

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. 56 OF 2015

Date of Hearing : 06.02.2016 (at 3.00 PM)
Date of Order : 21.03.2016

**IN THE MATTER OF : An application of the OPTCL for approval of Annual
Revenue Requirement and Determination of Fees &
Operating Charges for SLDC functions for FY 2016-17.**

ORDER

PROCEDURAL HISTORY: (Para 1 to 8)

1. The Odisha Power Transmission Corporation Limited, Bhubaneswar (for short OPTCL), a Govt. Company registered on 29th March, 2004 under the Companies Act, 1956 has been carrying on 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”. GRIDCO Ltd. which was both the Bulk Supply and Transmission Licensee under the Orissa Electricity Reforms Act, 1995 had ceased to be a Distribution Supply License and has become only a Bulk Supply Trader under the new dispensation created by the Act, the supply business having been vested with four Distribution Licensees (now Distribution Utilities after revocation of their licenses vide Order dated 04.03.2015 in Case No.55 of 2013) viz WESCO Utility, NESCO Utility, SOUTHCO Utility & CESCO (now CESU). As such GRIDCO Ltd. could no longer carry on both bulk Supply and transmission business by virtue of 1st proviso to Section 39 of the said Act. The Transfer Scheme entitled “Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005” of Govt. of Odisha under Sec.131 (4) of the Act, transferred the erstwhile transmission business along with SLDC functions of GRIDCO Ltd. with all the assets and liabilities of such business to OPTCL and vested the same with the said STU with effect from 1.4.2005. By virtue of the 2nd Proviso to Sec. 14 of the Act, OPTCL has been a deemed Transmission

Licensee under the Act, so far as transmission functions are concerned, OPTCL is now governed by License Conditions set forth in OERC (Conditions of Business) Regulations, 2004, at Appendix 4B issued u/S. 16 of the Act, as modified by the Commission's Order dated 27th October, 2006. By Clause 10(2) & (3) of the said Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the State Govt. has expressly notified OPTCL, a Govt. Company created for taking over transmission function of GRIDCO, as the State Transmission Utility with effect from 01.04.2005. Moreover, even though by the said Scheme, vide Clause 10(2), the OPTCL was 'notified' as State Transmission Utility; it was also empowered to "discharge" the State Load Dispatch functions till further orders of the State Govt. This provision as regards "discharge of State Load Dispatch functions" in the Transfer Scheme was obviously intended to be an interim, temporary and stop-gap measure pending establishment/Notification of a State Load Dispatch Centre under Sec.31(1) and the substantive part of Sec.31(2) of the Electricity Act, 2003.

2. As in Section 55 of the Electricity (Supply) Act, 1948 (now repealed), Sections 31 & 32 of the Electricity Act, 2003 contemplate SLDC as an independent *apex* body to ensure integrated operation of the power system in the State. SLDC has been empowered by Section 33 of the Electricity Act, 2003 to give such directions and exercise such supervision and control as may be required for ensuring integrated grid operations and for achieving maximum economy and efficiency in the operation of power system in the State. These are all highly responsible, technical, and *non-commercial* statutory functions conceived by the Electricity Act, 2003 and are entrusted to SLDC to be carried out as an independent apex body. Every Licensee including OPTCL and generating companies and generating stations and sub-stations are to comply with such directions vide Section 33 (2) and Section 40 (b) of the Act. At present SLDC has not been organizationally separated from OPTCL which is a regulated entity. This anomaly is ought to be removed without any further delay. In this context it is noteworthy that under Section 31(2) of the Act; a government body is supposed to operate SLDC and directions of the State Govt. to such a body are to be confined within the ambit of Section 37 of the Act. The State Govt. has been advised accordingly from time to time the **latest reminder having been issued vide DO Letter No.OERC/Tariff/Case No.56/2015/1646 dated 26.11.2015.**

3. The Act has also provided for financial independence of SLDC under sub-section 3 of Section 32 by way of levy and collection of fees and charges from generating companies and the distribution Utilities engaged in Intra-State Transmission of electricity, Sub-section 2 under Section 2 of the Electricity (Removal of Difficulty) Sixth Order, 2005 issued by Ministry of Power (MoP) Govt. of India on 08.06.2005 provides that the State Load Dispatch Centre may levy and collect such fee and charges from the Licensees using the Intra-State transmission system as may be specified by the State Commission. Apart from the aforesaid statutory provisions, the National Electricity Policy (vide Paras 5.3.3 and 5.3.7), OERC (Terms and Conditions for Intra-State Open Access) Regulations, 2005 (vide Reg.7), Orissa Grid Code Regulation, 2006 (vide Regulations 2.2.1.3, 2.2.2, 2.2.4, 2.2.5 and 2.2.6), OERC (Intra-State ABT) Regulations, 2007(vide Regulations 6 and 10), CERC (Open Access in Intra-State Transmission) Regulations, 2008 (vide Regulation 8) also point to independent functionality of SLDC.
4. The Commission vide letter No.1313 dated 04.08.2007 issued the following Road Map for implementation of levy of annual Fees and Charges for SLDC functions in Odisha in order to separate SLDC Charges from the Transmission Charges of OPTCL with effect from 01.04.2008 to make SLDC self-reliant.

Table – 1

ROAD MAP		
Agency/Unit	Preparedness Required	Time Limit Proposed by OERC
OPTCL	(a) Transfer of all assets belonging to the Unified State Load Despatch Centre at Mancheswar and Sub-Load Despatch Centres at Bhubaneswar, Meramundali, Jayanagar and Budhipadar with the land, buildings, plant and equipments associated or related to the State Load and Sub-Load Despatch Centres to SLDC to function as an independent autonomous entity under OPTCL (in line with Transfer Scheme, 2005 of Govt. of Orissa).	31.08.2007
	(b) Creation of one new 'Head of Account' for all the following and related expenses of SLDC w.e.f. 01.04.2007. (i) Employee Cost (ii) Administration and General Expenses (iii) Repairs and Maintenance Expenses (iv) Payment of ULDCS charges to PGCIL, and (v) Any other relevant costs and expenses relating to SLDC mentioned in the Road Map approved by the Commission.	31.08.2007
	(c) Filing of Application for approval of Annual Fee and Operating	30.11.2007

ROAD MAP		
Agency/Unit	Preparedness Required	Time Limit Proposed by OERC
	Charges for SLDC functions of Orissa SLDC for FY 2008-09.	
SLDC	(a) SLDC is to be equipped with state-of-the art communication and data acquisition capability to play the pivotal role of an independent system operator.	31.08.2007
	(b) SLDC should have broadly three wings viz. Grid Operation, Commercial and Telecommunication for satisfactory operation of all SLDC functions assigned as per the Act, Codes and Regulations. SLDC should file the Organizational chart before the Commission for SLDC functions as stipulated above through OPTCL for examination and approval of the Commission.	30.09.2007
	(c) Nodal Agency for the purpose of overall coordination for implementation of Intra-State ABT, Intra-State Open Access and operations there under.	15.08.2007
	(d) Collection of data from the generators and DISCOMs on day-ahead basis, communication with ERLDC for Central Power availability, finalization of day-ahead schedules and intimation to all stakeholders for final implementation. Revision of Schedules during intra-day transaction and intimation of such revised schedules to all stakeholders.	15.08.2007
	(e) Establish Energy Billing Centre (EBC) for preparation of monthly State Energy Accounting, weekly UI and Reactive Energy Accounting (both provisional and final) for billing and payment by stakeholders deploying requisite personnel, software and hardware.	31.08.2007
OERC	(a) Design and issue of appropriate tariff formats to OPTCL for filing for Annual Fee and Operating Charges for SLDC for FY 2008-09.	31.08.2007
	(b) Filing of Application by OPTCL for approval of SLDC charges for FY 2008-09.	30.11.2007
	(c) Scrutiny of Application of OPTCL for SLDC charges and seeking of clarification if any.	31.12.2007
	(d) Public hearing on Application of OPTCL for approval of SLDC charges for FY 2008-09.	Jan/Feb.2008
	(e) Approval of State Advisory Committee (SAC) of SLDC charges for FY 2008-09.	Feb/Mar'2008
	(f) Issue of Order of Commission approving SLDC charges for FY 2008-09.	March,2008
Final Implementation	Final Implementation of SLDC Charges (Annual Fee & Operating Charges) payable by Users.	From 01.04.2008

5. OPTCL by a petition dated 13.03.2008 filed before the Commission submitted that it was not in a position to achieve important milestones laid down in the Road Map issued by the Commission on 04.08.2007 for separation of SLDC charges from

existing Transmission Charges of OPTCL and had prayed for deferring for one year on the decision of implementation of levy of Annual fee and operating charges for SLDC of Odisha. The Commission dismissed the Petition vide Tariff Order dated 20.03.2008 in Case No.62/2007 and while approving ARR and Transmission Tariff of OPTCL at Para 239 allowed to include the Charges of SLDC functions in the ARR and Transmission Tariff for FY 2008-09 for OPTCL. The Commission vide Para 357 of the said Order directed that the transmission charges for OPTCL would not include the charges of SLDC w.e.f. 01.04.2009.

