions were taken on record for consideration by the Commission.
9. After due notice to the Applicant, Government of Odisha and the Objector to participate in the consultative process, the Commission heard the applicant, objectors, consumer counsel, representative of the State Government on 17.02.2022 at 3:00 P.M. The above named Objectors along with the representative of Principal Secretary to Government, Department of Energy, Government of Odisha, Bhubaneswar were present during tariff hearing through virtual mode and their submission filed before the Commission were taken on record for consideration by the Commission.

B. PROPOSAL FOR ARR & LEVY OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS FOR FY 2022-23 (Para 10 to 14)

10. Item-wise ARR for SLDC operation

As per the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 the annual charges consist of the following components:

- i) Return on Equity
- ii) Interest on Loan Capital
- iii) Depreciation
- iv) Operation & Maintenance Expenses Excluding Human Resource expenses
- v) Human Resource Expenses
- vi) Interest on Working Capital

i) Return on Equity:

Since no equity has been invested by SLDC, item (i) is not proposed in the ARR.

ii) Interest on Loan capital:

Since there is no outstanding loan on SLDC, item (ii) is not proposed in the ARR.

iii) **Depreciation:**

Depreciation for the assets in the Unified Load Despatch Centre and offices in SLDC has been computed as **Rs.81.183** lakhs as per CERC Regulation. The major amount of depreciation charges is for recovering the depreciation cost for the upgraded & enhanced VPS (costing Rs 166.53 lakhs) amounting to **Rs.24.979** lakhs. Further, depreciation charges for recovering the depreciation cost of laptops, computers & peripherals for SLDC data centre and office amounting to **Rs.44.24** lakhs. Total depreciation amount is provided in table below.

Table – 1
Statement of Depreciation (in Rs. Lakhs)

Financial Year	2020-21	2021-22	2022-23
1	2	3	4
Recovery of Capital Cost (Amount to be recovered during the year)	0.000	0.000	0.000
Depreciation on existing assets	38.388	71.298	81.183
TOTAL	38.388	71.298	81.183

iv) **Operation and Maintenance Expenses:**

Operation and maintenance (O&M) expenses excluding human resources expenses for FY 2022-23 has been computed as **Rs. 341.65 lakhs** considering the R&M expenditure proposed to be incurred for civil maintenance works, Facility Management Services (FMS), Website charges, IT equipment and Electrical maintenance of office building and colony quarters, etc and A&G expenses. The O & M expenses have been projected considering actual expenditure to be incurred during FY 2022-23.

Table – 2
Statement of O&M Expenses Excluding Human Resource Expenses
(in Rs. Lakhs)

SL. No.	ITEMS	Form No	2020-21 (Actual)	2021-22 (Approved)	2021-22 (Actual up to Sept.-21)	2022-23 (Proposed)
1	2	3	4	5	6	7
1	Repairs and maintenance expenses	7-C	83.490	56.996	13.450	153.450
2	Administrative and general expenses, etc	7-D	99.964	124.240	45.677	188.200
	Total		183.454	181.236	59.127	341.650

v) **Human Resources Expenses:**

Human resources expenses have been computed as **Rs. 974.107** lakhs considering the existing employees including 4 numbers of Telecommunication personnel working at SLDC control centre. In addition, salary for 14 contractual/outsourcing staffs has been considered. Payment of 50% arrear amounting to **Rs. 47.54** lakhs on implementation of 7th Pay commission report has also been considered.

Certificate of LDC Personnel:

The committee on “Manpower, Certification and Incentives for System Operation and Ring Fencing Load Despatch Centres” recommended compensation structure, innovative incentive schemes for higher learning and monetary incentives based on the ratings of the employees. For imparting training to the executives, the expenditure for Training & Certification of LDC personnel has been projected as **Rs.20.0** lacs for FY 2022-23.

vi) **Interest on Working Capital:**

The interest on working capital (amounting to **Rs.348.451 lakhs**) is computed as **Rs.35.89 lakhs** as per OERC Regulation considering 10.30 % rate of interest (SBI base rate 7.30 % plus 300 basis points). Even though SLDC has not taken loan to meet the working expenses, the provision has been kept due to non-receipt of SLDC charges from the user for two months from the commencement of financial year. The loss of interest for the above amount is being recovered as interest on working capital. The details on working capital requirement and interest on it is given in table below.

Table – 3
Statement of Interest on Working Capital
(In Rs. Lakhs)

Sl. No.	Particulars	Amount
1	2	3
1	O & M expenses for one month excluding human resource expenses(7-A)	28.471
2	Human resource expenses for one month (7-B4)	81.176
3	Receivables (2 months of SOC & MOC)	238.805
4	Total Working Capital	348.451
5	Rate of Interest	10.30%
6	Interest on Working Capital	35.890

Total ARR proposed for FY 2022-23 is given in table below.

Table – 4
ARR Proposed for FY 2022-23

		(in Rs. Lakhs)
Sl. No.	Particulars	2022-23
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	81.183
4.	O&M Expenses excluding human resource expenses	341.650
5.	Human Resource expenses	974.107
6.	Interest on Working Capital	35.890
	Total expenses	1432.830

11. Determination of Annual Charges for SLDC:

The Annual Charges for SLDC have been computed as per provision in Regulation 17, 18, 19, 20, 21 & 22 of OERC Regulation as detailed below:

Annual charges: Annual charges computed shall comprise of

- a) **System Operation Charges (SOC)** i.e. 80% of Annual charge
- b) **Market Operation Charges (MOC)** i.e. 20% of Annual charge

- **System Operation Charges (SOC)** shall be collected from the users in the following ratio :

- Intra State Transmission Licensee(s) - 10% on the basis of Ckt-KMs
- Generating Company(ies) & Seller(s) - 45% on the basis of installed capacity
- Distribution Licensee(s) and Buyer(s) - 45% on the basis of allocation

- **Market Operation Charges (MOC)** shall be collected from the users in the following ratio :

- Generating Company(ies) & Seller(s) - 50% on the basis of installed capacity
- Distribution Licensee(s) and Buyer(s) - 50% on the basis of allocation

Table – 5
Abstract of Collection of SLDC Charges Proposed for FY 2022-23
(in Rs. lakhs)

Annual charges (AFC)	1432.830
System Operation Charges (SOC) (80% of the AFC)	1146.264
Intra State Transmission Licensee(s) @10% of SOC	114.626
Generating Station(s) & Seller(s) @45% of SOC	515.819
Distribution Licensees & Buyers@45% of SOC	515.819
Market Operation Charges (MOC) (20% of the AFC)	286.566
Generating Station & Sellers @50% of MOC	143.283
Distribution Licensees & Buyers@50% of MOC	143.283

12. **Registration Fee:**

Besides the above charges, provision for collection of registration fee @ Rs.1.00 lakhs from all users has been made as per OERC Regulation.

