

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNOKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021

Present: **Shri G. Mohapatra, Officiating Chairperson**
 Shri S. K. Ray Mohapatra, Member

DATE OF HEARING: 01.02.2024 (3.00 PM)

DATE OF ORDER: 13.02.2024

CASE NO. 114 OF 2023

IN THE MATTER OF: An application for approval of Aggregate Revenue Requirement and Determination of Fees & Operating Charges for State Load Despatch Centre (SLDC) functions for FY 2024-25.

AND

CASE NO. 133 OF 2023

IN THE MATTER OF: An application for approval of Truing up of expenses for the period of FY 2021-22 & 2022-23 in compliance to Regulation 4 of the OERC (Terms and Conditions for determination of fees and charges of State Load dispatch Centre and other related matters) Regulations, 2010 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004.

ORDER

A. PROCEDURAL HISTORY: (PARA 1 to 10)

1. The Odisha Power Transmission Corporation Limited, Bhubaneswar (OPTCL), a Government Company registered on 29th March 2004 under the Companies Act, 1956 has been carrying out the business of transmission of electricity within the State of Odisha. It has also been notified as the State Transmission Utility (STU) under Section 39 (1) of the Electricity Act, 2003 hereinafter referred to as “the Act”. By virtue of the 2nd Proviso to Section 14 of the Act, OPTCL is a deemed Transmission Licensee, so far as transmission functions are concerned. OPTCL is now governed by License Conditions set forth in the OERC (Conduct of Business) Regulations, 2004, at Appendix 4B issued under Section 16 of the Act, as modified by the Commission’s Order dated 27th October 2006 in Case No. 22 of 2006. By Clause 10(2) & Clause 10(3) of Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the State Government has

expressly notified OPTCL, a Government Company created to take over the transmission functions of GRIDCO, as the State Transmission Utility with effect from 01.04.2005. Moreover, even though by the said Scheme, vide Clause 10(2), OPTCL was 'notified' as STU; it was also empowered to discharge the State Load Despatch functions till further orders of the State Government. This provision as regards "discharge of State Load Despatch functions" was obviously intended to be an interim, temporary and stop-gap measure pending establishment/Notification of a State Load Despatch Centre (SLDC) under Section 31(1) and the substantive part of Section 31(2) of the Act.

2. 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 Act to give such directions and exercise such supervision & control as may be required for ensuring the integrated operation of the grid and for achieving maximum economy and efficiency in the operation of the power system in the State. These are all highly responsible, technical, and noncommercial statutory functions conceived by the Electricity Act, 2003, and are entrusted to SLDC to carry out as an independent apex body. Every Licensee including OPTCL, generating companies, 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 completely separated from OPTCL. Be it stated here that OPTCL, being Transmission Licensee is a regulated entity. 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 Government to such a body are to be confined within the ambit of Section 37 of the Act. The State Government has been advised accordingly from time to time to remove this anomaly and the latest reminder has been issued by this Commission, vide DO Letter No. OERC/Tariff/Case No.56/2015/1646 dated 26.11.2015.
3. The Act has also provided financial independence of SLDC under Sub-section 3 of Section 32 by way of levy and collection of fees and charges from generating companies and the licensees engaged in Intra-State Transmission of electricity as may be specified by the State Commission. Para 2.2 of the Electricity (Removal of Difficulty) Sixth Order, 2005 issued by the Ministry of Power (MoP) Govt. of India on 08.06.2005 stipulates that the SLDC may levy and collect such fees and charges from the Licensees and generating companies using the intra-State transmission system as may be specified by the State Commission.

4. So far, the State Government has not exercised its power under Section 31 (1) and (2) of the Act to establish a separate and independent entity for the operation of SLDC. Hence, by virtue of the 1st Proviso to Section 31 (2) of the Act, OPTCL as STU shall “operate” the SLDC for the time being. As such it is fit and proper that SLDC shall collect Annual Fees and Charges for its own functioning from the various stakeholders as per Section 32 (3) of the Act and other sources permissible under law from various stakeholders.
5. Further, in the exercise of powers conferred under Section 181 (2)(g) of the Act read with Section 32(3) and all other enabling provisions, the Commission has framed OERC (Fees and Charges for SLDC and other related matters) Regulations, 2010, which has been published in Odisha Gazette No.1924 dated 18.11.2010 and has come into force with effect from 18.11.2010.
6. As per Regulation 3 of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 as well as in conformity with OERC (Conduct of Business) Regulations, 2004, SLDC is to submit the full details of its calculations of estimated Aggregate Revenue Requirement (ARR) and other related information in the prescribed formats for determination of Annual Fees and Charges for the ensuing financial year by 30th November before commencement of the said financial year. Accordingly, SLDC has filed an application on 29.11.2023 for approval of Annual Fees and Charges for SLDC functions for the FY 2024-25.
7. The said application dated 29.11.2023 of SLDC was duly scrutinized, registered as Case No. 114 of 2023 and was taken up for hearing. Objections were invited after wide publication of the application in English & Odia daily newspapers and on the website of the Commission as well as on the OPTCL website for comments by all stakeholders and the public at large. In response to the aforesaid public notice dated 14.12.2023, the Commission received two objections/suggestions, i.e. from (a) Shri Kamala Kanta Das, Flat No. D/102, Prestige Residency, Mahadev Nagar, Jharapada, Bhubaneswar-751006 and (b) Shri Soumya Ranjan Patnaik, Hon’ble MLA, Khandapada, Plot No. 185, VIP Colony, Nayapalli, BBSR, Odisha-751015. The Commission had appointed the World Institute of Sustainable Energy (WISE), Pune as consumer counsel for objective analysis of ARR and annual fees and charges proposal of SLDC for FY 2024-25.
8. Further, as per Regulation 4 of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 as well as in conformity with OERC (Conduct of Business) Regulations, 2004, SLDC is required to submit an application, in the format prescribed by

the Commission, for carrying out truing up exercise for the last financial year by 31st October of the next financial year. However, SLDC has filed application on 15.12.2023 for approval of Truing up for FY 2021-22 & FY 2022-23 with a prayer to condone the delay. The said application was duly scrutinized, registered as Case No. 133 of 2023 and was taken up for hearing along with the ARR and annual fees and charges proposal of SLDC for FY 2024-25 in Case No. 114 of 2023.

9. The Commission also issued individual notice to the Objectors and the Department of Energy (DoE), Government of Odisha (GoO) informing them about the date and time of the hearing through hybrid mode either by physical presence at the Commission's office or virtual mode and requested the objectors and the Government's authorized representative, who want to participate virtually, to furnish their e-mail ID to facilitate and for providing links for hearing. Accordingly, the Applicant, Objectors and the representative of DoE, GoO participated in the proceedings and offered their valuable views/ suggestions /proposals during the hearing on hybrid mode on the date and time fixed by the Commission.
10. After issuing notice to the Applicant, the Government of Odisha and the Objectors to participate in the consultative process, the Commission heard the Applicant, Objectors and representative of the State Government on 01.02.2024 at 3:00 P.M. The consumer counsel presented its views during the hearing. The above-named objectors along with Ms. Sonali Patnaik, Law Officer in the Department of Energy, Govt. of Odisha Bhubaneswar, Sri Anand Kumar Mohapatra, the authorized representative of Shri Soumya Ranjan Patnaik, MLA, Khandapada were present during tariff hearing through hybrid mode and their submissions were taken on record for consideration by the Commission.

B. PROPOSAL FOR ARR & LEVYING OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS FOR THE FY 2024-25 (PARA 11 to 22)

Aggregate Revenue Requirement for SLDC operation

11. As per the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010, the annual charges consist of the following components:
 - i) Return on Equity
 - ii) Interest on Loan Capital
 - iii) Depreciation
 - iv) Operation & Maintenance Expenses Excluding Human Resource expenses
 - v) Human Resource Expenses

vi) Interest on Working Capital

Return on Equity

12. Since no equity has been invested by SLDC, it has not proposed any Return on Equity in the ARR for FY 2024-25.

Interest on loan capital:

13. Since there is no outstanding loan on SLDC, it has not proposed any Interest on Loan Capital in the ARR for FY 2024-25.

