ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012
****

Present: **Shri S. P. Nanda, Chairperson**
Shri S. P. Swain, Member
Shri A. K. Das, Member

Case No. 41/2013

OPTCL ……… Petitioner

Vrs.

DoE, GoO & others …....... Respondents

In the matter of: **An application u/S. 94 (1) (f) of the Electricity Act, 2003 read with Regulation 70 (1) of the OERC (Conduct of Business) Regulations, 2004 for review of the order dated 20.03.2013 passed in Case No. 102/2012.**

For Petitioner: Shri Bibhu Prasad Mahapatra, Dir (Fin.), OPTCL, Shri B P Mishra, CGM (RT&C), OPTCL

For Respondent: Shri Debasish Das, AVP (RA), CSO, WESCO, NESCO & SOUTHCO, Shri R P Mohapatra for self, Shri Bibhu Charan Swain, authorised representative of M/s. Power Tech Consultants and Ms Niharika Pattnayak, ALO, DoE, GoO.

Nobody is present on behalf of National Institute of Indian Labour (Odisha), M/s. NALCO, Sambalpur District Consumers Federation, Sambalpur, Er. A K Sahani, M/s. Ferro Alloys Corporation Ltd., M/s. CII, Odisha

ORDER

Date of Hearing: 09.09.2014 **Date of Order: 18.09.2014**

1. This is an application filed by OPTCL for review of our order on Annual Revenue Requirement (ARR) and Transmission Tariff of OPTCL for FY 2013-14 in Case No. 102/2012 on the following points.

    (a) Approval Rs.108.91 Crs. towards R&M expenditure as originally submitted by OPTCL in place of Rs.60.00 Crs, approved by the Commission in ARR.

    (b) Inclusion of Rs.16.73 Crs. towards contingency reserves in the ARR as proposed by OPTCL.

(c) Inclusion of Rs.49.04 Crs. towards arrears of 6th Pay Commission and Rs.14.62 cr. towards contingency reserve fund in the true up exercise for FY 2011-12.

2. M/s. Power Tech. Consultant responding to the petition of OPTCL submitted that as per Transmission Tariff Order for FY 2014-15 and OPTCL has posted the cumulative surplus Rs.444.18 Crs. He further mentioned that the audited figure is well within approved ARR of OPTCL which implies that the transmission tariff of OPTCL is being approved at a higher value as compared to its logically calculated value. Therefore, the demand for contingency reserve of Rs.16.73 Crs should not be allowed since its violates Tariff Regulations.

3. The three DISCOMs namely NESCO, WESCO & SOUTHCO submitted that the issues raised by the Petitioner have been dealt with by the Commission while computing the ARR for FY 2014-15 and setting up transmission tariff. Therefore, there is no case for review as per law and should be dismissed.

4. Mr. R P Mohapatra inter alia stated that OPTCL has included procurement of equipments of capital nature under R&M Expenses. OPTCL has never been able to spend the amount allowed towards R&M expenditure as is apparent from records. There is no need in making provisions for contingency reserve and the matter has been addressed by the Commission in Tariff Order for FY 2013-14. Therefore, the petition should be dismissed.

5. Heard the parties at length. The issue of R&M expenditure has already been discussed and addressed. Any higher expenditure than allowed is always adjusted in the subsequent truing up exercise of ARR of OPTCL. The issue of contingency reserve has been elaborately explained by the Commission in the said Tariff Order. Regarding the impact of 6th Pay Commission Recommendation it is clarified that the Commission vide its order dtd. 19.03.2012 in Case No. 7 of 2012 laid out the principle for truing up exercise of OPTCL to accommodate the same. The same principle has been followed in undertaking Truing up exercise for the FY 2011-12. The Commission has considered the entire employees cost booked by the OPTCL in the audited accounts for FY 2011-12. Hence the question of not considering the arrear impact of 6th Pay Commission and other expenses proposed does not arise.

Further the licensee submitted that an amount of Rs.14.62 Crs of fund created towards contingency reserve has not been considered in Truing Up for FY 2011-12. On scrutiny of the Audited Accounts for FY 2011-12 it is revealed that M/s. OPTCL has not shown the above amount in the profit and loss account for the FY 2011-12. Rather they have made appropriation from their book profit of Rs.27.64 Crs for the FY 2011-12 and shown it as reserve and surplus. The Commission, therefore, is not inclined to consider the same in Truing Up exercise.

6. We do not see any merit in the review petition as per law and hence it is dismissed.

7. Accordingly, the case is disposed of.

Sd/-	**Sd/-**	**Sd/-**
(A. K. Das)	**(S. P. Swain)**	**(S. P. Nanda)**
Member	**Member**	**Chairperson**