13. **Application Fee and Scheduling Charges:**

(a) Application fee and scheduling charges shall be paid by the open access customers as per the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020.

(b) Considering the above submission, ARR for FY 2022-23 for SLDC function has been projected at **Rs.1432.830** lakhs. The proposed levy and collection of Fee and charges is given in the following table:

Table - 6
Annual Charges for 2022-23

(Rs. in Lakhs)	
Annual Charges	1432.830
Total Annual Fixed Cost	1432.830
System Operation Charges (SOC) (80% of the AFC)	1146.264
Market Operation Charges (MOC) (20% of the AFC)	286.566

Table -7
System Operation Charges (SOC)

(Rs. in Lakhs)				
System Operation Charges (SOC)			1146.264	
Intra State Transmission Licensee @10% of SOC			114.626	
Generating Station & Sellers @45% of SOC			515.819	
Distribution Licensees & Buyers@45% of SOC			515.819	
(a) Intra State Transmission Licensee (SOC per month)			9.552	
(b) Generating Station & Sellers @45% of SOC			515.819	
Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount (Annual)	Total amount (Monthly)
A	State Generating Station			
1	OHPC	1679.00	140.424	11.702
2	OPGC Stage-I	420.00	35.127	2.927
3	OPGC Stage-II	1320.00	110.399	9.200
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	1.673	0.139
5	Meenakshi Power Ltd. (Small Hydro)	37.00	3.095	0.258
6	Shalivahana Green Energy Ltd	20.00	1.673	0.139
7	Baitarani Power Project Pvt. Ltd(Small Hydro)	24.00	2.007	0.167
8	Saptadhara SHEP	18.00	1.505	0.125
C	IPP			
9	GMR, Kamalanga	350.00	29.273	2.439
10	Vedanta Limited (IPP)	600.00	50.181	4.182
11	NBVL (IPP)	60.00	5.018	0.418

D	CGPs	Maximum Scheduled (MW) (up to end of October-2021)		
12	Aarti Steel Ltd	48.80	4.081	0.340
13	Aditya Aluminium Limited	30.00	2.509	0.209
14	Aryan Ispat& Power Pvt. Ltd.	7.2	0.602	0.050
15	Bhubaneswar Power Pvt. Ltd.	120.00	10.036	0.836
16	Bhusan Power & Steel Ltd.,Jharsuguda	142.00	11.876	0.990
17	Tata Steel BSL Limited, Meramundali	66.53	5.564	0.464
18	ESSAR Power (Orissa) Ltd.	25.20	2.108	0.176
19	FACOR Power Ltd.	10.00	0.836	0.070
20	HINDALCO	16.08	1.345	0.112
21	IFFCO	10.00	0.836	0.070
22	IMFA	45.57	3.811	0.318
23	Jindal Stainless Limited, Duburi	24.20	2.024	0.169
24	Jindal Steel & Power Ltd., Angul	143.26	11.982	0.998
25	MGM Minerals Ltd.	4.00	0.335	0.028
26	NALCO, Angul	54.00	4.516	0.376
27	Narbheram Power & Steel (P) Ltd	3.00	0.251	0.021
28	Nava Bharat Ventures Limited	36.80	3.078	0.256
29	Dalmia Cement (Bharat) Ltd. [OCL]	29.10	2.434	0.203
30	Pattanaik Steel & Alloys Limited	2.00	0.167	0.014
31	RSP	4.00	0.335	0.028
32	Rungta Mines	3.50	0.293	0.024
33	Shree Ganesh Metalicks Limited	12.00	1.004	0.084
34	Shyam Metalicks& Energy Limited	1.00	0.084	0.007
35	SMC Power generation	4.00	0.335	0.028
36	Tata Steel Long Product Limited (TSIL)	19.00	1.589	0.132
37	Vedanta Limited (Jharsuguda)	270.00	22.582	1.882
38	Vedanta Limited (Lanjigarh)	5.00	0.418	0.035
39	VISA Steel Limited	25.00	2.091	0.174
40	Yazdani Steel & Power Limited	2.00	0.167	0.014
41	Viraj Steel and Energy Pvt. Ltd	6.70	0.560	0.047
	Solar Projects	Installed Capacity (MW)		
42	ACME, Odisha	25.00	2.091	0.174
43	AFTAB Solar	5.00	0.418	0.035
44	BEL SOLAR	7.50	0.627	0.052
45	GEDCOL	20.00	1.673	0.139
46	M/s Raajratna Energy Holdings Pvt. Ltd	1.00	0.084	0.007
47	M/s. S. N. Mohanty	1.00	0.084	0.007
48	MGM Green Energy Ltd.	1.00	0.084	0.007
49	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.084	0.007
50	M/s Jay Iron and Steel Ltd.	1.00	0.084	0.007
51	M/s Abacus Holdings Pvt. Ltd	1.00	0.084	0.007
52	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.084	0.007
53	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.084	0.007
54	Alex Green Energy Ltd.	5.00	0.418	0.035

55	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.836	0.070
56	M/s Sadipali IBP solar Pvt. Ltd.	20.00	1.673	0.139
57	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	3.345	0.279
58	M/s Vento Power & Energy Ltd. Keshinga-1	40.00	3.345	0.279
59	M/s Vento Power Pvt. Ltd. Keshinga-2	40.00	3.345	0.279
60	M/s Vento Power Infra Pvt. Ltd. Tusura -1	40.00	3.345	0.279
61	M/s Vento Energy Infra Pvt. Ltd. Tusura-2	40.00	3.345	0.279
62	M/s Vento Power Projects Pvt. Ltd. Tentulikhunti	40.00	3.345	0.279
63	ABRL, Saintala	25.00	2.091	0.174
64	ABRL, Bouda	25.00	2.091	0.174
65	ABRL, Bargarh New	25.00	2.091	0.174
66	MCL, Burla	2.00	0.167	0.014
67	IMFA Solar, Theruvali	4.50	0.376	0.031
68	OCL, Dalmiya cement, Salepur	2.50	0.209	0.017
69	J K Paper, Theruvali	25.00	2.091	0.174
	Total	6167.44	515.819	42.985
(c)	Distribution Licensees & Buyers @45% of SOC		515.819	
		% share		
70	TPCODL	33.33	171.922	14.327
71	TPNODL	21.10	108.838	9.070
72	TPWODL	30.86	159.182	13.265
73	TPSODL	14.71	75.877	6.323
	Total	100	515.819	42.985