Depreciation

14. SLDC has submitted that, as per CERC's Regulation, it has estimated Depreciation of **Rs. 120.564 Lakhs** on the assets in the Unified Load Despatch Center and offices of SLDC. The major amount of depreciation cost is Rs.24.979 Lakhs relating to the upgraded & enhanced VPS (costing Rs 166.53 Lakhs) and Rs.44.239 Lakhs towards depreciation on laptops, computers & peripherals for SLDC data Centre and offices. The actual depreciation for FY 2021-22 & FY 2022-23 and proposed for FY 2024-25 is given in the Table below:

Table – 1
Depreciation Proposed by SLDC for FY 2024-25

Financial Year	(Rs. in Lakhs)		
	Actual for 2021-22	Actual for 2022-23	Proposed for 2024-25
Depreciation on existing assets	81.957	110.561	120.564
TOTAL	81.957	110.561	120.564

Operation and Maintenance Expenses:

15. SLDC has proposed **Rs.250.412 Lakhs** under the head Operation and Maintenance expenses (R&M and A&G expenses) excluding human resources expenses for FY 2024-25. It has proposed R&M expenditure of Rs. 87.141 Lakhs for Facility Management Services (FMS), AMC charges of computers, peripherals & software, Electrical maintenance of office building & colony quarters etc. Further, it has proposed Administrative & General (A&G) expenses of Rs.163.271 Lakhs for Office expenses, Training & Certification programme of operators and executives, professional charges, communication system, gardening, meeting expenses, etc. The summary of O&M expenses proposed for FY 2024-25 is given in the Table below:

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

Sl. No.	ITEMS	FY 2022-23 (Actual)	FY 2023-24			FY 2024-25 (Proposed)
			Approved by OERC	Actual (up to Sept.-23)	Estimated Oct-23 to Mar-24)	
1	Repairs and Maintenance expenses (R&M)	49.420	77.158	16.873	62.347	87.141
2	Administrative and General (A&G) expenses, etc.	141.682	131.543	58.913	89.515	163.271
	Total	191.102	208.701	75.786	151.862	250.412

Human Resources Expenses:

16. SLDC has proposed **Rs.1064.447 Lakhs** for FY 2024-25 towards Human resources expenses considering the existing 51 nos. of employees including 4 nos. of Telecommunication personnel and 13 nos. contractual/ outsourcing staff working at the SLDC control Centre.

Interest on Working Capital:

17. SLDC has submitted that it has estimated the working capital requirement of Rs.355.746 Lakhs. Considering the rate of interest @ 11.70 % (SBI base rate 8.70 % plus 300 basis points) as per OERC Regulation, it has proposed **Rs.41.622 Lakhs towards** interest on working capital for FY 2024-25. Further, SLDC has submitted that it has not taken loan to meet the working expenses. However, the provision has been kept due to the non-receipt of SLDC charges from the users for two months from the commencement of the financial year. The loss of interest for the above amount is being recovered as interest on working capital. The details of working capital requirement and interest on it are given in the table below:

Table - 3
Interest on Working Capital proposed by SLDC for FY 2024-25
(Rs. in Lakhs)

Sl. No.	Particulars	Amount
1	O&M expenses for one month excluding human resource expenses	20.868
2	Human resource expenses for one month	88.704
3	Receivables (2 months of SOC & MOC)	246.174
4	Total Working Capital	355.746
5	Rate of Interest	11.70%
6	Interest on Working Capital	41.622

18. Considering the aforesaid proposals, SLDC has proposed a total ARR of **Rs.1477.045 Lakhs** for FY 2024-25. Details of which are mentioned in the Table below.

Table -4
Total ARR Proposed by SLDC for FY 2024-25

		(Rs. in Lakhs)
Sl. No.	Particulars	Amount
1	Return on Equity	-
2	Interest on Loan Capital	-
3	Depreciation	120.564
4	O&M Expenses excluding human resource expenses	250.412
5	Human Resource expenses	1064.447
6	Interest on Working Capital	41.622
	Total expenses:	1477.045

Determination of Annual Charges for SLDC:

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

Accordingly, SLDC has proposed the collection of Annual Charges for FY 2024-25 as given in the table below:

Table - 5
Collection of Annual Charges Proposed by SLDC for FY 2024-25

		(Rs. in Lakhs)
Sl. No.	Particulars	Amount
1	Annual Fixed Charge (AFC)	1477.045
2	System Operation Charges (SOC) (80% of the AFC)	1181.636
3	Intra State Transmission Licensee @10% of SOC	118.164
4	Generating Station & Sellers @45% of SOC	531.736
5	Distribution Licensees & Buyers@45% of SOC	531.736

Sl. No.	Particulars	Amount
6	Market Operation Charges (MOC) (20% of the AFC)	295.409
7	Generating Station & Sellers @50% of MOC	147.704
8	Distribution Licensees & Buyers@50% of MOC	147.704

The collection of System Operation Charges (SOC) proposed by SLDC for FY 2024-25 is as follows:

- (i) Intra State Transmission Licensee (@10% of SOC) = Rs.118.164 Lakhs (i.e. Rs. 9.847 Lakhs/month)
- (ii) Generating Station & Sellers (@45% of SOC) = Rs. 531.736 Lakhs (i.e. Rs. 44.311 Lakhs/month) as given in the table below:

**Table –6
SOC Proposed by SLDC for Generating Stations & Sellers for FY 2024-25**

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC (Rs. Lakhs)	
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1,798.80	151.104	12.592
2	OPGC Stage-I	420.00	35.281	2.940
3	OPGC Stage-II	1,320.00	110.883	9.240
	Sub-total	3,538.800	297.268	24.772
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	1.680	0.140
5	Meenakshi Power Ltd. (Small Hydro)	37.00	3.108	0.259
6	Jagannath Power and Infra Pvt. Ltd. (Formerly Shalivahan Green Energy Ltd)	20.00	1.680	0.140
7	Baitarani Power Project Pvt. Ltd. (Small Hydro)	24.00	2.016	0.168
8	Sri Avantika Power Projects Private Limited, Saptadhara SHEP	18.00	1.512	0.126
9	Kakatiya Industries Pvt. Ltd., Bargarh	9.00	0.756	0.063
10	OPGC MINI HYDEL, Biribati	1.15	0.097	0.008
	Sub-total	129.150	10.849	0.904
C	IPP			
11	GMR, Kamalanga	350.00	29.401	2.450
12	Vedanta Limited (IPP)	600.00	50.401	4.200
13	NBVL (IPP)	60.00	5.040	0.420
	Sub-total	1,010.000	84.842	7.070
D	CGPs (Maximum Scheduled-up to end of Oct-2023)			
14	Aarti Steel Ltd	48.00	4.032	0.336
15	Aryan Ispat & Power Pvt. Ltd.	11.80	0.991	0.083
16	Bhubaneshwar Power Pvt. Ltd.	120.00	10.080	0.840
17	Tata Steel Limited, Meramundali	146.00	12.264	1.022