6. The Commission perused the Recommendations of Shri Gireesh B. Pradhan Committee of the Ministry of Power (MOP), Govt. of India, submitted to MOP in August, 2008 especially the recommendation for ring-fencing of Load Dispatch Centre to ensure its functional autonomy. The recommendations were as under:

(a) Recommendation 1

The Committee recommends that the LDCs should be ring-fenced suitably to ensure their functional autonomy by taking the following steps:

- (i) *The Appropriate Government should take suitable steps to facilitate independent functioning of the Load Despatch Centres in line with the Electricity Act, 2003 and National Electricity Policy. To begin with, the State Governments are urged to create a separate representative board structure for governance of LDCs on the lines of wholly owned subsidiary being created for the independent System Operation of RLDCs and NLDC.*
- (ii) *The financial accounts should be separated for all LDCs by 31st March 2009 with the appropriate Electricity Regulatory Commissions (ERC) specifying the fees and charges payable.*
- (iii) *Capital Expenditure (CAPEX) plans for modernization of all LDCs during 2009-12 should be submitted and the approval of the respective Electricity Regulatory Commission (ERC) should be obtained by 31st March, 2009. The Central Transmission Utility (CTU) and Regional Load Despatch Centres (RLDCs) should extend the necessary assistance to SLDCs in this area.*
- (iv) *In the next stage, rolling 5-year CAPEX plans should be prepared by each LDC and got approved by the respective ERCs to take care of the system expansion, associated real-time data requirements as well as technological innovations and obsolescence of control center equipment. ERCs may examine CAPEX proposal considering a shorter life cycle of 7 to 10 years for such equipment.*

(b) Recommendation 2:

For making LDCs financially self-reliant, the Electricity Regulatory Commissions (ERCs) should recognize the three distinct revenue streams:

- (i) *Fees and charges for system operation*

(ii) *Tariff for decision support system and IT infrastructure (currently only ULDC tariff)*

(iii) *Operating charges for scheduling, metering and settlement for market players.*

All Generating Companies and licensees using the services of the LDCs would make all the above payments. In addition the LDCs could provide value added services (studies, manpower development, reports, access to data archives etc.), on chargeable basis.

7. So far the State Government has not exercised its power under Sec.31 (1) and (2) of the Act to establish a separate and independent entity for operation of SLDC. Hence, by virtue of the 1st Proviso to Sec.31 (2) of the Act, OPTCL as STU has to “operate” the SLDC for the time being. It is noteworthy that OPTCL as STU has not thereby become owner of SLDC. SLDC should function as an independent autonomous entity within the ambit of OPTCL - the STU to discharge its statutory functions / obligations in accordance with the Act, and Regulations of the Commission, such as those relating to Intra-State Open Access Regulations, 2005, Intra-State ABT Regulation, 2007 & Fees & Charges for SLDC Regulation, 2010, as well as provisions under Orissa Grid Code Regulation, 2006. The Ministry of Power, Gol, by Letter dated 04.11.2008 has recommended implementation of Shri Gireesh B. Pradhan Committee on Manpower Certification and Incentives for System Operation and Ring-Fencing Load Dispatch Centers. As such it is fit and proper that SLDC shall collect Annual Fees and Charges for SLDC functions from the various stakeholders as per Sec.32 (3) of the Act and other sources permissible under law from the various stakeholders and accordingly SLDC has filed an application for approval of Annual Fees and Charges for SLDC functions for FY 2016-17.

8. The said application dated 30.11.2015 was duly scrutinized and was registered as Case No. 56 of 2015 and was taken up on question of admission and hearing. Objections were invited after wide publication of the application in English and Odia daily newspaper and Commission’s and OPTCL’s website. In response to the aforesaid public notice of the applicant, the Commission received 10 nos. of objections/suggestions from the following persons / associations/ institutions/ organizations:-

(1) M/s. Visa Steel Limited, Regd. Office-Visa House, 11 Ekamra Kanan, Nayapalli, Bhubaneswar-751015, (2). M/s. Swain & Sons Power Tech Pvt. Ltd., Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (3) Shri Ramesh Ch. Satpathy, Secretary,

National Institute of Indian Labour, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (4) Shri Prashanta Kumar Das, President, State Public Interest Protection Council, 204, Sunamoni Apartments, Telenga Bazar, Cuttack-753009, (5) Shri Devashis Mahanti, President, North Odisha Chamber of Commerce and Industry (NOCCI), Ganeswarapur Industrial Estate, Januganj, Balasore-756019, (6) M/s. Facor Power Limited, At/po-Randia, Dist-Bhadrak-756135, (7) The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015, (8) M/s. Vedanta Limited, 1st Floor, Fortune Tower, Chandrasekharapur, Bhubaneswar-751023, (9) Shri R.P. Mahapatra, Retd. Chief Engineer & Member (Gen., OSEB, Plot No.775 (Pt.), Lane-3, Jayadev Vihar, Bhubaneswar-751013, (10) Sri G.N. Agrawal, Convener-cum-Gen. Secy, Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur, Sambalpur-768003 were filed their suggestions/ objections. All the above named Objectors were present during tariff hearing except Objector Nos.3,4 & 10 but their written submissions filed before the Commission are taken on record for consideration by the Commission.

After due notice to the Applicant, Govt. of Odisha and the Objectors and in the consultative process, the Commission heard the applicant, objectors, consumer counsel, representative of the State Government on 06.02.2016 at 03.00PM and orders as follows:-

OPTCL'S PROPOSAL FOR ARR & LEVY OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS FOR FY 2016-17 (Para 9 to 20)

9. While submitting the ARR proposal for FY 2016-17, OPTCL has considered the (a) recommendations stated under the Committee under the Chairmanship of Sri Gireesh B Pradhan, Additional Secretary to Ministry of Power (constituted in February 2008) to examine the issues for ring fencing of State Load Despatch Centres to ensure their functional autonomy and (b) the report submitted by the "Task Force on Capital Expenditure and issues related to Emolument for Personnel in Load Despatch Centres"
10. The application for approval of Annual Revenue Requirement and Fees & Charges for SLDC for FY 2016-17 has been prepared by OPTCL in line with the provisions mentioned in the CERC (Fees & Charges of RLDC & other related matters) Regulations, 2009, OERC (Fees & Charges of SLDC & other related matters)

Regulations, 2010 and considering the following recommendation of the MOP Committee Report.

- (a) SLDC is to be equipped suitably to play the pivotal role of an Independent System Operator (ISO).
 - (b) Power system operation is the core activity of LDCs. Efficient load dispatching also requires a deep understanding of Transmission, Generation and Distribution technology. In view of above, the executives shall be from electrical engineering discipline. Efforts need be made to supplement them with interdisciplinary learning and development.
11. As per the recommendation in the report of the task force committee on “Capital Expenditure and Issues related to Emoluments for Personnel in Load Despatch Centres”, the assets pertaining to the Control Centre (SLDC) has to be handed over to the State Load Despatch Centres. Provision for recovery of the outstanding amount for investments made by the POWERGRID on ULDC project shall be kept in the ARR of SLDC. As per the Taskforce report, SLDC is liable to pay the recovery cost of control centre equipments only. Since the assets presently being used at SLDC is yet to be transferred, the ULDC asset recovery charges are not considered in the ARR. However, the depreciation cost has been considered in the ARR for FY 2016-17.
12. OPTCL has proposed the manpower structure for SLDC operation in the ARR of FY 2016-17 which is in line with ERLDC structure the abstract of which is indicated in Annexure-I.
13. The CAPEX plan for SLDC and sub LDCs has been proposed in the ARR for FY 2016-17 which is indicated in Annexure-II.

Item wise Annual Revenue Requirement for SLDC operation as proposed by OPTCL for FY 2016-17

14. As per the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 the annual charges consists of the following components:
- a. Return on Equity
 - b. Interest on Loan Capital
 - c. Depreciation
 - d. Operation & Maintenance Expenses Excluding Human Resource expenses
 - e. Human Resource Expenses
 - f. Interest on Working Capital

a. Return on Equity:

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

b. Interest on Loan capital :

Since there is no outstanding loan on SLDC item (b) is not considered in the ARR.

c. Depreciation :

Depreciation for the assets in the Unified Load Despatch Center and offices in SLDC has been computed as Rs. 22.529 lakh as per CERC Regulation. The major amount of depreciation charges is for recovering the depreciation cost for Video Projection Screen (VPS) amounting to Rs. 10.727 lakh and the depreciation cost for IT equipments at EASSC amounting to Rs. 5.797 lakh. (For details refer to the Form 6A and 6B of the ARR application)

Table – 2
Statement of Depreciation

(Rs. Lakh)

Financial Year	2014-15	2015-16	2016-17
Recovery of capital cost (amount to be recovered during the year)	0.000	0.000	0.000
Depreciation on existing assets	26.330	24.460	22.529
Total	26.330	24.460	22.529

d. Operation and Maintenance Expenses:

Operation and maintenance expenses excluding human resources expenses for FY 2016-17 has been computed as **Rs.412.40 lakh** considering the R&M expenditure proposed to be incurred for Facility Management Services (FMS), Website charges, AMC charges for SCADA/EMS equipments, IT equipments and civil work/ Electrical maintenance of office building and colony quarters etc and A&G expenses.

The O & M expenses have been projected considering actual expenditure to be incurred during FY 2016-17. While projecting the O&M expenses, the escalation rate of 5.72% of previous year's expenditure as provided in the OERC Regulation has not been adopted in some of the items.

Table – 3
Statement of O&M Expenses Excluding Human Resource Expenses

(Rs. Lakh)				
ITEMS	2014-15 (Actual)	2015-16 (Approved)	2015-16 (Actual up to Sept. – 2015)	2016-17 (Proposed)
Repair and maintenance expenses	207.280	392.240	85.630	273.500
Administrative and general expenses etc.	93.960		34.890	138.900
Total	301.240	392.240	120.520	412.400

e. Human Resources Expenses:

Human resources expenses have been computed at **Rs. 666.626 lakh**, considering the organisation structure proposed in line with ERLDC structure. The present staff strength of SLDC is 54 numbers as on 31.10.2015. In addition to that, 10 numbers of contractual / outsourcing staffs are engaged at SLDC as on date.

