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ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.4, OERC ROAD, SHAILASHREE VIHAR, BHUBANESWAR -751021
TEL. No. 2721048, 2721049
E-MAIL: oerc@odisha.gov.in / orierc@gmail.com
WEBSITE: www.orierc.org

Present: **Shri P. K. Jena, Chairperson**
Shri S. K. Ray Mohapatra, Member
Shri B. Mohanty, Member

DATE OF HEARING : 06.02.2026

DATE OF ORDER : 24.03.2026

CASE NO. 119 OF 2025

IN THE MATTER OF: An application filed by M/s. OPTCL for approval of Annual Revenue Requirement and Determination of Fees & Operating Charges for State Load Despatch Centre (SLDC) functions for FY 2026-27, along with Truing up application for FY 2023-24 & FY 2024-25.

ORDER

A. BACKGROUND FACTS: (PARA 1 to 9)

1. The Odisha Power Transmission Corporation Limited, Bhubaneswar (OPTCL), a Government 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 is a deemed Transmission Licensee, so far as transmission functions are concerned. OPTCL is now governed by License Conditions set forth in the OERC (Conduct of Business) Regulations, 2004, at Appendix 4B, issued under Section 16 of the Act and modified by the Commission’s Order dated 27th October 2006 in Case No. 22 of 2006. According to Clause 10(2) & Clause 10(3) of the Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the Government of Odisha has expressly notified OPTCL as a Government Company to take over the transmission functions of GRIDCO and become the State Transmission Utility with effect from 01.04.2005. The OPTCL was not only ‘notified’ as the STU, but it was also empowered to discharge the State load dispatch functions until further orders of the State Government. Thus, the power to discharge of the State load dispatch functions was an interim, temporary and stop-gap arrangement made pending the establishment/notification of a State Load Despatch Centre (SLDC) under Section 31(1) & (2) of the Act.

2. Sections 31 & 32 of the Act contemplate SLDC as an independent apex body to ensure integrated operation of the power system in the State. It is empowered under Section 33 of the Act to give such directions and exercise such supervision & control, as may be required, for ensuring the integrated operation of the grid and achieving the maximum efficiency and economy in the operation of the power system in the State. These are all highly responsible, technical, and non-commercial statutory functions conceived by the Act and entrusted with SLDC to be carried out. Every Licensee, including OPTCL, generating companies, generating stations and sub-stations connected with the operation of the power system are to comply with such directions, as per the mandate of sections 33 (2) & 40 (b) of the Act. Besides, Section 31(2) of the Act envisages that a Government body is supposed to operate SLDC and the directions of the State Government to such a body are to be confined within the ambit of Section 37 of the Act. SLDC is not yet completely separated from OPTCL, which, being a Transmission Licensee is also a regulated entity. The State Government has been advised time and again in this regard, with the latest reminder being issued by this Commission *vide* DO Letter No. OERC/Tariff/Case No.56/2015/1646 dated 26.11.2015.
3. The Act also contemplates 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 licensees engaged in Intra-State transmission of electricity, as may be specified by the State Commission. Para 2.2 of the Electricity (Removal of Difficulty) Sixth Order, 2005, issued by the Ministry of Power (MoP), Govt. of India on 08.06.2005, reinforces the same.
4. Since 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 the operation of SLDC, by virtue of the 1st Proviso to Section 31 (2) of the Act, OPTCL as the STU, operates the SLDC for the time being. As such it is fit and proper that SLDC shall collect Annual Fees and Charges for its own functioning from the stakeholders using the intra-state transmission system as per Section 32 (3) of the Act and other sources permissible under law.
5. Further, in exercise of powers conferred under Section 181 (2)(g) of the Act read with Section 32(3) and all other enabling provisions, the Commission has issued 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 these 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 the 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 filed an application on 28.11.2025 for approval of the Annual Revenue Requirement and Determination of Fees & Operating Charges for State Load Despatch Centre (SLDC) functions for FY 2026-27, along with Truing up application for FY 2023-24 & FY 2024-25. It was duly scrutinized and registered as Case No. 119 of 2025. Objections/comments / suggestions were invited through public notice, published in widely circulated English & Odia daily newspapers as well as in the websites of the Commission and OPTCL, from the stakeholders and the public at large. In response to the said public notice dated 17.12.2025, the Commission received five Objections/suggestions from:

- a) Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, 226, Kharavel Nagar, Unit-3, Bhubaneswar-751001
- b) Sri Ananda Kumar Mohapatra, S/o- Late Jachindra Nath Mohapatra, Plot No-799/4, Kotiteetrtha Lane, Old Town, Bhubaneswar- 751002.
- c) The Head Regulatory, M/s.TP Southern Odisha Distribution Limited (TPSODL), Corporate Office, Kamapally, Courtpetta, Berhampur, 760004.
- d) The Chief- Regulatory & Legal, M/s.TP Central Odisha Distribution Limited (TPCODL), Bhubaneswar.
- e) The Head (Regulatory Affairs & PMAG), M/s.TP Western Odisha Distribution Limited (TPWODL), At/Po: Burla, Dist: Sambalpur-768017.

The Commission, in exercise of its power conferred by section 94 (3) of the Act, appointed M/s. Deloitte Touche Tohmatsu India LLP (“DTTILLP”), as the Consumer Counsel for the objective analysis of the ARR and Annual Fees and Charges proposal of SLDC for FY 2026-27.

6. The hearing of the matter through hybrid mode was fixed to 3.00 P.M of 06.02.2026 at the Commission’s Office. It was duly notified in the leading and widely circulated newspapers. The list of Objectors was also mentioned therein. The Commission also issued individual notices to the Objectors and the Department of Energy (DoE), Government of Odisha (GoO) intimating them about the date, time, venue and mode of the hearing and requesting them to furnish their e-mail IDs, if they wished to participate in the hearing virtually, for facilitating the Office of the Commission to provide them appropriate links.

7. The hearing was taken up as per the schedule. The Applicant, the above Objectors and the representative of DoE, GoO participated in the hearing and offered their valuable views/suggestions/proposals.
8. In course of the hearing, the Chief of SLDC made a brief presentation on the application for approval of ARR & determination of annual fees and operating charges of SLDC for FY 2026-27. The Consumer Counsel, as well as the Objectors, presented their submissions. All the submissions were taken on record for consideration by the Commission.
9. The Commission convened the State Advisory Committee (SAC) meeting through virtual mode on 16.03.2026 at 11.00 A.M at the Power Training Centre, OPTCL, Bhubaneswar for discussion on the Annual Revenue Requirement applications and annual fees & charges for SLDC functions for the FY 2026-27.

B. PROPOSAL FOR ARR & LEVYING OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS FOR FY 2026-27 (PARA 10 to 20)

Annual Revenue Requirement for SLDC operation

10. 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

Return on Equity

11. Since no equity has been invested by it, SLDC has not proposed Return on Equity in the ARR for FY 2026-27.

Interest on loan capital:

12. Since there is no outstanding loan on it, SLDC has proposed no interest on Loan Capital in the ARR for FY 2026-27.

Depreciation

13. SLDC submitted that, as per CERC's Regulation, it has estimated Depreciation of **Rs 66.410 Lakhs** for the assets in the Unified Load Despatch Center and offices of SLDC. The major part of depreciation cost is Rs.37.547 Lakhs relating to the ADMS Project (88 Substations), Rs.9.214 Lakhs towards depreciation on upgraded & enhanced Video

Projection System (VPS) and Rs.4.425 Lakhs towards depreciation on Load Forecasting System for SLDC offices, the details of which are given in Table-1 below:

**Table -1
Depreciation Proposed by SLDC for FY 2026-27**

Sl. No.	Name of the Assets	Gross Block as on 31.03.2026	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount for the year 2026-27 (Rs. In lakh)
1	2	3	4	5=3 X 4
1.	Land	00.00	0.00%	0.000
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 center UPS	04.93	5.28%	0.260
6.	Underground Cables	00.81	5.28%	0.043
7.	Split type Air Conditioner			
(i)	Procured during 2019-20 (16)	07.69	9.50%	0.730
(ii)	AC Stabilizer	00.82	9.50%	0.078
8.	DG Set for disaster management	09.31	6.33%	0.589
9.	3 HP water pump	00.38	6.33%	0.012
10.	Office Furniture including new	19.38	6.33%	1.198
11.	New Furniture for the SLDC Director's office	01.69	6.33%	0.107
12.	Water purifier	00.68	6.33%	0.043
13.	Electrical Installation for SLDC building (new)	18.06	6.33%	1.143
14.	Computer tables for EASSC	01.02	6.33%	0.064
15.	Video Projection System (VPS), including upgradation and enhancement	166.53	15.00%	9.214
16.	Photo copier	03.40	6.33%	0.215
17.	Laptops, Desktop Computers & peripherals for SLDC Control room and office	07.19	15.00%	0.987
18.	Microphone Video for Video Conferencing	01.78	6.33%	0.113
19.	Check Meter Indent No-1	00.49	5.28%	0.026
20.	Voice Recorder Electronic 1 Nos	03.80	5.28%	0.201
21.	DVD Software 1 Nos	02.02	5.28%	0.107
22.	Computer Billing Software	01.00	15.00%	0.149
23.	RVDU at Jaynagar sub-station	15.29	15.00%	0.294
24.	Firewall	18.32	15.00%	2.747
25.	Printer	01.08	15.00%	0.162
26.	Office Equipment (3 Nos of Samsung Mobiles)	00.20	6.33%	0.009
27.	CCTV Camera	00.07	6.33%	0.005
28.	LED Lights (55 Nos.)	00.63	6.33%	0.040
29.	HP All-in-One PC 3 Nos.	01.74	15.00%	0.261
30.	HP All-in-One PC 1 No.	00.58	15.00%	0.087
31.	HP LaserJet Multi-Function Printer 1 No.	00.24	15.00%	0.036
32.	GIGA 24 Port Switch (DLINK) 2 Nos.	00.35	15.00%	0.053
33.	Motorola T-82 License Fee Walkie Talkie	00.31	6.33%	0.019

Sl. No.	Name of the Assets	Gross Block as on 31.03.2026	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount for the year 2026-27 (Rs. In lakh)
1	2	3	4	5=3 X 4
	(4 Nos.)			
34.	Fire Extinguisher (CO2) Base 4.5 Kg 10 Nos. & 6Kg 6 Nos.	00.50	6.33%	0.032
35.	LED Sign Board 1 No.	01.00	6.33%	0.063
36.	Exhaust Fans 14 Nos. (230-8, 300-3, 200-3)	00.29	6.33%	0.018
37.	1 No. of ACER PC Veriton M200-H510	00.54	15.00%	0.080
38.	ADMS Project (88 Substations)	250.31	15.00%	37.547
39.	FORTI GATE FG 81F (75 Sqft)	05.00	15.00%	0.749
40.	Street Lights (45Nos. - Havells)	00.97	6.33%	0.062
41.	Bullet Cameras (6Nos.) 1No.16 Port POE Switch	00.93	6.33%	0.059
42.	Air Conditioner (16 Nos.-Daikin)	08.99	9.50%	0.854
43.	Display Cabinet 1 No. SLDC CR	00.35	6.33%	0.022
44.	2TB Seagate External HDD 2 Nos.	00.13	15.00%	0.019
45.	1 No. Samsung Galaxy F54 Mobile	00.25	6.33%	0.016
46.	1 No. IQOO 7Pro 5G Mobile	00.25	6.33%	0.016
47.	1 No. Samsung A34 Mobile	00.29	6.33%	0.018
48.	Dell Work Station (Load Forecasting)	06.36	15.00%	0.954
49.	Dell Work Station (Load Forecasting)	06.36	15.00%	0.954
50.	Samsung Galaxy A34 Mobile	00.25	6.33%	0.016
51.	65 Nos of LED Havells Make	00.80	6.33%	0.051
52.	Bush Cutting Machine	00.44	5.28%	0.023
53.	Aluminum Ladder 1 No.	00.91	6.33%	0.057
54.	DIGISOL WIFI Setup 1 Set	01.00	15.00%	0.149
55.	Samsung Galaxy A35 Mobile	00.25	6.33%	0.016
56.	16sqmm 4Core LT Cable-Street Light (372 m)	00.94	6.33%	0.060
57.	2TB External SSD Scandisk (2 Nos)	00.32	15.00%	0.048
58.	Bullet Camera Hik Vision 2 Nos	00.21	6.33%	0.013
59.	Crompton Wall Fans 400MM Blades 3 Nos.	00.08	6.33%	0.005
60.	Samsung Galaxy A26 5G 128GB Phone 1 No.	00.25	6.33%	0.016
61.	Air Conditioner (3 Nos.-Daikin)	01.01	9.50%	0.096
62.	2TB External SSD Scandisk (3 Nos.)	00.49	15.00%	0.073
63.	1 No. 2MP IP Hikvision Camera with 30mtr Range	00.08	6.33%	0.005
64.	Garden Sofa (Concrete-2 Nos)	00.09	6.33%	0.005
65.	Enterprise Class Anti-Spam Gateway	05.96	15.00%	0.894
66.	Load Forecasting Software	29.50	15.00%	4.425
	TOTAL	614.86		66.41
	Weighted Average Rate of Depreciation (%)		10.80	

Operation and Maintenance Expenses (Excluding HR expenses):

14. SLDC has proposed **Rs.318.380 Lakhs** under the head ‘Operation and Maintenance expenses (R&M and A&G expenses)’ excluding human resources expenses for FY 2026-27. It has proposed R&M expenditure of **Rs.105.600 Lakhs** in respect of MPLS connectivity for Automatic Demand management Scheme (ADMS) signal communication, AMC charges of computers, peripherals & software, Electrical maintenance of office building & colony quarters, etc. Further, it has proposed Administrative & General (A&G) expenses of **Rs.212.780 Lakhs** for Office expenses, Conveyance & Travelling, Training & Certification programme of operators and executives, professional charges, communication system, gardening, meeting expenses etc. The summary of O&M expenses proposed for FY 2026-27 is given in Table-2 below:

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

SL. No.	ITEMS	FY 2024-25 (Actual)	FY 2025-26			FY 2026-27 (Proposed)
			Approved by OERC	Actual (up to Sept.-25)	Estimated Oct-24 to Mar-26)	
1	Repairs and Maintenance expenses (R&M)	81.738	86.123	12.556	77.417	105.600
2	Administrative and General (A&G) expenses, etc.	153.442	153.571	87.750	105.687	212.780
	Total	235.180	239.694	100.306	183.104	318.380

Human Resources Expenses:

15. SLDC has proposed **Rs.1050.171 Lakhs** for FY 2026-27 towards Human resources expenses, considering the existing 62 Nos. of employees including 2 Nos. of Telecommunication personnel and 14 Nos. contractual / outsourcing staff working at the SLDC Control Centre.