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC (Rs. Lakhs)	
			(Annual)	(Monthly)
18	FACOR Power Ltd.	43.00	3.612	0.301
19	IMFA	43.00	3.612	0.301
20	Jindal Stainless Limited, Duburi	5.00	0.420	0.035
21	Jindal Steel & Power Ltd., Angul	118.00	9.912	0.826
22	Maithan Ispat Ltd, Kalinganagar	18.00	1.512	0.126
23	MGM Minerals Ltd.	4.80	0.403	0.034
24	NALCO, Angul	40.00	3.360	0.280
25	Narbheram Power & Steel (P) Ltd	4.90	0.412	0.034
26	Nava Bharat Ventures Limited	58.20	4.889	0.407
27	Dalmia Cement (Bharat) Ltd. [OCL], Rajgangpur	26.10	2.192	0.183
28	Rungta Mines Ltd, SID, Karakolha	3.00	0.252	0.021
29	Shree Ganesh Metalicks Limited	31.50	2.646	0.221
30	SMC Power generation	20.00	1.680	0.140
31	SMC Power Generation Ltd (UNIT-II), Budhipadar	38.00	3.192	0.266
32	Tata Steel Long Product Limited (TSIL)	19.00	1.596	0.133
33	Vedanta Limited (Jharsuguda)	275.00	23.101	1.925
34	Viraj Steel and Energy Pvt. Ltd	7.00	0.588	0.049
35	MSP Metallics Ltd.	15.00	1.260	0.105
36	SAIL, Rourkela Steel Plant	10.00	0.840	0.070
37	Visa Steel Limited	36.00	3.024	0.252
38	KJS Ahluwalia, Steel and Power Division	7.00	0.588	0.049
39	Orissa Sponge Iron and Steel Limited	2.70	0.227	0.019
40	Rungta Mines Ltd., Kamanda Steel Plant	19.04	1.599	0.133
41	Shri Jagannath Steels & Power Ltd.	4.50	0.378	0.032
42	KCMW, A unit of Dalmia Cement Bharat Ltd, Salepur	4.50	0.378	0.032
43	Odisha Cement Plant (A Unit of Shree Cement Limit	6.90	0.580	0.048
	Sub-total	1,185.940	99.620	8.303
E	Solar Projects (Installed Capacity)			
44	ACME, Odisha	25.00	2.100	0.175
45	AFTAB Solar	5.00	0.420	0.035
46	BEL Solar	7.50	0.630	0.053
47	GEDCOL	28.00	2.352	0.196
48	M/s Raajratna Energy Holdings Pvt. Ltd.	1.00	0.084	0.007
49	M/s S.N. Mohanty	1.00	0.084	0.007
50	MGM Green Energy Ltd.	1.00	0.084	0.007
51	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.084	0.007
52	M/s Jay Iron and Steel Ltd.	1.00	0.084	0.007
53	M/s Abacus Holdings Pvt. Ltd.	1.00	0.084	0.007
54	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.084	0.007
55	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.084	0.007

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total SOC (Rs. Lakhs)	
			(Annual)	(Monthly)
56	Alex Green Energy Ltd.	5.00	0.420	0.035
57	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.840	0.070
58	M/s Sadipali IBP solar Pvt. Ltd.	20.00	1.680	0.140
59	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	3.360	0.280
60	M/s Vento Power & Energy Ltd. Kesinga 1	40.00	3.360	0.280
61	M/s Vento Power Pvt. Ltd. Kesinga- 2	40.00	3.360	0.280
62	M/s Vento Power Infra Pvt. Ltd. Tusura -1	40.00	3.360	0.280
63	M/s Vento Energy Infra Pvt. Ltd. Tusura- 2	40.00	3.360	0.280
64	M/s Vento Power Projects Pvt. Ltd. Tentulikhunti	40.00	3.360	0.280
65	ABReL, Saintala	25.00	2.100	0.175
66	ABReL, Bouda	25.00	2.100	0.175
67	ABReL, Bargarh New	25.00	2.100	0.175
68	MCL, Burla	2.00	0.168	0.014
69	J K PAPER, Theruvali	25.00	2.100	0.175
70	ABREL (Odisha) Spv Ltd, Dhenkanal	15.62	1.312	0.109
	Sub-total	466.120	39.154	3.263
F	Total (A+B+C+D+E)	6,330.01	531.736	44.311

(iii) Distribution Licensees & Buyers (@45% of SOC) = Rs. 531.736 Lakhs (i.e. Rs.44.311 Lakhs/month) as given in the Table below:

Table -7
SOC Proposed by SLDC for DISCOMs for FY 2024-25
(Rs. in Lakhs)

SL No	DISCOMs	% share	Total Amounts	
			(Annual)	(Monthly)
1	TPCODL	33.08	175.898	14.658
2	TPNODL	21.86	116.237	9.686
3	TPWODL	31.37	166.806	13.900
4	TPSODL	13.69	72.795	6.066
	Total	100.00	531.736	44.311

The collection of MOC proposed by SLDC for FY 2024-25 is as under:

(i) Generating Station & Sellers (@50% of MOC) = Rs. 147.704 Lakhs (i.e. Rs.12.309 Lakhs/month) as given in the Table below:

Table -8
MOC Proposed by SLDC for Generating Stations & Sellers for FY 2024-25

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC (Rs. Lakhs)	
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1,798.80	41.973	3.498

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC (Rs. Lakhs)	
			(Annual)	(Monthly)
2	OPGC Stage-I	420.00	9.800	0.817
3	OPGC Stage-II	1,320.00	30.801	2.567
	Sub-total	3,538.800	82.574	6.882
B	Small Hydro & Bio-mass		-	-
4	OPCL (Small Hydro)	20.00	0.467	0.039
5	Meenakshi Power Ltd. (Small Hydro)	37.00	0.863	0.072
6	Jagannath Power and Infra Pvt. Ltd. (Formerly Shalivahan Green Energy Ltd.)	20.00	0.467	0.039
7	Baitarani Power Project Pvt. Ltd. (Small Hydro)	24.00	0.560	0.047
8	Sri Avantika Power Projects Private Limited, Saptadhara SHEP	18.00	0.420	0.035
9	Kakatiya Industries Pvt Ltd, Bargarh	9.00	0.210	0.018
10	OPGC MINI HYDEL, Biribati	1.15	0.027	0.002
	Sub-total	129.150	3.014	0.252
C	IPP		-	-
11	GMR, Kamalanga	350.00	8.167	0.681
12	Vedanta Limited (IPP)	600.00	14.000	1.167
13	NBVL (IPP)	60.00	1.400	0.117
	Sub-total	1,010.000	23.567	1.965
D	CGPs (Maximum Scheduled-up to end of Oct-2023)		-	-
14	Aarti Steel Ltd	48.00	1.120	0.093
15	Aryan Ispat & Power Pvt. Ltd.	11.80	0.275	0.023
16	Bhubaneshwar Power Pvt. Ltd.	120.00	2.800	0.233
17	Tata Steel Limited, Meramundali	146.00	3.407	0.284
18	FACOR Power Ltd.	43.00	1.003	0.084
19	IMFA	43.00	1.003	0.084
20	Jindal Stainless Limited, Duburi	5.00	0.117	0.010
21	Jindal Steel & Power Ltd., Angul	118.00	2.753	0.229
22	Maithan Ispat Ltd, Kalinganagar	18.00	0.420	0.035
23	MGM Minerals Ltd.	4.80	0.112	0.009
24	NALCO, Angul	40.00	0.933	0.078
25	Narbheram Power & Steel (P) Ltd	4.90	0.114	0.010
26	Nava Bharat Ventures Limited	58.20	1.358	0.113
27	Dalmia Cement (Bharat) Ltd. [OCL], Rajgangpur	26.10	0.609	0.051
28	Rungta Mines Ltd, SID, Karakolha	3.00	0.070	0.006
29	Shree Ganesh Metalicks Limited	31.50	0.735	0.061
30	SMC Power generation	20.00	0.467	0.039
31	SMC Power Generation Ltd (UNIT-II), Budhipadar	38.00	0.887	0.074
32	Tata Steel Long Product Limited (TSIL)	19.00	0.443	0.037
33	Vedanta Limited (Jharsuguda)	275.00	6.417	0.535
34	Viraj Steel and Energy Pvt. Ltd.	7.00	0.163	0.014
35	MSP Metallics Limited	15.00	0.350	0.029

