

**Summary of OPTCL'S Aggregate Revenue
Requirement (ARR) & Transmission Tariff (TT)
Application for FY 2024-25
&
Truing-up for FY 2022-23**

SUMMARY OF OPTCL'S ARR & TARIFF PROPOSAL FOR THE FY 2024-25 & TRUING UP FOR FY 2022-23

In exercise of powers conferred under Sections 39,131,133 and 134 of the Electricity Act, 2003 read with Sections 23 & 24 of the Orissa Electricity Reform Act, 1995, the State Government published the Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005 ("Transfer Scheme") in the Gazette dated 09.06.2005 which was effective retrospectively from 01.04.2005 wherein the Transmission Undertaking (the Undertaking related to the activities of Transmission, State Transmission Utility and State Load Dispatch Centre and acts incidental and ancillary thereto) of the Grid Corporation of Odisha Limited (Transferor), (now renamed GRIDCO Ltd.- "GRIDCO") has been transferred and vested in Odisha Power Transmission Corporation Limited ("OPTCL").

2. As per Clause 10 of the Transfer Scheme, OPTCL is a deemed Transmission Licensee under Section 14 of the Electricity Act 2003 for undertaking the business to transmit electricity in the State of Odisha. OPTCL has also been notified as the State Transmission Utility and accordingly, shall discharge the State Load dispatch functions from the date of transfer till further orders of the State Government.
3. The Commission (hereinafter referred to as 'OERC') has issued License Conditions of OPTCL effective from 01.11.2006 vide order dated 27.10.2006 passed in Case No 22 of 2006 to undertake the activities relating to transmission of electricity in the State of Odisha.
4. Consequent upon transfer of Transmission undertaking and related functions to OPTCL as per the Transfer Scheme, all the obligations under Bulk Supply Agreement executed on 24.05.1999 between GRIDCO & WESCO (now Tata Power Western Odisha Distribution Limited -"TPWODL"), GRIDCO & NESCO (now Tata Power Northern Odisha Distribution Limited -"TPNODL") and GRIDCO & SOUTHCO (now Tata Power Southern Odisha Distribution Limited -"TPSODL") and the same was executed on 18.09.1999 between GRIDCO & CESCO (now Tata Power Central Odisha Distribution Limited -"TPCODL"), including all other contracts of GRIDCO with any party other than those four Distribution Licensees, in so far they relate to transmission of electricity and matter connected therewith including the provisions dealing with operating arrangements, connections & metering, rights of access, non-interfering with the equipment etc. is required to be discharged by OPTCL in the same manner as GRIDCO was doing / performing under the said agreements and also as per the

Regulations, orders and directions of OERC made from time to time and all such services shall be rendered by OPTCL to GRIDCO. Since, CESU has been vested with TPCODL (Tata Power Central Odisha Distribution Limited) w.e.f. 01.06.2020 by order dated 26.05.2020 of OERC in Case No. 27/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPCODL was executed on 30.07.2020. WESCO has been vested with TPWODL (Tata Power Western Odisha Distribution Limited) w.e.f. 01.01.2021 by order dated 28.12.2020 of OERC in Case No. 82/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPWODL was executed on 29.04.2021. NESCO has been vested with TPNODL (Tata Power Northern Odisha Distribution Limited) w.e.f. 01.04.2021 by order dated 25.03.2021 of OERC in Case No. 09/2021, Bulk Power Transmission and SLDC Agreement between OPTCL and TPNODL was executed on 27.04.2021. SOUTHCO has been vested with TPSODL (Tata Power Southern Odisha Distribution Limited) w.e.f. 01.01.2021 by order dated 28.12.2020 of OERC in Case No. 83/2020, Bulk Power Transmission and SLDC Agreement between OPTCL and TPSODL was executed on 29.04.2021.