Interest on Working Capital:

16. SLDC submitted that it has estimated the working capital requirement of Rs. 360.231 Lakhs. Considering the rate of interest @ 11.70 % (SBI base rate 8.70 % plus 300 basis points) as per OERC Regulation, it has proposed **Rs. 42.147 Lakhs** towards interest on working capital for FY 2026-27. It further submitted that it has not taken loan to meet the working expenses. However, the provision has been kept due to the non-receipt of SLDC charges from the user for two months from the commencement of the 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 are given in Table-3 below:

Table-3
Interest on Working Capital proposed by SLDC for FY 2026-27 (Rs. in Lakh)

Sl. No.	Particulars	Formula	Amount
1	O&M expenses for one month, excluding human resource expenses	A	26.532
2	Human resource expenses for one month	B	87.514
3	Receivables (2 months of SOC & MOC)	C	246.185
4	Total Working Capital	D=A+B+C	360.231
5	Rate of Interest	E	11.70%
6	Interest on Working Capital	F=D*E	42.147

17. Considering the above proposals, SLDC has proposed total ARR of **Rs.1477.108 Lakhs** for FY 2026-27, the details of which are given in Table-4 below.

Table-4
Total ARR Proposed by SLDC for FY 2026-27

(Rs. in Lakh)

Sl. No.	Particulars	Amount
1	Return on Equity	-
2	Interest on Loan Capital	-
3	Depreciation	66.410
4	O&M Expenses excluding human resource expenses	318.380
5	Human Resource expenses	1050.171
6	Interest on Working Capital	42.147
7	Total expenses:	1477.108

Determination of Annual Charges for SLDC:

18. As per Regulations 17, 18, 19, 20, 21 & 22 of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010, Annual charges shall include:
- a) **System Operation Charges (SOC)** i.e. 80% of Annual Fixed Charge, which shall be collected from the users in the following ratio:
 - Intra State Transmission Licensee -10% on the basis of Ckt-Kms
 - Generating Company & Seller - 45% on the basis of Installed capacity
 - Distribution Licensee & buyers - 45% on the basis of allocation
 - b) **Market Operation Charges (MOC)** i.e. 20% of the Annual Fixed Charge which shall be collected from the users in the following ratio
 - Generating Company & Seller - 50% on the basis of Installed capacity

- Distribution Licensee & buyers - 50% on the basis of allocation

Accordingly, SLDC has proposed the collection of Annual Charges for the FY 2025-26 as given in Table-5 below:

Table - 5
Collection of Annual Charges Proposed by SLDC for the FY 2026-27
(Rs. in Lakh)

Sl. No.	Particulars	Formula	Amount
1	Annual charges (AFC)	A	1477.108
2	System Operation Charges (SOC) (80% of the AFC)	B=0.80*A	1181.686
3	Intra-State Transmission Licensee @10% of SOC	C=0.10*B	118.169
4	Generating Station & Sellers @ 45% of SOC	D=0.45*B	531.759
5	Distribution Licensees & Buyers @ 45% of SOC	E=0.45*B	531.759
6	Market Operation Charges (MOC) (20% of the AFC)	F=0.20*A	295.422
7	Generating Station & Sellers @50% of MOC	G=0.50*F	147.711
8	Distribution Licensees & Buyers@50% of MOC	H=0.50*F	147.711

The collection of System Operation Charges (SOC) proposed by SLDC for FY 2026-27 is as follows:

- (i) Collection of SOC from Intra State Transmission Licensee (@10% of SOC) = Rs.118.169 Lakh (i.e. Rs.9.847 Lakh/month)
- (ii) Collection of SOC from Generating Station & Sellers corresponding to total installed/contracted capacity of 6550.40 MW (@ 45% of SOC)= Rs.531.759 Lakhs (i.e. Rs. 44.313 Lakh/month) as given in Table-6 below:

Table –6
SOC Proposed by SLDC for Generating Stations & Sellers for FY 2026-27

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC (Rs. Lakhs)	
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1795.00	145.717	12.1431
2	OPGC Stage-I	420.00	34.0954	2.84129
3	OPGC Stage-II	1320.00	107.157	8.92976
	Sub-total	3535.00	286.97	23.9142
B	Small Hydro & Biomass			
4	OPCL (Small Hydro)	20.00	1.624	0.135
5	Meenakshi Power Ltd. (Small Hydro)	37.00	3.00365	0.2503
6	Jagannath Power and Infra Pvt. Ltd. (Formerly Shalivahan Green Energy Ltd)	20.00	1.62359	0.1353
7	Baitarani Power Project Pvt. Ltd (Small Hydro)	24.00	1.94831	0.16236
8	Sri Avantika Power Projects Private	18.00	1.46123	0.12177

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC	
			(Rs. Lakhs)	
			(Annual)	(Monthly)
	Ltd., Saptadhara SHEP			
9	Kakatiya Industries Pvt Ltd, Bargarh	9.00	0.73062	0.06088
10	Meenakshi Power Ltd. Saheed Lakhan Nayak, SHEP, Tentuliguma, Koraput)	25.00	2.02949	0.16912
	Sub-total	153.00	12.420	1.035
C	IPP			
11	GMR, Kamalanga	350.00	28.4129	2.36774
12	Vedanta Limited (IPP)	600.00	48.7078	4.05898
13	NBVL (IPP)	120.00	9.74155	0.8118
14	Maa Durga Thermal Power Plant Limited, Tangi	60.00	4.87078	0.4059
	Sub-total	1130.00	91.733	7.64441
D	CGPs (Maximum Scheduled up to the end of October 2024)			
15	Aarti Steel Ltd.	48.07	3.902	0.325
16	Aryan Ispat & Power Pvt. Ltd.	12.40	1.007	0.084
17	Bhubaneswar Power Pvt. Ltd.	120.00	9.742	0.812
18	Tata Steel Limited, Meramundali	145.00	11.771	0.981
19	FACOR Power Ltd.	60.00	4.871	0.406
20	IMFA	43.00	3.491	0.291
21	Jindal Steel & Power Ltd., Angul	167.81	13.623	1.135
22	Maithan Ispat Ltd., Kalinganagar	3.00	0.244	0.020
23	MGM Minerals Ltd.	3.40	0.276	0.023
24	NALCO, Angul	31.00	2.517	0.210
25	Narbheram Power & Steel (P) Ltd.	0.50	0.041	0.003
26	Nava Bharat Ventures Ltd.	30.00	2.435	0.203
27	Rungta Mines Ltd., SID, Karakolha	5.00	0.406	0.034
28	SMC Power Generation Ltd.	22.00	1.786	0.149
29	SMC Power Generation Ltd (UNIT-II), Budhipadar	44.00	3.572	0.298
30	Tata Steel Long Product Ltd. (TSIL)	18.40	1.494	0.124
31	Vedanta Ltd., Jharsuguda	250.00	20.295	1.691
32	Viraj Steel and Energy Pvt. Ltd	8.90	0.722	0.060
33	MSP Metallics Ltd.	10.00	0.812	0.068
34	Visa Steel Ltd.	43.00	3.491	0.291
35	KJS Ahluwalia, Steel and Power Division	8.00	0.649	0.054
36	Orissa Sponge Iron and Steel Ltd.	14.20	1.153	0.096
37	Rungta Mines Ltd., Kamanda Steel Plant	10.00	0.812	0.068
38	Shri Jagannath Steels & Power Ltd.	9.50	0.771	0.064
39	KCMW, A unit of Dalmia Cement Bharat Ltd., Salepur	12.20	0.990	0.083
40	Odisha Cement Plant (A Unit of Shree Cement Limited)	6.50	0.528	0.044

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC	
			(Rs. Lakhs)	
			(Annual)	(Monthly)
41	Rungta Mines Limited, Dsp, Dhenkanal	10.00	0.812	0.068
42	Thakur Prasad Sao and Sons Pvt. Ltd. Unit-IV	2.70	0.219	0.018
43	Yazdani Steel & Power Ltd., Jajpur	2.30	0.187	0.016
44	Adhunik Metaliks Ltd., Rourkela	2.70	0.219	0.018
45	OCL Iron and Steel Ltd., Rajgangpur	50.00	4.059	0.338
46	Times Steel and Power Private Limited	6.20	0.503	0.042
47	Beekay Steel Industries Ltd	7.30	0.593	0.049
48	Indian Farmers Fertiliser Cooperative Limited	5.00	0.406	0.034
49	MGM Green Energy Ltd,5MW Plant	4.20	0.341	0.028
50	Sub-total	1216.28	98.737	8.228
E	Solar Projects (Installed Capacity)			
51	ACME, Odisha	25.00	2.053	0.171
52	AFTAB Solar	5.00	0.411	0.034
53	BEL Solar	7.50	0.616	0.051
54	GEDCOL	28.00	2.3	0.192
55	M/s Raajratna Energy Holdings Pvt. Ltd.	1.00	0.082	0.007
56	M/s S.N. Mohanty	1.00	0.082	0.007
57	MGM Green Energy Ltd.	1.00	0.082	0.007
58	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.082	0.007
59	M/s Jay Iron and Steel Ltd.	1.00	0.082	0.007
60	M/s Abacus Holdings Pvt. Ltd.	1.00	0.082	0.007
61	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.082	0.007
62	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.082	0.007
63	Alex Green Energy Ltd.	5.00	0.411	0.034
64	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.821	0.068
65	M/s Sadipali IBP Solar Pvt. Ltd.	20.00	1.643	0.137
66	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	3.285	0.274
67	M/s Vento Power & Energy Ltd. Kesinga-1	40.00	3.285	0.274
68	M/s Vento Power Pvt. Ltd. Kesinga- 2	40.00	3.285	0.274
69	M/s Vento Power Infra Pvt. Ltd. Tusura-1	40.00	3.285	0.274
70	M/s Vento Energy Infra Pvt. Ltd. Tusura-2	40.00	3.285	0.274
71	M/s Vento Power Projects Pvt. Ltd., Tentulikhunti	40.00	3.285	0.274
72	ABReL, Sainitala	25.00	2.053	0.171
73	ABReL, Bouda	25.00	2.053	0.171

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC	
			(Rs. Lakhs)	
			(Annual)	(Monthly)
74	ABReL, Bargarh New	25.00	2.053	0.171
75	MCL, Burla	2.00	0.164	0.014
76	J K PAPER, Theruvali	25.00	2.053	0.171
77	ABREL(Odisha) SPV Ltd., Dhenkanal	15.62	1.283	0.107
78	MCL SOLAR 50MW, Patnagarh	50.00	4.05898	0.33825
	Sub-total	516.12	42.339	3.53025
	Total (A+B+C+D+E)	6550.40	531.759	44.312

(iii) Collection of SOC from Distribution Licensees & Buyers (@45% of SOC) = **Rs.531.759 Lakh** (i.e. Rs.44.313 Lakh/month) as given in Table-7 below:

Table –7
SOC Proposed by SLDC for DISCOMs for FY 2026-27

(Rs. in Lakhs)

Sl. No.	DISCOMs	Total SOC	% share	Total Amounts	
				(Rs. Lakhs)	
				(Annual)	(Monthly)
		A	B	C=A*B	D=C/12
1	TPCODL	531.759	34.57	183.829	15.319
2	TPNODL		21.81	115.977	9.665
3	TPWODL		30.96	164.633	13.719
4	TPSODL		12.66	67.321	5.61
5	Total	531.759	100	531.759	44.313

Note: The energy consumption and percentage of shares are based on last year's approval.