The salary and other remuneration of the employees have been computed considering the salary disbursed for the month of September, 2015 as the base. The overall increase of 30% has been considered to determine the HR expenses taking into account the annual Increment, anticipated impact of 7th Pay Commission and increase in DA.

The details calculation sheet of human resources expenses can be seen in Form-7B (4) of the ARR filing.

f. Interest on working capital:

The interest on working capital is computed at **Rs. 36.34 lakh** as per OERC Regulation considering 10% rate of interest (SBI base rate) plus 300 basis points. The details of working capital requirement and interest on it is given in the table below.

Table – 4
Statement of Interest on Working Capital

(Rs. Lakh)	
Particulars	Amount Lakh
O&M expenses for one month excluding human resources expenses	34.367
Human resource expenses for one month	55.552
Receivables (2 months of SOC & MOC)	189.649
Total Working Capital	279.568
Rate of Interest	13%
Interest on working capital	36.34

Table – 5
Abstract of Expenses Proposed for FY 2016-17

(Rs. Lakh)

Sl. No.	Particulars	2016-17
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	22.529
4.	O&M Expenses excluding human resource expenses	412.400
5.	Human Resource expenses	666.626
6.	Interest on Working Capital	36.340
	Total expenses	1137.895

Certificate of LDC Personnel:

15. The committee on “Manpower, Certification and Incentives for System Operation and Ring fencing Load Despatch Centres” recommended compensation structure, innovative incentive schemes for higher learning and monetary incentives based on the ratings of the employees. Twenty four numbers of SLDC executives have completed the Certification Training and successfully qualified. Further, thirteen numbers of executives have taken specialized training. For imparting training to balance executives, the expenditure for Training & Certification of LDC personnel has been projected at Rs 20 lakh for FY 2016-17.

SLDC Assets:

16. Most of the assets of SLDC along with sub-SLDC have been identified for transfer as per the direction of the Commission.

Determination of Annual Charges for SLDC:

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

Annual charges: Annual charges computed shall comprise of

- a) **System Operation Charges (SOC)** i.e. 80% of Annual charge
- b) **Market Operation Charges (MOC)** i.e. 20% of Annual charge
- **System Operation Charges (SOC)** shall be collected from the users in the following ratio:
 - Intra State Transmission Licensee - 10% on the basis of Ckt-KMs
 - Generating Company & Seller - 45% on the basis of installed capacity

- Distribution Licensee and Buyers - 45% on the basis of allocation
- **Market Operation Charges (MOC)** shall be collected equally from the Discoms and Generating Companies apportioning to the entitlement and installed capacity respectively.
 - For the purpose of determination of the above charges for CGPs, the maximum MW scheduled during April to October 2015 has been considered. In absence of approved injection schedule for some of the CGPs during the FY 2015-16 (upto October'15), the approved schedule quantum for previous year has been considered for purpose of levying SLDC charges.
 - Further, it has been proposed to collect SLDC charges from industries which are importing power through inter-state open access only for the month of their transaction basing on the maximum scheduled quantum.

Table – 6

Abstract of Collection of SLDC Charges Proposed for FY 2016-17

(Rs. lakhs)

Annual charges (AFC)	1137.895
System Operation Charges (SOC) (80% of the AFC)	910.316
Intra State Transmission Licensee @10% of SOC	91.032
Generating Station & Sellers @45% of SOC	409.642
Distribution Licensees & Buyers@45% of SOC	409.642
Market Operation Charges (MOC) (20% of the AFC)	227.579
Generating Station & Sellers @50% of MOC	113.789
Distribution Licensees & Buyers@50% of MOC	113.789

Registration Fee

18. Besides the above charges, provision for collection of registration fee @ Rs1.00 lac from all users has been made as per OERC Regulation.

Application Fee and Scheduling Charges:

19. Application fee and scheduling charges of Rs 5000/- per application and Rs.2000/- per day or part thereof respectively shall be paid by the short term open access customers.

Prayer

20. Considering the submission made above, OPTCL prays the Commission to approve the Annual Revenue Requirement of **Rs.1137.895 lakh** for FY 2016-17 towards State Load Despatch Centre (SLDC) function separately and allow recovering the same from the users.

**Proposed Levy and Collection of Fees and Charges by OPTCL
for SLDC operation for FY 2016-17**

LEVY AND COLLECTION OF FEES & CHARGES

(Rs. in lakh)

Annual charges	1137.895
Total Cost (Annual fixed Cost)	1137.895
System Operation Charges (SOC) (80% of the AFC)	910.316
Market Operation Charges (MOC) (20% of the AFC)	227.579
System Operation Charges (SOC)	910.316
Intra State Transmission Licensee @ 10% of SOC	91.032
Generating Station & Sellers @ 45% of SOC	409.642
Distribution Licensees & Buyers @45% of SOC	409.642
a) Intra State Transmission Licensee (SOC per month)	7.586
b) Generating Station & Sellers@45% of SOC	409.642

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1858.00	164.817	13.735
2	OPGC	420.00	37.257	3.105
3	TTPS	460.00	40.805	3.400
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	1.774	0.148
5	Meenakshi Power Ltd. (Small Hydro)	37.00	3.282	0.274
6	Shalivahana Green Energy Ltd.	20.00	1.774	0.148
C	IPP			
7	GMR, Kamalanga	350.00	31.047	2.587
8	Vedanta Limited (IPP)	600.00	53.224	4.435
D	CGPs	Maximum Scheduled (MW) (up to end of October-2015)		
9	Aarti Steel Ltd	52.15	4.626	0.386
10	Action Ispat & Power Pvt. Limited	16.00	1.419	0.118
11	Aditya Aluminium Limited	2.00	0.177	0.015
12	Aryan Ispat & Power Pvt. Ltd.	7.00	0.621	0.052
13	Bhusan Power & Steel Ltd.,Jharsuguda	30.00	2.661	0.222
14	Bhusan Steel Limited, Meramundali	3.00	0.266	0.022
15	ESSAR Power (Orissa) Ltd.	8.00	0.710	0.059
16	FACOR Power Ltd.	2.67	0.237	0.020
17	HINDALCO	2.00	0.177	0.015
18	IFFCO	10.00	0.887	0.074
19	IMFA	48.21	4.277	0.356
20	Jindal Stainless Limited, Duburi	87.42	7.755	0.646
21	Jindal Steel & Power Ltd., Angul	188.98	16.764	1.397
22	Maithan Ispat Limited	2.00	0.177	0.015
23	MSP Metallicks Limited	5.50	0.488	0.041
24	NALCO, Angul	48.00	4.258	0.355
25	Narbheram Power & Steel (P) Ltd	3.00	0.266	0.022
26	Nava Bharat Ventures Limited	42.18	3.742	0.312

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
27	Nilachal Ispat Nigam Limited	8.00	0.710	0.059
28	OCL India Ltd.	17.68	1.568	0.131
29	Pattaniak Steel & Alloys Limited	2.00	0.177	0.015
30	RSP	4.00	0.355	0.030
31	Shree Ganesh Metalicks Limited	1.05	0.093	0.008
32	Shyam Metalicks & Energy Limited	1.00	0.089	0.007
33	SMC Power generation	4.00	0.355	0.030
34	Tata Sponge Iron Limited	25.10	2.227	0.186
35	Vedanta Limited (Jharsuguda)	170.00	15.080	1.257
36	Vedanta Limited (Lanjigarh)	5.00	0.444	0.037
37	VISA Steel Limited	25.00	2.218	0.185
38	Yazdani Steel & Power Limited	2.00	0.177	0.015
E	Solar Projects	Installed Capacity (MW)		
39	ACME, Odisha	25.00	2.218	0.185
40	AFTAB Solar	5.00	0.444	0.037
	Total	4617.94	409.642	34.137
(c)	Distribution Licensees & Buyers @45% of SOC		409.642	
		% share		
41	CESU	35.40	145.027	12.086
42	NESCO	21.17	86.719	7.227
43	WESCO	29.64	121.406	10.117
44	SOUTHCO	13.79	56.491	4.708
	Total	100.00	409.642	34.137

Market Operation Charges (MOC)
(a) Generating Company @ 50% of MOC

(Rs. lakh)
227.579
113.789

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1858.00	45.782	3.815
2	OPGC	420.00	10.349	0.862
3	TTPS	460.00	11.335	0.945
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	0.493	0.041
5	Meenakshi Power Ltd. (Small Hydro)	37.00	0.912	0.076
6	Shalivahana Green Energy Ltd	20.00	0.493	0.041
C	IPP			
7	GMR, Kamalanga	350.00	8.624	0.719
8	Vedanta Limited (IPP)	600.00	14.784	1.232
D	CGPs	Maximum Scheduled (MW) (up to end of October-2015)		
9	Aarti Steel Ltd	52.15	1.285	0.107
10	Action Ispat & Power Pvt. Limited	16.00	0.394	0.033
11	Aditya Aluminium Limited	2.00	0.049	0.004
12	Aryan Ispat & Power Pvt. Ltd.	7.00	0.172	0.014
13	Bhusan Power & Steel Ltd., Jharsuguda	30.00	0.739	0.062
14	Bhusan Steel Limited, Meramundali	3.00	0.074	0.006