OPTCL's ARR & TARIFF PROPOSAL FOR THE FY 2024-25 & TRUING UP FOR FY 2022-23

5. As provided under Regulation 53 (1) at Chapter VIII of OERC (Conduct of Business) Regulations, 2004, Clause 19.3 of License Conditions of OPTCL and Regulation 5.2 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, OPTCL is required to submit its Aggregate Revenue Requirement (ARR) application by 30th November for the ensuing year before OERC for approval. The Commission, in its order dated 21.04.2020 in case number 72 of 2019, exercising the power conferred under Regulation 9.1 of the aforesaid Regulation, had extended the applicability of OERC's Transmission Tariff Regulations, 2014 until further orders. In compliance to the provisions of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, OPTCL has submitted its Aggregate Revenue Requirement & Transmission Tariff application for the FY 2024-25 along with truing-up application for the FY 2022-23 before the Commission for approval.

Categorization of Customers

6. OPTCL is responsible for planning and development of intra-state transmission system of the State. All the customers seeking access to OPTCL's Transmission System are classified under three categories:

- a. **Long Term Access Customers (LTA Customers):** A Long-Term Access Customer means the right to use the Intra-State Transmission System for a period exceeding 12 years but not exceeding 25 years. Based on such premise, four DISCOMs, NALCO, IMFA, ABREL and BEL happen to be the long-term customers of OPTCL.
- b. **Medium Term Open Access Customers (MTOA Customers):** Medium Term Open Access means the open access for a period exceeding three (3) months but not exceeding three (3) years.
- c. **Short Term Open Access Customers (STOA Customers):** Short Term Open Access means open access for a period up to one (1) month at a time.

Medium-Term Open Access or Short-Term Open Access shall be granted, if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution and no augmentation/expansion of the transmission system is required for granting such open access.

ARR & TARIFF PROPOSAL FOR FY 2024-25

Formulation and Computation of Transmission Charges:

7. The Commission has framed OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (herein after called “OERC Transmission Tariff Regulations, 2014”) which has been published in Extra Ordinary issue of the Odisha Gazette on 04.12.2014 and made effective from that date.

OPTCL, the Transmission Licensee, has submitted the ARR & Transmission Tariff application for the FY 2024-25 in line with above Regulations of OERC. Regulation 5 of the OERC’s Transmission Tariff Regulations, 2014 specifies the procedure for Tariff Determination and Regulation 8 specifies the Principles for Determination of ARR. As per the Regulation 8.1, the ARR for the Transmission Business for each year shall contain the following items:

- (i) Operation and Maintenance expenses;
- (ii) Interest and Financial Charges;
- (iii) Depreciation;
- (iv) Return on Equity;
- (v) Income Tax;

- (vi) Deposits from Transmission System Users;
- (vii) Less: Non-Tariff Income
- (viii) Less: Income from Other Business as specified in these Regulations

The various costs involved for carrying out transmission business by OPTCL for FY 2024-25 while formulating the ARR and Transmission Tariff have been categorized under the following heads:

I. Fixed Cost

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

II. Others:

- Incentive for System Availability

DETAILS OF FIXED COST:

O&M Expenses:

8. As per the Regulation 8.2 of OERC Regulations, 2014, Operation and Maintenance (O&M) expenses shall include:
- (a) Salaries, wages, pension contribution and other employee costs;
 - (b) Administrative and General (A&G) Expenses;
 - (c) Repairs and Maintenance (R&M);
 - (d) Expenses related to auxiliary energy consumption in the sub-station for the purpose of air-conditioning, lighting, technical consumption, etc.; and
 - (e) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax)

The details of O&M Expenses proposed by OPTCL for the FY 2024-25 are as under:

Salaries, wages, pension contribution and other employee costs:

9. OPTCL has submitted that, the Employee Cost includes Basic pay, Dearness Allowance (DA), House Rent Allowance (HRA), Medical Allowance, Conveyance Allowance/Reimbursement, Stipend for New recruitment, Staff Welfare expenses,

Ex-gratia, other expenses etc, Terminal benefit liability (Pension, Gratuity and Leave Salary) and employer contribution to NPS.