The collection of MOC proposed by SLDC for FY 2026-27 is as under:

(i) Collection of MOC from Generating Station & Sellers corresponding to total installed capacity/ contracted capacity of **6550.40 MW** (@50% of MOC) = **Rs.143.428 Lakh** (i.e. Rs.11.952 Lakh/month) as given in the table-8 below:

Table –8
MOC Proposed by SLDC for Generating Stations & Sellers for FY 2026-27

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC	
			(Rs. Lakhs)	
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1795.00	40.477	3.373
2	OPGC Stage-I	420.00	9.471	0.789
3	OPGC Stage-II	1320.00	29.766	2.480
	Sub-total	3535.00	79.714	6.643
B	Small Hydro & Biomass			
4	OPCL (Small Hydro)	20.00	0.451	0.038
5	Meenakshi Power Ltd. (Small Hydro)	37.00	0.834	0.070
6	Jagannath Power and Infra Pvt. Ltd.	20.00	0.451	0.038

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC (Rs. Lakhs)	
			(Annual)	(Monthly)
				(Formerly Shalivahan Green Energy Ltd)
7	Baitarani Power Project Pvt. Ltd (Small Hydro)	24.00	0.541	0.045
8	Sri Avantika Power Projects Private Ltd., Saptadhara SHEP	18.00	0.406	0.034
9	Kakatiya Industries Pvt Ltd, Bargarh	9.00	0.203	0.017
10	Meenakshi Power Ltd. Saheed Lakhman Nayak, SHEP, Tentuliguma, Koraput)	25.00	0.564	0.047
	Sub-total	153.00	3.450	0.288
C	IPP			
11	GMR, Kamalanga	350.00	7.892	0.658
12	Vedanta Limited (IPP)	600.00	13.530	1.127
13	NBVL (IPP)	120.00	2.706	0.225
14	Maa Durga Thermal Power Plant Limited, Tangi	60.00	1.353	0.113
	Sub-total	1130.00	25.481	2.123
D	CGPs (Maximum Scheduled up to the end of October 2024)			
15	Aarti Steel Ltd.	48.07	1.084	0.090
16	Aryan Ispat & Power Pvt. Ltd.	12.40	0.280	0.023
17	Bhubaneswar Power Pvt. Ltd.	120.00	2.706	0.225
18	Tata Steel Limited, Meramundali	145.00	3.270	0.272
19	FACOR Power Ltd.	60.00	1.353	0.113
20	IMFA	43.00	0.970	0.081
21	Jindal Steel & Power Ltd., Angul	167.81	3.784	0.315
22	Maithan Ispat Ltd., Kalinganagar	3.00	0.068	0.006
23	MGM Minerals Ltd.	3.40	0.077	0.006
24	NALCO, Angul	31.00	0.699	0.058
25	Narbheram Power & Steel (P) Ltd.	0.50	0.011	0.001
26	Nava Bharat Ventures Ltd.	30.00	0.676	0.056
27	Rungta Mines Ltd., SID, Karakolha	5.00	0.113	0.009
28	SMC Power Generation Ltd.	22.00	0.496	0.041
29	SMC Power Generation Ltd (UNIT-II), Budhipadar	44.00	0.992	0.083
30	Tata Steel Long Product Ltd. (TSIL)	18.40	0.415	0.035
31	Vedanta Ltd., Jharsuguda	250.00	5.637	0.470
32	Viraj Steel and Energy Pvt. Ltd	8.90	0.201	0.017
33	MSP Metalics Ltd.	10.00	0.225	0.019
34	Visa Steel Ltd.	43.00	0.970	0.081
35	KJS Ahluwalia, Steel and Power Division	8.00	0.180	0.015
36	Orissa Sponge Iron and Steel Ltd.	14.20	0.320	0.027
37	Rungta Mines Ltd., Kamanda Steel Plant	10.00	0.225	0.019
38	Shri Jagannath Steels & Power Ltd.	9.50	0.214	0.018
39	KCMW, A unit of Dalmia Cement Bharat Ltd., Salepur	12.20	0.275	0.023
40	Odisha Cement Plant (A Unit of Shree Cement Limited)	6.50	0.147	0.012
41	Rungta Mines Limited, Dsp, Dhenkanal	10.00	0.225	0.019

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC (Rs. Lakhs)	
			(Annual)	(Monthly)
			42	Thakur Prasad Sao and Sons Pvt. Ltd. Unit-IV
43	Yazdani Steel & Power Ltd., Jajpur	2.30	0.052	0.004
44	Adhunik Metaliks Ltd., Rourkela	2.70	0.061	0.005
45	OCL Iron and Steel Ltd., Rajgangpur	50.00	1.127	0.094
46	Times Steel and Power Private Limited	6.20	0.140	0.012
47	Beekay Steel Industries Ltd	7.30	0.165	0.014
48	Indian Farmers Fertiliser Cooperative Limited	5.00	0.113	0.009
49	MGM Green Energy Ltd,5MW Plant	4.20	0.095	0.008
50	Sub-total	1216.28	27.427	2.286
E	Solar Projects (Installed Capacity)			
51	ACME, Odisha	25.00	0.564	0.047
52	AFTAB Solar	5.00	0.113	0.009
53	BEL Solar	7.50	0.169	0.014
54	GEDCOL	28.00	0.631	0.053
55	M/s Raajratna Energy Holdings Pvt. Ltd.	1.00	0.023	0.002
56	M/s S.N. Mohanty	1.00	0.023	0.002
57	MGM Green Energy Ltd.	1.00	0.023	0.002
58	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.023	0.002
59	M/s Jay Iron and Steel Ltd.	1.00	0.023	0.002
60	M/s Abacus Holdings Pvt. Ltd.	1.00	0.023	0.002
61	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.023	0.002
62	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.023	0.002
63	Alex Green Energy Ltd.	5.00	0.113	0.009
64	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.225	0.019
65	M/s Sadipali IBP solar Pvt. Ltd.	20.00	0.451	0.038
66	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	0.902	0.075
67	M/s Vento Power & Energy Ltd. Kesinga-1	40.00	0.902	0.075
68	M/s Vento Power Pvt. Ltd. Kesinga- 2	40.00	0.902	0.075
69	M/s Vento Power Infra Pvt. Ltd. Tusura-1	40.00	0.902	0.075
70	M/s Vento Energy Infra Pvt. Ltd.Tusura-2	40.00	0.902	0.075
71	M/s Vento Power Projects Pvt. Ltd., Tentulikhunti	40.00	0.902	0.075
72	ABReL, Sainitala	25.00	0.564	0.047
73	ABReL, Bouda	25.00	0.564	0.047
74	ABReL, Bargarh New	25.00	0.564	0.047
75	MCL, Burla	2.00	0.045	0.004
76	J K PAPER, Theruvali	25.00	0.564	0.047
77	ABREL(Odisha) SPV Ltd., Dhenkanal	15.62	0.352	0.029
78	MCL SOLAR 50MW, Patnagarh	50.00	1.127	0.094
	Sub-total	516.12	11.638	0.970
	Total (A+B+C+D+E)	6550.40	147.711	12.309

(ii) Collection of MOC from Distribution Licensees & Buyers (@50% of MOC) = Rs. 147.711 Lakh (i.e. Rs. 12.309 Lakh/month) as given in Table-9 below:

Table-9
DISCOMs-wise MOC Proposed by SLDC for FY 2026-27

Sl. No.	DISCOMs	Total MOC	% share	Total Amounts	
				(Rs. Lakhs)	
				(Annual)	(Monthly)
		A	B	C=A*B	D=C/12
1	TPCODL	147.711	34.57	51.064	4.255
2	TPNODL		21.81	32.216	2.685
3	TPWODL		30.96	45.731	3.811
4	TPSODL		12.66	18.7	1.558
5	Total	147.11	100	147.711	12.309

Note: The energy consumption and percentage of shares are based on last year's approval.

Registration Fee:

19. SLDC has proposed to collect a registration fee @ **Rs1.00 Lakh** from all users, including industries that are importing power through Inter-State open access as per OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010.

Application Fee and Scheduling Charges:

20. SLDC has proposed that the application fee and scheduling charges shall be paid by the Short-Term Open Access customers as per the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020. Accordingly, SLDC has prayed for approval of the Annual Revenue Requirement of **Rs.1477.108 Lakhs** for FY 2026-27 towards the State Load Despatch Centre (SLDC) function separately with permission for recovery of the same from the users.

VIEWS OF CONSUMER COUNSEL (Para 21 to 30)

21. The Consumer Counsel has analyzed the ARR application of SLDC for the FY 2025-26 and some of their important observations/ suggestions are as stated hereafter:

Observations on Annual Revenue Requirement

22. The Petitioner has proposed an Aggregate Revenue Requirement (ARR) of Rs.1,477.108 Lakhs for FY 2026-27, which reflects an increase of approximately 10% over the previous approval (Rs.1337.759 Lakhs). Out of the total ARR, System Operation Charges (SOC) constitute Rs. 1,181.686 Lakhs (80% of Annual Charges) and Market Operation Charges (MOC) constitute Rs. 295.422 Lakhs (20% of Annual Charges). The proposed ARR is primarily driven by Human Resource expenses, A&G expenses, and R&M expenditures. Given that the ARR increase is in double digits, each cost component requires strict prudence verification before allowing recovery from the users.

Employee Expenses (Human Resource Cost)

23. The Petitioner has proposed total employee expenses of Rs.1,050.17 Lakhs for FY 2026-27 as compared to Rs.1,018.58 Lakhs, approved for FY 2025-26, reflecting an increase of about 3% overall, though several individual heads show sharp variations. Salaries are projected at Rs.502.680 Lakhs (1% decrease), Dearness Allowance at Rs.326.742 Lakhs (5% increase) and House Rent Reimbursement at Rs.70.236 Lakhs (6% decrease). However, certain components show significant escalation—Other Allowances increased by 67% to Rs.26.99 Lakhs, Leave Travel Concession increased by 150% to Rs.5.00 Lakhs, Ex-gratia increased by 100% to Rs.12.28 Lakhs, Staff Welfare Expenses increased by 69%, and “Others” (Uniform & Liveries) increased by 71%. While the aggregate increase is modest, the steep rise in selected heads requires justification, particularly when overall staff strength remains largely stable.

R&M Expenses

24. The Petitioner has proposed R&M expenses of Rs.105.60 Lakhs for FY 2026-27 as against Rs. 86.123 Lakhs approved for FY 2025-26 indicating an increase of 23%. Major R&M components include MPLS connectivity for Automatic Demand Management Scheme (ADMS), facility management services, AMC charges for computers and software and WAN bandwidth charges. Considering the digital and IT-intensive nature of SLDC operations, R&M expenses are essential but, a 23% escalation in one year warrants scrutiny, particularly in light of the actual R&M expenditure of Rs.77.972 Lakhs in FY 2024-25.

A&G Expenses

25. The Petitioner has proposed Administrative & General (A&G) expenses at Rs.212.78 Lakhs for FY 2026-27, compared to Rs. 153.571 Lakhs approved for FY 2025-26, indicating a significant increase of 39%. Major heads include Training and Certification of Operators, Conveyance, Watch & Ward, Electricity Charges, and Vehicle Hire Charges. Given that SLDC is a regulatory and system operation body with largely stable infrastructure, a nearly 40% rise in A&G expenses requires detailed justification and benchmarking with past trends. The combined O&M expenses (R&M + A&G) indicate an increase by 33%, from Rs.239.694 Lakhs to Rs.318.38 Lakhs, which is substantially higher than inflationary trends.

Depreciation and Interest on Working Capital

26. The Petitioner has proposed Depreciation for FY 2026-27 at Rs.66.41 Lakhs, which is lower than the previous approval of Rs.79.489 Lakhs, indicating a decline of around 16%, possibly due to asset base stabilization. However, Interest on Working Capital (IoWC) has been proposed at Rs.42.147 Lakhs, which is a considerable component of ARR and requires verification of normative calculations. Any overestimation in O&M or receivables would directly inflate IoWC.

Net Revenue Requirement and Income Recovery

27. The net ARR of Rs.1,477.108 Lakhs is proposed to be fully recovered through SOC and MOC, with projected revenue from SOC at Rs.1,181.686 Lakhs and from MOC at Rs.295.422 Lakhs. The Petition reflects a revenue-matching approach, showing no projected deficit for FY 2026-27. However, given that Miscellaneous Receipts and prior adjustments are not prominently reflected, the Commission may verify whether all non-tariff income has been appropriately adjusted before determining net recoverable charges.

True-up of FY 2024-25

28. The Petitioner, for FY 2024-25, has submitted truing-up based on audited accounts. Against OERC approval of Rs.1,017.474 Lakhs for employees' cost, the actual expenditure was Rs.995.451 Lakhs, resulting in savings of Rs. 22.023 Lakhs. R&M expenses increased from approved Rs.55.235 Lakhs to actual Rs.77.972 Lakhs and A&G expenses were marginally lower at Rs.157.209 Lakhs against approved Rs.158.354 Lakhs. Finance cost of Rs.16.542 Lakhs was incurred, though nothing was approved on that score. After considering depreciation of Rs.82.842 Lakhs and revenue from operations of Rs.1,641.414 Lakhs, the net surplus works out to Rs.25.662 Lakhs, which is proposed to be recovered through truing up. The Commission, it was submitted, may carefully examine whether finance costs and R&M escalation were justified before allowing such adjustment.

True-up of FY 2023-24

29. Against the approved ARR of Rs.1,244.000 Lakhs for FY 2023-24, the actual net fees and charges cost stood at Rs.1,270.252 Lakhs and revenue from operations was Rs.1,287.021 Lakhs, resulting in surplus of Rs. 16.769 Lakhs. Employee cost was marginally higher at Rs.957.323 Lakhs against approved Rs.954.611 Lakhs, while A&G expenses increased to Rs.137.403 Lakhs against approved Rs.131.542 Lakhs and finance

cost of Rs. 11.935 Lakhs was incurred though not originally approved. The net effect is a true-up surplus of Rs.16.769 Lakhs, which SLDC seeks to adjust. Prudence check of finance cost and A&G escalation is necessary.

Overall Consumer Impact

30. The Petitioner has proposed the ARR for FY 2026-27 at 10% increase, primarily driven by sharp increases in A&G (39%) and R&M (23%) expenses with employee expenses remaining relatively stable. True-up adjustments for FY 2023-24 (Rs.16.769 Lakhs) and FY 2024-25 (Rs. 25.662 Lakhs) are also sought to be recovered from the users. Since SLDC charges are recovered from transmission and distribution users and ultimately passed on to consumers, strict prudence check of administrative, IT, and finance-related escalations is essential to ensure tariff stability and regulatory discipline.