**Table-8
Market Operation Charges (MOC)**

Market Operation Charges (MOC)			286.566	
(a)Generating Company @ 50% of MOC			143.283	
				Rs. in Lakhs
Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount (Annual)	Total amount (Monthly)
A	State Generating Station			
1	OHPC	1679.00	37.007	3.251
2	OPGC Stage-I	420.00	9.758	0.813
3	OPGC Stage-II	1320.00	30.666	2.556
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	0.465	0.039
5	Meenakshi Power Ltd. (Small Hydro)	37.00	0.860	0.072
6	Shalivahana Green Energy Ltd	20.00	0.465	0.039
7	Baitarani Power Project Pvt. Ltd(Small Hydro)	24.00	0.558	0.046
8	Saptadhara SHEP	18.00	0.418	0.035
C	IPP			
9	GMR, Kamalanga	350.00	8.131	0.678
10	Vedanta Limited (IPP)	600.00	13.939	1.162
11	NBVL (IPP)	60.00	1.394	0.116
D	CGPs	Maximum Scheduled (MW) (up to end of		

		October-2021)		
12	Aarti Steel Ltd	48.80	1.134	0.094
13	Aditya Aluminium Limited	30.00	0.697	0.058
14	Aryan Ispat& Power Pvt. Ltd.	7.20	0.167	0.014
15	Bhubaneswar Power Pvt. Ltd.	120.00	2.788	0.232
16	Bhusan Power & Steel Ltd., Jharsuguda	142.00	3.299	0.275
17	Tata Steel BSL Limited, Meramundali	66.53	1.546	0.129
18	ESSAR Power (Orissa) Ltd.	25.20	0.585	0.049
19	FACOR Power Ltd.	10.00	0.232	0.019
20	HINDALCO	16.08	0.374	0.031
21	IFFCO	10.00	0.232	0.019
22	IMFA	45.57	1.059	0.088
23	Jindal Stainless Limited, Duburi	24.20	0.562	0.047
24	Jindal Steel & Power Ltd., Angul	143.26	3.328	0.277
25	MGM Minerals Ltd.	4.00	0.093	0.008
26	NALCO, Angul	54.00	1.255	0.105
27	Narbheram Power & Steel (P) Ltd	3.00	0.070	0.006
28	Nava Bharat Ventures Limited	36.80	0.855	0.071
29	Dalmia Cement (Bharat) Ltd. [OCL]	29.10	0.676	0.056
30	Pattanaik Steel & Alloys Limited	2.00	0.046	0.004
31	RSP	4.00	0.093	0.008
32	Rungta Mines	3.50	0.081	0.007
33	Shree Ganesh Metalicks Limited	12.00	0.279	0.023
34	Shyam Metalicks & Energy Limited	1.00	0.023	0.002
35	SMC Power generation	4.00	0.093	0.008
36	Tata Steel Long Product Limited (TSIL)	19.00	0.441	0.037
37	Vedanta Limited (Jharsuguda)	270.00	6.273	0.523
38	Vedanta Limited (Lanjigarh)	5.00	0.116	0.010
39	VISA Steel Limited	25.00	0.581	0.048
40	Yazdani Steel & Power Limited	2.00	0.046	0.004
41	Viraj Steel and Energy Pvt. Ltd.	6.70	0.156	0.013
	Solar Projects	Installed Capacity (MW)		
42	ACME, Odisha	25.00	0.581	0.048
43	AFTAB Solar	5.00	0.116	0.010
44	BEL SOLAR	7.50	0.174	0.015
45	GEDCOL	20.00	0.465	0.039
46	M/s Raajratna Energy Holdings Pvt. Ltd	1.00	0.023	0.002
47	M/s. S. N. Mohanty	1.00	0.023	0.002
48	MGM Green Energy Ltd.	1.00	0.023	0.002
49	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.023	0.002
50	M/s Jay Iron and Steel Ltd.	1.00	0.023	0.002
51	M/s Abacus Holdings Pvt. Ltd	1.00	0.023	0.002
52	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.023	0.002
53	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.023	0.002

54	Alex Green Energy Ltd.	5.00	0.116	0.010
55	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.232	0.019
56	M/s Sadipali IBP solar Pvt. Ltd.	20.00	0.465	0.039
57	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	0.929	0.077
58	M/s Vento Power & Energy Ltd. Keshinga-1	40.00	0.929	0.077
59	M/s Vento Power Pvt. Ltd. Keshinga-2	40.00	0.929	0.077
60	M/s Vento Power Infra Pvt. Ltd. Tusura -1	40.00	0.929	0.077
61	M/s Vento Energy Infra Pvt. Ltd. Tusura-2	40.00	0.929	0.077
62	M/s Vento Power Projects Pvt. Ltd. Tentulikhunti	40.00	0.929	0.077
63	ABRL, Saintala	25.00	0.581	0.048
64	ABRL, Bouda	25.00	0.581	0.048
65	ABRL, Bargarh New	25.00	0.581	0.048
66	MCL, Burla	2.00	0.046	0.004
67	IMFA Solasr, Theruvali	4.50	0.105	0.009
68	OCL, Dalmiya cement, Salepur	2.50	0.058	0.005
69	J K Paper, Theruvali	25.00	0.581	0.048
	Total	6167.44	143.283	11.940
(b)	Distribution Licensees & Buyers @50% of MOC		143.283	
SN		% share		
70	TPCODL	33.33	47.756	3.980
71	TPNODL	21.10	30.233	2.519
72	TPWODL	30.86	44.217	3.685
73	TPSODL	14.71	21.077	1.756
	Total	100	143.283	11.940

14. SLDC has submitted that the total under recovered outstanding against NINL amounting to Rs.45,753/- (Rs.6,189/- for FY 2020-21 and Rs.39,564/- for FY 2021-22) may be allowed to be recovered along with the ARR requirement of Rs.1,432.830 lakhs from the users

C. VIEWS OF CONSUMER COUNSEL (Para 15)

15. World Institute of Sustainable Energy (WISE), Pune - the Consumer Counsel has analyzed the ARR application of SLDC and some of their important observations are as under which were presented during the hearing:

Observations on Annual Revenue Requirement

- SLDC has given the proposal for revenue requirement of **Rs.1432.83** lakhs for FY 2022-23 which is 37% high over Rs.1046.164 lakh approved by the Commission for FY 2021-22. This would be recovered through Annual Fees and Charges. The Revenue Requirement includes Employee Cost of Rs.974.107 lakh

on account of salary and other cost of projected 63 nos of executives and non-executives and 50% arrear payment due to implementation of 7th Pay Commission. SLDC has proposed Rs.47.540 lakh on account of arrear payment due to implementation of 7th Pay Commission's Recommendations during FY 2022-23.