10. Accordingly, OPTCL proposes **Rs.582.06 Cr.** under the head Employees Cost for the FY 2024-25. The component wise details are shown in the Table below.

**Table - 1
Employee Cost Proposed by OPTCL for FY 2024-25**

(Rs. in Crore)	
Particulars	Amount
Employee cost including Salary, Dearness Allowance etc.	354.34
Terminal Benefit Liability of Employees and Existing Pensioners	244.12
Less: Capitalization	16.40
Total	582.06

Administrative and General (A&G) Expenses

11. OPTCL has proposed **Rs. 51.13 Cr.** towards A&G Expenses for FY 2024-25. The A&G Expenses include property related expenses, communication, professional charges, conveyance and travelling, SLDC charges, license fee and material related expenses. The A&G expenses show an increasing trend in recent years due to increase in number of establishments (for smooth operation, maintenance and project execution), price rise and inflation being on higher side than the amount approved by the Commission.

Repair and Maintenance (R & M) Expenses:

12. OPTCL has stated that, 188 nos. Grid Sub-Stations at different voltage levels and EHT transmission lines of 16,029.381 ckt. kms are in operation as on 31.03.2023. The details are given in the Table below.

**Table - 2
Sub-stations and Lines of OPTCL as on 31.03.2023**

Sub-Station and Line Details		
400/220/33kV S/S		2
400/220/132/33kV S/S		3
220/132/33kV S/S		27
220/33kV S/S		17
220/132kV S/S		1
132kV Sw. Stn.		26
132/33kV S/S		112
Total No. of Sub-Stations		188
Voltage Level	Lines (ckt. km.)	No of Bays
400kV	1,196.872	70
220kV	6,675.772	451
132kV	8,156.737	1244

33kV	-	1472
TOTAL	16,029.381	3237

13. Further, OPTCL has proposed that, around 18 Nos. of new grid substations under execution to be commissioned during the year FY 2023-24 and FY 2024-25. The R&M works are being undertaken under different activities namely O&M, Telecom, Civil Works and Information Technology (IT). Accordingly, OPTCL has proposed R&M Expenses of **Rs. 169.30 Cr.** for the FY 2024-25. The details of R & M expenses are given in the Table below:

Table - 3
Repairs and Maintenance (R&M) Expenses Proposed by OPTCL for the FY 2024-25
(Rs. in Crore)

Particulars	OERC Approval (FY 2022-23)	OERC Approval (FY 2023-24)	Projection (FY 2024-25)
(i) O&M	110.50	135.00	144.25
(ii) Telecom			3.30
(iii) Civil Works			15.65
(iv) Information Technology & Others			6.10
Total R & M Expenses			169.30

Grid Coordination Committee (GCC) Expenses:

14. OPTCL has proposed **Rs. 0.35 Cr** towards annual GCC Expenses for FY 2024-25 in line with the matters specified in the Chapter-11(2)(2) of the Odisha Grid Code (OGC) Regulations, 2015.
15. Accordingly, OPTCL has proposed **Rs.802.83 Cr** towards O&M Expenses for the FY 2024-25, details of which is given in the Table below:

Table - 4
O&M Expenses Proposed by OPTCL for the FY 2024-25
(Rs. in Crore)

Particulars	Amount
(i) Employees Cost including Terminal Benefits	582.06
(ii) A&G Expenses	51.13
(iii) R&M Expenses	169.30
(iv) GCC Expenses	0.35
Total O&M Expenses	802.83

Interest and Financial Charges:

Interest on Loan

16. OPTCL has proposed **Rs.148.95 Cr.** towards interest on loan capital for the FY 2024-25.

Interest on Working Capital

17. OPTCL has submitted that, it has estimated working Capital requirement of Rs. 325.83 Cr as per Regulation 8.25 of the OERC Transmission Tariff Regulations, 2014. Further, as per Regulation 8.26 of aforesaid Regulation, the rate of interest for working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1st January of the preceding year for which tariff is determined. Accordingly, OPTCL has computed interest on working capital of Rs. 40.40 Cr. for FY 2024-25 by considering rate of interest @12.40%. It is further stated that, in case of STU (OPTCL), the Commission has not allowed any interest on working capital in the ARR on the ground that OPTCL has positive cash flow. In line with above observation of the Commission, OPTCL has not proposed any amount towards interest on working capital for FY 2024-25. However, OPTCL has requested the Commission to consider the interest on working capital if any availed during FY 2024-25 in the truing up exercise.