C. VIEWS OF OBJECTORS AND RESPONSE OF SLDC ON VARIOUS ISSUES ARE AS FOLLOWS (PARA 31 to 37)

Disclosure of Work:

Views of Objectors:

31. One of the Objectors submitted that the Petitioner has proposed an ARR of Rs.14.77 Cr for FY 2026-27 and true-up charges for FY 2023-24 and FY 2024-25 without disclosing the work undertaken by SLDC. While all licensees and GENCOs submit performance and work details for ARR approval, SLDC remains an exception and no annual performance review of OPTCL/SLDC is conducted. In this context, the objector has requested the Commission to direct SLDC to submit the details of work completed in the current and previous years in line with Section 32 of the Act, SLDC Regulations, 2010, and Open Access Regulations, 2020 prior to the public hearing.

Reply of SLDC:

SLDC submitted that the application for the determination of Annual Revenue Requirement and Fees and Charges of State Load Despatch Centre (SLDC) has been prepared in accordance with OERC (Fees & Charges of SLDC & other related matters) Regulations, 2010 and submitted before the Commission.

Disclosure of Key Information:

Views of Objectors:

32. Objector Shri Ananda Kumar Mohapatra submitted that while SLDC publishes the list of Grid Users, it does not disclose the key details such as reserved capacity, connectivity

load granted, and unutilized grid capacity. Despite having real-time metering data, this information remains undisclosed, violating the OERC (Fees and Charges of SLDC) Regulations, 2010. Repeated objections in the last three years have yielded no action. The continued concealment of such critical data raises serious concerns over transparency and regulatory compliance. SLDC shall have to post all necessary information as per Regulation 36 of the OERC Open Access Regulation 2020 in its website in a separate page titled "Open access information" and also issue monthly and annual report containing such information.

Reply of SLDC:

SLDC submitted that the list of Registered Users with their particulars (such as name of the system user and point of connection along with the voltage level) and various information is available on the home page of the SLDC website for public viewing.

O&M expenses:

View of Objectors:

33. Referring to Regulation 14 of the OERC (Fees & Charges of SLDC and other related matters), TPWODL & TPSODL requested the Commission to take a suitable decision while approving O&M expenses of SLDC for FY 2026-27.

Reply of SLDC:

No comments.

Interest on Working Capital:

Views of Objectors:

34. TPSODL submitted that SLDC has not availed any working capital loan but, has proposed interest on Working Capital of Rs.0.42 crore only on normative basis in case of delay in receipt of payment from the beneficiaries. It was further submitted that all four DISCOMs are making payment of SLDC charges in time and therefore, there is no requirement for allowing Interest on Working Capital. The Objector also submitted that the Commission, in the past, has not allowed this component as part of the ARR.

Reply of SLDC:

No comments.

Cross Subsidy Surcharge (CSS):

Views of Objectors:

35. TPWODL, TPSODL and TPCODL submitted that, as per the applicable Regulations, SLDC is responsible for raising Open Access charges bill to the consumers availing power under Short Term Open Access (STOA). However, after completion of the transaction month, the DISCOMs furnish meter data to SLDC for verification, based on which SLDC advises the DISCOMs to raise the Cross Subsidy Surcharge (CSS) bill. It was submitted that this process takes nearly one month, resulting in delay in the collection of CSS and issuance of NOCs for the subsequent period. The Objectors, therefore, requested the Commission to permit the DISCOMs to raise CSS bills on the basis of the approved schedule provided by SLDC at the end of each month to streamline the billing and collection process and avoid such delays.

Reply of SLDC:

In response, SLDC submitted that as per Regulation 23(1) of the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020, the Cross Subsidy Surcharge is payable to the distribution licensee of the area of supply from whom the consumer was availing power prior to opting for open access. It was further submitted that the earlier practice of issuance of CSS bills by SLDC continued during the period when the said Regulations came into force in view of the prevailing COVID-19 situation. It was stated that in line with the provisions of the aforesaid Regulations, the open access consumers are to be billed directly by the concerned distribution licensees and SLDC is providing the customer-wise energy drawl schedule to the DISCOMs for the purpose.

Monthly Charges on Captive Generating Plants:

Views of the Objectors:

36. One of the Objectors submitted that under Section 32(3) of the Act, the SLDC is empowered to levy and collect fees and charges from generating companies and licensees engaged in intra-State transmission as specified by the Commission. He stated that CGPs with an installed capacity of about 13,260 MW have been commissioned in the State after obtaining connectivity from SLDC (OPTCL) and that substantial investment has been made in the transmission system for this purpose. It was further submitted that while POSOCO is levying charges for utilization of the inter-State transmission system as per the CERC Regulations, no corresponding charges are being levied for intra-State transmission in Odisha due to the absence of specific State Regulations, resulting in non-recovery of legitimate charges from CGPs. He requested the Commission to make appropriate provisions for the levy and recovery of such charges.

Reply of SLDC:

SLDC submitted that the monthly charges of SLDC are being levied on the CGPs by SLDC in accordance with the approved fees and charges of SLDC, as approved by the Commission in the ARR of SLDC. Further, the CGPs are also paying the intra-state transmission charges of OPTCL against the Open-Access availed by them as per the applicable Regulations.

Function of the State Commission**Views of the Objectors:**

37. One of the Objectors submitted that while determining tariff, the Commission is statutorily required to be guided by the principles laid down in sections 61, 62 and 86 of the Act. He further submitted that section 61 mandates the State Commission to specify the terms and conditions for tariff determination, having due regard to the National Electricity Policy and the Tariff Policy. According to him, in terms of these policy provisions, the Commission is required to adequately recognize and factor in the rapid economic development of the State while undertaking tariff determination for the sale and purchase of electricity.

Response of SLDC

No comments.

D. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) (PARA 38)

38. The Commission convened the 39th State Advisory Committee (SAC) meeting on 16.03.2026 at 11 AM at Power Training Centre, OPTCL, Bhubaneswar, to deliberate on the Annual Revenue Requirement & determination of tariff for FY 2026-27. The Members of the SAC, Special Invitees, and the Representative of the Department of Energy, Govt. of Odisha, actively participated in the deliberations and offered their valuable suggestions and views for consideration of the Commission. A brief summary of the suggestions/views expressed during the meeting is given below:

- (a) The SLDC (Odisha) website should be updated regularly to ensure availability of current, accurate and timely information.
- (b) SLDC should ensure availability of requisite real-time operational data from all Grid Substations of OPTCL and DISCOMs through SCADA/RTU for effective monitoring and grid management. SLDC should analyse such data and provide periodic operational feedback to OPTCL and DISCOMs.

- (c) SLDC should function as an independent entity, separate from OPTCL, in line with the provisions of the Electricity Act, 2003.

VIEWS OF GOVERNMENT OF ODISHA (PARA 39)

39. In course of the hearing, the Commission had requested the Government to submit its views within seven days of the date of conclusion of the hearing for consideration in the tariff determination process. The Commission had held a meeting on 05.03.2026 with the Energy Department, led by the Additional Chief Secretary of the Department and deliberated on the issues related to the electricity tariff. The views in writing of the Government were finally received on 17.03.2026. On meticulous scrutiny of the same, the Commission observes that the same are not comprehensive and do not adequately address the issues raised in the instant proceeding. Since tariff determination is a time-bound statutory exercise, the Commission has proceeded with the determination of the tariff based on the materials available on record.

The relevant portion of the minutes of the meeting held on 05.03.2026, pertaining to SLDC, is as follows:

“Separation of SLDC from OPTCL

Section 31(1) of the Electricity Act has given mandate to State Government to establish a centre to be known as State Load Despatch Centre, for the purposes of exercising the powers under the Electricity Act and until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre. The Odisha SLDC is still functioning under OPTCL with shortage of manpower. The CMD, OPTCL mentioned that the officers strength in SLDC is adequate as per the work requirement and there is no interference from OPTCL in the functioning of SLDC. The Chairman, OERC highlighted that the independent functioning of SLDC with adequate staff is necessary for the greater interest of the system.

Action-State Government & OPTCL

E. COMMISSION’S OBSERVATIONS AND ORDER (PARA 40 to 92)

40. We have extensively heard the petitioner and all those who participated in the hearing, which was taken up in hybrid mode. Let us carefully examine the claims of the petitioner raised in the Tariff application for FY 2026-27 and the Truing-up application for FY 2023-24 & 2024-25 *vis-à-vis* the views of the Objectors and the replies submitted by SLDC in response to the queries raised during the hearing by us, as well as the materials available on record.

41. SLDC as an Independent System Operator (ISO) is an apex body and has an important role to play in ensuring the integrated operation of the Power System of the State covering the transmission system of OPTCL, which includes about 17046 CKM. of transmission lines, 28591 MVA of transformation capacity, and 200 Nos. of Grid Substations, which are in operation at 132 kV, 220 kV, and 400 kV levels, to cater to the present peak demand of about 7069.89 MW MW of the State.
42. The Commission has followed the principles laid down in the Act, CERC (Fees and Charges of RLDC and other Related Matters) Regulations, 2009 and OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 for approval of ARR and determination of Annual Fees & Charges for SLDC's functions. SLDC is currently functioning independently headed by the Chief Load Despatcher (Director, SLDC) and is maintaining separate financial accounts although administrative ring-fencing is not fully implemented. Therefore, the collection of annual fees and charges for SLDC from various stakeholders and other sources; as permissible under law, is governed under section 32(3) of the Act.
43. In compliance with Regulation 3 of the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 as well as in conformity with OERC (Conduct of Business) Regulations, 2004, SLDC has duly filed its Annual Revenue Requirement (ARR) application along with other related information in the prescribed format for determination of Annual Fees and Charges for SLDC functions for FY 2026-27 along with Truing up application for FY 2023-24 & FY 2024-25.
44. The Commission is conscious of the objectives of different policies, notified under section 3 of the Act, such as the Tariff Policy and National Electricity Policy. In the National Electricity Policy, electricity is recognized as one of the critical infrastructures on which the socio-economic development of the country depends. Supply of electricity at a reasonable rate to rural India is essential for overall development. Availability of reliable and quality power at competitive rates to the Indian industry is also important to make it globally competitive, besides enabling it to create employment generation and thereby contributing to the sustainable growth of our economy. The objectives of the policies can only be achieved if all the stakeholders of the power sector, including the Commission, suitably discharge their functions as per the mandate of the Act. The Commission, while determining tariff, is not only guided by the tariff policy in addition to the Electricity policy but also governed by the Regulations and relevant provisions of the Act, particularly those envisaged in sections 61 to 66 of the Act. Section 61 of the

Act emphasizes both safeguarding consumer interest and the recovery of the cost of power for the financial viability of the sector. It simultaneously aims at the socio-economic growth of the State. The same is achievable if the provisions of the Act are followed in true letter and spirit. Socio-economic development of the State is not the sole responsibility of the Commission. It depends on the collective efforts of all those playing in the field. Everyone is required to deliver when they are asked to do so. The tariff determination must be done by harmonious interpretation of the provisions of the Act.

Truing up of SLDC for FY 2023-24 & FY 2024-25:

45. SLDC submitted that the Commission had approved Rs.1244.000 Lakh for FY 2023-24 *vide* its order dated 23.03.2023 in Case No.77 of 2022 and Rs.1596.078 Lakh (including Truing-up deficit Rs.205.475 Lakh & Rs.80.255 Lakh for FY 2021-22 & FY 2022-23 respectively) for FY 2024-25 *vide* its order dated 13.02.2024 in Case No.114 of 2023 & Case No.133 of 2023 towards Annual Fees and Charges for SLDC function. In response to the above approval of the Commission, SLDC has submitted that, as per audited accounts, the actual income and expenditure of SLDC during FY 2023-24 & FY 2024-25 are as follows:

Table-10
Summary of ARR Approved and Actual cost as per Audited Accounts of FY 2023-24 & FY 2024-25

Sl No	Particulars	FY 2023-24		FY 2024-25	
		Approved in the ARR	Actual as per Audited Accounts	Approved in the ARR	Actual as per Audited Accounts
A	Gross Revenue Requirement				
1	Salary	913.471	915.746	966.311	946.960
	NPS	41.140	41.577	51.163	48.491
	Gross Employees Cost	954.611	957.323	1,017.474	995.451
	<i>Less: Emp. Cost Capitalised</i>	-	-	-	-
	Net Employee Cost	954.611	957.323	1,017.474	995.451
2	R & M Cost	77.158	77.056	55.235	77.972
3	A & G Cost (Including GCC Expenses)	131.543	137.403	158.354	157.209
4	Sub-total (1+2+3)	1,163.311	1,171.782	1,231.063	1,230.632
5	Depreciation	80.689	86.535	79.285	82.842
6	Interest on Working Capital	-	-	-	-
7	Rebate & Other	-	11.935	-	16.542
8	Sub-total (4+5+6+7)	1,244.000	1,270.252	1,310.348	1,330.016

Sl No	Particulars	FY 2023-24		FY 2024-25	
		Approved in the ARR	Actual as per Audited Accounts	Approved in the ARR	Actual as per Audited Accounts
9	Less: Misc Receipts (Including STOA)	-	37.981	-	45.330
10	Less: True up Surplus/(Deficit)	-	-	-285.730	-
11	Net Revenue Requirement {8-(9+10)}	1,244.000	1,232.271	1,596.078	1,284.686
B	Revenue from operation				
12	SoC-80%	995.200	999.142	1,276.862	1,276.860
13	MoC-20%	248.800	249.898	319.216	319.224
14	Total (12+13)	1,244.000	1,249.040	1,596.078	1,596.084
C	Gap - Surplus/(Deficit) (14-11)	-	16.769	-	311.398

46. SLDC submitted that the above revenue surplus of Rs.16.769 Lakh for FY 2023-24 and Rs.311.398 Lakh (including Truing-up deficit Rs.205.475 Lakh & Rs.80.255 lakh for FY 2021-22 & FY 2022-23 respectively are allowed to be recovered in FY 2024-25) for FY 2024-25 have been deposited along with other income such as application fees, registration fees, short-term open access (scheduling) charges etc. under a separate head of accounts called as ‘SLDC Development Fund’ as per Regulation 8(2) of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010.