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total MOC (Rs. Lakhs)	
			(Annual)	(Monthly)
36	SAIL, Rourkela Steel Plant	10.00	0.233	0.019
37	VISA Steel Limited	36.00	0.840	0.070
38	KJS Ahluwalia, Steel and Power Division	7.00	0.163	0.014
39	Orissa Sponge Iron and Steel Limited	2.70	0.063	0.005
40	Rungta Mines Ltd., Kamanda Steel Plant	19.04	0.444	0.037
41	Shri Jagannath Steels & Power Ltd	4.50	0.105	0.009
42	KCMW, A unit of Dalmia cement Bharat Ltd, Salepur	4.50	0.105	0.009
43	Odisha Cement Plant (A Unit of Shree Cement Limit	6.90	0.161	0.013
	Sub-total	1,185.940	27.670	2.307
E	Solar Projects (Installed Capacity)		-	-
44	ACME, Odisha	25.00	0.583	0.049
45	AFTAB Solar	5.00	0.117	0.010
46	BEL SOLAR	7.50	0.175	0.015
47	GEDCOL	28.00	0.653	0.054
48	M/s Raaajratna Energy Holdings Pvt. Ltd.	1.00	0.023	0.002
49	M/s S.N. Mohanty	1.00	0.023	0.002
50	MGM Green Energy Ltd.	1.00	0.023	0.002
51	M/s Molisati Vinimay Pvt. Ltd.	1.00	0.023	0.002
52	M/s Jay Iron and Steel Ltd.	1.00	0.023	0.002
53	M/s Abacus Holdings Pvt. Ltd.	1.00	0.023	0.002
54	M/s Shri Mahavir Ferro Alloys Pvt. Ltd.	1.00	0.023	0.002
55	M/s Vivacity Renewable Energy Pvt. Ltd.	1.00	0.023	0.002
56	Alex Green Energy Ltd.	5.00	0.117	0.010
57	M/s Jyoti Solar Solutions Pvt. Ltd.	10.00	0.233	0.019
58	M/s Sadipali IBP solar Pvt. Ltd.	20.00	0.467	0.039
59	M/s Dakshin Odisha Urja Pvt. Ltd.	40.00	0.933	0.078
60	M/s Vento Power & Energy Ltd. Kesinga 1	40.00	0.933	0.078
61	M/s Vento Power Pvt. Ltd. Kesinga- 2	40.00	0.933	0.078
62	M/s Vento Power Infra Pvt. Ltd. Tusura -1	40.00	0.933	0.078
63	M/s Vento Energy Infra Pvt. Ltd. Tusura- 2	40.00	0.933	0.078
64	M/s Vento Power Projects Pvt. Ltd. Tentulikhunti	40.00	0.933	0.078
65	ABReL, Saintala	25.00	0.583	0.049
66	ABReL, Bouda	25.00	0.583	0.049
67	ABReL, Bargarh New	25.00	0.583	0.049
68	MCL, Burla	2.00	0.047	0.004
69	J K PAPER, Theruvali	25.00	0.583	0.049
70	ABREL(ODISHA) SPV LTD, Dhenkanal	15.62	0.364	0.030
	Sub-total	466.120	10.870	0.910
	Total (A+B+C+D+E)	6,330.01	147.704	12.309

(ii) Distribution Licensees & Buyers (@50% of MOC) = Rs. 147.704 Lakhs (i.e. Rs. 12.309 Lakhs/month) as given in the Table below:

Table –9
MOC Proposed by SLDC for DISCOMs for FY 2024-25

Sl. No	DISCOMs	% share	Total Amounts	
			(Rs. Lakhs)	
			(Annual)	(Monthly)
1	TPCODL	33.08	48.860	4.072
2	TPNODL	21.86	32.288	2.691
3	TPWODL	31.37	46.335	3.861
4	TPSODL	13.69	20.221	1.685
	Total	100	147.704	12.309

Registration Fee:

20. SLDC has proposed to collect registration fee @ Rs.1.00 Lakhs from all users including industries who are importing power through Inter-State open access as per OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010.

Application Fee and Scheduling Charges:

21. SLDC has proposed that the application fee and scheduling charges shall be paid by the short-term open access customers as per the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020.
22. Accordingly, SLDC has prayed before the Commission to approve the Aggregate Revenue Requirement of **Rs.1477.044 Lakhs** for FY 2024-25 towards the State Load Despatch Centre (SLDC) function separately and to allow recovery of the same from the users.

C. PROPOSAL FOR TRUING UP RELATING TO SLDC FEES & CHARGES FOR FY 2021-22 & FY 2022-23 (PARA 23 to 25)

23. SLDC has submitted that it has incurred a deficit of **Rs.205.475 Lakhs** over the ARR approved by the Commission for FY 2021-22. The component-wise ARR approved, actual as per audited accounts and truing-up proposed by SLDC for the FY 2021-22 is given in the Table below:

Table -10
Truing-up Proposed by SLDC for the FY 2021-22
(Rs. In Lakhs)

Particulars	OERC Approved	Actual as per audited accounts	Truing up Proposed	Surplus/ (Deficit)
Expenditure				
a) Employee Cost	793.630	986.743	986.743	(193.113)
b) R & M Cost	56.996	69.035	69.035	(12.039)

Particulars	OERC Approved	Actual as per audited accounts	Truing up Proposed	Surplus/ (Deficit)
c) A& G Cost	124.240	117.694	117.694	6.546
d) Finance Cost	-	9.358	9.358	(9.358)
e) Depreciation	71.298	81.957	81.957	(10.659)
Total Expenditure	1046.164	1264.787	1264.787	(218.623)
Revenue from Operation including Misc. Income	1046.164	1059.312	1059.312	13.148
Surplus / (Deficit)	-	(205.475)	(205.475)	(205.475)

24. Further, SLDC has submitted that there is a deficit of **Rs.80.255 Lakhs** over the ARR approved by the Commission for FY 2022-23. The component-wise expenditure approved in ARR, actual as per audited accounts and truing-up proposed by SLDC for the FY 2022-23 is given in the Table below:

Table -11
Truing-up Proposed by SLDC for the FY 2022-23

(Rs. Lakhs)

Particulars	OERC Approved	Actual as per audited accounts	Truing up Proposed	Surplus/ (Deficit)
Expenditure				
a) Employee Cost	874.473	947.553	947.553	(73.080)
b) R & M Cost	89.311	49.420	49.420	39.891
c) A& G Cost	104.637	141.682	141.682	(37.045)
d) Finance Cost	-	10.447	10.447	(10.447)
e) Depreciation	81.183	110.561	110.561	(29.378)
Total Expenditure	1149.604	1259.663	1259.663	(110.059)
Revenue from Operation including Misc. Income	1149.604	1179.408	1179.408	29.804
Surplus / (Deficit)	-	(80.255)	(80.255)	(80.255)

25. SLDC has prayed before the Commission to undertake the truing-up exercise and hearing the stakeholders accordingly to approve the deficit amount of Rs. 205.475 Lakhs and Rs.80.255 Lakhs for FY 2021-22 & FY 2022-23 respectively.

D. VIEWS OF CONSUMER COUNSEL (Para 26 to 35)

26. World Institute of Sustainable Energy (WISE), Pune - the Consumer Counsel has analyzed the ARR application of SLDC for FY 2024-25 and some of their important observations are as under which were presented during the hearing:
27. SLDC has given the proposal for a revenue requirement of Rs.1477.045 Lakhs for FY 2024-25 which is 18.73% higher over Rs.1244.00 Lakhs approved by the Commission

for FY 2023-24. This would be recovered through Annual Fees and Charges. The Revenue Requirement includes Employee Cost of Rs.1064.447 Lakhs on account of salary and considering the existing 51 number of employees including 4 number of Telecommunication personnel working at the SLDC control centre & salary for 13 contractual/outsourcing staff to be engaged at SLDC for FY 2024-25.