Rebate:

18. As per Regulation 8.49 of the OERC Transmission Tariff Regulations, 2014, OPTCL has proposed **Rs. 27.61 Cr.** towards rebate @ 2% on the projected ARR for the FY 2024-25.

New Projects:

19. OPTCL has proposed **Rs. 1,552.14 Cr.** for FY 2024-25 towards Capital Expenditure (CAPEX) on new projects under different activities like Construction, O&M, Telecom, IT and Civil Works. The details of expenditure proposed under CAPEX is given in the Table below.

Table - 5
CAPEX Proposed by OPTCL for FY 2024-25

(Rs. in Crore)		
Sl. No	Particulars	Amount
1	New Transmission Projects (Construction Wing)	1135.97
2	Existing Assets (O&M Wing)	251.44
3	Telecom Wing	29.78

4	Information Technology (IT Wing)	10.76
5	Civil Wing	124.19
	Total	1,552.14

Depreciation:

20. OPTCL has submitted that after excluding the grant, beneficiary & deposit works assets of Ra. 1711.45 Cr. and fully depreciated (90% of Asset value) assets value of Rs. 1631.99 Cr. from the gross original book value of fixed assets of Rs. 8274.51 Cr., its own transmission assets become Rs.4931.07 Cr. (including up valued assets of Rs.512.71 Cr.) as on 01.04.2022. OPTCL has requested the Commission not to deduct the up-valued assets of Rs.512.71 Cr. while calculating the transmission assets as the same has fully depreciated in 26 years from 1996. Further, net fixed assets of Rs.741.50 Cr. (Rs.751.03Cr.-Rs.9.53 Cr.) has been added during FY 2022-23 which includes assets value of Rs. 198.59 Cr. towards grant, beneficiary and deposit works. OPTCL has reported that during FY 2022-23, fixed assets of Rs. 232.97 Cr. has been fully depreciated (90%). Accordingly, OPTCL has estimated the gross original book value of fixed assets as Rs. 5241.01 Cr. (Rs. 4931.07 Cr. + Rs. 741.50 Cr. – Rs. 198.59 Cr. – Rs. 232.97 Cr.) as on 31.03.2023 excluding the grant, beneficiary & deposit works and fully depreciated assets.

Further, OPTCL has projected addition of transmission assets (excluding Deposits works & Grant assets etc.) of Rs.631.99 Cr. and Rs.694.13 Cr. during FY 2023-24 and FY 2024-25 respectively. Considering the same, the original book value of transmission fixed assets will become Rs. 5873.00 Cr. as on 31.03.2024 and Rs. 6567.13 Cr. as on 31.03.2025. Considering the above projected capitalisation, OPTCL has proposed Rs. 320.03 Cr. towards depreciation for FY 2024-25.

Return on equity (RoE):

21. OPTCL has submitted that, at the time of de-merger of GRIDCO, its opening equity share capital as on 01.04.2005 was Rs.60.07 Crore. Thereafter, the State Government has infused equity share capital of Rs.2206.10 Cr. till date against various transmission projects including Rs.647.00 Cr. towards conversion of bonds with interest into equity. Further, it has projected that another Rs.100.00 Cr. will be received in Jan-2024 from the planned budget of Energy Department for FY 2023-24 and as committed, State Government will further infuse Equity Share Capital of Rs.113.92 Cr. during FY 2024-25 against the various transmission projects. Considering the above, OPTCL has projected that its total Equity Capital will be Rs. 2480.09 Cr as on 31.03.2025.