- The O&M expenses of Rs.341.65 lakh are projected considering the expenditure to be incurred in FY 2022-23 and not as per OERC Regulation (actually there is 88.51% escalation on previous year's actual O & M expenses). The proposed O&M expenses of Rs.341.65 lakh seems to be on higher side and should not be approved.
- SLDC spent Rs. 174.203 lakh against approved O & M cost of Rs. 167.49 lakh for FY 2019-20. SLDC need to make efforts to bring down the projected electricity charges and watch & ward charges (around 60% of projected A&G charges). The SLDC has spent only 32.62% of the approved O&M expenses for FY 2021-22 (Up to September 2021). Actual O&M expenses (up to September) is Rs.59.127 lakh as against the approval of (Rs 181.23 lakhs) for FY 2021-22. SLDC projecting high O&M related expenses during October - March 2022 amounting to Rs.114.37 lakh, which is on higher side. The O&M, therefore, should be computed as per OERC Regulation: 5.72% escalation over actual prorated O&M expenditure of FY 2021-22.
- SLDC has claimed **Rs.81.183** lakh as depreciation for assets in ULDC and offices in SLDC, out of which an amount of **Rs.24.97** lakh is claimed on account of Video Projection System (VPS) and **Rs.44.24** lakh is claimed for computer & peripherals for SLDC data centre. Depreciation on upgraded / enhanced VPS and IT equipment may be reviewed for the FY 2022-23 on the basis of capital cost approval given by the Commission. The counsel is of the view that depreciation on new assets such as printer, UPS, office equipment, CCTV camera etc should be scrutinized. The depreciation should be reviewed on the basis of approved cost of assets, rate of depreciation as per Regulations, and depreciation claimed till date.
- Proposed working capital of Rs.348.451 lakh may not be approved separately and the same may be allowed to be incurred from SLDC Development Fund, as per the earlier directive of the Commission.

- Regarding Commission's directions on transfer of assets to SLDC, OPTCL has responded by saying that all assets pertaining to SLDC and Sub-LDCs have been identified and used exclusively by SLDC personnel. The actual transfer of assets has not taken place as yet.
- SLDC has projected to spent Rs.20 lakh for Training & Certification of LDC personnel during the ensuing year FY 2022-23. SLDC may submit the details regarding the staff trained and benefits from training.
- The details of utilization of SLDC Development Fund should be submitted. The assets created out of the said fund should be treated as per prevailing guidelines of the Commission.

D. VIEWS OF OBJECTORS AND RESPONSE OF SLDC (Para 16 to 19)

16. Applicable Regulations

OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 was notified by OERC for the first control period of five years and it expired on 31st March 2019. So without any valid new Regulations, the transmission tariff and SLDC charges have been determined based on the above expired regulations.

Reply of SLDC

SLDC has no comments on the reply submitted by the petitioner.

17. SLDC to function independently

One of the objectors stated that despite completion of full 10 years since the notification of OERC (Fees and Charges of SLDC & Other related matters) Regulations, 2010, the SLDC function of OPTCL could not be separated in lieu of Section 31 of the Act. The separation and independent functioning of SLDC like the separation of POSOCO from PGCIL has been a myth. Due to the non-separation, OPTCL has filed the petition for determination of fees and charges for SLDC function. The objector requested the Commission to merge the two petitions and issue a common tariff order for Transmission Tariff and Fees & Charges for SLDC functions till the formation of Government Company to take over the SLDC function from OPTCL so that it would be easier for the Commission and the Transmission Licensee to true-up the Tariff Order.

Reply of SLDC

SLDC has no comments to offer on the reply submitted by the petitioner.

18. Compliance with the OERC Open Access Regulations

One of the objector submitted that as per Regulation 36 of OERC (Terms & Conditions of Intra-State Open Access) Regulations, 2020, SLDC in its website shall disclose Open Access related Information for the stakeholders. It is important to implement the above regulations for the growth, operation and services of the State grid in the open market so as to derive revenue in accordance with the efficiency of the Petitioner. The objector requested the Commission to issue necessary directions to the Petitioner for compliance of the above regulations in the time bound manner. The objector submitted that the Petitioner is required to compute the available capacity of various segments / zones of the transmission lines and sub-stations as per the methods specified by the Commission in the Regulation 41 of OERC (Terms & Conditions of Intra-State Open Access) Regulations, 2020, so as to promote the sale of services of the state grid in the open market.

Reply of SLDC

- (a) In reply to the objections raised, the petitioner (SLDC) submitted that total 9839.359 MU of energy has been scheduled to be wheeled through state grid in the FY 2020-21. An amount of Rs. 4423.94 Lakh has been collected in respect of 3005.387 MU of energy transaction through Intra-State open access. The balance energy corresponds to Inter-State open access transactions and the transmission charge has been directly remitted to OPTCL account. The information about the same may be furnished by OPTCL. The petitioner has submitted the customer-wise monthly open access schedule for the financial year 2020-21.
- (b) The petitioner submitted that the website of SLDC is regularly updated with requisite Open Access information in line with the Regulation 36 of OERC (Terms & Conditions of Intra-State Open Access) Regulations, 2020. The petitioner submitted that the month wise open access information is available in the SLDC website and the daily reports of SLDC such as Grid Status Report & Power Status Report which contains the overview of State grid as well as daily open access information is available in public domain. Also the peak load flow of EHV / HV lines emanating from OPTCL grids and transformer

loading corresponding to the peak demand of current financial year is displayed in the SLDC website.

- (c) The petitioner submitted that the monthly Total Transfer Capacity (TTC), Reliability Margin (RM) and Available Transfer Capacity (ATC) of the State Control area are computed using PSS/E software in line with the method adopted by the Regional Load Despatch Centre (RLDCs) & National Load Despatch Centre (NLDC) and displayed in the SLDC website for information about the maximum import and export capability of the State Control area in a particular month.

19. **Other issues**

- (a) An Objector submitted that the previous tariff orders are more or less in the similar format. Although it is a fact that tariff proceeding is standardized and regular routine work, for which specified formats and procedures have been devised in Regulations, but the errors and laxities of the licensee pointed out by the objectors should be considered and addressed by the Commission.
- (b) An objector submitted through a table that the CPP power of 21965.75 MUs for FY 2019 & 23739.25 MUs for FY 2020 have been transmitted to outside the state either through the state grid or through the national grid. The objector asked the petitioner to reply how much surplus power of state CPPs are transmitted through state grid and how much through national grid in the corresponding period. Further, the objector asked the petitioner to furnish CPP-wise export of power outside the state both through state grid and national grid along with the transmission charges earned from export of such high quantity of power outside the state by the CPPs for FY 2019-20, 2020-21 and 2021-22.
- (c) The objector has sought information regarding (a) total energy flow in the grid during previous year (both in MW & MUs), (b) Maximum capacity, installed capacity and used capacity of the state grid (both in MW & MUs) and (c) user-wise data on use of the total grid capacity availed by the grid users (If possible zone-wise data may be furnished).