28. The projected O&M expenses of Rs.250.412 Lakhs considering the expenditure to be incurred in FY 2024-25 are not as per OERC Regulation (20.00% escalation on FY 2023-24 expenses has been projected). The proposed O&M expenses of Rs 250.412 Lakhs seem to be on the higher side and should not be approved.
29. Under A&G expenses, projected electricity charges and watch & ward charges are significant (around 40% of projected A&G charges). SLDC has also proposed a significant increase in its Hire charges for vehicles. These expenses need to be reviewed. Further, SLDC has spent very low on O&M expenses for FY 2023-24 (actual up to September 23 is Rs.75.786 Lakhs, i.e. 36.31% of the approved for FY 2023-24, of Rs.208.70 Lakhs). SLDC is projecting high O&M-related expenses during Oct 2023–March 2024 amounting to Rs.151.861 Lakhs, which is on the higher side. The O&M, therefore, should be computed as per OERC Regulation: 5.72% escalation over the actual prorated O&M expenditure of FY 2023-24.
30. SLDC has computed the salary of 63 staff including contractual staff. With respect to Basic Pay & GP for 2024-25, the same may be calculated on the basis of actual expenses of the last 10 months (up to Jan-24) which can be prorated for the whole of FY 2023-24 and the same may be escalated with the appropriate rate. Applicable DA rate can be considered. Further, SLDC has proposed terminal benefits of Rs 51.163 Lakhs for FY 2024-25. The same may be allowed based on actual payment made by SLDC in this regard.
31. SLDC has claimed Rs.120.564 Lakhs as depreciation for assets in ULDC and offices in SLDC as per CERC Regulation. Out of total depreciation major amount claimed is for computers & peripherals for the SLDC control room, office and data centres amounting to Rs.44.239 Lakhs. The other amount includes Rs.24.979 Lakhs claimed on account of Video Projection Screen (VPS). Depreciation on VPS and IT equipment may be allowed on the basis of the approved project costs. Depreciation claimed on new assets should be scrutinized and on the basis of approval given by the Commission, the depreciation

should be allowed based on the Commission's approved project cost, depreciation already claimed, etc.

32. Proposed working capital of Rs. 355.746 Lakhs may not be approved separately and the same may be allowed to be incurred from the SLDC Development Fund.
33. Regarding the Commission's directions on the transfer of assets to SLDC, SLDC submitted that 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. The assets of SLDC along with sub-SLDC have been identified and are presently being exclusively used by SLDC personnel awaiting transfer as per the direction of the Commission.
34. The recommendation No. (4) in Clause 6.4 of the Report of the Committee on "Manpower, Certification and Incentives for System Operation and Ring-fencing Load Despatch Centres" has envisaged that the highly specialized and technical nature of LDC function necessitates a suitable compensation structure to attract and retain talent. The expenditure for Training & Certification of LDC personnel has been projected as Rs.12.052 Lakhs for FY 2024-25. Actual expenses for FY 2022-23 were Rs.7.844 Lakhs and the same is projected for FY 2023-24 as Rs10.956 Lakhs. SLDC may submit the details regarding the staff trained and benefits from the training.
35. The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. during FY 2022-23 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010. SLDC shall be entitled to utilize the money from the SLDC Development Fund in assets creation and margin money for raising loans from FIs for assets creation & funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission. Any asset created by SLDC out of money available in the SLDC Development Fund shall not be considered for computation of Return on Equity & Interest on Loan.

E. VIEWS OF OBJECTORS AND RESPONSE OF SLDC (PARA 36 to 57)

Order of the Hon'ble Supreme Court

36. One of the Objectors submitted that the Hon'ble Supreme Court of India, while disposing of the Civil Appeal No. 1933 of 2022 (TPCL Transmission vs MERC), have

held that Section 61 of the Act is mandatory for ERCs and accordingly directed the State Electricity Regulatory Commissions (SERCs) for compliance of the guiding principles of Section 61 of the Act in making/notifying the desired regulations within three months from the date of the said Order. The Objector submitted that OERC does not carry out MYT principles provided under Section 61(f) in a real sense resulting in other eight principles (under Section 61) becoming void.

Reply of SLDC

37. SLDC has no comments on the objection.

Multi-year Tariff (MYT) Principle

38. Further, the Objector submitted that the Truing up, Review & Determination of the Tariff proceeding has been carried out by OERC without following the Multiyear Tariff (MYT) principles as provided in Section 61(f) of the Act & the Tariff Policy thereof. Section 61 of the Act is considered as the MAGNA CARTA governing the Power Tariff determined by OERC.
39. MYT Principles provided in the National Tariff Policy specifies a span period of five years for taking decisions on power tariffs by ERCs. Initially, OERC approved the five-year Business Plan for the Licensees from FY04 to FY08. The first five years Business Plan and MYT generation tariff approved for the Licensees & GENCOs by OERC were very much effective in all respects covering tariff, investment, loss reduction, reliability of power supply etc. The astounding performance of the first Business Plan (FY04 to FY08) was completely ignored by OERC then and there & for which, the State Commission declined to approve 2nd five-year business plan. The instant tariff proceeding falls under the 5th Business Plan period from FY24 to FY28 & MYT generation tariff for FY24 to FY29 but the same is yet to be approved by OERC. However, OERC approved business plans for a period of one year or two years in advance instead of five years in advance since FY09. Tariff has been determined without any valid business plan & MYT since FY09. This is nothing but a sheer violation of Section 61(f) of the Act and the policy there under. The Respondent urged upon the Commission to initiate expeditious remedial measures to work out MYT in a true sense as provided in the Act and Policy.
40. The national tariff policy has been the guiding policy for all the SERCs including OERC and SERCs are doing MYT in letter and spirit but OERC is yet to implement the same.

The guiding factors, MYT Principles and national tariff policy provided respectively Section 61(f) & 61(i) of the Act have been well elaborated in the National tariff Policy.

41. The ARR & Tariff Petitions filed by the Licensees & GENCOs consider the approved business plan, truing up, performance review, MYT generation tariff for review of the current year's tariff and if required the existing tariff is revised for the ensuing year. Moreover, the span of the Business Plan & MYT Generation Tariff Period is required to be equal and consistent between the various Licensees DISCOMs, OPTCL & SLDC, GRIDCO and GENCOs OPGC, OHPC, Vedanta, etc. for efficacious application of MYT.

Reply of SLDC

42. SLDC has no comments on the reply submitted by the Objector.

Truing up exercises of Tariff Orders

43. The same Objector submitted that none of the Licensees and GENCOs has filed the previously ARR Petition by carrying out truing up exercises for the previous year's tariff and reviewing the current tariff in due consideration to the approved business plan & MYT tariff while proposing revision of the current year's tariff and determination of tariff for the ensuing year. The Truing up & performance review exercises cannot be filed separately bypassing the ARR & Tariff Petition.

Reply of SLDC

44. SLDC has no comments on the reply submitted by the Objector.

Grid Status Report and Power Status Report

45. Another Objector has stated that the functions of the State Load Dispatch Center (SLDC) include monitoring of grid operation, keeping account of the quantity of electricity transmitted through the State Grid and carrying out real-time operation for grid control. The SLDC Odisha is effectively performing these duties and has been recognized as the best SLDC in India.
46. He mentioned that SLDC Odisha prepares various reports such as the Grid Status report, Power Status report, and Management Information report. The Respondent has suggested that the Grid Status Report should include forecast data for the evening peak of the day of the report.