15	ESSAR Power (Orissa) Ltd.	8.00	0.197	0.016
16	FACOR Power Ltd.	2.67	0.066	0.005
17	HINDALCO	2.00	0.049	0.004
18	IFFCO	10.00	0.246	0.021
19	IMFA	48.21	1.188	0.099
20	Jindal Stainless Limited, Duburi	87.42	2.154	0.180
21	Jindal Steel & Power Ltd., Angul	188.98	4.657	0.388
22	Maithan Ispat Limited	2.00	0.049	0.004
23	MSP Metallicks Limited	5.50	0.136	0.011
24	NALCO, Angul	48.00	1.183	0.099
25	Narbheram Power & Steel (P) Ltd	3.00	0.074	0.006
26	Nava Bharat Ventures Limited	42.18	1.039	0.087
27	Nilachal Ispat Nigam Limited	8.00	0.197	0.016
28	OCL India Ltd.	17.68	0.436	0.036
29	Pattaniak Steel & Alloys Limited	2.00	0.049	0.004
30	RSP	4.00	0.099	0.008
31	Shree Ganesh Metallicks Limited	1.05	0.026	0.002
32	Shyam Metallicks & Energy Limited	1.00	0.025	0.002
33	SMC Power generation	4.00	0.099	0.008
34	Tata Sponge Iron Limited	25.10	0.618	0.052
35	Vedanta Limited (Jharsuguda)	170.00	4.189	0.349
36	Vedanta Limited (Lanjigarh)	5.00	0.123	0.010
37	VISA Steel Limited	25.00	0.616	0.051
38	Yazdani Steel & Power Limited	2.00	0.049	0.004
E	Solar Projects	Installed Capacity (MW)		
39	ACME, Odisha	25.00	0.616	0.051
40	AFTAB Solar	5.00	0.123	0.010
	Total	4617.94	113.789	9.482

(b) Distribution Licensees & Buyers @50% of MOC

113.789

Sl.		% share		
41	CESU	35.40	40.285	3.357
42	NESCO	21.17	24.088	2.007
43	WESCO	29.64	33.724	2.810
44	SOUTHCO	13.79	15.692	1.308
	Total	100	113.789	9.482

Annexure – I

Abstract of Staff Requirement for SLDC

Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
1	Director (Chief Load Despatcher)	01
2	Executive Assistant to Director [Manager(E)]	01
A. GRID OPERATION		
	REAL TIME OPERATION	
3	CGM (Elect)	01
4	General Manager (Elect)	01
5	DGM (Elect)	01
6	AGM (Elect)	04
7	Manager (Electrical)	04
8	Deputy Manager (Electrical)	08
9	Deputy Manager (Telecom)	04

Sl. No.	Category of Posts	Total Nos.
	Sub LDC (3 nos)	
10	Manager (Elect)	03
11	Deputy Manager (Telecom)	12
	OPERATIONAL PLANNING	
12	AGM (Elect)	
13	Manager (Electrical)	01
14	Deputy Manager (Electrical)	01
B. OS, RA & MIS		
15	General Manager (Elect)	01
16	DGM (Elect)	01
	OPERATION SERVICES	
17	Manager (Electrical)	01
18	Deputy Manager (Electrical)	01
	MIS & Regulatory Affairs	
19	Manager (Electrical)	01
20	Deputy Manager (Electrical)	02
C. COMMERCIAL SERVICES		
21	Sr. General Manager (Elect)	01
	Commercial, Tech Services, Contract & Material Management	
22	General Manager (Commercial, TS, C&M)	01
	COMMERCIAL	
23	DGM(Elect)	
24	AGM (Elect)	01
25	Manager (Electrical)	01
26	Deputy Manager (Electrical)	03
	TECHNICAL SERVICES / CONTRACT & MATERIAL MANAGEMENT	
27	Deputy Manager (Electrical)	01
	SCADA	
28	AGM (Telecom)	
29	Manager (Telecom)	01
30	Deputy Manager (Telecom)	01
1.4 HRM		
31	Assistant Manager (HR)	01
1.5 FINANCE		
32	Manager (Finance)	01
33	Assistant Manager (Finance)	01
1.6 SECRETARIAL		
34	PS to Director	01
	TOTAL EXECUTIVES	63

Non-Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
1	Steno / Typist / Comp. Asst.	02
2	Office Assistant(Gr-I, II & LDC)	03
3	Semi skilled Assistant / Operator	03

Sl. No.	Category of Posts	Total Nos.
4	Helper for Real time	05
5	Peon/Attendant	04
6	Driver	01
	TOTAL NON-EXECUTIVES	18

Total staff requirement proposed for SLDC=A+B =63+18=81 Nos.

Annexure – II

Details of Capital Expenditure Proposed

(Rs. lakh)

Sl. No.	Item	Quantity	Amount
1	Construction of New Building adjacent to the existing building at SLDC, Bhubaneswar for accommodation of staff	LS	800.00
2	Procurement of computer & Peripherals for use at SLDC.	10 nos	5.00
3	Procurement of new furnitures & fixtures	LS	5.00
4	Establishment of Video Conferencing system at SLDC with Firewalls configuration	1 + 8 Users	25.00
5	Installation of Roof Top Solar PV of 75 kW capacity in coordination with GEDCOL.	75kW	100.00
6	Software for countering the cyber attacks	1	20.00
7	Replacement of old Air Conditioners at SLDC control room & office building	15 nos	12.00
8	Photocopier	2 nos	1.50
9	Colour Scanner	2 no.	0.20
10	Provision of UPS at SLDC		10.00
	TOTAL		978.70

VIEWS OF CONSUMER COUNSEL (Para 21 to 23)

21. World Institute of Sustainable Energy (WISE), Pune - the Consumer Counsel has analyzed the application of the licensee and some of their important observations are as under:-
22. **Observations on Annual Revenue Requirement**
 - SLDC has given the proposal for revenue requirement of Rs.1137.895 lakh for FY 2016-17 which is 29.81% rise over Rs.876.605 lakh approved by the Commission for FY 2015-16. This would be recovered through Annual Fees and Charges. The Revenue Requirement includes Employee Cost of Rs.666.626 lakh which is provisional. National Productivity Council (NPC) has been entrusted for preparation of a report on the manpower structuring of

OPTCL as well as of SLDC which is in final stage. However, in the absence of any approved Organizational Structure for SLDC, the proposed Employee Cost seems to be at a higher side as the Commission had earlier approved a working strength of 81 nos. at par with ERLDC structure vide Para 182 of its Order dated 20.3.2010. The present staff strength of SLDC is 54 numbers as on 31.10.2015 including 15 numbers of Telecommunication personnel working at SLDC control centre. Additional 10 numbers of contractual /outsourcing staffs are also there.

- SLDC has projected Administrative and General (A&G) expenditure at Rs.138.9 lakh for FY 2016-17. Against the approval of Rs.88.40 lakh for FY 2015-16, SLDC has made an expenditure of Rs.34.89 lakh during first six months of FY 2015-16. A&G Expenditure is to be based on certain principles like escalation by 5.72% over the previous year expenses i.e. on the estimated expenditure. Accordingly, the Commission may approve A&G Expenses for FY 2016-17.
- Repair and Maintenance (R&M) expenses of Rs.273.50 lakh has been projected for FY 2016-17. But SLDC has spent only an amount of Rs.85.63 lakh during first six months of FY 2015-16, and if prorated for full year, it may be of the order of Rs.171.26 lakh for FY 2015-16. Hence, the R&M expenses proposed by SLDC for FY 2016-17 may be approved by the Commission considering 5.72% escalation over the prorated amount as per OERC (Fees and Charges of SLDC and other related matters) Regulation, 2010.
- SLDC has computed depreciation of Rs.22.529 lakh for ULDC and offices in SLDC as per OERC (Fees and Charges of SLDC and other related matters) Regulation, 2010, out of which Rs.10.72 lakh has been claimed on account of VPS and Rs.5.797 lakh has been claimed on account of IT equipments at EASSC. Depreciation on VPS may be allowed on the ground that the Commission has observed in the last year's order that the VPS has been purchased from the account of the SLDC. The counsel is of the view that depreciation on new assets such as electrical installation, AC, DG set etc. should be scrutinized.
- SLDC has calculated Interest on Working Capital as Rs.36.34 lakh.

Non-Compliance of Directions of the Commission - Main Issues

- Assets & liabilities relating to SLDC and sub-LDCs should be transferred forthwith pending notification of the State Govt. under Section-31 (2) of the Electricity Act, 2003. OPTCL to pursue with Govt. of Odisha so as to float the Transfer Scheme.

Summing Up

23. The Consumer Counsel, WISE, presented before the Commission the following concluding remarks during hearing on application of OPTCL for approval of ARR & annual Fees & Charges of SLDC for FY 2016-17.

- The SLDC is considered as 'Brain' of Power System Operation.
- SLDC is responsible for optimum scheduling and dispatch of electricity, carrying out real time operations for grid control and dispatch of electricity in cost effective manner.
- Specialized technical nature of LDC function necessitates a suitable compensation structure and incentive scheme for higher learning. 24 Executives have completed the certification training and 13 executives have taken specialized training.
- The actual utilization of the "SLDC Development Fund" so far may be produced by SLDC
- Non-functioning of SLDC at the full strength will adversely affect the Power System Operations and indirectly increase the cost of electricity to be served.
- The SLDC has been committing delay in implementing the various orders of Commission.
- The Commission may consider all the above facts before approving the ARR for FY 2016-17.