Reply of SLDC

- (a) The petitioner in its rejoinder has pointed out that the Table prepared by the objectors from the data available in CEA website with respect to CPP generation not consumed in the State needs more elaboration. For clarification, the petitioner has submitted information on scheduled CPP power transmitted through the State grid in MU for the FY 2018-19, 2019-20 & 2020-21 which is furnished below:

Table-9

FY	Sale by CGPs through Intra-state Open Access in MU	Sale by CGPs through inter-state open access in MU	Total in MU
2018-19	1776.39	143.72	1920.11
2019-20	2319.00	195.45	2514.46
2020-21	2747.22	357.51	3104.73

The detailed month-wise schedule for sale of power by the state CGPs through open access for the FY 2018-19, 2019-20 & 2020-21 are also submitted by SLDC.

- (b) The petitioner has submitted the total (28487.78 MU / 3252.03 MW) as well as DISCOM -wise energy flow in the State grid during the FY 2020-21.

Table-10

USERS	Energy Flow	
	MU	AVERAGE MW
TPCODL	8794.503	1003.939
TONODL	6524.794	744.839
TPSODL	3660.245	417.836
TPWODL	9426.219	1076.052
NALCO	66.455	7.586
IMFA	15.564	1.777
TOTAL	28487.780	3252.030

- (c) Other information regarding Maximum capacity, installed capacity and used capacity of the state grid, information regarding average loss in transmission system and distribution system may be furnished by OPTCL and GRIDCO.

E. REJOINDER AND REPLY OF SLDC TO THE QUERIES RAISED DURING HEARING (Para 20 to 25)

20. Depreciation

SLDC submitted that Straight Line Method has been adopted as per Clause 13(4) of the Orissa Electricity Regulatory Commission (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 for calculation of

depreciation considering the Gross Block Value of **Rs. 258.13 Lakh**, which is the initial value of the assets. SLDC has proposed Rs. 1.183 lakh accordingly for depreciation.

21. **O&M Expenses excluding HR**

- (a) SLDC has projected O&M expenses of Rs.341.65 lakh considering the expenditure to be incurred in FY 2022-23 wherein Rs.153.45 lakh has for R & M expenses and Rs.188.20 lakh for A & G expenses.
- (b) Out of Rs.153.45 lakh projected for R & M expenses, the four major components are (i) Rs.45.0 lakhs to be incurred for renovation and repair work of the SLDC quarters, (ii) Rs.47.0 Lakhs for AMC charges of Computers, peripherals & Software, (iii) Rs.29.87 lakhs for Facility Management Service charges and (iv) Rs.6.58 lakhs for MPLS connectivity for Automatic Demand management Scheme (ADMS) signal communication which totally amount to Rs.128.45 Lakhs.
- (c) Out of Rs.188.20 lakh projected for A&G expenses, the major components are Electricity charges, Watch & Ward, Travelling expenses, Training (including certification of System Operators), Hire charges of vehicles and Legal expenses.

22. **Human Resources Expenses**

SLDC submitted that the HR expenses of Rs. 974.107 lakh is on account of salary and payment of 50% arrear due to implementation of 7th pay commission report for FY 22-23.

23. **Certification of LDC personnel**

- (a) As per the recommendation of the various Committees/Task Forces constituted by the Ministry of Power/Central Electricity Authority, the National Power Training Institute (NPTI) has been entrusted with the responsibility of conducting the training with three levels of certification viz. 'BASIC LEVEL', 'SPECIALIST LEVEL' and 'MANAGEMENT LEVEL'. The executives involved with System Operation at SLDC have to be well conversant with all aspects of Power System i.e. technical, commercial and regulatory. Specialized

trainings help in building skills to carry out load flow study, Total Transfer Capacity and Available Transfer Capacity Calculation, Contingency Analysis, Open Access operations etc.

- (b) SLDC has submitted that out of 40 nos. technical executives of SLDC, 18 nos. of executives have been certified in BASIC LEVEL of Power System Operation. Out of them, 8 nos. of executives have also been certified in SPECIALIST LEVEL for Regulatory Framework & Power System Reliability.

24. Utilization of money from the “SLDC Development Fund”

The money utilized from SLDC Development Fund during FY 2019-20, FY 2020-21 and FY 2021-22 is placed below for kind perusal.

Table-11

Year	Amount spent in Rs.
FY 2019-20	2,08,82,166.00
FY 2020-21	14,50,224.00
FY 2021-22(Up to February 2022)	18,56,614.00

25. Transfer of assets of SLDC along with Sub –SLDC

The assets pertaining to SLDC are being used for SLDC functions only. Further, major assets such as computer & peripherals, furniture & fixture, VPS screen SLDC were created by utilising the funds from SLDC development fund with due approval of the Commission. As such, all assets have been acquired by SLDC for its own use. Therefore, transfer of the asset is not relevant in the present scenario. However, a formal ‘Transfer Scheme’ by Government of Odisha would be required for transfer of assets.

F. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) (Para 26)

26. The Commission convened the State Advisory Committee (SAC) meeting on 11.03.2022. The members of SAC deliberated on different issues related to power sector and the Annual Revenue Requirement of various licensees/generators. However, no specific view was offered related to the Annual Revenue Requirement and Fees & Charges of SLDC for the FY 2022-23.

G. VIEWS OF GOVERNMENT OF ODISHA (PARA 27)

27. Representatives of Government of Odisha were present during the tariff hearing. However, no specific suggestion was given by the State Government with regard to determination of fees and charges for SLDC for the FY 2022-23.

H. COMMISSION'S OBSERVATIONS AND ORDER (Para 28 to 53)

28. The Commission has followed the principles laid down in the Electricity Act, 2003, CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 and OERC (Fees and Charges of SLDC and other Related matters) Regulations, 2010 for approval of ARR for SLDC functions and determination of Annual Fees & Charges for FY 2022-23. At present although SLDC has not been organizationally separated from OPTCL, but is maintaining its financial accounts separately and is headed by the Chief Load Despatcher. Therefore it is proper that SLDC should collect annual fees and charges for SLDC function from various stakeholders as per section 32(3) of the Act and other sources permissible under law.
29. The component-wise determination of Revenue Requirement for SLDC functions is given hereunder:
30. **Return on Equity (RoE)**
SLDC has not proposed any RoE in the ARR since no equity has been invested. Hence no RoE is allowed.
31. **Interest on Loan Capital**
SLDC has not proposed any Interest on Loan Capital as there is no outstanding loan. Hence no Interest on Loan Capital is allowed.
32. **Depreciation**
The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 provides that the depreciation shall be calculated annually on straight line method and at rates specified by CERC from time to time. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. SLDC has proposed Depreciation of Rs.81.183 lakhs for FY 2022-23 for its assets in the following manner.