However, basing on the projected original book value of transmission fixed assets of Rs. 5873.00 Cr. as on 31.03.2024, OPTCL has proposed Return on Equity (RoE) of Rs. 273.09 Cr. (@ 15.5% on 30% of Rs. 5873.00Cr) for the FY 2024-25. Further, it has submitted that, aforesaid assets have been created through share capital infused by the State Government, long term loans from Banks/Financial institutions and internal accrual.

Income Tax:

22. As per the Regulation 8.43 of OERC's Transmission Tariff Regulations, 2014, Income tax of the Transmission Licensee shall be recovered from the beneficiaries. As per the Audited Accounts of the FY 2022-23, OPTCL has paid Income Tax of Rs.36.69 Cr. Accordingly, it has proposed same amount of Rs. 36.69 Cr. towards income tax for FY 2024-25. Further, the petitioner has stated that, any variation in proposed amount shall be adjusted during the true up exercise based on audited accounts as per the Regulation 8.43 and 8.44.

Incentive for System Availability:

23. The Regulation 6.4 of OERC's Transmission Tariff Regulations, 2014 specifies the "Operational Norm" applicable for transmission system for recovery of full annual transmission charge by the Transmission Licensee. Further, the Normative Annual Transmission System Availability Factor (NATAF) shall be 98.50% for AC system for recovery of full Annual Transmission Charges. OPTCL has filed the calculation of TAFY for the FY 2022-23 as 99.97%. The computation and TAFY figure have been verified and certified by SLDC. In accordance with the formula prescribed in Regulation 6.5, OPTCL has worked out incentive of Rs.12.42 Cr. towards system availability for the year 2022-23. Accordingly, OPTCL proposed Rs.12.42 Cr. towards Incentive for System Availability for the ensuing FY 2024-25.

Total Transmission Cost:

24. Considering the proposed cost / expenses under different heads and incentives, OPTCL has submitted that, the total transmission cost will be Rs. 1621.63 Cr. for the ensuing FY 2024-25.

Miscellaneous Receipt:

25. OPTCL has submitted that, in line with the trend of revenue of previous years and earning during 1st six month of FY 2023-24, it has proposed Rs.240.94 Cr. for the FY 2024-25

towards Miscellaneous Receipts such as Inter-State Transmission charges, STOA & STU charges, Bank interest, Supervision Charges, Scrap Sale and Other receipts.

Summary of ARR proposed by OPTCL for the FY 2024-25

26. Considering all the aforesaid proposed transmission costs and miscellaneous receipts, OPTCL has proposed its Net Aggregate Revenue Requirement (ARR) of **Rs.1380.69 Cr.** for the FY 2024-25 before the Commission for approval. The Summary of ARR is shown in the Table below:

Table - 6
Summary of ARR Proposed by OPTCL for FY 2024-25

		(Rs. in Crore)	
Particulars		Amounts	
1. O&M Expenses (a+b+c+d)			802.83
(a) Employees Cost including Terminal Benefits	582.06		
(b) A&G Cost	51.13		
(c) R&M Cost	169.30		
(d) Other misc. expenses, statutory levies and taxes (GCC)	0.35		
2. Interest & Financial Charges (e+f)			176.56
(e) Interest on Loan Capital	148.95		
(f) Rebate	27.61		
3. Depreciation			320.03
4. Return on Equity			273.09
5. Income Tax			36.69
6. Incentive for system availability			12.42
7. Total Transmission Cost (1+2+3+4+5+6)			1,621.63
8. Less: Miscellaneous Receipt			240.94
9. Net ARR proposed to recover from LTA Customers (7-8)			1,380.69

Transmission Loss

27. OPTCL has submitted that, the transmission loss is purely a technical loss and dependent on the location of generation sources, system configuration and power flow requirements at different load centres. Further due to increasing demand of power on account of industrialization and implementation of central & state sponsored schemes like ODSSP, SCRIPS, RRCP, LVMS, DRPS etc. in Odisha, flow of power in the transmission network contributing to increased transmission loss. OPTCL further mentioned that, its transmission loss is already very low and further reduction in loss becomes difficult. OPTCL has been able to reduce the transmission loss over the years by commissioning number of new transmission projects strategically and adopting innovative schemes under Master Maintenance Plan during last few years. The actual transmission loss in the OPTCL's transmission system from April-2023 to September-2023 is 3.12% against

Commission's approval of 3.00% for FY 2023-24. OPTCL expects the loss level to remain around 3.10% in the current year. Accordingly, OPTCL proposes 3.05% transmission loss during FY 2024-25.