47. He submitted that SLDC has proposed to recover their Revenue Requirement from Generating Stations and Distribution Companies, but ultimately, the consumers pay the whole amount. The objector has pointed out that the SLDC Odisha does not issue any report for the public or the consumers regarding availability of electricity in the State.
48. The Objector has requested that SLDC should issue a Power Status Report to the media daily, in the form of a "Bidyut Bulletin" for the information of the public and consumers. This report should include not only actual but also forecast power status data. The Objector requested that though SLDC displays the Daily Report on their Website, very few consumers have the time and necessary gadgets to open the Website and view the report. But the Bidyut Bulletin issued to media would have wide coverage and would be viewed by the public and majority of consumers similar to Weather Bulletin and other similar Bulletins issued by Railways and Airlines etc. The Objector has argued that if consumers are aware of the power status of the State, it would help in grid management.

Reply of SLDC

49. SLDC submitted that the load Forecasting software is being developed by the Indian Institute of Information Technology (Design and Manufacturing), Jabalpur.

Cash flow statement (reconciled)

50. One of the Objectors submitted that the prudent checking of Tariff documents by the Regulator gets completed with the reconciliation of Cash Flow Statements (CFS) filed by the Licensees & GENCOs. The item-wise prudent checking of cost & revenue filed by the Licensees & GENCOs cannot be said successful unless it is tallied with its counterpart item of the Cash flow Statement (reconciled). Thus, the Commission cannot consider an untrue document like CFS which is not reconciled unless and until reconciled & trued up by the Auditor. Therefore, the Respondent urged upon the Commission to initiate necessary action in order to hold up the reconciled CFSs of the Licensees and GENCOs and compare the item-wise Cash Flow Statement with the counterpart ARR items in the present proceeding so as to make power tariff competitive in Odisha.

Reply of SLDC

51. SLDC has no comments on the reply submitted by the Objector.

SLDC's Daily Power Status Report

52. The same Objector stated that the SLDC of Odisha publishes a Daily Power Status Report which includes Maximum Demand (MD), SMD, Scheduling & Drawl by DISCOMs, and Power Generations, and is updated in real-time. The SLDC's data is considered authentic in comparison to data submitted by GRIDCO and DISCOMs. The Respondent has taken the SLDC's daily reports from the first six months of the current FY24 and consolidated them month-wise to determine the State SMD and gross Energy Consumed for the six-month period. The first six months of daily reports, totaled by month, are submitted to the Commission for consideration while approving the projected Energy (MUs) and SMD (MVA) for DISCOMs & GRIDCO for the ensuing FY25.

Reply of SLDC

53. SLDC has submitted that the correct daily power status Report for dates 14.05.2023, 11.09.2023 and 20.09.2023 has been uploaded on the SLDC website on date 25.01.2024 pursuant to the information received vide the said objection.

Mismatch between data submitted by DISCOMs and GRIDCO

54. One of the objectors submitted a comparative picture of State SMD (MVA & MW), Sales (MUs), and Input Energy (MUs) for the first six months of the current FY24. He stated that as per SLDC Report, the actual State SMD is 7067 MVA/6360 MW whereas DISCOMs have calculated it as 5890 MVA/5301 MW. Therefore, the actual State SMD disclosed by SLDC is more than 1177 MVA in comparison to DISCOM's disclosure. Similarly, the actual Input Energy calculated by DISCOMs for the first six months of FY24 is 18761 MUs whereas as per GRIDCO it is 18277 MUs which implies GRIDCO sales less Energy by 484 MUs than admitted by DISCOMs for the first six months FY 24. The discrepancy of the data in sales and purchases may be reconciled. In addition to the above, the Objector points out that there is a huge difference between information supplied by SLDC, GRIDCO & DISCOMs on account of SMD, energy drawl by DISCOMs. He prayed the Commission to use information supplied by SLDC, GRIDCO & DISCOMs after reconciliation. Further, he raised the concern that SLDC cannot overlook violations of grid codes and regulations by licensees and GENCOs which could lead to disaster in the power system.

Reply of SLDC

55. SLDC has no comments on the reply submitted by the Objector.

Introduction of e-Filing in the Secretariat of OERC

56. The same Objector submitted that bodies like CERC, Hon'ble APTEL, Hon'ble High Courts & Hon'ble Supreme Court have introduced effectively the electronic filing of Petitions, Appeals, Cases, etc. The application of e-filing is not a difficult task for the OERC. Therefore, the Respondent urged upon the Commission to issue an order for the commissioning of electronic filing (e-Filing) system in the office of the OERC.

Reply of SLDC

57. SLDC has no comments on the reply submitted by the Objector.

F. OBSERVATIONS OF STATE ADVISORY COMMITTEE (SAC) (PARA 58)

58. The Commission convened the State Advisory Committee (SAC) meeting on 07.02.2024. The members of SAC deliberated on various issues related to the power sector and the Aggregate Revenue Requirement of Licensees and Generators. During the meeting, the representative of SLDC stated that very advanced technology is being deployed for meeting upcoming challenges of grid operation. SAMAST software bid has been opened and tender for Wide Area Measurement has been published and these will be funded through PSDF. He stated that SLDC has received the Best SLDC award in the Country, 2023 for its outstanding performance. He also informed that last year, the maximum demand crossed 6500 MW with 139 MUs handled on that day.

G. VIEWS OF GOVERNMENT OF ODISHA (PARA 59)

59. The Department of Energy, Government of Odisha vide their letter No. ENG-TDER-OERC-0001-2021/1704, dated 09.02.2024 has stated as follows:
- State Govt. has no plans to provide any direct subsidy to any class of consumers, since Govt. have been providing adequate budgetary support over the years for the creation of Capital Assets in order to keep the tariff low.
 - In the matter of adequate coal supply to Vedanta for availing full entitlement of power as per PPA, GRIDCO has been advised to take necessary action. Further, the matter of JITPL is sub-judice with Hon'ble High Court, Orissa. GRIDCO has been advised to approach the Hon'ble Court for increase of the share from JITPL.
 - Govt. can't provide any support for smart meters. The Commission may consider recovery of the smart meter cost over an extended period. so that, there is no

additional burden on Consumers. The backend infrastructure for smart metering may be allowed in the CAPEX of DISCOMs.

- Interest burden of GRIDCO needs to be fully recognized in its ARR. The reason advanced by OERC for not recognizing the interest cost of loans incurred beyond FY 2015-16 is not reasonable as per the recent judgment dated 04.10.2023 of Hon'ble Supreme Court in Civil appeal No. 414 of 2007. On the other hand, Govt. has been supporting GRIDCO through various means. State Govt. has provided soft loans of Rs.700 Cr. each to GRIDCO during FY 2022-23 & FY 2023-24 and another trache of Rs.700 Cr. of soft loan is proposed to be provided during FY 2024-25. State Govt. has also converted Rs. 2,039.39 Cr. of loan to equity in FY 2021 -22.
- BSP of 3 DISCOMs namely TPCODL, TPNODL & TPWODL may be decided as thought prudent by the Commission, to the extent not to increase RST during FY 2024-25. Remaining unrealized cost may be recognized as Regulatory Asset of GRIDCO to be recovered during subsequent years. The RST for FY 2024-25 may not be increased from present level.
- As intimated already vide this Department letter No.3333 dated 24.03.2021. Govt. has agreed to extend the status-quo on up-valuation of assets till FY 2025-26.
- The commission would have taken note of the submission made by the Department's representatives during public hearings as well as SAC meeting. Hence, it is not necessary to provide further details in this regard.

Also, the following specific suggestions may kindly be considered.

- Damage to Power Distribution infrastructure due to natural calamities are not covered under Insurance Schemes. Therefore, a "Contingency Reserve Fund", preferably one fund for all DISCOMs need to be created to have a self-insurance fund to insure against probable damage to Distribution Network. The Commission may create provisions in the ARR of DISCOMs in this regard including the administration of the "Contingency Reserve Fund" under the Commission.
- Large-scale green energy. particularly Solar power, has been added in the generation capacity for energy transition across the Country. Availability of the peak power during the evening time is reducing and the market price of peak power is very high. Hence the Commission is requested to introduce necessary

measures for demand side management and as well as designing the TOD tariff (both with incentives and penalty) to discourage large consumers to consume power during peak evening hours. This will help in flattening the demand curve as well as reduce the overall cost of power. Further, GRIDCO can be encouraged to procure more green power by sharing the additional revenue of the green tariff introduced by the Commission.