47. Regulation 4 of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 specifies as follows:

“4. Truing up of annual fees and charges

1. The Commission shall carry out truing up exercise along with the application for determination of fees and charges filed for the financial year after the expiry of the period, for the fees and charges recovered during the said FY and admitted by the Commission after prudence check at the time of truing up.

2. The SLDC shall make an application, in the formats prescribed by the Commission, for carrying out truing up exercise for the last financial year by 31st October of the next financial year.

3. The SLDC shall submit along with the application for truing up, details of capital expenditure including additional capital expenditure, sources of financing, human resource expenditure, operation and maintenance expenditure, etc incurred for the previous financial year, duly audited and certified by the auditors.

4. The trued-up gap shall be dealt by the Commission while approving the ARR of SLDC for the subsequent year.”

48. The Commission has scrutinized the component-wise truing-up proposal of SLDC with the audited books of accounts of SLDC prepared and maintained by the OPTCL. The Commission’s observations are as follows:

Human Resource Expenses:

49. In the ARR & Tariff Order of SLDC for FY 2023-24, the Commission had approved Rs.954.611 Lakh under human resources expenses, but the actual expenses as per the audited accounts are Rs 957.323 Lakh. It is observed that while some components of human resource expenses have increased, other components have decreased, resulting in marginal increase in human resource expenses by Rs.2.712 lakh (Rs.957.323 Lakh - Rs.954.611 Lakh) over the approved amount for FY 2023-24.

In the ARR & Tariff Order of SLDC for FY 2024-25, the Commission had approved Rs.1017.474 Lakh, but the actual human resources expenses as per the audited accounts are Rs.995.451 Lakh. It is observed that some components of human resource expenses have increased and some others have decreased, resulting in decrease of the actual human resource expenses of SLDC by an amount of Rs.22.023 lakh (Rs.1017.474 Lakh -Rs.995.451 Lakh) over the approved amounts for the FY 2024-25.

Based on the actual human resource expenses as per audited accounts, the Commission approves **Rs.957.323 Lakh & Rs.995.451 Lakh** for truing-up of FY 2023-24 and FY 2024-25, respectively, the details of which are shown in Table-11 below:

Table-11
Human Resources Expenses Proposed by SLDC and Approved by the Commission
for Truing-up of FY 2023-24 & FY 2024-25

(Rs. In Lakh)

Sl. No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
FY 2023-24					
1.	Basic Salary	528.492	516.385	516.385	12.107
2.	Dearness Allowance	237.820	240.721	240.721	-2.901
3.	Reimbursement of House Rent	74.000	79.322	79.322	-5.322
4.	Reimbursement of Medical Expenses	26.425	25.999	25.999	0.426
5.	Other allowances such as shift, Conveyance, ABT, green card washing etc.	17.580	17.469	17.469	0.111
6.	Contractual Staff Payment	15.560	19.284	19.284	-3.724
7.	Ex-gratia	9.048	12.215	12.215	-3.167
8.	Staff Welfare Expenses	0.050	0.977	0.977	-0.927
9.	Leave Travel Concession	2.000	0.934	0.934	1.066
10.	Terminal Benefits (Employer's Share)	41.136	41.577	41.577	-0.441
11.	Others (Specify) (Uniform	2.500	2.440	2.440	0.060

Sl. No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
	& Liveries)				
	Total	954.611	957.323	957.323	-2.712
FY 2024-25					
1.	Basic Salary	520.824	516.573	516.573	4.251
2.	Dearness Allowance	286.453	268.376	268.376	18.077
3.	Reimbursement of House Rent	83.332	76.095	76.095	7.237
4.	Reimbursement of Medical Expenses	26.041	25.772	25.772	0.269
5.	Other Allowance such as shift, Conveyance, ABT, green card washing etc.	17.360	16.984	16.984	0.376
6.	Contractual Staff Payment	17.825	26.686	26.686	-8.861
7.	Leave Travel Concession	2.000	2.070	2.070	-0.070
8.	Ex-gratia	10.000	12.332	12.332	-2.332
9.	Staff Welfare Expenses	0.100	1.112	1.112	-1.012
10.	Terminal Benefits (Employer's Share)	51.163	48.491	48.491	2.672
11.	Others (Specify) (Uniform & Liveries)	2.376	0.960	0.960	1.416
	Total	1,017.474	995.451	995.451	22.023

Operation & Maintenance (O&M) Expenses (excluding Human Resource Expenses):

50. The Commission had approved Rs.208.700 Lakh in the ARR & Tariff Order of SLDC for FY 2023-24 under Operation & Maintenance (O&M) Expenses [Repairs & Maintenance (R&M) Expenses -Rs.77.158 Lakh + Administrative & General (A&G) Expenses-Rs.131.542 Lakh] excluding human resource expenses. But the actual expenses as per the audited accounts are Rs.214.459 Lakh (R&M Expenses -Rs.77.056 Lakh + A&G Expenses-Rs.137.403 Lakh) for the FY 2023-24. The Commission observes that the actual R&M expenses have marginally decreased by an amount of Rs.0.102 Lakh (Rs.77.158 Lakh - Rs.77.056 Lakh) and the A&G expenses have increased by an amount of Rs.5.861 Lakh (Rs.137.403 Lakh - Rs.131.542 Lakh) over the approved amounts for FY 2023-24 as a consequence of which the net increase in O&M Expenses excluding human resource expenses is Rs. 5.759 Lakh (Rs.214.459 Lakh - Rs.208.700 Lakh) over the approved amount for FY 2023-24. Including marginal increase in A&G expenses, the Commission allows Rs.214.459 lakhs towards O&M expenses (excluding human resource expenses) for the truing-up purpose for the FY 2023-24.

Further, in the ARR & Tariff Order of SLDC for FY 2024-25, the Commission had approved Rs.213.589 Lakh under Operation & Maintenance (O&M) Expenses [Repairs & Maintenance (R&M) Expenses-Rs. 55.235 Lakh + Administrative & General (A&G) Expenses-Rs.158.354 Lakh] excluding human resource expenses. But the actual expenses as per the audited account are Rs 235.181 Lakh (R&M Expenses-Rs. 77.972 Lakh + A&G Expenses-Rs.157.209 Lakh) for the FY 2024-25. The Commission observes that the actual R&M expenses has substantially increased by an amount of Rs.22.737 Lakh (Rs.77.972 Lakh - Rs.55.235 Lakh) and the A&G expenses has marginally decreased by an amount of Rs.1.145 Lakh (Rs.158.354 Lakh - Rs.157.209 Lakh) over the approved amount for FY 2024-25. This substantial increase of actual R&M expenses for FY 2024-25 is mainly due to the fact that the Commission had approved comparatively lower amount of R&M expenses (i.e., Rs.55.235 Lakh) in the ARR & Tariff Order of SLDC for FY 2024-25 basing on the actual R&M expenses as per audited accounts of FY 2022-23 and escalated it @5.72% per annum as per norms of Regulation 14 of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010. This is in contrast to the Commission's approval of 77.158 Lakh on the same head in the previous ARR & Tariff Order of SLDC for FY 2023-24. As per audited accounts, the net increase in O&M Expenses excluding human resource expenses is Rs. 21.592 Lakh (Rs.235.181 Lakh - Rs.213.589 Lakh) over the approved amount for FY 2024-25. Accordingly, the Commission allows Rs.137.403 lakhs against A&G expenses for the FY 2024-25 and directs SLDC to take appropriate measures to control the O&M expenditure within the approved limit in future, as it is controllable in nature. Accordingly, based on the Actual O& M expenses (R&M and A&G expenses) excluding human resource expenses as per audited accounts, the Commission approves **Rs.214.459 Lakh & Rs.235.181 Lakh** for truing-up of FY 2023-24 and FY 2024-25 respectively. The details are shown in Table-12 below:

Table-12
O& M Expenses Proposed by SLDC and Approved by the Commission for Truing-up of FY 2023-24 & FY 2024-25

(Rs. in Lakh)

Sl No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6 =3-5
FY 2023-24					
1	R& M Expenses	77.158	77.056	77.056	0.102
2	A&G Expenses	131.542	137.403	137.403	-5.861

	Total	208.700	214.459	214.459	-5.759
FY 2024-25					
1	R& M Expenses	55.235	77.972	77.972	-22.737
2	A&G Expenses	158.354	157.209	157.209	1.145
	Total	213.589	235.181	235.181	-21.592

Depreciation:

51. The Commission had approved Rs.80.689 Lakh towards depreciation in the ARR & Tariff Order of SLDC for FY 2023-24, but the actual depreciation as per the audited account is Rs.86.535 Lakh. Similarly, in the ARR & Tariff Order of SLDC for FY 2024-25, the Commission had approved Rs.79.285 Lakh towards depreciation, but the actual depreciation as per the audited account is Rs.82.842 Lakh. Based on the actual depreciation booked in the audited accounts of SLDC, the Commission approves **Rs.86.535 Lakh & Rs.82.842 Lakh** for truing-up of FY 2023-24 and FY 2024-25, respectively.

Rebate:

52. As per Regulation 26 of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010, “for payment of bills through the letter of credit on presentation a rebate of 2% shall be allowed and where payments are made other than through letter of credit within a period of one month of presentation of bills, a rebate of 1% shall be allowed”. Since SLDC had not claimed any amount under this head in the tariff application, the Commission had approved nothing under this head during FY 2023-24 and FY 2024-25. However, in the truing-up application, SLDC has claimed rebate of Rs.11.736 Lakh for FY 2023-24 and Rs. 15.709 Lakh for FY 2024-25 based on actual as per audited books of account. The Commission scrutinizes the same and accordingly approves **Rs.11.736 Lakh** for FY 2023-24 and **Rs. 15.709 Lakh** for FY 2024-25 under this head for truing-up.

Finance Cost

53. Based on the actual expenses towards bank charges as per the audited account, SLDC has claimed Rs.0.015 Lakh for FY 2023-24 and Rs.0.036 Lakh for FY 2024-25 under the head financial cost. Further, it has claimed Rs.0.184 Lakh for FY 2023-24 and Rs.0.797 Lakh for the FY 2024-25 towards loss on sale/transfer of fixed assets as per the audited account. The Commission examines the above financial cost and accordingly allows **Rs.0.199 Lakh** (Rs.0.015 lakh + Rs.0.184 lakh) for FY 2023-24 and **Rs.0.833 Lakh** (Rs.0.036 lakh + Rs.0.797 lakh) for the FY 2024-25 under this head for truing-up.

Miscellaneous Receipts:

54. SLDC had not claimed any amount under the Miscellaneous receipt head in the tariff application and accordingly, the Commission had approved nothing under this head in the ARR & Tariff Orders of SLDC for FY 2023-24 and FY 2024-25. However, based on the audited accounts, under this head, it has received Rs.37.981 Lakh (Rs.35.393 Lakh on account of deferred revenue income and Rs.2.588 Lakh as other miscellaneous receipts) during FY 2023-24 and Rs.45.330 Lakh (Rs.33.227 Lakhs on account of deferred revenue income, Rs.10.990 Lakh on account of supervision charges and Rs.1.113 lakh as other miscellaneous receipts) during FY 2024-25. The Commission scrutinizes the same and accordingly allows **Rs.37.981 Lakh** for FY 2023-24 and **Rs.45.330 Lakh** for FY 2024-25 as Miscellaneous receipts for truing -up purpose.

SLDC Fees & Charges (SOC & MOC):

55. The Commission had approved recovery of Annual fixed Charges (through SOC & MOC) to the tune of Rs.1244.000 Lakh for FY 2023-24 and Rs.1596.078 Lakh for FY 2024-25 for SLDC in the respective ARR & Tariff Orders (Truing-up deficit of FY 2021-22 & FY 2022-23 of Rs 285.730 lakh was allowed to be recovered in the ARR & Tariff Order of SLDC for the FY 2024-25). As per audited accounts, the actual income under SOC & MOC is Rs.1249.040 Lakh during FY 2023-24 and Rs.1596.084 Lakh during FY 2024-25. After scrutinizing the same, the Commission approves **Rs.1249.040 Lakh** for FY 2023-24 and **Rs. 1596.084 Lakh** for FY 2024-25 for truing-up purposes.