OPTCL Revenue Receipt and Deficit in the Proposed ARR for the FY 2024-25:

28. OPTCL has stated that, it has taken the recent realistic demand projection of all four DISCOMs **36,252 MU (4138.35 MW)** for FY 2024-25. Further the energy of 360 MU (41.09 MW) is likely to be transacted in 33kV & 11kV network of DISCOMs for which OPTCL is not entitled to get any transmission charge as per the Commission's order. Hence, excluding this, the petitioner has estimated that, net 35892 MU (i.e., 36,252 MU - 360 MU) will be transmitted over the OPTCL's network for DISCOMs. Further OPTCL has projected 753 MU (85.95 MW) for wheeling and supply of Emergency/Back-up power to IMFA, NALCO, ABREL & BEL. Accordingly, the projected energy transaction over its network would be about **36,645 MU** (i.e., 35,892 MU+ 753 MU).

Further, OPTCL has projected energy transmission of **115.491 MU** (35.491 MU for M/s ABReL (Odisha) SPV Limited and 80 MU for M/s MCL) through OPTCL network for FY 2024-25 which will get an exemption of twenty (20) paisa per unit on STU charges as per clause No. 10(4) of the Odisha Renewable Energy Policy-2022. Taking the above energy requirement into consideration, OPTCL has projected the transaction of **36760.49 MU** (36,645 MU + 115.49 MU) over its network.

29. Regarding recovery of transmission charges from the LTA Customers during FY 2024-25, OPTCL has proposed as follows:
- i. By charging at the rate applicable to DISCOMs for wheeling of 35892 MU (4097.26 MW).
 - ii. By charging at the rate applicable to LTA customers like IMFA, NALCO, ABREL & BEL for wheeling and supply of Emergency/Back-up power of 753 MU (85.95 MW)
 - iii. By charging at the rate (exemption of twenty 20 paisa per unit) applicable to LTA customers like M/s ABReL (Odisha) SPV Limited and M/s MCL as per Odisha Renewable Energy Policy-2022 for wheeling and supply of Emergency/Back-up power of 115.49 MU.

OPTCL has estimated that, the existing transmission tariff @ 24 P/U would generate revenue of Rs. 879.48 Cr. from the projected units of 36645 MU and @ 04 P/U (after 20 P/U exemption) can earn Rs. 0.46 Cr from projected units of 115.49 MU. Accordingly,

OPTCL has estimated to earn total revenue of Rs. 879.94 Cr. from LTA customers by transmitting 36760.49 MU during FY 2024-25.

Excess/Deficit of Revenue Requirement:

30. OPTCL has projected revenue deficit of Rs. 500.75 Cr. for FY 2024-25 by considering the proposed ARR of Rs.1380.69 Cr and the estimated revenue of Rs.879.94 Cr to be earned at the existing transmission tariff @24 P/U.

Proposal for revision of Transmission Tariff/ Wheeling Charges:

31. OPTCL has submitted that as the deficit cannot be met at the existing rate of transmission tariff (i.e., @24 P/U), it has requested before the Commission to approve:
- Aggregate Revenue Requirement of Rs.1380.69 Cr,
 - Recovery of Transmission Charge @ Rs. 9042 /MW/Day or 37.68 P/U and
 - Transmission Loss for wheeling as 3.05% on energy drawl for FY 2024-25.