VIEWS OF OBJECTORS (Para 24 to 45)

Functioning of SLDC & Establishment of a Separate Corporation for SLDC

24. Other objectors stated that application of SLDC should be rejected on the ground that the orders of the Commission had been disregarded continuously and the SLDC charges approved in the order dated 22.03.2015 might continue until further orders.
25. Many objectors pointed out that the SLDC was not functioning as an Independent System Operator despite Commission's direction.

26. SLDC ought to be a separate and distinct entity and enjoy functional and structural immunity. At present transmission, trading and dispatch functions are vested in the same management which is contrary to Electricity Act, 2003.
27. One objector wanted clarification whether OPTCL had sent its Board Resolution to Department of Energy for creation of wholly owned subsidiary namely, Odisha Power System Corporation Ltd.

Organizational Structure and Staffing of SLDC

28. The post of Chief Load Dispatcher is lying vacant for the last five years which is affecting the functioning of SLDC badly.
29. Some objectors submitted that SLDC should clarify as to when the total 106 manpower as per sanctioned strength shall be deployed in SLDC. The action Plan for the same to be furnished by SLDC. Whether the telecom staff of OPTCL working under SLDC have been transferred to the control of Sr GM (PS)?
30. The actual present staff strength of SLDC is 64 as on 31.10.2015 which is not adequate to perform SLDC functions.
31. The SLDC should provide clarifications on actions taken by the OPTCL on various issues such as:-
 - Creation of wholly owned subsidiary “Odisha Power Systems Corporation Limited”
 - Appointment of a Director to function as Chief Load Dispatcher in SLDC
 - To employ additional staff to make SLDC a fully functional body.

Establishment of Energy Accounting & Settlement System Centre (EASSC) in SLDC

32. One objector submitted that SLDC has failed to upload any of the monthly Energy Account, weekly UI account, and weekly Reactive Energy Account, status of OA applications in its website in time bound manner.
33. Another objector submitted that SLDC should not levy any SOC for the period to the CGPs for which the power is not scheduled by SLDC.

34. Some objectors submitted that SLDC should not allow to collect SLDC charges from the industries importing power through interstate and intrastate Open Access. This is against the provisions of Electricity Act, 2003.
35. SLDC has proposed to levy Rs. 2000/- per day or part thereof towards scheduling charges to be paid by short term Open Access customers. As per CERC (Open Access in Inter-state Transmission (Third Amendment) Regulation, 2015, the charges are Rs.1000/- per day or part thereof for each bilateral transaction under interstate open access and also for collective transaction.
36. SLDC may be directed to submit its quarterly performance and quarterly expenses under CAPEX relating to SLDC in its website for information of general consumers.

Repair & Maintenance (R&M Expenses)

37. SLDC has projected O&M expenses at Rs.412.30 lakh for FY 2016-17. However, the actual O&M expenses incurred by SLDC for FY 2015-16 till September 2015 are only Rs.120.52 lakh. The Commission may examine this aspect while approving O&M for 2016-17.

Employee Cost

38. One objector submitted that following the Regulation-15 of OERC (Fees and Charges of State Load Despatch Centre and Other Related Matters) Regulation, 2010 the Human Resource Expenses for the SLDC should be approved by the Commission based on the actuals of the last year duly considering the associated parameters like annual increment, annual inflation etc.
39. SLDC projected Employee cost at Rs. 666.62 lakh for 2016-17 against Rs. 459.90 lakh approved by the Commission during FY 2015-16 without any justification.
40. The employee cost of SLDC for FY 2016-17 may be approved at Rs. 454 lakh by the Commission.

SLDC Development Fund

41. The OPTCL has failed to spend the full amount of money sanctioned for the SLDC Development Fund by the Commission and the remaining amount of money is left with SLDC only for interest earning. Thus there is no requirement for further contribution to the SLDC Development Fund and the interest earned on the

investment/deposition of the fund should be treated as Miscellaneous Income of SLDC.

42. SLDC has accumulated huge amount of funds in the SLDC Development Fund hence there is no need to approve a separate amount under the head interest on working capital.
43. Another objector submitted that SLDC should furnish year-wise deposits in SLDC Development Fund and its utilization in each year. Besides fund available as on 31st March, 2015 and fund deposited thereafter in the SLDC Development Fund should be monitored.

Others

44. Some objectors submitted that Annual Revenue Requirement of SLDC for FY 2016-17 might be approved at Rs. 730.99 lakh.
45. One objector submitted that SLDC was not following merit order based optimum scheduling and dispatch of electricity in accordance with the contract entered into with licensees.

REJOINDER OF SLDC AGAINST THE OBJECTIONS RAISED DURING HEARING (Para 46 to 65)

Functioning of SLDC & Establishment of a Separate Corporation for SLDC

46. As per provisions under Section 31(2) of the Act, the State Transmission Utility shall operate the State Load Despatch Centre (SLDC) until a Government company or any Authority or Corporation is notified by the State Government. Accordingly SLDC is at present operated by OPTCL, the STU. SLDC is operating the State grid most efficiently to maintain the electrical parameters within the statutory limits.
47. SLDC has complied most of the directions of the Commission and all efforts are being made to comply with remaining directions.
48. SLDC is now functioning autonomously under the direct administrative control of the Chairman-cum-Managing Director, OPTCL, the designated State Transmission Utility (STU). Sr. G.M. (PS) is functioning as Chief Load Despatcher.
49. As per provisions under Section 31(2) of the Electricity Act, the State Transmission Utility shall operate the State Load Dispatch Centre (SLDC) until a Government

company or any Authority or Corporation is notified by the State Government. Accordingly, OPTCL being the designated STU, is operating SLDC at present. While approving the ARR & Fees and Charges for SLDC function for FY 2015-16 vide order dated 23.03.2015 in Case No.-66/2014, Commission had given certain directions. The compliance of the said directions are as detailed below:

- That in compliance to direction at Para-94, it is submitted that SLDC is now operating autonomously as an independent system operator under the direct administrative control of the Chairman-cum-Managing Director of OPTCL. That in compliance to direction at Para-95, it is submitted that at present Sr. G.M. (PS) is functioning as Chief Load Despatcher.
- That in compliance to direction at Para-96, it is submitted that all assets pertaining to SLDC & Sub-LDCs have been identified and used exclusively by SLDC personnel. Transfer of assets shall be done through a 'Transfer Scheme' by Government of Odisha after due notification.
- That in compliance to direction at Para-97, it is submitted that at present 64 nos. of Executives & staffs including contractual staffs have been posted at SLDC. Further, more numbers of Executives are expected to be posted at SLDC during FY 2016-17 pending finalization of the organizational structure by the Government.
- That in compliance to direction at Para-98, it is submitted that SLDC is furnishing the Performance Report to OERC for review as directed by the Commission. Capital Expenditure amounting to Rs. 5.58 lakh has been incurred during FY 2015-16 (up to October-2015) against approval of Commission for Rs. 5.6 lakh.

Organizational Structure and Staffing of SLDC & Employees Cost

50. The designated State Transmission Utility (STU), Sr. G.M. (PS) is functioning as Chief Load Dispatcher.
51. After approval of SLDC structure by Government, deployment of required number of staffs shall be made. The telecom executives / staffs presently deployed at SLDC are being paid by SLDC. In view of the above, human resource expenses have been projected by apportioning the current year expenditure anticipating 71 numbers of

employees to be deployed in the FY 2016-17. The proposed manpower structure in respect of SLDC is pending with the Government for approval.

52. It is further submitted that most of the contractual staffs presently engaged at SLDC, are performing the work of regular employees while others are engaged as Data Entry Operators. As such, their remuneration being paid by SLDC has been considered in the employee cost. Those contractual staffs are likely to be substituted by regular employees.
53. During FY 2015-16, the HR expenses shall reach the approved amount. The salary of staffs for 2016-17 has been computed considering the salary disbursed for the month of Sept'2015 as the base. The overall increase of 30% has been considered to determine the HR expenses taking into account the annual Increment, anticipated impact of 7th Pay Commission and increase in DA.

Establishment of Energy Accounting & Settlement System Centre (EASSC) in SLDC

54. For the purpose of determination of the Annual Charges for CGPs, the maximum MW scheduled during April to October, 2015 has been considered. Some CGPs / Generators have stopped injection during the FY 2015-16. In absence of approved injection schedule for some of the CGPs during the FY 2015-16 (up to October'15), the approved schedule quantum for previous year has been considered for purpose of levying SLDC charges anticipating revival of power injection by them during FY 2016-17.
55. EASSC is functioning at SLDC for State Energy Accounting and UI charge / Deviation charge billing on receipt of energy meter data from field. Schedule based energy accounting and Un-scheduled inter-change/deviation charges billing are being prepared by SLDC with effect from 01.04.2012. The monthly energy accounting for DISCOMs and Open Access customers on 15 minutes block basis is being uploaded in the SLDC website and forwarded to all customers on 1st day of each month by email. SLDC is furnishing the Performance Report to OERC for review as directed by the Commission.
56. The objections made relating to merit order despatch is not specific. However, SLDC is adopting merit order generation despatch.

57. As per provision of Regulation 20 & 21 of OERC (Fees and Charges of SLDC and other related matters) Regulations, 2010, OPTCL proposed to collect Annual Charges from those industries who are importing power through Intra / Inter-State open access as they are coming under 'buyer' category, thus liable to pay the SLDC charges.
58. OPTCL has proposed to collect scheduling charges @ 2000/- per day as per the previous order.
59. Monthly report on STOA transactions is being displayed in SLDC website. Further, the status of Open Access applications received & rejected is being submitted to the Commission during performance review.