Summary of Truing-up expenses approved by the Commission for FY 2023-24 & FY 2024-25:

56. Considering the above facts and figures, the Commission approves Rs. 16.769 Lakh and Rs.311.398 Lakh (Truing-up deficit during FY 2021-22 & FY 2022-23 is Rs 285.730 lakh) towards truing-up surplus for FY 2023-24 and FY 2024-25 respectively. The details are shown in Table-13 below:

Table-13
Summary of ARR and Truing-up expenses Approved by the Commission for SLDC for FY 2023-24 & FY 2024-25

(Rs. In Lakhs)

SI No	Particulars	Approved by OERC	Basing on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5

FY 2023-24					
A	Annual Revenue Requirement				
1	Human Resource Expenses	954.611	957.323	957.323	-2.712
2	R & M Expenses	77.158	77.056	77.056	0.102
3	A & G Expenses	131.543	137.403	137.403	-5.861
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	208.700	214.459	214.459	-5.759
5	Depreciation	80.689	86.535	86.535	-5.846
6	Rebate & Finance Cost	-	11.935	11.935	-11.935
7	Sub-total (1+4+5+6)	1,244.000	1,270.252	1,270.252	-26.252
8	Less: Misc Receipts	-	37.981	37.981	-37.981
9	Net Revenue Requirement (7-8)	1,244.000	1,232.271	1,232.271	11.729
B	Income				
10	System Operation Charges (SOC)	995.200	999.142	999.142	-3.942
11	Market Operation Charges (MOC)	248.800	249.898	249.898	-1.098
12	Revenue from SOC & MOC (10+11)	1,244.000	1,249.040	1,249.040	-5.040
C	Gap - Surplus/(Deficit) (12-9)	-	16.769	16.769	-16.769
FY 2024-25					
A	Annual Revenue Requirement				
1	Human Resource Expenses	1,017.474	995.451	995.451	22.023
2	R & M Expenses	55.235	77.972	77.972	-22.737
3	A & G Expenses	158.354	157.209	157.209	1.145
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	213.589	235.181	235.181	-21.592
5	Depreciation	79.285	82.842	82.842	-3.557
6	Rebate & Finance Cost	-	16.542	16.542	-16.542
7	Sub-total (1+4+5+6)	1,310.348	1,330.016	1,330.016	-19.668
8	Less: Misc Receipts	-	45.330	45.330	-45.330
9	Less: True up Surplus/(Deficit)	-285.730	-	-	-285.730
10	Net Revenue Requirement (7-8-9)	1,596.078	1,284.686	1,284.686	311.392
B	Income				
11	System Operation Charges (SOC)	1,276.862	1,276.860	1,276.860	0.002
12	Market Operation Charges (MOC)	319.216	319.224	319.224	-0.008
13	Revenue from SOC & MOC (11+12)	1,596.078	1,596.084	1,596.084	-0.006
C	Gap - Surplus/(Deficit) (13-10)	-	311.398	311.398	-311.398

57. Keeping in view the spirit of Regulation 4(4) of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the Commission directs for transfer of the above truing-up surpluses of **Rs.16.769 Lakh** for FY 2023-24 and **Rs.311.398 Lakh** for FY 2024-25 to the SLDC Development Fund Account. However, the Truing-up deficit of FY 2021-22 & FY 2022-23 of Rs 285.730 lakh was allowed to be recovered in the ARR & Tariff Order of SLDC for FY 2024-25.

SLDC's ARR & Tariff for FY 2026-27:

58. The Commission has scrutinized various components associated with the determination of Revenue Requirements for SLDC functions (i.e. Return on Equity (RoE), Interest on loan Capital, Depreciation, Operation and Maintenance (O&M) Expenses, Human Resource Expenses, Interest on Working Capital, etc.) which are discussed in brief hereunder:

Return on Equity (RoE):

59. SLDC has proposed no RoE in the ARR since no equity has been invested. Therefore, the Commission approves no RoE in the ARR of SLDC for FY 2026-27.

Interest on Loan Capital:

60. SLDC has proposed no interest on Loan Capital in the ARR as there is no outstanding loan. Therefore, the Commission allows no interest on loan capital in the ARR of SLDC for FY 2026-27.

Depreciation:

61. SLDC has proposed Rs.66.410 Lakh towards depreciation for FY 2026-27 on its assets and submitted that as per the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, depreciation shall be calculated annually on straight-line method and at the rate specified by CERC from time to time. It was submitted that the capital cost of the asset as admitted by the Commission has been considered for the purpose of calculating depreciation and that the above amount of depreciation proposed is inclusive of depreciation for the assets in the Unified Load Despatch Centre (ULDC) and offices in SLDC which has been computed in line with the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024 norms as per the above-mentioned OERC's Regulation. The depreciation claimed by SLDC is for the assets such as computers and peripherals for the SLDC data Centre, ADMS project & the Video Projection System (VPS), including its up-gradation and enhancement.
62. The Commission scrutinizes the asset position of SLDC as per the audited accounts as on 31.03.2025 and finds that the total amount of original book value of fixed assets was Rs.1182.27 Lakh (including assets created from PSDF amounting to Rs.221.51 Lakhs) as on 31.03.2025. Based on the original book value of fixed assets and rate of depreciation as per the OERC (Fees and Charges of State Load Dispatch Centre and other related matters) Regulations, 2010, the Commission provisionally approves

Rs.28.621 Lakhs (excluding assets created by PSDF) towards depreciation for FY 2026-27 against the proposed depreciation amount of Rs.66.41 lakhs. However, based on the audited accounts, the Commission may true-up the actual depreciation for FY 2026-27 after considering the depreciation on account of assets created through grant.

Human Resource Expenses (Employee Cost):

63. SLDC has projected **Rs.1050.171 Lakh** towards Employee Cost for FY 2026-27, considering the 58 nos. of existing employees including 2 nos. of Telecommunication personnel and 14 nos. of contractual/outsourced staff engaged at the SLDC control Centre. The Commission has examined the breakup details in respect of employees' costs as proposed by SLDC and approved the basic pay of Rs.502.680 Lakh for FY 2026-27. The Commission has considered Dearness Allowances @ 64% (based on Finance Department, Government of Odisha Circular dated 11.11.2025), Medical Allowance @ 5% of basic pay, House Rent Allowance has been allowed as proposed by SLDC (about 13.97% of basic pay) after scrutinizing the actual house rent allowance (about 14.73% of basic pay) for FY 2024-25 and the amount approved (about 14.75% of basic pay) by the Commission for FY 2025-26. Other employees' related costs and allowances have been considered appropriately based on the actual cost for FY 2024-25 and approved by the Commission for FY 2025-26. Accordingly, the Commission approves Rs.1018.058 Lakhs towards employee cost for FY 2026-27 against the proposed Rs.1050.171 Lakhs. The details of the proposed and approved employee's costs (Human resource expenses) are shown in Table-14 below:

Table: 14
Employee Cost Proposed by SLDC and Approved by the Commission for
FY 2026-27

(Rs. Lakhs)

Sl. No.	Particulars	Actual of FY 2024-25	Approved by the Commission for FY 2025-26	Proposed by SLDC for FY 2026-27	Approved by the Commission for FY 2026-27
1.	Salaries	516.573	508.692	502.680	502.680
2.	Dearness Allowance	268.376	310.302	326.742	321.715
3.	Reimbursement of House Rent	76.095	75.032	70.236	70.236
4.	Reimbursement of Medical Expenses	25.772	25.435	25.134	25.134
5.	Other allowances such as shift, Conveyance, ABT, green card washing, etc.	16.946	16.139	26.988	16.490
6.	Contractual Staff Payment	26.686	29.395	30.071	29.395
7.	Leave Travel Concession	2.070	2.000	5.000	2.500

Sl. No.	Particulars	Actual of FY 2024-25	Approved by the Commission for FY 2025-26	Proposed by SLDC for FY 2026-27	Approved by the Commission for FY 2026-27
8.	Ex-gratia	12.332	-	12.280	-
9.	Staff Welfare Expenses	1.112	0.735	1.244	0.809
10.	Terminal Benefits (Employer's Share)	48.491	49.766	48.019	48.019
11.	Payment under workmen Compensation Act	0.038	0.100	0.100	0.100
12.	Others (Specify) (Uniform & Liveries)	0.960	0.980	1.678	0.980
13.	Total Employees Cost	995.451	1,018.576	1,050.171	1,018.058
14.	Revenue recovered, if any	-	-	-	-
15.	Net Total (14-15)	995.451	1,018.576	1,050.171	1,018.058

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

64. As per the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010, Operation and Maintenance (O&M) Expenses consist of Repair & Maintenance (R &M) expenses and Administrative & General (A&G) expenses excluding Human Resources Expenses. SLDC has proposed Rs.318.380 Lakh (Rs.105.600 Lakh towards R&M expenses and Rs.212.780 Lakh towards A&G expenses) under the head O & M expenses for the ensuing FY 2026-27.
65. The Commission has scrutinized the actual expenditure as per the audited accounts submitted by SLDC for R&M and A&G expenses during FY 2024-25. As per Regulation 14 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the permissible Operation and Maintenance expenses for the subsequent years of the tariff period shall be escalated at the rate of 5.72% per annum. As per the audited accounts of SLDC, the actual O&M expenses for FY 2024-25 are Rs.235.181 Lakh (Rs.77.972 Lakh towards R&M expenses and Rs.157.209 Lakh towards A&G expenses). Considering the annual escalation @ 5.72% per annum over the actual O&M expenses incurred during FY 2024-25 (Rs.235.181 Lakh), the Commission has calculated the O&M expenses at **Rs.262.855 Lakh** (Rs.87.147 Lakh towards R&M expenses and Rs.175.708 Lakh towards A&G expenses) and accordingly approved the same under this head (O&M Expenses excluding human resource expenses) for the ensuing FY 2026-27 as against the proposed Rs.318.380 lakh. The details are shown in Table-15 below:

Table: 15
O&M Expenses (Excluding Human Resource Expenses) Proposed by SLDC and
Approved by the Commission for FY 2026-27

(Rs. Lakh)					
Sl. No.	Particulars	Actual for FY 2024-25	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
1.	R& M Expenses	77.972	86.123	105.600	87.147
2.	A&G Expenses	157.209	153.571	212.780	175.708
	Total (1+2)	235.181	239.694	318.380	262.855

Interest on Working Capital:

66. SLDC has estimated that its working capital requirement is Rs.360.231 Lakh and considering the rate of interest @ 11.70 % (SBI base Rate 8.70 % plus 300 basis point), it has computed and proposed interest on working capital amounting to Rs.42.147 Lakh for the ensuing FY 2026-27. The Commission observes that SLDC has not taken any loan to meet the working expenses, since it has adequate funds in the SLDC Development Fund account (Rs. 9538.72 Lakh as on 31.03.2025) and this fund is being used for the purpose of working capital requirement. Therefore, the Commission allows nothing under the head 'Interest on Working Capital' for FY 2026-27.

Summary of ARR Proposed by SLDC and Approved by the Commission for FY 2026-27:

67. The summary of expenses proposed by SLDC in its ARR and approved by the Commission for the FY 2026-27 has been shown in Table-16 below:

Table-16
Summary of ARR Proposed by SLDC and Approved by the Commission
for FY 2026-27

(Rs. in Lakhs)					
Sl. No.	Particulars	Actual for FY 2024-25	Approved by the Commission for FY 2025-26	Proposed by SLDC for FY 2026-27	Approved by the Commission for FY 2026-27
A	Annual Revenue Requirement				
1	Human Resource Expenses	995.451	1,018.576	1,050.171	1,018.058
2	R & M Expenses	77.972	86.123	105.600	87.147
3	A & G Expenses	157.209	153.571	212.780	175.708
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	235.181	239.694	318.380	262.855
5	Depreciation	82.842	79.489	66.410	28.621
6	Interest on Working Capital	-	-	42.147	-
7	Rebate & Finance Cost	16.542	-	-	-
8	Sub-total (1+4+5+6+7)	1,330.016	1,337.759	1,477.108	1,309.534
9	Less: Misc Receipts	45.330	-	-	-

Sl. No.	Particulars	Actual for FY 2024-25	Approved by the Commission for FY 2025-26	Proposed by SLDC for FY 2026-27	Approved by the Commission for FY 2026-27
10	Net Revenue Requirement (8-9)	1,284.686	1,337.759	1,477.108	1,309.534
B	Income				
11	System Operation Charges (SOC)	1,276.860	1,070.207	1,181.686	1,047.628
12	Market Operation Charges (MOC)	319.224	267.552	295.422	261.906
13	Revenue from SOC & MOC (11+12)	1,596.084	1,337.759	1,477.108	1,309.534
C	Gap - Surplus/(Deficit) (13-10)	311.398	-	-	-

Rebate & Finance Cost

68. The Commission has not allowed any amount under Rebate and Finance Cost. The claim under this head shall be considered at the time of true-up exercise based on the actual amount spent as per the audited accounts of SLDC.

Determination of Annual Charges of SLDC

69. The Commission, as noted above, approves Rs.1309.534 Lakh (Rs.109.128 Lakhs/month) as the Annual Revenue Requirement (ARR)/Annual fixed Charges (AFC) for SLDC Operation during FY 2026-27 and the same is to be recovered from the users of the Intra-State Transmission Network for availing the services of SLDC during the ensuing year. Accordingly, as per OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the Commission considers Annual Fixed Charges (AFC) of SLDC Operations for FY 2026-27, which is to be recovered through SOC & MOC, the details of which are given in Table-17 below:

Table - 17
SLDC Charges proposed by SLDC and approved by the Commission for FY 2026-27
(Rs. in Lakhs)

SI No	Particulars	SLDC charges proposed by SLDC for the FY 2026-27	SLDC charges approved by the Commission for FY 2026-27	
			Total	Monthly Charges
1	Annual charges (AFC)	1477.108	1309.534	109.128
A	System Operation Charges (SOC) (80% of the AFC)	1181.686	1047.628	87.302
B	Market Operation Charges (MOC) (20% of the AFC)	295.422	261.906	21.826
	Total (A+B)	1477.108	1309.534	109.128
A	System Operation Charges (SOC) (80% of the AFC)	1181.686	1047.628	87.302

SI No	Particulars	SLDC charges proposed by SLDC for the FY 2026-27	SLDC charges approved by the Commission for FY 2026-27	
			Total	Monthly Charges
a)	Intra-State Transmission Licensee @10% of SOC	118.169	104.762	8.730
b)	Generating Station & Sellers @45% of SOC	531.759	471.433	39.286
c)	Distribution Licensees & Buyers@45% of SOC	531.759	471.433	39.286
	Total of A (a + b + c)	1181.686	1047.628	87.302
B	Market Operation Charges (MOC) (20% of the AFC)	295.422	261.906	21.826
d)	Generating Station & Sellers @50% of MOC	147.711	130.953	10.913
e)	Distribution Licensees & Buyers@50% of MOC	147.711	130.953	10.913
	Total of B (d + e)	295.422	261.906	21.826

Recovery of System Operation Charges (SOC)

70. Regulation 20 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 takes care of the methodology for recovery of the System Operation Charges (SOC). Keeping in view this Regulation, the Commission decides that the SOC to the tune of **Rs.1,047.628 Lakh/annum** or **Rs.87.302 Lakh/ month** shall be collected from the stakeholders as under:

- i) 10% of annual SOC shall be recovered @ **Rs.104.762 Lakh/annum** or **Rs. 8.730 Lakh/month** from the Intra-State Transmission Licensee,
- ii) 45% of annual SOC (i.e. **Rs.471.433 Lakh/annum** or **Rs.39.286 Lakh/month**) shall be recovered @ **Rs.7197.011/MW/annum** or @**Rs.599.751/MW/month** from the Generating Companies & Sellers based on the scheduled generation / installed capacity of **6550.40 MW** as assessed by SLDC, and
- iii) Balance 45% of annual SOC shall be recovered @ **Rs.471.433 Lakh/annum** or **Rs.39.286 Lakh/month** from the Distribution Licensees & Buyers based on the percentage of Energy Consumption approved by the Commission for FY 2026-27 which is given in Table-18 below:

Table - 18
Apportionment of Annual & Monthly SOC amongst Distribution Companies for FY 2026-27

Name of DISCOMs	Energy Consumption approved by OERC for FY 2026-27 (MU)	Share of Energy Consumption (%)	Annual Charge (In Lakhs)	Monthly Charge (In Lakhs)
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Name of DISCOMs	Energy Consumption approved by OERC for FY 2026-27 (MU)	Share of Energy Consumption (%)	Annual Charge (In Lakhs)	Monthly Charge (In Lakhs)
TPCODL	13,248.00	33.31	157.018	13.085
TPNODL	8,898.00	22.37	105.461	8.788
TPWODL	12,531.00	31.50	148.520	12.377
TPSODL	5,099.00	12.82	60.434	5.036
Total	39,776.00	100.00	471.433	39.286

Recovery of Market Operation Charges (MOC)

71. The methodology for recovery of the Market Operation Charges (MOC) is governed under Regulation 21 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010. Keeping in view this Regulation, the Commission decides that the MOC of **Rs.261.906 Lakh/annum** or **Rs.21.826 Lakh/ month** shall be collected from the stakeholders as under:

- i. 50% of annual MOC (i.e. **Rs.130.953 Lakh/annum** or **Rs.10.913 Lakh/month**) shall be recovered @ **Rs.1999.160/MW/annum** or **@Rs.166.597/MW/month** from the Generating Companies & Sellers based on the scheduled generation / installed capacity of **6550.40 MW** as assessed by SLDC, and
- ii. Balance 50% of annual MOC shall be recovered @ **Rs.130.953 Lakh/annum** or **Rs.10.913 Lakh/month** from the Distribution Licensees & Buyers based on the percentage of Energy Consumption approved by the Commission for FY 2026-27 which is given in Table-19 below:

Table - 19
Apportionment of Annual & Monthly MOC amongst Distribution Companies for FY 2026-27

Name of DISCOMs	Energy Consumption approved by OERC for FY 2026-27 (MU)	% Share of Energy Consumption	Annual Charge (In Lakhs)	Monthly Charge (In Lakhs)
TPCODL	13,248.00	33.31	43.616	3.635
TPNODL	8,898.00	22.37	29.295	2.441
TPWODL	12,531.00	31.50	41.255	3.439
TPSODL	5,099.00	12.82	16.787	1.398
Total	39,776.00	100.00	130.953	10.913

Registration Fee:

72. SLDC has proposed the collection of one-time Registration Fee of Rs.1.00 Lakhs as per the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, 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 that are importing power through the interstate open access. The Commission accepts these

proposals of SLDC with a further direction that the one-time Registration Fee of Rs.1.00 Lakh, so collected from the users shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010.

Application Fee and Scheduling Charges

73. SLDC in its ARR application has proposed that the Application Fee and Scheduling Charges be paid by the Open Access Customers as per the 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 2026-27 as per these Regulations.

ARR and Annual & Monthly Charges for FY 2026-27

74. The details of ARR and Annual & Monthly Charges of SLDC for FY 2026-27 for collection from different stakeholders approved by the Commission are summarized in Table-20 below:

Table - 20
ARR & Annual and Monthly Charges Approved by the Commission
for FY 2026-27

Sl. No.	Particulars	(Rs. in Lakhs)	
		Approved for FY 2026-27	
		Per annum	Per month
1	ARR of SLDC	1309.534	109.128
2	Intra-state transmission licensee to pay SOC to SLDC	104.762	8.730
3	Generating Stations & Sellers to pay SOC & MOC to SLDC (Rs. per MW calculated considering the scheduled generation / installed capacity of 6550.40 MW .)	602.386	50.199
		(Rs.9196.171 per MW)	(Rs.766.348 per MW)
4	Distribution Licensees & Buyers to pay SOC & MOC to SLDC for 39,776.00 MU	602.386	50.199
5	(i) TPCODL	200.634	16.720
	(ii) TPNODL	134.756	11.229
	(iii) TPWODL	189.775	15.816
	(iv) TPSODL	77.221	6.434

75. Payment Mechanism of Annual Charges to SLDC

- (a) The LC arrangement has been created between SLDC and DISCOMs for securing payment of SLDC charges. Customers other than DISCOMs 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 DISCOMs, shall pay an amount equivalent to

two months' monthly SOC & MOC, as the case may be, in advance as security against default in payment of SOC & MOC of SLDC.

- (b) SLDC shall raise the bill both for SOC & MOC to Generating Stations & Sellers on monthly basis against the total installed/contracted capacity of **6550.40 MW** as projected by SLDC for FY 2026-27 at the rates approved by the Commission. Likewise, SLDC shall raise the bill to OPTCL & Distribution Licensees on monthly basis at the rates approved by the Commission for FY 2026-27.
- (c) For payment of bills on monthly basis through the Letter of Credit (LC) mechanism, a rebate of 2% shall be allowed. Other than the Letter of Credit mechanism, if payment is made 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 in line with the payment mechanism mentioned above.

76. SLDC Development Fund

- (a) Based on the provisions in CERC Regulation, 2009 & Regulation-8 of OERC (Fees & Charges of SLDC and other related Matters) Regulation, 2010, the Commission, vide Para-213 of the Order dated 20.03.2010, had approved for creation of a separate fund by SLDC, namely "SLDC Development Fund" under a separate head of account. This Fund has already been created by SLDC with effect from 01.04.2010.
- (b) The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. earned during FY 2026-27 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.
- (c) SLDC shall be entitled to utilize the money deposited in the SLDC Development Fund for meeting the stipulated equity portion in asset creation and margin money for raising loans from the financial institutions and funding R&D projects with due approval of the Commission

- (d) Any asset created by SLDC out of the SLDC Development Fund shall not be considered for Return on Equity (RoE) & payment towards Interest on Loan.
- (e) Considering the above provisions of the OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010, the accumulated cash balance in the SLDC Development Fund has been shown by SLDC as Rs.9538.72 Lakh (including accumulated depreciation of Rs.591.88 Lakh) as on 31.03.2025 after utilization of Rs.3116.35 Lakh (up to 31.03.2025) from the SLDC Development Fund.

**COMPLIANCE WITH THE DIRECTIONS OF THE PREVIOUS FY 2025-26:
(PARA 77)**

77. SLDC has submitted its compliance report on the directions issued by the Commission in the Annual Revenue Requirement and Fees and Charges Order for SLDC. The status of compliance, as examined by the Commission, is given below:

Table-21

Sl. No.	Direction of the Commission given in Fees and Charges Order for FY 2025-26	Compliance submitted by SLDC	Status/Observation of the Commission
1	Para 79: As per Regulation 4 of the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 as well as in conformity with the OERC (Conduct of Business) Regulations, 2004, SLDC is required to submit an application, in the format prescribed by the Commission, for carrying out truing up exercise for the last financial year by 31 st October of the next financial year. However, SLDC has not filed its Truing Up application for the FY 2023-24. In compliance with the provisions of the aforesaid Regulation, the Commission hereby directs SLDC to comply with the same.	SLDC has submitted that the necessity for filing the Truing-Up application for the said year did not arise as the actual expenditure incurred was within the revenue earned from operations and the approved ARR for FY 2023-24 was also within such revenue. SLDC further submitted that since there was neither any excess expenditure nor any unrecovered amount, the truing-up exercise for FY 2023-24 was not felt necessary.	The submission of SLDC is not acceptable. As per Regulation 4 of the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010, read with the OERC (Conduct of Business) Regulations, 2004, filing of the Truing-Up application is mandatory irrespective of surplus or deficit. SLDC is directed to file the Truing-Up application to ensure compliance with the Regulations in future.
2	Para 80: The Commission directed SLDC to submit the Complete Fixed Assets Register at the original book value of the fixed assets as on 31.03.2025 & additions	SLDC has submitted the Fixed Assets Register with respect to the CWIP position as on 31.03.2025 to the Commission.	Fixed Assets Register: The Commission observes that the Fixed Assets Register submitted by SLDC is incomplete and not in the format

Sl. No.	Direction of the Commission given in Fees and Charges Order for FY 2025-26	Compliance submitted by SLDC	Status/Observation of the Commission
	thereto during FY 2024-25 showing assets created through SLDC Development Fund, Grants etc. and Capital work in progress (CWIP) position as on 31.03.2025 in the earlier prescribed format of the Commission. The same should reach the Commission's office on or before 30.09.2025 duly audited and certified by the Chartered Accountant / Cost Accountant firms.		prescribed by the Commission. SLDC is directed to submit the complete Fixed Assets Register at the original book value as on 31.03.2026, including additions thereto during FY 2025-26, indicating assets created out of SLDC Development Fund, grants, etc., along with the Capital Work-in-Progress position in the prescribed format, duly audited and certified by a Chartered Accountant/Cost Accountant, on or before 30.09.2026.
3	Para 81: The Commission directed SLDC to update the status of the assessment of the Power flow in different lines at different voltage levels (132kV, 220 kV & 400 kV) in the last three years to understand the utilization level of the transmission system at such voltage so that future planning for the addition of transmission assets can be done properly for optimum utilization of assets.	SLDC has submitted that at present, the loading of all 400 kV transmission lines for a period of six months has been assessed and the same has been furnished to the Commission.	Actual power flow in transmission lines: SLDC has submitted partial information. Therefore, in line with its earlier direction, the Commission directs SLDC to submit, on monthly basis, the status of actual power flow in transmission lines at 132kV, 220kV and 400kV levels, along with the loading of each Grid Substation, to assess the utilization of transmission assets and provide necessary operational feedback to OPTCL for future transmission planning.
4	Para 82: The Commission directed SLDC to update the initiative taken to carry out the study for planning and development of the Islanding Scheme for major cities like Bhubaneswar, Cuttack, Berhampur, Sambalpur & Rourkela etc., separately or in combination with more than one	SLDC has submitted that the development of an islanding scheme requires the availability of a generating source in close proximity to the load centre with standby capability for supplying power to the islanded area, which is presently a primary constraint due to the non-availability of	The Commission takes note of the submission of the SLDC. The objective is to provide an uninterrupted power supply to major cities under exigency conditions, even after being isolated from the State Grid.

Sl. No.	Direction of the Commission given in Fees and Charges Order for FY 2025-26	Compliance submitted by SLDC	Status/Observation of the Commission
	city with further observation that the funding for the Islanding Scheme can be availed from the PSDF.	adequate generating stations nearby these cities. However, the cities are presently connected through multiple transmission links with the surrounding grid substations, which provide sufficient flexibility for the rerouting of power during system exigencies and outages. SLDC has further submitted that to enhance the reliability of power supply to these areas, measures such as the implementation of Special Protection Schemes (SPS) and selective load shedding of non-critical loads during emergencies are being explored.	
5	<p>Para 84: The Commission directed SLDC to implement a backup SLDC to avoid any unexpected cyber-attack.</p>	SLDC has submitted that a fully functional Backup SLDC has already been established and made operational at Meramundali.	<p>Backup SLDC: The Commission takes note of the submission of SLDC that a Backup SLDC has been established and made operational at Meramundali. However, the Commission observes that locating the Backup SLDC in close proximity to the main SLDC may not adequately serve the objective of ensuring system resilience in the event of natural disasters or major contingencies. Therefore, SLDC is advised to examine the feasibility of establishing a geographically separated Backup SLDC, preferably in the western or southern part of the State to enhance the reliability and disaster recovery capability of the State Load Despatch Centre.</p>

Sl. No.	Direction of the Commission given in Fees and Charges Order for FY 2025-26	Compliance submitted by SLDC	Status/Observation of the Commission
6	<p>Para 85: The Commission directed SLDC to complete the SAMASTA (Scheduling, Accounting, Metering, and Settlement of Transactions in Electricity) project within the scheduled timeframe.</p>	<p>SLDC has submitted that the project is being implemented in a structured and integrated manner in coordination with the agencies involved in the execution of various modules. It has further submitted that the work is in progress as per the schedule and barring any unforeseen disruptions, the project is expected to be completed within the targeted timeline of December 2025.</p>	<p>Considering the importance of SAMASTA for efficient system operation and market settlement, the Commission directs SLDC to ensure time-bound and expeditious implementation of the SAMASTA system and make it fully operational during FY 2026-27. SLDC shall submit quarterly progress reports indicating module-wise completion status to the Commission until the system is fully operational.</p>
7	<p>Para 86: SLDC is directed to inform about the status of the implementation of load forecasting software being developed by IIIT, Bhopal and the timeline for its effective use.</p>	<p>SLDC has submitted that the Load Forecasting System has already been deployed at its end. It was further submitted that the model is presently under refinement in coordination with IIITDM, Jabalpur, for the reduction of the margin of error so as to enable its effective operational use.</p>	<p>The Commission takes note of the submission of the SLDC. The timeline for completion of such work needs to be informed to the Commission.</p>
8	<p>Para 87: The Commission directed SLDC to intimate about the preparedness to schedule green energy banked through Green Energy Open Access, including banking by producers of Green Hydrogen / Green Ammonia / their derivatives availing green energy outside the State</p>	<p>SLDC has submitted that the procedure and requisite formats for scheduling of such transactions under intra-State STOA have been developed in line with the applicable Regulations. SLDC has further submitted that the ongoing implementation of SAMASTA will substantially enhance its capability for real-time scheduling, accounting and management of Green Energy Open Access transactions, including banking of renewable energy</p>	<p>The Commission takes note of the submission of the SLDC.</p>

ADDITIONAL DIRECTIONS / OBSERVATIONS OF THE COMMISSION:

Availability of real-time data through SCADA/RTU and operational feedback:

78. The Commission observes that reliable real-time system operation is becoming increasingly critical in view of the large-scale integration of renewable energy and the associated variability in power injection. SLDC shall ensure the availability of requisite operational data from all Grid Substations through SCADA/RTU for effective monitoring and grid management. SLDC shall analyse such data and provide periodic operational feedback to OPTCL on overloading of transmission lines and transformers, voltage profile, requirement of reactive compensation and other system constraints to facilitate timely strengthening and augmentation of the transmission system for secure and smooth operation of the State grid.