Table -12

(Rs. in Lakhs)

Sl. No.	Name of the Assets	Gross Block as on 31.03.2021	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount for the year 2021-22
	1	2	3	4=Col.2 X Col.3
1.	Land	00.00	0.00%	0.000

Sl. No.	Name of the Assets	Gross Block as on 31.03.2021	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount for the year 2021-22
2.	Office Building	00.00	1.63%	0.000
3.	Residential Building	00.00	1.63%	0.000
4.	Roads	00.00	100.00%	0.000
5.	Battery including new for data centre UPS	04.93	5.28%	0.260
6.	Isolation transformer & ACDB for UPS	10.46	5.28%	0.553
7.	Underground Cables	00.81	5.28%	0.043
8.	Split type Air Conditioner			
(i)	Procured during 2012-13 (4)	01.87	5.28%	0.099
(ii)	Procured during 2014-15 (7)	03.69	5.28%	0.195
(iii)	Procured during 2016-17 (18)	08.04	5.28%	0.424
(iv)	Procured during 2019-20 (16)	07.69	5.28%	0.406
(v)	AC Stabilizer	02.31	5.28%	0.122
9.	DG Set for disaster management	09.31	5.28%	0.491
10.	3 HP water pump	00.38	6.33%	0.024
11.	Office Furnitures including new	21.21	6.33%	1.343
12.	New Furnitures for SLDC Director's office	01.69	6.33%	0.107
13.	Water purifier	00.68	6.33%	0.043
14.	Electrical Installation for SLDC building (new)	18.06	6.33%	1.143
15.	Computer tables for EASSC	01.02	6.33%	0.064
16.	Video Projection System (VPS) including upgradation and enhancement	166.53	15.00%	24.979
17.	Photo copier	04.13	6.33%	0.261
18.	Laptops, Desktop Computers & peripherals for SLDC Control room and office	36.80	15.00%	5.520
19.	Microphone Video for Video Conferencing	01.78	15.00%	0.267
20.	Computers & peripherals for data centre	258.13	15.00%	38.719
21.	RVDU at Jaynagar sub-station	15.29	15.00%	2.293
22.	Vehicle	04.77	5.28%	0.252
23.	Firewall	18.34	15.00%	2.751
24.	Printer	03.13	15.00%	0.469
25.	UPS	01.39	15.00%	0.209
26.	Office Equipments	02.20	6.33%	0.139
27.	CCTV Camera	00.07	6.33%	0.005
	TOTAL	604.71		81.183
	Weighted Average Rate of Depreciation (%)		13.43	

* Assets such as Land & Building, Road have not been handed over to SLDC and hence not been considered for calculation of depreciation.

33. The above proposed depreciation is inclusive of depreciation for the assets in the Unified Load Despatch Centre and offices in SLDC which has been computed at Rs.81.183 lakhs as per CERC Regulations as stated above. The major amount of depreciation claimed by SLDC is for the assets such as computers and peripherals for SLDC data centre & for the Video Projection System (VPS) including its up-gradation

and enhancement. The Commission after prudence check now approves Rs. 81.183 lakhs towards depreciation for the FY 2022-23 as proposed by the SLDC.

34. Employee Cost (Human Resource Expenses)

- (a) SLDC projected the total Employee Cost at Rs.974.107 lakhs for the ensuing FY 2022-23 considering the existing employees including 4 numbers of Telecommunication personnel working at SLDC control centre. In addition to the above, salary for 14 numbers of contractual / outsourced staff, engaged at SLDC as on date has been considered. The salary of staff for FY 2022-23 has been computed considering the payment of ABT allowance to all the employees working at SLDC.
- (b) Basic Pay & GP of the employees for 2022-23 has been calculated on the basis of submission of SLDC on the estimated expenses during the last 8 months of 2021-22 which is prorated for whole of FY 2021-22 and escalated at the rate of 3% for annual increment. DA has been calculated @ 37% of basic pay. HRA has been approved escalating 3% over the expenses on this account for FY 2021-22 which has been found from the submission of SLDC (actual for first 6 months and expected during the last 6 months) of the current year. Reimbursement of medical expenses has been calculated @5% on the basic pay and GP approved for FY 2022-23. The Commission has considered Rs.28.52 crore towards arrear salary payment on account of 7th Pay Commission report since the State Government has allowed for payment of 30% of the total amount. Other allowances and expenses i.e. ex-gratia, staff welfare expenses, share of employer in terminal benefit and uniform and liveries etc. have been approved as proposed by SLDC. A sum of Rs.874.473 lakhs has been approved by the Commission towards employee expenses for FY2022-23.
- (c) The details of proposed and approved human resource expenses (employees expenses) is shown in the table below:

**Table - 13
Details of Human Resource Expenses**

		(Rs. lakhs)	
	Particulars	Proposed for 2022-23	Approved for 2022-23
1	Basic and GP	531.000	521.893
2	Over-time	-	-
3	Dearness Allowance	201.780	193.100

	Particulars	Proposed for 2022-23	Approved for 2022-23
4	Other Allowance such as shift, Conveyance, ABT, green card washing etc.	17.619	17.619
5	Contractual Staff Payment	23.961	11.100
6	Compensation for LDC Personnel	-	-
7	Sub Total (1 to 6)	774.360	743.711
	OTHER STAFF COST		
8	Reimbursement of Medical Expenses	26.550	26.095
9	Leave Travel Concession	-	-
10	Reimbursement of House Rent	75.410	25.896
11	Interim Relief to Staff	-	-
12	Encashment of Earned Leave	-	-
13	Honorarium	-	-
14	Payment under Workmen compensation Act	-	-
15	Ex-gratia	10.020	10.020
16	Expenditure on VRS	-	-
17	Sub Total (8 to 16)	111.980	62.011
18	Staff Welfare Expenses	1.527	1.527
19	Terminal Benefits (Employer's Share)	37.250	37.250
20	Provisions - RPP for 5 executives	-	-
21	Arrear Salary (7th Pay)	47.540	28.524
22	Others (Specify) (Uniform & Liveries)	1.450	1.450
23	Total (7+17+18+19+20+21+22)	974.107	874.473
24	Revenue recovered, if any	-	-
25	Net Total (22-23)	974.107	874.473

35. Operation and Maintenance (O&M) Expenses (Excluding Human Resource Expenses)

- (a) The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 defines Operation and Maintenance (O&M) Expenses as expenses excluding Human Resources Expenses. The operation and maintenance thus includes Repair & Maintenance and A&G expenses only. Regulation also provides that the actual operation and maintenance expenses for the year 2010-11 under SLDC shall be escalated at the rate of 5.72% per annum to arrive at permissible operation and maintenance expenses for the subsequent years of the tariff period. The actual O&M expenses for new items added under SLDC in each year shall also be escalated @ 5.72% per annum in subsequent years of the tariff period.
- (b) The actual expenditure of SLDC during FY 2020-21, approved figure for 2021-22 and proposed expenditure for A&G and R&M for 2022-23 are presented in the table below:

Table - 14
Operation and Maintenance (O&M) Expenses excluding
human Resources Expenses
(Rs. in Lakhs)

Items	Actual for 2020-21	Approved for 2021-22	Proposed for 2022-23
R&M	84.4787	56.996	153.45
A&G	98.9758	124.240	180.200
Total O&M	183.4545	181.236	341.650

36. (a) The Commission has scrutinized the actual expenditure made by SLDC for R&M and A&G. Based on the data submitted by SLDC & following above stated Regulation, the details of R&M & A&G approved for FY 2022-23 is shown in the table below.