Repair & Maintenance (R&M Expenses)

60. AMC charges of SCADA / EMS & VPS contribute a substantial amount of R&M expenses. During FY 2015-16, the R&M expenses shall reach the approved amount as the bill towards AMC charges is pending for payment due to non-receipt of the same from POWERGRID. As such, the suggestion of the objector is not justified.

SLDC Development Fund

61. The interest on working capital amounting to Rs. 189.649 lakhs computed as Rs.36.34 lakhs as per OERC Regulation considering 10% rate of interest (SBI base Rate) plus 300 basis point. Even though SLDC has not taken loan to meet the working expenses, the provision has been kept due to non-receipt of SLDC charges from the Users for a period of two months from the commencement of Financial Year. The expenses have to be met from the charges collected from the Users for the previous year which could have been kept in the SLDC Development Fund. The loss of interest for the above amount is being recovered as interest on working capital.
62. SLDC Development Fund has already been created and operative at present.
63. SLDC has stated that the details of SLDC Development Fund are available in the ARR application filed by OPTCL.
64. SLDC has submitted that as per the direction of the Commission, the balance amount of the revenue remained unspent at the end of financial year is being deposited in the SLDC Development Fund. Further, as per provisions under Regulation- 8(3) of the SLDC Fees & Charges Regulation, SLDC shall be entitled to utilize the money deposited in the SLDC Development Fund for meeting stipulated equity portion in asset creation and margin money for raising loan from the financial institutions and

funding R&D projects with due approval of the Commission. In view of the above, the proposal of the objector for truing up SLDC accounts and carry forward the unspent amount to the next financial year may not be accepted.

Others

65. As per provisions of Regulation 20 & 21 of OERC (Fees and Charges of SLDC and other related matters) Regulations, 2010, OPTCL proposed to collect Annual Charges from those industries who are importing power through Intra / Inter-State open access as they are coming under 'buyer' category, thus liable to pay the SLDC charges.

OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) (Para-66)

66. The Commission convened the State Advisory Committee (SAC) meeting on 18.02.2016. The members of SAC deliberated on different issues related to power sector and the Annual Revenue Requirement of various licensees/generators. However, no specific view was offered related to the Annual Revenue Requirement and Fees & Charges of SLDC.

VIEWS OF GOVT. OF ODISHA (Para-67)

67. Govt. of Odisha communicated its suggestions/views/comments on various issues involving Tariff setting for the FY 2016-17 vide its letter No.2091 dt.11.03.2016. On issues relating to SLDC, the Govt. vide para-9 of its letter communicated as follows:

“9. Restructuring of SLDC has been taken up by the Public Enterprises Department and Govt is contemplating to appoint Chief Load Dispatcher at SLDC as advised by the Hon'ble Commission. The OPTCL has to submit proposal for transfer of assets to SLDC and the same will be considered by Government.”

COMMISSION'S OBSERVATIONS (Para 68 to 108)

68. During hearing of OPTCL's application of SLDC's ARR and Fees & Charges for FY 2016-17, some objectors questioned the maintainability of the SLDC's ARR application for the FY 2016-17 on the ground that Commission had placed on record that in case of failures in complying OERC directions, the Commission might reject the said application after giving reasonable opportunity to SLDC. Now that the SLDC has failed to comply with all the directions of the Commission which were given in the Fees & Charges order of OERC for FY 2015-16 vide para-94-98, the objectors

stated that the present ARR application of SLDC was not maintainable and should be rejected.

69. The Commission had also certain directions at para 94 to 98 in its ARR and Fees & Charges order for SLDC for FY 2015-16. These include creation of a wholly owned subsidiary under OPTCL, posting of Chief Load Dispatcher, transfer of assets and liabilities relating to SLDC and Sub-LDCs, appointment of requisite number of employees to augment the strength to 81 nos. etc. Similar directions like making Energy Accounting and Settlement System Centre (EASSC) of SLDC fully operational, submitting quarterly performance reports of SLDC by end of each quarter for review by the Commission etc. were also given to OPTCL in earlier orders of the Commission for compliance. In the meantime, out of the above directions, OPTCL informed the Commission that it has complied the following:

- (i) EASSC has become fully operational at SLDC for State Energy Accounting and UI Charge/Deviation Charge billing on receipt of energy meter data from field.
- (ii) Schedule based Energy Accounting and Un-scheduled Inter-change/Deviation Charges billing are being prepared by SLDC w.e.f 01.04.2012.
- (iii) SLDC is furnishing the performance reports to the Commission on regular basis for review as directed by the Commission.
- (iv) SLDC is trying to employ more number of executives during the year 2016-17 for smooth functioning.
- (v) All assets pertaining to SLDC and Sub-LDCs have been identified.
- (vi) Most important is the fact that OPTCL in a recent communication vide letter No.4998 dt.10.03.2016 has communicated to the Commission the following in regard to appointment of Chief Load Dispatcher.

“In pursuance of decision taken by the Board of Directors of OPTCL in its 76th meeting held on 27.02.2016 (Vide item 43) and in accordance with the directives of OERC, Senior General Manager (Power System)/Chief General Manager (Power System) is hereby declared as the Chief Load Dispatcher in SLDC. The Chief Load Dispatcher, SLDC shall report to Chairman-cum-Managing Director, OPTCL.”

The appointment of Chief Load Dispatcher by OPTCL is in line with OERC directive and the recent communication received from Govt. of Odisha as mentioned at para 67 above.

70. In view of the above considerations, Commission now does not feel to reject the ARR application of OPTCL for its SLDC function for the FY 2016-17. Nevertheless, the Commission does not express satisfaction over slow pace of implementation of its direction in complete form and wish to allow some more time for implementing the same. The Commission directs SLDC to abide by the directions given in this order and make sincere efforts to implement the orders of the Commission.
71. The Commission, for approval of ARR for SLDC functions and determination of Annual Fees and Charges for FY 2016-17 followed the principles laid down in the Electricity Act, 2003, CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 and OERC (Fees and Charges of SLDC and other Related matters) Regulations, 2010. The component-wise determination of Revenue Requirement for SLDC functions is given here under:

Return on Equity (RoE)

72. SLDC has not considered RoE in the ARR since no equity has been invested.

Interest on Loan Capital

73. SLDC has not considered Interest on Loan Capital as there is no outstanding loan.

Depreciation

74. The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 provides that the depreciation shall be calculated annually on straight line method and at rates specified by CERC from time to time. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. SLDC has proposed Depreciation of Rs.22.529 lakh for FY 2016-17 for its assets in the following manner.

Table – 7

Financial Year	(Rs. Lakh)		
	2014-15	2015-16	2016-17 (Proposed)
Recovery of capital cost (amount to be recovered during the year)	0.000	0.000	0.000
Depreciation on existing assets	26.330	24.460	22.529
Total	26.330	24.460	22.529

75. SLDC has claimed Depreciation for the assets in the Unified Load Despatch Center and offices in SLDC which has been computed at Rs. 22.529 lakhs. Taking into consideration the views of the objectors, Commission approves an amount of Rs. 22.529 lakh towards depreciation for the FY 2016-17.

Employee Cost (Human Resource Expenses)

76. SLDC has projected the Employee Cost at Rs.666.626 lakh for the ensuing FY 2016-17 considering the organizational structure proposed in line with ERLDC structure. The present staff strength of SLDC is 54 as on 31.10.2015. In addition to that 10 nos. of contractual/outsourcing staff are engaged at SLDC as on that date.
77. SLDC was asked to submit the actual payment made to the existing employees upto November, 2015 for the FY 2015-16 which it has complied. The Petitioner expects that out of total of 81 Nos. of employees approved by the Commission, some additional employees are expected to be engaged in SLDC during 2016-17. On the basis of data submitted by the SLDC, Commission approves the Human Resource expenses of Rs.524.17 lakh against the proposed expenses of Rs.666.626 lakh. The details of Employee Cost are shown in the Table below:

Table - 8
Details of Human Resource Expenses

(Rs. lakh)

APPROVED EMPLOYEE COST for 2016-17			
Sl.	Particulars	Proposed for FY 2016-17	Approved for FY 2016-17
1	Basic Pay + GP	247.72	180.32
2	Addl. Emp. Cost	0	0
3	DA	301.06	236.22
4	Other allowance	21.05	21.05
5	Contractual Employees	16.14	16.14
6	Compensation for LDC Personnel	12	12
A.	Total Emoluments (1 to 6)	597.97	465.73
	Other Staff Costs		
8	Reimbursement. of medical expenses	12.386	12.386
9	Leave Travel Concession	1	1
10	Reimbursement of HR	37.27	27.05
11	Ex-gratia	4	4
B.	Total Other Staff Costs (8 to 11)	54.656	44.43
13	Staff Welfare Expenses	2	2
14	Provisions – RPP for 15 Executives	10	10

APPROVED EMPLOYEE COST for 2016-17			
Sl.	Particulars	Proposed for FY 2016-17	Approved for FY 2016-17
15	Terminal Benefits	1	1
16	Others	1	1
C.	Total (13 to 16)	14	14
D.	Grand Total (A+B+C) Approved for 2016-17	666.626	524.17

Pay and GP for 2016-17 has been calculated by adding 3% rise to the estimated Pay & GP of SLDC for 2015-16 which is based on actual figures upto November, 2015 prorated upto March, 2016. DA has been calculated as 131%, HRA 15%. Other small components like Medical expenses, Staff Welfare expenses etc. have been approved as per the proposal of SLDC. A sum of Rupees 524.17 lakh has been approved by the Commission towards Human Resources Expenses for 2016-17. Employee expenses for additional staff for SLDC have not been provided for 2016-17.

