

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAWAN  
PLOT NO.-4, CHUNUKOLI, SHAILASHREE VIHAR  
BHUBANESWAR - 751 021**

\*\*\*\*\*

**Present: Shri U. N. Behera, Chairperson  
Shri A. K. Das, Member  
Shri S. K. Parhi, Member**

**Case No. 43/2018**

M/s. Odisha Power Transmission Corporation (OPTCL) Ltd..... Petitioner  
Vrs.  
G.N. Agrawal & Others ..... Respondent

**In the matter of: An application under S Section 94 (1) (f) of the Electricity Act, 2003 read with Regulation 70 (1) of the OERC (Conduct of Business) Regulations, 2004 for review of order dated 22.03.2018 of the Commission passed in Case No. 77/2017 regarding approval of ARR & Transmission Tariff for FY 2018-19.**

**For the Petitioner:** Shri Ramesh Chandra Mishra, CGM(F), OPTCL

**For the Respondent:** Shri Ananda Kumar Mohapatra, Shri Bibhu Charan Swain authorized representative of M/s. Swain & Sons Power Tech Pvt. Ltd. & M/. Visa Steel Ltd., Shri R. P. Mahapatra and M/s. Niharika pattanayak, ALO, DoE, Goo are present.

Nobody is present on of G. N. Agrawal, M/s. Ferro Alloys Corporation Ltd., Shri R C Satpathy, M/s. Adhunik Metaliks Ltd. and M/s. NOCCI.

**ORDER**

**Date of hearing: 06.11.2018**

**Date of order: 07.01.2019**

This Petition has been filed by OPTCL, the transmission licensee for review of the Commission's order in case No.77/2017 dated 22.03.2018 and corrigendum order 13.4.2018 towards the approval of ARR of OPTCL for FY 2018-19. In the petition OPTCL has prayed to allow additional expenses towards employees cost (Rs.32.14 cr.), A&G cost (Rs.0.40 cr.), depreciation (Rs.102.09 cr.) and R & M expenses (Rs.46 cr.). Besides, petitioner also prays to consider Misc. Receipts of Rs.77.55 cr. and approve Transmission Loss as 3.25%.

2. The OPTCL in its petition has sought review of the Commission's ARR order dated 22.3.2018 u/s 94(1) of the Electricity Act, 2003 read with Regulation 70(1) of the OERC (Conduct of Business) Regulation, 2004. The OPTCL has submitted that there exists sufficient reasons for review of the order dated 22.3.2018. OPTCL has submitted that the approval of Employee Expenses, Medical Allowance of Rs.2.90 cr.

may be revised to Rs.7.56 Cr. being 5% on the basic pay. OPTCL may be additionally allowed towards conveyance allowance or conveyance reimbursement of Rs.2.48 cr. The OPTCL may be allowed Rs.6.42 cr. towards stipend for new contractual recruitment instead of Rs.5.50 cr allowed in the ARR. As regards A&G expenses OPTCL has submitted to allow additional license fee of Rs.0.40 crore over and above the approved license fee of Rs.1.50 cr.

3. OPTCL has submitted that depreciation is to be calculated on the original book value of assets. In the ARR the assessment of fixed assets value has been calculated less than as reported in the audited report as on 31.3.2016. Under the newly adopted IND-AS system of accounting deemed costs is an amount used as surrogate for cost or depreciated cost at a given date. This deemed cost becomes the cost as the starting point. Therefore, for OPTCL calculation, Deemed Cost is the Net Fixed Assets Value (i.e, GFA less accumulated depreciation), as on 01.4.2015 and subsequent additions thereafter. Taking these facts into account the GFA as on 01.4.2018 for calculation of depreciation would be Rs.4815.38 cr. and not Rs.3683.25 as approved in ARR. The revised depreciation accordingly works out to Rs.247.52 cr. and not Rs.145.43 cr. allowed in the ARR. The Commission may accordingly review the approved depreciation cost and allow additional cost of Rs.102.09 cr.
4. As regards Repair and Maintenance expenses OPTCL has submitted that R&M calculation at the rate of 2.5% of GFA to the tune of Rs.120.38 cr. is insufficient to upkeep the transmission system to handle growing demand like previous years, the R&M expenses should be an escalation of 5% over the audit figures of FY 2016-17 and Rs.46 cr. more be allowed towards R&M expenses.
5. OPTCL has submitted that they have received much lower receivable from NALCO & IMFA towards LTOA against what has been considered in the ARR towards miscellaneous receipts. The receipt considered towards interest income from Bank deposits is also on the higher side in the ARR. OPTCL has therefore, submitted to review miscellaneous receipt of Rs.116.79 cr to Rs.77.55 cr.
6. As regards Transmission Loss, OPTCL has submitted that achieving 3% transmission loss approved in ARR is not possible due to delay in execution of the projects for reasons such as to Right of Way problems, Court cases and incomplete downstream infrastructure of DISCOMs. The OPTCL has thus submitted to approve transmission loss of 3.25% instead of 3.00%.
7. The petition of the OPTCL has been objected to by the respondents.
8. Sri R. P. Mohapatra has submitted that this review petition filed by OPTCL does not fall within the grounds of review and therefore, is liable to be rejected. A similar review petition of OPTCL against the last year's ARR was also rejected by the Commission in case No.33 of 2017 in its order dated 18.01.2018. The actual cost of Transmission charges as per audited account is lower than that has been approved in the ARR. Further, in truing up order dated 03.7.2018 upto FY 2016-17, OPTCL has got cumulative surplus.

### **Commission's Observation**

9. This petition has been filed by OPTCL for review of the Commission's order dated 22.3.2018 towards approval of ARR for FY 2018-19. The Commission has considered all the submissions made by the OPTCL for review of the order and objection of the respondents.
10. A review of the order based on the order 17, Rule 1 of Civil Procedure Code is permissible on the following grounds:-
  - (a) Discovery of new important matter or evidence which after exercise of due diligence was not in the knowledge of the applicant and could not be produced by him at the time when the decree or order was passed.
  - (b) Mistake or error apparent on the face of the record and
  - (c) For any other sufficient reason.
11. We find that the submission in the review petition of OPTCL does not have sufficient reasons to satisfy the ground of review. Materially we do not find much ground for review. The petitioner has mostly dealt on the issues of lower approval in various cost components in the ARR order. Which has already been examined by Commission and concluded. Therefore, justification given by the petitioner for review does not merit any consideration.
12. The case is accordingly disposed of.

Sd/-  
**(S. K. Parhi)**  
Member

Sd/-  
**(A. K. Das)**  
Member

Sd/-  
**(U. N. Behera)**  
Chairperson