Table – 15
Approved O&M excluding human Resources expenses for 2022-23

R&M for 2022-23	Rs. in Lakhs
Actual R&M Expenditure during FY 2020-21 as per submission of SLDC on dt.06.01.2022	84.479
Considering the same level of expenditure during FY 2021-22	84.479
R&M for 2022-23 (with 5.72% escalation)	89.311
A&G for 2022-23	
Actual A&G Expenditure during FY 2020-21 as per submission of SLDC on dt.06.01.2022	98.976
Considering the same level of expenditure during FY 2021-22	98.976
A&G for 2022-23 (with 5.72% escalation)	104.637
Approved A&G for 2022-23	104.637
Approved O&M (R&M+A&G) for 2022-23	193.948

- (b) The O&M expenses excluding human Resources expenses of SLDC for FY 2022-23 is approved at Rs.193.948 lakhs which consists R&M of Rs.89.311 lakhs and A&G of Rs.104.637 lakhs.
37. **Interest on Working Capital**
- (a) SLDC has proposed interest on working capital as Rs.35.89 lakhs on the total working capital amounting to Rs.348.451 lakhs. The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 provides that rate of Interest on working capital shall be on normative basis and shall be equal to the short-term Prime lending rate of State Bank of India.
- (b) The Commission observes that since SLDC has substantial amount of funds in the SLDC Development Fund and parts of which is being used as deemed loan

for working capital purpose, therefore no interest on working capital for FY 2022-23 is allowed.

38. Summary of ARR for FY 2022-23

The details of Expenses proposed by SLDC in its ARR and approved by the Commission for FY 2022-23 are depicted in the table below:

**Table – 16
Summary of ARR of SLDC for FY 2022-23**

(Rs. in Lakhs)				
SL No.	Items	Commission Approval for 2021-22	SLDC Proposal for 2022-23	Approved for 2022-23
1	Human Resource Expenses	793.630	974.107	874.473
2	O & M (Excluding Human Resources Expenses)	181.236	341.650	193.948
3	Depreciation	71.298	81.183	81.183
5	Interest on Working Capital	0.00	35.89	0.00
	Total	1046.164	1432.830	1149.604

39. Determination of Annual Charges of SLDC

- (a) The Annual Charges for SLDC Operations during FY 2022-23 have been approved by the Commission at Rs.1149.604 lakhs or Rs.95.80 lakhs/month which is to be recovered from the users who use the Intra-State Transmission Network or the associated facilities and services of SLDC during the ensuing year.
- (b) In line with the OERC Regulations, 2010 the Commission has considered Annual Charges (AFC) of SLDC Operations for FY 2022-23 given in the following table to be recovered through SOC & MOC as under:

**Table - 17
SLDC Charges for FY 2022-23**

(Rs. in Lakhs)		
SLDC Charges approved for FY 2022-23	Rs. in Lakhs	Monthly Charges
Annual charges (AFC)	1149.604	95.80
System Operation Charges (SOC) (80% of the AFC)	919.684	76.640
Intra State Transmission Licensee @10% of SOC	91.968	7.664
Generating Station & Sellers @45% of SOC	413.858	34.488
Distribution Licensees & Buyers@45% of SOC	413.858	34.488
Market Operation Charges (MOC) (20% of the AFC)	229.921	19.160
Generating Station & Sellers @50% of MOC	114.960	9.580
Distribution Licensees & Buyers@50% of MOC	114.960	9.580

40. **Recovery of System Operation Charges (SOC)**

- i) The recovery of SOC from OPTCL as Intra-State Transmission Licensee shall be 10% of SOC of Rs.91.968 lakhs/annum and Rs.7.664 lakhs/month.
- ii) The recovery of SOC from the Generating Stations & Sellers based on installed capacity of all generators including CGPs as assessed by SLDC at 6167.44 MW shall be @ Rs.6710.363/MW/annum or @ Rs.559.197/MW/month.
- iii) The recovery of SOC from the Distribution Licensees & Buyers shall be based on the percentage of Energy Consumption for FY 2022-23 & shall be as shown in table below:

Table - 18
Apportionment of Annual & Monthly SOC Charges amongst
Distribution Companies for FY 2022-23

Name of DISCOMs	Energy Consumption approved by OERC for FY 2022-23 (MU)	% Share of Energy Consumption	Annual Charge (In lakhs)	Monthly Charge (In lakhs)
TPCODL	9790	33.19	137.345	11.445
TPNODL	6020	20.41	84.455	7.038
TPWODL	9300	31.53	130.470	10.873
TPSODL	4390	14.88	61.588	5.132
Total	29500	100.00	413.858	34.488

41. **Market Operation Charges (MOC)**

The Market Operation Charges (MOC) of Rs.229.921 lakhs/annum or Rs.19.160 lakhs/ month shall be apportioned for collection from the following stakeholders as under:

- Generating Stations & Sellers @ 50% of MOC - Rs.114.960 lakhs/annum or Rs.9.580 lakhs/month
- DISCOM Utilities & Buyers @ 50% of MOC - Rs. 114.960 lakhs/annum or Rs. 9.580 lakhs/month

42. **Recovery of Market Operation Charges (MOC)**

- The recovery of MOC from the Generating Stations & Sellers based on installed capacity of all generators including CGPs as assessed by SLDC at 6167.44 MW shall be @ Rs.1863.990/MW/annum or @ Rs.155.332/MW/month.
- The recovery of MOC from the Distribution Licensees is based on the percentage of Energy Consumption for FY 2022-23 as shown in Table below:

Table - 19
Apportionment of Annual & Monthly MOC Charge amongst
Distribution Companies for FY 2022-23

Name of DISCOMs	Energy Consumption approved by OERC for FY 2022-23 (MU)	% Share of Energy Consumption	Annual MOC Charge (Rs. lakhs)	Monthly MOC Charge (Rs. lakhs)
TPCODL	9790	33.19	38.151	3.179
TPNODL	6020	20.41	23.460	1.955
TPWODL	9300	31.53	36.242	3.020
TPSODL	4390	14.88	17.108	1.426
Total	29500	100.00	114.960	9.580

43. Registration Fee

SLDC has proposed for collection of one time Registration Fee of Rs.1.00 lakh as per OERC Regulation from all users whose Scheduling, Metering & Energy Accounting are coordinated by SLDC. It has also proposed to collect one time registration fee from the industries who are importing power through Inter-state open access. The Commission approves the proposal of SLDC for collection of one time Registration Fee of Rs.1.00 lakh each from all users, which may be deposited in SLDC Development Fund as per Regulation 8 of OERC Regulations, 2010.