Open Access Charges:

32. The Para 20(2), chapter 5 of Regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” (effective from 18.11.2021) specifies the details of Open Access Charges and transmission charges shall be payable on the basis of contracted capacity in case of long-term and medium-term open access consumers and on the basis of scheduled load in case of short-term open access consumers.
33. The Commission, vide Letter No. DIR(T)-332/2008/77 dated 01.02.2021, had clarified that the DISCOMs do not come under the new regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” and they are governed under OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Therefore, the transmission charges for the LTA customers are to be recovered as under:
- i. From four DISCOMs (i.e. TPCODL, TPWODL, TPNODL & TPSODL) as per the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 **[For FY 2024-25, the DISCOMs projection 35892 MU (4097.26MW)]**

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

[For FY 2024-25, NALCO, IMFA, ABREL & BEL have projected their demands as 147.6 MU (16.85 MW), 375 MU (42.81 MW), 164.25 MU (18.75 MW) and 65.70 MU (7.50 MW)]

34. OPTCL has proposed the Open Access charges for the FY 2024-25 as shown in the Table below.

**Table - 7
Open Access Charges proposed by OPTCL for the FY 2024-25**

Particulars	Per Unit Approach
Net Aggregate Revenue Requirement (Rs. Cr.)	1380.69
Proposed Energy to be transmitted in OPTCL Network (MU)	36645
Power Flow in MWs (36645MU)	4183.22
Proposed Transmission Tariff (Rs. /MW/Day)	9042
Proposed Transmission Charges (Paise/unit)	37.68

Reactive Energy Charges:

35. OPTCL has submitted that, the Commission in Para 16 (page 5) of the order dated 05.02.2019 in Case No. 50/2017 has inter alia viewed that the provisional reactive energy charges of 3 paise/KVArH as allowed in ARR 2018-19 order continue for time being till a final justification is submitted by OPTCL in consultation with the stakeholders. In view of the above, OPTCL has provisionally proposed 3paise/KVARh as Reactive Energy Charges FY 2024-25.

Levy of Grid Support Charges (GSC):

36. OPTCL has submitted that, an application has been filed before OERC on 23.09.2020 for determination and approval for levy of GSC for industries having Captive Generating / Cogeneration plants and running in parallel with the Grids of OPTCL subsequent to para 264 of ARR & TT order for FY 2017-18. The same was registered as OERC Case No.-52/2020. However, the same was opposed before the Hon'ble Orissa High Court in W.P(C) No-2220 of 2021 & W.P(C) No-16513 of 2021 filed by M/s Vedanta Limited and M/s CCPPO Odisha respectively. Hon'ble High Court in their order dated 06.07.2023 at para 35 has observed that, if OPTCL files a separate application urging the Commission for examining whether the levy of GSC/POC is justifiable and if found justifiable, to frame the appropriate regulation in exercise of the powers conferred upon the Commission, in that event, the Commission shall examine the matter, not initiating a proceeding, but by invoking its powers as provided under Section 181, EA. If the levy of GSC is decided in favour of the petitioner (OPTCL), the major portion of accrual from GSC shall be passed on to the end users resulting further reduction in transmission cost.

Rebate:

37. As per direction of OERC, DISCOMs are governed under OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Accordingly, rebate shall be allowed vide Regulation 8.49 & 8.50 i.e. a rebate of 2% on the monthly bills (excluding arrears), if full payment is made within two working days (excluding holidays under N.I Act) of the presentation of the bill and 1% on the monthly bills, if paid within 30 days on the presentation of the bill.
38. Long & Medium-term Open Access Customers other than DISCOMs are governed under OERC (Terms and conditions of Intra state open access) Regulations 2020. They shall pay the transmission charges within Seven (07) days from the date of receipt of the bill as mentioned vide Regulation 32(2)(b) of Intra state open access Regulations 2020. There is no provision of rebate for early payment in the said Regulations 2020. Necessary directions may please be given in this regard.