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

78. The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 defines Operation and Maintenance (O&M) Expenses as expenses excluding Human Resources Expenses. The operation and maintenance thus includes Repair & Maintenance and A&G expenses only. Regulation also provides that the actual operation and maintenance expenses for the year 2010-11 under SLDC shall be escalated at the rate of 5.72% per annum to arrive at permissible operation and maintenance expenses for the subsequent years of the tariff period. The actual O&M expenses for new items added under SLDC in each year shall also be escalated @ 5.72% per annum in subsequent years of the tariff period.

As per the submission made by the SLDC the actual expenditure during the last years against the approval of the Commission is as follows:-

Table – 9
Operation and Maintenance (O&M) Expenses

Items	Actual for 2014-15	Approved for 2015-16	Proposed for 2016-17
A&G	93.96		138.90
R&M	207.28		273.50
Total O&M	301.24	392.24*	412.40*

*O&M expenses include A&G and R&M expenses as per OERC Regulations.

The following table presents the calculation of O&M expenses for the FY 2016-17 based on the above stated OERC Regulation.

Table – 10
Operation and Maintenance (O&M) Expenses (Estimated for 2016-17)

DETAILS	Rs. in lakh
R&M Expenses FOR 2010-11 F.Y	186.96
A&G Expenses FOR 2010-11 F.Y	65.48
Total O&M Expenses for 2010-11	252.44
Escalation @5.72% FOR 2011-12	14.44
For 100GB space to Add soft technology (NEW)	1.98
Total O&M Expenses for 2011-12	268.86
Escalation @5.72% FOR 2012-13	15.38
AMC OF VPS SCREEN (NEW)	15.88
STRENGTHENING OF WATCH & WARD 8 nos. (NEW)	5.8
Total O&M Expenses 2012-13	305.92
Escalation @5.72% FOR 2013-14	17.5
AMC & BANDWIDTH CHARGE (NEW)	2.6
HIRE VEHICLE CHARGES ON AVG. (NEW)	6
Total O&M Expenses 2013-14	332.02
Escalation @5.72% FOR 2014-15	19
CERTIFICATION OF SLDC STAFF	20
Total O & M Expenses approved for 2014-15	371.02
Escalation @5.72% FOR 2015-16	392.24
Total O & M Expenses approved for 2015-16	392.24
Escalation @5.72% FOR 2016-17	22.44
Estimated Total O & M Expenses for 2016-17	414.68

As per the above table, the O&M Expenses (which includes R&M and A&G expenses only) is computed at Rs.414.68 lakh for the FY 2016-17. However, it has been observed that upto November, 2015, SLDC has not been able to spend the approved amount on R&M and A&G heads. The actual expenses under R&M till November, 2015 has been in the order of Rs.125.55 lakh and that under A&G has been Rs.52.58 lakh, the total amounting to Rs.178.13 lakh. When the same is prorated, the anticipated O&M expenses during 2015-16 comes to around Rs.267.20 lakh. This is substantially less than the approved figure of Rs.392.24 lakh for 2015-16 on O&M. In view of this, the Commission decides to approve O&M expenses for FY 2016-17 with a rise of 5.72% over the prorated total expenses under O&M of

Rs.267.20 lakh for FY 2015-16. Thus, the O&M expenses are approved at Rs.282.48 lakh for FY 2016-17. The same is depicted as under.

Table-11
Approved O&M for FY 2016-17

R&M	
Actual Expenditure upto Nov 15	125.55
Pro-rated (2015-16)	188.32
With 5.72% Escalation	199.09
R&M for 2016-17	199.09
A&G	
Actual Expenditure upto Nov 15	52.585
Pro-rated (2015-16)	78.88
With 5.72% Escalation	83.39
A&G for 2016-17	83.39
O&M (R&M and A&G)	
Actual Expenditure upto Nov 15	178.13
Pro-rated (2015-16)	267.20
With 5.72% Escalation	282.4817
Approved O&M for 2016-17	282.4817

Interest on Working Capital

79. SLDC has proposed interest on working capital of Rs. 279.568 lakh at Rs.36.34 lakh as per OERC Regulations considering 13% rate of interest. The OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 provides that rate of Interest on working capital shall be on normative basis and shall be equal to the short-term Prime lending rate of State Bank of India.
80. The Commission feels that since SLDC has accumulated huge amounts of funds in the SLDC Development Fund and it is using part of this fund as deemed loan for working capital purpose, there is no need to approve a separate amount under the head interest on working capital for FY 2016-17.

Provision of CAPEX Plan

81. SLDC has proposed construction of a new three storied building adjacent to existing SLDC building at Bhubaneswar for accommodation of different wings of SLDC. Further, installation of Video Conferencing system at SLDC, procurement of computer and peripherals, installation of Roof-top Solar PV of 75 KW capacity in coordination with GEDCOL, replacement of old Air Conditioners of Control Room and office building and procurement of new furniture & fixtures, provision of UPS at

SLDC etc. have been kept in the CAPEX plan. All the above activities are planned to be completed by end of FY 2016-17. The details of capital expenditure proposed by SLDC are already in Annexure-II above.

82. The Commission lays importance on functioning of SLDC as the nerve centre of the electricity sector in Odisha. Strengthening of SLDC in terms of infrastructure, IT, Communication etc., are important parameters for effective functioning of SLDC. Commission feels that SLDC should plan out its capital expenditure keeping in view the load growth for the coming 10-15 years. With a view to strengthen SLDC function through CAPEX, the SLDC may file separately the detailed CAPEX Proposal along with necessary cost-benefit analysis justifying the need for such expenditure. After necessary approval, the CAPEX amount may be spent from the SLDC Development Fund.

Summary of ARR for FY 2016-17

83. Against Rs.876.60 lakh approved for FY 2015-16 and Rs.1137.90 lakh proposed by SLDC for FY 2016-17, the Commission hereby approves Rs.829.18 lakh for FY 2016-17. The details of Expenses proposed by OPTCL in the ARR of SLDC and approved by the Commission for FY 2016-17 are depicted in the Table below:

Table – 12
Summary of ARR of SLDC for FY 2016-17

				(Rs. lakh)
SL No.	Items	Commission Approval for 2015-16	SLDC Proposal for 2016-17	Approved for 2016-17
1	Employee Cost	459.90	666.626	524.168
2	O & M	392.24	412.4	282.48
3	Depreciation	24.46	22.529	22.529
4	Interest on loan			
5	Interest on Working Capital		36.34	
	Total	876.60	1137.90	829.18

*O&M expenses include A&G and R&M expenses as per OERC Regulations.

Determination of Annual Charges of SLDC

84. The Annual Charges for SLDC Operations during FY 2016-17 have been approved by the Commission at Rs.829.18 lakh/annum and Rs.69.10lakh/month which are to be recovered from the users who use the Intra-State Transmission Network or the associated facilities and services of SLDC during the ensuing year.

85. OERC Regulations, 2010 define the System Operation Function & Market Operation Function of SLDC as under:
- **System Operation Function** includes monitoring of grid operations, supervision and control over the Intra-State Transmission System, real-time operations for grid control & dispatch, system restoration following grid disturbances, compiling and furnishing data pertaining to system operation, congestion management & black start coordination etc.
 - **Market Operation Function** includes functions of scheduling, dispatch, metering, data collection, energy accounting and settlement, transmission loss calculation and apportionment, operation of pool account and congestion charge account, administrating ancillary services & information dissemination etc.
86. OERC Regulations, 2010 specify that the Annual Charges should comprise of
- A) System Operation Charges (SOC) i.e. 80% of Annual charge**
B) Market Operation Charges (MOC) i.e. 20% of Annual charge
87. As per OERC Regulations, 2010, System Operation Charges (SOC) shall be collected from the users in the following ratio
- Intra-State Transmission Licensee -10% of the SOC on the basis of Ckt-KMs
 - Generating Companies & Sellers - 45% of the SOC on the basis of Installed Capacity or Contracted Capacity
 - Distribution Licensees & Buyers - 45% of the SOC in proportion to the sum of their allocation & Contracted Capacities
88. As per OERC Regulations, 2010, Market Operation Charges (MOC) shall be collected equally from the DISCOM Utilities and Generating Companies apportioning to their entitlement and installed Capacity/ Contracted Capacity.
89. The Commission has, therefore, considered Annual Charges (AC) of SLDC Operations for FY 2016-17 at Rs.829.18 lakh/ annum i.e. Rs.69.10 lakh/month to be recovered through SOC & MOC as under:
- System Operation Charges (SOC) (80% of AC) – Rs.663.34 lakh/annum or Rs.55.28 lakh/month
 - Market Operation Charges (MOC)(20% of AC) – Rs.165.84 lakh/annum or Rs.13.82 lakh/month

System Operation Charges (SOC)

90. The System Operation Charges (SOC) of Rs.663.34lakh/annum or Rs. 55.28 lakh/month shall be apportioned for collection from the following stakeholders as under:

- Intra –State Transmission Licensee @ 10% of SOC - Rs.66.33 lakh/ annum or Rs.5.53 lakh/ month
- Generating Stations & Sellers @ 45% of SOC - Rs.298.50 lakh/annum or Rs.24.88 lakh/ month
- DISCOM Utilities & Buyers @ 45% of SOC - Rs.298.50 lakh/annum or Rs.24.88 lakh/ month.