44. Application Fee and Scheduling Charges

SLDC in its ARR application has proposed that the Application Fee and Scheduling Charges shall be paid by the Open Access Customers as per OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020. The Commission approves the proposed Application Fee and Scheduling Charges for Open Access Customers payable to SLDC during FY 2022-23 as per OERC Regulation in this regard.

45. Under Recovery of SOC & MOC

SLDC in its ARR application has proposed to allow to recover the under recovered SOC and MOC charges of Nilachal Ispat Nigam Limited (NINL) from the users. The Commission opines that it can be treated as charge on the premises of the consumer and accordingly shall be dealt with. We direct SLDC to initiate appropriate action to recover the said under recovered charges from NINL or its successor-in-law/ new owner/ occupier having lawful occupation of the said premises as the case may be.

46. ARR and Annual & Monthly Charges for FY 2022-23

The details of ARR and Annual & Monthly Charges for FY 2022-23 for SLDC for collection from different stakeholders approved by the Commission are summarized in Table below:

Table - 20
ARR & Annual and Monthly Charges for FY 2022-23

(Rs. in Lakhs)

Sl. No.	Particulars	Approved for 2022-23	
		Per annum	Per month
1	ARR of SLDC	1149.604	95.80
2	Intra-State transmission licensee to pay SOC to SLDC	91.968	7.664
3	Generating Stations & Sellers to pay SOC & MOC to SLDC (Rs. per MW calculated considering generation capacity of 6167.44 MW)	528.818	44.068
		(Rs.8574.352 per MW)	(Rs.714.529 per MW)
4	Distribution Licensees & Buyers to pay SOC & MOC to SLDC	528.818	44.068
5	(i) TPCODL	175.496	14.625
	(ii) TPNODL	107.915	8.993
	(iii) TPWODL	166.712	13.893
	(iv) TPSODL	78.695	6.558

47. Payment Mechanism of Annual Charges to SLDC

- (a) The LC arrangement has been newly created between SLDC and DISCOMs for securing SLDC charges. The Customers other than DISCOM Utilities shall pay the Monthly Charges to SLDC directly based on the bills served upon them from time to time by SLDC. The Customers other than DISCOM Utilities shall pay an amount equivalent to two months monthly SOC & MOC Charges as the case may be in advance as security against default in payment of SOC & MOC Charges of SLDC.
- (b) SLDC should bill both SOC & MOC per MW/month in terms of total contracted capacity of 6167.44 MW for FY 2022-23 to Generating Stations & Sellers. Similarly, SLDC shall bill to OPTCL & Distribution Licensees every month at the rates approved by the Commission for FY 2022-23.
- (c) For payment of bills through Letter of Credit (LC) on presentation, a rebate of 2% shall be allowed. Where payments are made other than Letter of Credit within a period of one month of presentation of bills, a rebate of 1% shall be allowed.
- (d) In case the payment of any bill for SLDC charges is delayed by any user beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the SLDC.

- (e) The SOC & MOC Charges of SLDC shall be paid on monthly basis by the Customers based on the monthly bills served upon them by SLDC following the payment mechanism mentioned above.

48. **SLDC Development Fund**

- (a) Based on the provisions in CERC Regulation, 2009 & Regulation-8 of OERC Regulation, 2010, the Commission vide Para-213 of the Order dated 20.03.2010 had approved to create a separate fund namely “SLDC Development Fund” under a separate head of account under SLDC. SLDC Development Fund has already been created under SLDC with effect from 01.04.2010.
- (b) The accumulated cash balance in SLDC Development Fund has been shown by SLDC at Rs.61.249 Crore as on 31.03.2021.
- (c) The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. during FY 2022-23 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.
- (d) SLDC shall be entitled to utilize the money from SLDC Development Fund as usual in assets creation and margin money for raising loan from FIs for assets creation & funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission.
- (e) Any asset created by SLDC out of money available in SLDC Development Fund shall not be considered for computation of Return on Equity & Interest on Loan.

49. One of the objector has stated that Transmission Tariff Regulation, 2014 has since expired and therefore, the transmission tariff and SLDC charges cannot be determined. We want to mention here that the Transmission Tariff Regulation, 2014 has been extended by the Commission by a separate order. However, that Regulation has no relationship with determination of SLDC charges which is governed under another Regulation called OERC (Fees and Charges of SLDC and Other Related Matter) Regulations, 2010 which is fully in force.

50. SLDC is required to submit the following information to the Commission by 30th June, 2022.

- In the backdrop of increasing cyber threat, SLDC is required to ensure stability and take appropriate measures for cyber security of the grid in order to achieve safe, secure & efficient operation of the power system. SLDC is therefore directed to intimate the measures taken by them to prevent cyber attack.
 - SLDC is directed to place the data/information relating to power flow in 400 kV, 220 kV and 132 kV transmission lines of State Transmission Utility (STU) i.e. Intra-state lines for last few years to understand the utilisation level of the transmission system. Accordingly transmission line(s) shall be planned for optimum utilisation of the assets.
 - SLDC is to list out the Automatic Generation Control (AGC) enabled generators.
51. Phasor Measurement Units (PMUs) are supposed to be installed at 400 kV sub-station and 220 kV & above voltage level generating stations for real time monitoring of the grid. SLDC may therefore take necessary action for installation of PMU. In this connection, SLDC should submit the status and planning of installation of PMU in intra-state transmission system. Further, the study/analysis of PMU data is to be carried out properly after major tripping/ disturbance/outage of transmission line or generator so that remedial measures can be taken accordingly.
52. The System Operation & Market Operation Charges approved in respect of SLDC will become effective from 1st April, 2022 and shall continue until further orders.
53. **The application of SLDC in Case No. 106 of 2021 for approval of Annual Revenue Requirement and Fees and Charges for State Load Despatch Centre (SLDC) functions is disposed of accordingly.**

Sd/-
(S.K. RAY MOHAPATRA)
MEMBER

Sd/-
(G. MOHAPATRA)
CHAIRPERSON