Late Payment Surcharge:

39. Regulation 8.48 of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 shall be followed for DISCOMs. Regulation 33 of OERC (Terms and conditions of Intra state open access) Regulations, 2020 shall be followed for Long & Medium-Term Open Access Customers other than DISCOMs.

Duty and Taxes:

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

TRUING-UP PROPOSAL OF OPTCL FOR FY 2022-23:

41. OPTCL has submitted that, as per Regulation 7.1 (Truing up of Capital Expenditure and Tariff) of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (in short 'Transmission Tariff Regulations, 2014'), OPTCL may file an application each year for truing-up along with the tariff petition filed for the next tariff period and the Commission shall carry out truing-up exercise along with the tariff petition filed for the next tariff period. OPTCL in the instant application has submitted its truing-up proposal for the FY 2022-23 and has prayed the Commission to carry-out truing-up exercise.
42. The petitioner has further submitted that the truing-up of annual fees and charges of SLDC functions shall be carried out as per Regulation-4 of the OERC (Fees and Charges

of State Load Despatch Centre and other related matters) Regulations, 2010. OPTCL has stated that, the deficit of **Rs.0.81 Cr.** from SLDC Transaction during the FY 2022-23 has been transferred to profit & Loss Account of OPTCL.

43. OPTCL has submitted that during FY 2022-23, it has incurred a net deficit of Rs.41.67 Cr. Therefore, the petitioner requests the Commission to consider the surplus/deficit against each item for truing-up of ARR for FY 2022-23. The actual figures/ amounts as per audited accounts and truing-up proposed by OPTCL against the approval of the Commission in ARR for the FY 2022-23 is shown in the Table below:

Table - 8
Truing-up Proposed by OPTCL for the FY 2022-23

(Rs. in Crore)

Sl No	Particulars	OERC Approved	Actual as per audited accounts of OPTCL	Truing up Proposed	Surplus/ (Deficit)
1	Employee Cost (Net)	477.19	558.12	585.08	(107.89)
2	R & M Cost	110.50	114.15	114.15	(3.65)
3	A& G Cost (Including SLDC charges and GCC)	38.08	39.83	38.88	(0.80)
4	Depreciation	233.57	388.16	288.47	(54.90)
5	Interest on long-term liability	110.29	97.64	97.64	12.65
6	Rebate	16.64	17.92	17.92	(1.28)
7	Incentive for system availability	5.00	-	12.42	(7.42)
8	Return on Equity	141.67	-	243.71	(102.04)
9	Income tax	2.16	-	36.68	(34.52)
10	Total Transmission Cost (1 to 9)	1,135.10	1,215.82	1,434.95	(299.85)
11	Less: Inter-state wheeling & Misc. Revenue	303.15	555.55	440.13	136.98
12	Net Transmission Cost (10-11)	831.95	660.27	994.82	(162.87)
13	Revenue from Transmission Charges	831.88	953.15	953.15	121.27
14	Gap - Surplus/(Deficit) (13-12)	(0.07)	292.88	(41.67)	(41.60)

44. Further OPTCL has submitted that, a review application, vide petition No. 61/2022 against the order dated 12.07.2022, Case No-119/2021 in the matter of truing up the ARR of OPTCL was filed for the FY 2020-21. In the said petition, OPTCL has requested the Commission to consider Rs.106.14 Cr., which were not considered appropriately in the truing-up orders for FY 2018-19 even though the Commission has assured to consider the same in the truing up order for FY 2020-21. While disposing of petition No. 61/2022, the Commission, vide its order dated 11.04.2023 in para 14, observed that:

“ xxx, After analyzing the above request of the petitioner, the Commission observes that as this order is limited to the review of our truing up order for FY 2020-21 passed in Case No. 119/2021, any matter related to FY 2018-19 cannot be considered in the present proceeding. However, this will not prevent the Petitioner to raise the issue in the future tariff proceeding.”

Considering the above observation of the Commission, OPTCL has requested the Commission to consider Rs. 106.14 Cr. in the current truing-up order for the FY 2022-23 as the same was not considered in truing-up exercise for the FY 2018-19.