H. COMMISSION'S OBSERVATIONS AND ORDER (PARA 60 to 102)

60. One of the Objectors has raised some objections regarding the implementation of the Multi-year Tariff Principle. However, a similar objection was addressed by this Commission in para 217 of Case No. 76/2022 dated 23.03.2023 while approving the ARR and transmission tariff of OPTCL for FY 2023-24. Therefore, there is no need to reiterate the same.
61. The Commission has followed the principles laid down in the Electricity Act, 2003, CERC (Fees and Charges of RLDC and other Related Matters) Regulations, 2009 and OERC (Fees and Charges of SLDC and other Related matters) Regulations, 2010 for approval of ARR for SLDC's functions and determination of Annual Fees & Charges. At present, SLDC is functioning independently headed by the Chief Load Despatcher (Director, SLDC) and is maintaining separate financial accounts although administrative ring-fencing is not fully implemented. Therefore, collection of annual fees and charges for SLDC function from various stakeholders as per Section 32(3) of the Act and other sources by SLDC is permissible under law.
62. In compliance with Regulation 3 of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 as well as in conformity with OERC (Conduct of Business) Regulations, 2004, SLDC has filed its Aggregate Revenue Requirement (ARR) application along with other related information in the prescribed format for determination of Annual Fees and Charges for SLDC functions for the FY 2024-25. The said application was registered as Case No. 114 of 2023.
63. Further, as per Regulation 4(2) of OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010, SLDC is required to submit an application, in the format prescribed by the Commission, for carrying out truing up exercise for the last financial year by 31st October of the next financial year for determination of fees and charges. Accordingly, SLDC has filed another application on 15.12.2023 pertaining to Truing up for FY 2021-22 & FY 2022-23 and has prayed to condone the delay. Public notice was

given inviting objection/suggestion from the general public on the above Truing up application of SLDC. The said application was registered as Case No. 133 of 2023 and taken up for hearing along with the ARR and annual fees and charges proposal of SLDC for FY 2024-25 in Case No. 114 of 2023.

64. Heard the Petitioner and Respondent through hybrid mode (virtual/physical) in Case No. 114/2023 and Case No. 133/2023. We now examine and analyse the claim of the Petitioner for truing-up for the period FY 2021-22 & FY 2022-23 & Tariff application for the period FY 2024-25, the views of Objectors and replies submitted by the SLDC in response to various queries raised along with supporting documents available on record. The observations and order of the Commission are as follows:

Truing up of SLDC for FY 201-22 & FY 2022-23:

65. SLDC has submitted that the Commission had approved Rs.1046.164 Lakhs for the FY 2021-22 vide its order dated 26.03.2021 in Case No.74/2020 and Rs.1149.604 Lakhs for the FY 2022-23 vide its order dated 24.03.2022 in Case No.106/2021, towards Annual Charges for SLDC function. Corresponding to the above approval of the Commission, SLDC has submitted that as per audited accounts the actual income and expenditure of SLDC during FY 2021-22 & FY 2022-23 are shown in the Table below:

Table:12
Summary of ARR Approved and Truing-up Proposed by SLDC for FY 2021-22 & FY 2022-23

(Rs. in Lakhs)

Sl. No	Particulars	FY 2021-22		FY 2022-23	
		Approved in the ARR	Actual as per Audited Accounts	Approved in the ARR	Actual as per Audited Accounts
A	Aggregate Revenue Requirement				
1	Human Resource Expenses	793.630	986.743	874.473	947.553
2	R & M Expenses	56.996	69.035	89.311	49.420
3	A & G Expenses	124.240	117.694	104.637	141.682
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	181.236	186.729	193.948	191.102
5	Depreciation	71.298	81.957	81.183	110.561
6	Rebate & Financial Cost	-	9.358	-	10.447
7	Sub-total (1+4+5+6)	1,046.164	1,264.787	1,149.604	1,259.663
8	Less: Misc Receipts	-	14.357	-	24.661
9	Net Revenue Requirement (7-8)	1,046.164	1,250.430	1,149.604	1,235.002
B	Income				

10	System Operation Charges (SOC)	836.931	835.971	919.683	923.708
11	Market Operation Charges (MOC)	209.233	208.984	229.921	231.039
12	Revenue from SOC & MOC (10+11)	1,046.164	1,044.955	1,149.604	1,154.747
C	Gap - Surplus/(Deficit) (12-9)	0.000	(205.475)	0.000	(80.255)

66. SLDC has submitted that the above revenue deficit of Rs.205.457 Lakhs for the FY 2021-22 and Rs.80.255 Lakhs for the FY 2022-23 have been met from the other income such as application fees, registration fees, short-term open access (scheduling) charges etc. which are being deposited under a separate head of accounts called as ‘SLDC Development Fund’ as per Regulation 8(2) of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010.

67. Regarding Truing-up of SLDC, Regulation 4 of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010 specifies that:

“4. Truing up of annual fees and charges

1. *The Commission shall carry out truing up exercise along with the application for determination of fees and charges filed for the financial year after the expiry of the period, for the fees and charges recovered during the said FY and admitted by the Commission after prudence check at the time of truing up.*
2. *The SLDC shall make an application, in the formats prescribed by the Commission, for carrying out truing up exercise for the last financial year by 31st October of the next financial year.*
3. *The SLDC shall submit along with the application for truing up, details of capital expenditure including additional capital expenditure, sources of financing, human resource expenditure, operation and maintenance expenditure, etc incurred for the previous financial year, duly audited and certified by the auditors.*
4. *The trued-up gap shall be dealt by the Commission while approving the ARR of SLDC for the subsequent year.”*

68. Considering the above provisions in the aforesaid Regulation, the Commissions has scrutinized the component wise truing-up proposal of SLDC with the audited books of accounts of SLDC prepared and maintained by the OPTCL. The Commission’s observations are as under:

Human Resource Expenses:

69. In the ARR & Tariff Order of SLDC for FY 2021-22, the Commission had approved Rs.793.630 Lakhs under human resources expenses but the actual expenses as per the audited account is Rs.986.743 Lakhs. The Commission observes that the additional expenses of Rs.193.113 Lakhs (Rs.986.743 Lakhs -Rs.793.630 Lakhs) during FY 2021-22 are mainly due to increase in basic pay of Rs.13.090 Lakhs and increase in house rent allowances of Rs.154.292 Lakhs & medical allowance of Rs.49.713 Lakhs and this has

been provided @20% and @5% respectively on the basic pay of 7th pay Commission to the executive employees due to subsequent revision of the same.

Similarly, in the ARR & Tariff Order of SLDC for FY 2022-23, the Commission had approved Rs.874.473 Lakhs but the actual human resources expenses as per the audited account is Rs.947.553 Lakhs. The additional expenses of Rs.73.080 Lakhs (Rs.947.553 Lakhs -Rs.874.473 Lakhs) during the FY 2022-23 is mainly due to increase in house rent allowances of Rs.50.240 Lakhs provided on the basic pay of 7th pay Commission to the Executive employees, Rs.21.746 Lakhs on account of additional basic pay and Rs.19.911 Lakhs on account of additional Terminal Benefit liabilities due to enhancement of employer share from 10% to 14% towards NPS contribution.