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

- The recovery of SOC from OPTCL as Intra-State Transmission Licensee shall be 10% of SOC of Rs.66.33 lakh/annum and Rs.5.53 lakh/month.
- The recovery of SOC from the Generating Stations & Sellers based on installed capacity of all generators and CGPs as assessed by OPTCL at 4617.94 MW shall be @ Rs.6464.01/MW/annum or @ Rs. 538.67/MW/month.
- The recovery of SOC from the Distribution Licensees & Buyers shall be based on the percentage of Energy Consumption for FY 2016-17 & shall be as shown in table below:

Table - 13
Apportionment of Annual & Monthly SOC Charges amongst
Distribution Companies for FY 2016-17

Name of DISCOM Utilities	Energy Consumption approved by OERC for FY 2016-17 (MU)	% Share of Energy Consumption	Annual Charge (Rs. lakh)	Monthly Charge (Rs. lakh)
CESU	8570	34.92	104.25	8.69
NESCO Utility	5450	22.21	66.29	5.52
WESCO Utility	7050	28.73	85.76	7.15
SOUTHCO Utility	3470	14.14	42.21	3.52
Total	24540	100.00	298.50	24.88

Market Operation Charges (MOC)

92. The Market Operation Charges (MOC) of Rs.165.84 lakh/annum or Rs.13.82 lakh/month shall be apportioned for collection from the following stakeholders as under:

- Generating Stations & Sellers @ 50% of MOC - Rs.82.92 lakh/annum or Rs.6.91 lakh/month
- DISCOM Utilities & Buyers @ 50% of MOC - Rs.82.92 lakh/annum or Rs.6.91 lakh/month

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

- The recovery of MOC from the Generating Stations & Sellers based on installed capacity of all generators and CGPs as assessed by OPTCL at 4617.94 MW shall be @ Rs.1795.56/MW/annum or @ Rs.149.63/MW/month.
- The recovery of MOC from the Distribution Licensees is based on the percentage of Energy Consumption for FY 2016-17 as shown in Table below:

Table – 14
Apportionment of Annual & Monthly MOC Charge amongst
Distribution Companies for FY 2016-17

Name of DISCOM Utilities	Energy Consumption approved by OERC for FY 2016-17 (MU)	% Share of Energy Consumption	Annual MOC Charge (Rs. lakh)	(Rs. lakh)
				Monthly MOC Charge (Rs. lakh)
CESU	8570	34.92	28.96	2.41
NESCO Utility	5450	22.21	18.41	1.53
WESCO Utility	7050	28.73	23.82	1.99
SOUTHCO Utility	3470	14.14	11.72	0.98
Total	24540	100.00	82.92	6.91

Registration Fee

94. OPTCL has proposed for collection of one time Registration Fee of Rs.1.00 lakh as per Regulation 22 of OERC Regulation, 2010 from all users whose Scheduling, Metering & Energy Accounting are coordinated by SLDC. It has also proposed to collect registration fee from the industries who are importing power through Inter-state open access. The Commission approves the proposal of OPTCL for collection of one time Registration Fee of Rs1.00 lakh by SLDC from all users, which may be deposited in SLDC Development Fund as per Regulation 8 of OERC Regulations, 2010.

Application Fee and Scheduling Charges

95. OPTCL in its ARR application for SLDC has proposed that the Application Fee and Scheduling Charges of Rs.5000/- per application and Rs.2000/- per day or part thereof respectively shall be paid by the Short Term Open Access (STOA) Customers. The Commission hereby approves the aforesaid Application Fee and Scheduling Charges for STOA customers payable to SLDC during FY 2016-17.

ARR and Annual & Monthly Charges for FY 2016-17

96. The details of ARR & Annual and Monthly Charges for FY 2016-17 for SLDC for collection from different stakeholders approved by the Commission are summarized in Table below:

Table – 15
ARR & Annual and Monthly Charges for FY 2016-17
(Rs. Lakh)

Sl. No.	Particulars	Approved for 2016-17	
		Per annum	Per month
1	ARR of SLDC	829.18	69.10
2	Intra-State transmission licensee to pay SOC to SLDC	66.33	5.53
3	Generating Stations & Sellers to pay SOC & MOC to SLDC (Rs. per MW calculated considering generation capacity of 4617.94 MW)	381.42 (Rs.8259.57 per MW)	31.79 (Rs.688.30 per MW)
	Distribution Licensees & Buyers to pay SOC & MOC to SLDC	381.42	31.79
4	(i) CESU	133.20	11.10
	(ii) NESCO Utility	84.71	7.06
	(iii) WESCO Utility	109.58	9.13
	(iv) SOUTHCO Utility	53.93	4.49

Payment Mechanism of Annual Charges to SLDC

97. As per clause 11 of the Odisha Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the transmission charge of OPTCL is duly secured by a first charge over the receivables of GRIDCO from DISCOM Utilities and other Open Access Customers in favour of OPTCL. Receivables of DISCOM Utilities are escrowed in favour of GRIDCO. As on date there is no escrow arrangement between DISCOM Utilities and OPTCL. DISCOM Utilities are users of Intra-State Transmission network of OPTCL. OPTCL used to bill the Distribution Companies for the use of transmission services on the basis of meter reading at the delivery point to DISCOM Utilities with an intimation to GRIDCO. This bill is being paid by GRIDCO to OPTCL from the receivables of DISCOM Utilities escrowed with them.
98. In the above manner, the monthly SOC & MOC Charges for SLDC shall also be duly secured by a First Charge over the receivables of GRIDCO in favor of SLDC from the escrowed amount of DISCOM Utilities based on the bills served by SLDC to DISCOM Utilities with copy to GRIDCO for use of Intra-State transmission system as well as the services of SLDC. The above principle adopted in previous Financial

Years from 2010-11, for payment of monthly SLDC charges to SLDC as FIRST CHARGES shall also be followed for FY 2016-17.

99. The Customers other than DISCOM Utilities shall pay the Monthly Charges to SLDC directly based on the bills served upon them from time to time by SLDC. The Customers other than DISCOM Utilities shall pay an amount equivalent to two months monthly SOC & MOC Charges as the case may be in advance as security against default in payment of SOC & MOC Charges of SLDC.
100. SLDC should bill both SOC & MOC per MW/month in terms of total contracted capacity of 4617.94 MW for FY 2016-17 to Generating Stations & Sellers. Similarly, SLDC shall bill to OPTCL & Distribution Licensees every month at the rates approved by the Commission for FY 2016-17.
101. If the SOC & MOC Charges as the case may be, are not paid by the due date(s) by the Customers other than DISCOM Utilities, surcharge at the rate of 1.25 percent per month shall be levied on the unpaid amount.
102. The SOC & MOC Charges of SLDC shall be paid monthly by the Customers based on the monthly bills served upon them by SLDC following the payment mechanism mentioned above.

SLDC Development Fund

103. Based on the provisions in CERC Regulation, 2009 & Regulation-8 of OERC Regulation, 2010, the Commission vide Para-213 of the Order dated 20.3.2010 had approved to create a separate fund namely “SLDC Development Fund” under a separate head of account under SLDC. SLDC Development Fund has already been established under SLDC with effect from 01.04.2010.
104. The accumulated cash balance in SLDC Development Fund has been shown by SLDC at Rs.26.69 crore as on September, 2015. SLDC may file the details of the proposed capital expenditure plan along with its cost-benefit analysis with the Commission for approval.
105. The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. during FY 2016-17 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.
106. SLDC shall be entitled to utilize the money from SLDC Development Fund as usual in assets creation and margin money for raising loan from FIs for assets creation &

funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission.

107. Any asset created by SLDC out of money available in SLDC Development Fund shall not be considered for computation of Return on Equity & Interest on Loan.

Functioning of SLDC

108. As per the Commission's Order dt.20.3.2009, SLDC is to be ring-fenced to function as an Independent System Operator (ISO). Other Officers and Staff need to be inducted early so as not to disturb its functioning.

COMMISSION'S DIRECTIVES (Para 109 to 112)

109. The Commission expects that the State Govt. & OPTCL shall take steps to make SLDC an independent system operator in accordance with intention of the Electricity Act, 2003 so far, the Board Resolution on this has not been received. In reply to a query, OPTCL stated that it being the designated STU, was operating SLDC until now. SLDC is now operating autonomously as an independent system operator under the direct administrative control of CMD of OPTCL. The Commission feels that an independent entity free from any type of day-to-day influence can serve as an independent system operator and directs OPTCL for creating such an establishment.
110. OPTCL had stated that all assets pertaining to SLDC and Sub-LDCs have been identified and used exclusively by SLDC personnel. Transfer of assets shall be done through a Transfer Scheme by Govt. of Odisha after due notification. The Commission directs OPTCL and the Chief Load Despatcher to pursue with Govt. of Odisha so as to make the Transfer Scheme effective.
111. The System Operation & Market Operation Charges approved in respect of SLDC will become effective from 1st April, 2016 and shall continue until further orders.
112. The application of OPTCL in Case No.56 of 2015 for approval of Annual Revenue Requirement and Fees and Charges for State Load Dispatch Centre (SLDC) functions is disposed of accordingly.

(A. K. DAS)
MEMBER

(S. P. SWAIN)
MEMBER

(S. P. NANDA)
CHAIRPERSON