Feasibility of installation of BESS:

79. SLDC shall carry out a system study, in coordination with GRIDCO and OPTCL, to assess the requirements and identify suitable locations for the installation of Battery Energy Storage Systems (BESS) in the Grid Substation (GSS) of OPTCL for optimum utilization of the transmission system and support the peak demand requirement of the State.

Capacity building for PMU data analysis:

80. The Commission observes that the number of Phasor Measurement Units (PMUs) installed in the intra-State transmission system has increased significantly for real-time monitoring of the Grid. In view of the growing importance of synchrophasor data in grid operation and planning, SLDC shall ensure training of its Officers for effective analysis and interpretation of PMU data. Based on such analysis, SLDC shall provide periodic operational feedback to OPTCL for proper planning, strengthening and development of the transmission system. SLDC shall also develop a PMU data analytics framework for early detection of grid disturbances, oscillations and system anomalies to enhance reliability and security of the State grid.

Extension of ADMS:

81. The Commission observes that the Automatic Demand Management System (ADMS) presently covers only 88 Grid Substations (GSS). Considering the importance of ADMS in effective monitoring and management of grid operations, particularly in view of increasing system complexity and renewable energy integration, SLDC shall coordinate with OPTCL for the preparation of a detailed roadmap for the extension of ADMS to other Grid Substations in the State. The proposal shall include phase-wise

implementation plan, timeline, technical architecture and estimated capital expenditure requirement. The said roadmap shall be submitted to the Commission on or before **30.06.2026**. The Commission will examine the proposal and approve the implementation plan and associated expenditure in accordance with the applicable regulatory provisions.

Development of islanding schemes for major cities:

82. The Commission takes note of the submission of SLDC that development of islanding schemes is constrained due to non-availability of suitable generating sources near major load centres and that system reliability is presently being maintained through multiple in-feeds, SPS and selective load shedding schemes. SLDC is directed to carry out a detailed study in association with experts and in coordination with OPTCL and GRIDCO, for development of islanding schemes for major cities, considering fast response resources like BESS (in absence of suitable generating sources in and around such cities) and submit implementation plan along with timeline to the Commission on or before **30.09.2026** as it is learnt that such projects are being supported by Ministry of Power, Government of India through Power System Development Fund (PSDF) funding. SLDC should not miss this opportunity.

Reactive Energy Charges:

83. The Commission, vide Order dated 05.02.2019 in Case No. 50/2017, had approved provisional Reactive Energy Charges of 3 paise/kVARh till final justification is submitted by OPTCL in consultation with the stakeholders. Accordingly, the Commission has been provisionally approving Reactive Energy Charges at 3 paise/kVARh since FY 2018-19. The Commission hereby continues with the same provisional Reactive Energy Charges of 3 paise/kVARh for FY 2026-27. However, the Commission notes that despite approval of such charges for the last eight years, no concrete steps have been taken with regard to the collection, accounting and utilisation of Reactive Energy Charges. Hence, the Commission directs SLDC to submit a detailed report on the status of the State Reactive Energy Account, including the mechanism for collection, accounting and utilisation of such charges, along with the audit report as discussed in the Commercial Committee meeting of the Grid Coordination Committee (GCC).

Transmission Loss:

84. The Commission observes that in accordance with the provisions of the OERC (Fees and Charges of SLDC and other related matters) Regulations, 2010, computation of

transmission loss forms part of the market operational functions of SLDC. Accordingly, SLDC is directed to compute the State transmission loss on monthly basis and upload the same on its website as well as that of OPTCL by the 15th day of the succeeding month. SLDC shall also submit to the Commission the detailed computation of transmission loss, including voltage-wise losses and losses attributable to transmission lines, power transformers and Grid Substations. The methodology adopted for the computation of transmission loss shall be submitted to the Commission on or before **30.04.2026**, for approval and the same shall be followed uniformly thereafter. The transmission loss data shall be published in a standard format to ensure transparency and facilitate verification by stakeholders.

Real-time data access to SLDC:

85. The Commission observes that in terms of the provisions of the Act and the Odisha Grid Code, SLDC is responsible for optimum scheduling and despatch of electricity within the State, monitoring of grid operations, accounting of energy transmitted through the State grid, supervision and control over the intra-State transmission system and real-time operation for ensuring secure and economic operation of the State grid. The Commission further notes that the increasing penetration of Renewable Energy generation, with its inherent variability, is adding to the complexity of grid operation and monitoring. Effective discharge of these statutory functions requires uninterrupted access to real-time operational data of OPTCL, Distribution Licensees, Generators & Users. Accordingly, the Commission directs OPTCL, Distribution Licensees, Generators & Users to provide the requisite real-time data access to SLDC and to facilitate data mirroring at SLDC for system monitoring and analysis. SLDC shall also make suitable arrangements for providing viewing access to such real-time data to the Commission. While implementing the above, all concerned utilities shall ensure compliance with the cybersecurity guidelines and standards issued by CEA, Government of India, so that the data exchange architecture does not render the grid operation system vulnerable to cyber threats. SLDC, OPTCL and DISCOMs shall jointly submit a detailed proposal indicating the implementation plan, timeline and estimated capital expenditure requirement to the Commission for approval on or before **30.06.2026**. The expenditure required for the implementation of the above arrangement shall be considered by the Commission in accordance with the applicable regulatory provisions.

Strengthening of SLDC manpower and capacity building:

86. The Commission notes that SLDC, being the apex body for integrated operation of the State grid under the Act and the Odisha Grid Code, is entrusted with real-time system

operation, scheduling and despatch, grid security, energy accounting, outage coordination, open access scheduling and coordination with RLDC. With the implementation of DSM, Green Energy Open Access, SCADA/EMS, SAMASTA and the intra-State GNA framework and ensuring grid security against cyber-attack, etc., the role and responsibility of SLDC is likely to increase manifold in the changed complex scenario. The strengthening of manpower, along with capacity building, is the need of the hour. The Commission vide its Order dated 20.06.2013 in Case No. 103 of 2012 had approved the deployment of 81 executives and staff in SLDC. Further, as per the “Workforce Adequacy Guidelines for Load Despatch Centres” issued by the Ministry of Power, Government of India, the required manpower strength for SLDC, Odisha, is about 103 personnel. However, the Commission observes that even after more than a decade, the existing manpower strength of SLDC remains at only 53 personnel, which is significantly lower than the prescribed requirement. Considering the critical role of SLDC in ensuring secure and reliable grid operation, the Commission directs OPTCL to ensure the deployment of adequate technical manpower in SLDC on deputation basis on or before **30.09.2026** to strengthen its operational capability. Failure to comply with this part of the direction shall be seriously viewed.

Independent functioning of SLDC:

87. The Commission notes that after the enforcement of the Act, the functions of the State Load Despatch Centre, along with the associated assets, rights and liabilities, were transferred to OPTCL under the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005, framed under Section 131 of the Act. Under the said scheme, OPTCL was notified as the State Transmission Utility and entrusted with the function of SLDC until further orders of the State Government. The said arrangement was a transitional measure pending the establishment of an independent SLDC under Section 31 of the Act.
88. Section 31(2) of the Act stipulates that:

“The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government.

Provided that until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre: “

The above provisions read with those enshrined in sections 32 and 33 of the Act contemplate SLDC an apex, neutral and independent system operator responsible for integrated operation of the State grid, with statutory powers to issue directions for

ensuring secure, reliable and economic operation of the power system. Besides, section 32(3) of the Act talks of the financial independence of SLDC through the levy and/ or recovery of fees and charges. Despite these statutory mandates, SLDC is functioning under OPTCL, which is a commercial entity since the year 2005, as a stopgap arrangement. It severely dents its image as an independent System Operator (ISO). Time and again, the Commission has advised for creation of an independent Authority or Company under the Government to manage SLDC. We feel it prudent to reproduce our following observation made on this score in our order, passed in Case No. 103 of 2012:

“As SLDC has failed to act as an Independent System Operator even after 4 years of its ring-fencing, the Commission is of the view that the State Govt. & OPTCL should take immediate steps for creation of a wholly owned subsidiary Odisha Power System Corporation Ltd. (OPSCL) under OPTCL in line of POSOCO created under POWERGRID functioning since March, 2009. OPTCL is directed to send its Board Resolution to this effect to Department of Energy by 30th June, 2013 & the State Govt. should communicate its formal approval by 30th September, 2013.”

Despite the above observations, no steps have been taken to ensure the independent functioning of SLDC, except for the separation of SLDC Accounts from OPTCL and the appointment of a Director for SLDC who reports to CMD, OPTCL, for the day-to-day functioning of SLDC. The administrative ring fencing is not fully implemented since OPTCL, being a transmission licensee, is also a regulated entity and SLDC collects annual fees and operating charges from the licensees.

89. The Commission in Case No.103 of 2012 had also advised for the posting of 81 nos. of Executive and Staff at par with ERLDC. But even after a lapse of 14 years since our order, the total strength of the executives and staff of SLDC is still at the level of 53 only. This inaction of OPTCL speaks for itself. The Commission is not supposed to be mute spectator to all these inactions, especially when the interests of hundreds of beneficiaries of the Intra-State Grid are at stake and the provisions of laws are being openly ignored. Keeping in mind the statutory mandate, as envisaged in section 31(2) of the Act, the Commission hereby directs OPTCL and SLDC to take up the matter with the Government of Odisha on priority for consideration of establishing an independent SLDC. The process of separation and operationalization of an independent SLDC shall be expedited and completed on or before **30.09.2026**, failing which the revised System Operation and Market Operation Charges approved for FY 2026-27 shall cease to operate from that date and no expenses for the operation of SLDC shall be admissible thereafter, subject to further orders of the Commission. However, in the event of non-implementation of this part of the directions due to reasons beyond their control,

OPTCL and /or the Government of Odisha may approach the Commission with a detailed justification seeking extension of time.

90. The Commission directs SLDC to comply with the directions contained in this Tariff Order within the stipulated time. Further, SLDC shall submit a consolidated compliance report before the Commission on or before **31.10.2026**. Any non-compliance with the directions of the Commission shall be viewed seriously and may invite appropriate action under the provisions of the Electricity Act, 2003. The timelines for compliance of the directions of the Commission are compiled for immediate reference in the following Table:

Table-22

Timelines for Compliance of the Directions/Suggestions of the Commission:

Sl. No.	Direction of the Commission (Fees and Charges Order for FY 2026-27)	Para No.	Page No.	Timeline for Compliance
1	Submission of Fixed Assets Register & Capital Work-in-Progress (CWIP) in the prescribed format.	77(2)	41-42	On or before 30.09.2026
2	Submission of actual power flow in 132 kV, 220 kV and 400 kV lines along with GSS loading.	77(3)	42	On or before 31.10.2026
3	Examination of the feasibility of geographically separated Backup SLDC.	77(5)	43	On or before 31.10.2026
4	Implementation of the SAMASTA system & submission of quarterly progress reports.	77(6)	44	Quarterly reporting & consolidated report by 31.10.2026
5	Status of implementation of load forecasting software.	77(7)	44	On or before 31.10.2026
6	Availability of real-time data through SCADA/RTU and operational feedback	78	45	On or before 31.10.2026
7	Feasibility of installation of BESS in the Grid Substation of OPTCL	79	45	On or before 31.10.2026
8	Capacity building for PMU data analysis	80	45	On or before 31.10.2026
9	Detailed roadmap for the extension of ADMS to other Grid Substations	81	45-46	On or before 30.06.2026
10	Detailed study on the development of islanding schemes.	82	46	On or before 30.09.2026
11	Detailed report on the status of the State Reactive Energy Account.	83	46	On or before 31.10.2026
12	Methodology adopted for the computation of transmission loss.	84	46-47	On or before 30.04.2026
13	Submission of proposal for the implementation of real-time data	85	47	On or before 30.06.2026

Sl. No.	Direction of the Commission (Fees and Charges Order for FY 2026-27)	Para No.	Page No.	Timeline for Compliance
	access to SLDC.			
14	Strengthening of SLDC manpower and capacity building.	86	47-48	On or before 30.09.2026
15	Independent functioning of SLDC and separation from OPTCL	87-89	48-50	On or before 30.09.2026

91. The System Operation & Market Operation Charges in respect of SLDC, as approved now, shall become effective from 1st April 2026.
92. The application of SLDC in Case No.119 of 2025 for approval of Annual Revenue Requirement and Fees and Charges for State Load Despatch Centre (SLDC) functions for FY 2026-27, along with the Truing up application for FY 2023-24 & FY 2024-25 is disposed of accordingly.

Sd/-
(Shri B. Mohanty)
Member

Sd/-
(S. K. Ray Mohapatra)
Member

Sd/-
(P.K Jena)
Chairperson