Apart from the above major increase in human resource expenses, the Commission also observes that as per the audited account, there is marginal increase/decrease in other components of employee cost in the respective financial year. Therefore, based on the actual human resource expenses as per audited accounts, the Commission approves **Rs.986.743 Lakhs & Rs.874.473 Lakhs** for truing-up of FY 2021-22 and FY 2022-23 respectively and which details are shown in the Table below:

Table:13
Human Resources Expenses Proposed by SLDC and Approved by the Commission
for Truing-up of FY 2021-22 & FY 2022-23

(Rs. In Lakhs)

Sl. No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
FY 2021-22					
1	Basic	526.200	539.290	539.290	(13.090)
2	Dearness Allowance	152.598	136.189	136.189	16.409
3	Reimbursement of House Rent	34.441	188.733	188.733	(154.292)
4	Reimbursement of Medical Expenses	13.356	63.069	63.069	(49.713)
5	Other Allowance such as shift, Conveyance, ABT, green card washing etc.	19.117	16.307	16.307	2.810
6	Contractual Staff Payment	10.500	9.187	9.187	1.313
7	Ex-gratia	10.000	9.230	9.230	0.770
8	Staff Welfare Expenses	2.000	0.069	0.069	1.931
9	Terminal Benefits (Employer's Share)	24.418	22.281	22.281	2.137
10	Others (Specify) (Uniform & Liveries)	1.000	2.388	2.388	(1.388)

Sl. No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
	Total	793.630	986.743	986.743	(193.113)
FY 2022-23					
1	Basic	521.893	543.639	543.639	(21.746)
2	Dearness Allowance	193.100	196.142	196.142	(3.042)
3	Reimbursement of House Rent	25.890	76.136	76.136	(50.246)
4	Reimbursement of Medical Expenses	26.095	28.067	28.067	(1.972)
5	Other Allowance such as shift, Conveyance, ABT, green card washing etc.	17.619	17.622	17.622	(0.003)
6	Contractual Staff Payment	11.100	14.708	14.708	(3.608)
7	Ex-gratia	10.020	12.750	12.750	(2.730)
8	Staff Welfare Expenses	1.527	0.233	0.233	1.294
9	Terminal Benefits (Employer's Share)	37.250	57.161	57.161	(19.911)
10	Arrear Salary-7th Pay	28.524	-	-	28.524
11	Others (Specify) (Uniform & Liveries)	1.450	1.095	1.095	0.355
	Total	874.468	947.553	947.553	(73.085)

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

70. The Commission had approved Rs.181.236 Lakhs under Operation & Maintenance (O&M) Expenses excluding human resource expenses [Repairs & Maintenance ((R&M) Expenses -Rs.56.996 Lakhs + Administrative & General (A&G) Expenses-Rs.124.240 Lakhs] in the ARR & Tariff Order of SLDC for FY 2021-22, but the actual expenses as per audited account is Rs.186.729 Lakhs (R&M Expenses -Rs.69.035 Lakhs + A&G Expenses-Rs.117.694 Lakhs) for the FY 2021-22. The Commission observes that, as per the audited account, the actual R&M expenses have increased by an amount of Rs.12.039 Lakhs and the A&G expenses have decreased by an amount of Rs.6.546 Lakhs over the approved amounts for the FY 2021-22. Therefore, the net deficit in O&M Expenses is Rs. 5.493 Lakhs over the approved amount for FY 2021-22.

Similarly, in the ARR & Tariff Order of SLDC for FY 2022-23, the Commission had approved Rs.193.948 Lakhs (R&M Expenses - Rs.89.311 Lakhs + A&G Expenses-Rs.104.637 Lakhs), but the actual Operation & Maintenance (O&M) expenses as per audited account are Rs.191.102 Lakhs (R&M Expenses - Rs.49.420 Lakhs + A&G

Expenses-Rs.141.682 Lakhs) for the FY 2022-23. The Commission observes that, as per the audited account, the actual R&M expenses are less by an amount of Rs.39.891 Lakhs against the approved amount and the A&G expenses are more by an amount of Rs.37.045 Lakhs against the approved amount for the FY 2022-23. Therefore, there is a net surplus of 2.846 Lakhs over approved amounts for FY 2022-23. Therefore, based on the actual O&M expenses as per audited accounts, the Commission approves **Rs.186.729 Lakhs & Rs.191.102 Lakhs** for truing-up of FY 2021-22 and FY 2022-23 respectively and which are shown in the Table below:

Table:14
O& M Expenses Proposed by SLDC and Approved by the Commission for Truing-up of FY 2021-22 & FY 2022-23

(Rs. in Lakhs)

Sl No.	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6 =3-5
FY 2021-22					
1	R& M Expenses	56.996	69.035	69.035	(12.039)
2	A&G Expenses	124.240	117.694	117.694	6.546
	Total	181.236	186.729	186.729	(5.493)
FY 2022-23					
1	R& M Expenses	89.311	49.420	49.420	39.891
2	A&G Expenses	104.637	141.682	141.682	(37.045)
	Total	193.948	191.102	191.102	2.846

Depreciation:

71. The Commission had approved Rs.71.298 Lakhs towards depreciation in the ARR & Tariff Order of SLDC for FY 2021-22, but the actual depreciation as per the audited account is Rs.81.957 Lakhs for the FY 2021-22.

Similarly, in the ARR & Tariff Order of SLDC for FY 2022-23, the Commission had approved Rs.81.183 Lakhs towards depreciation but the actual depreciation as per the audited account is Rs.110.561 Lakhs for the FY 2022-23. Therefore, based on the actual depreciation booked in the audited accounts, the Commission approves **Rs.81.957 Lakhs & Rs.110.561 Lakhs** for truing-up of FY 2021-22 and FY 2022-23 respectively.

Rebate:

72. As per Regulation 26 of the OERC (Fees and Charges for SLDC & other related matters) Regulations, 2010, “for payment of bills through the letter of credit on presentation a rebate of 2% shall be allowed and where payments are made other than

through letter of credit within a period of one month of presentation of bills, a rebate of 1% shall be allowed". Since SLDC had not claimed any amount under this head during the filing of the tariff application, the Commission did not approve any amount under this head during FY 2021-22 and FY 2022-23. However, in the truing-up application, SLDC has claimed rebate of Rs.9.342 Lakhs for FY 2021-22 and Rs. 10.426 Lakhs for FY 2022-23 based on actual as per audited books of account. The Commission scrutinize the same and accordingly approves **Rs.9.342 Lakhs** for FY 2021-22 and **Rs. 10.426 Lakhs** for FY 2022-23 under this head.

Finance Cost:

73. Based on the actual expenses towards bank charges as per the audited account, SLDC has claimed **Rs.0.016 Lakhs** for FY 2021-22 and **Rs.0.021 Lakhs** for FY 2022-23 under the head financial cost. The commission examined and accordingly allowed the same for truing-up.

Miscellaneous Receipts:

74. Since SLDC had not claimed any amount under the Miscellaneous receipt head during the filing of the tariff application, the Commission had not approved any amount under the head during FY 2021-22 and FY 2022-23. However, based on the audited accounts, under this head, it has received Rs.14.357 Lakhs during FY 2021-22 and Rs.24.661 Lakhs (Rs.23.687 Lakhs on account of deferred revenue income and Rs.0.974 Lakhs as other misc. receipt) during FY 2022-23. The Commission scrutinizes the same and accordingly considers **Rs.14.357 Lakhs** for FY 2021-22 and **Rs. 24.661 Lakhs** for FY 2022-23 as Miscellaneous receipts for truing -up purpose.

SLDC Fees & Charges:

75. SLDC has submitted that the Commission had approved to recover Annual fixed Charges (through SOC & MOC) of Rs.1046.164 Lakhs for FY 2021-22 and Rs.1149.604 Lakhs for FY 2022-23 for SLDC in the respective ARR & Tariff Orders. As per audited accounts, the actual recovery of SOC & MOC fixed charges is Rs.1044.955 Lakhs during FY 2021-22 and Rs. 1154.747 Lakhs during FY 2022-23. After scrutinize the same, the Commission approves **Rs.1044.955 Lakhs** for FY 2021-22 and **Rs. 1154.747 Lakhs** for FY 2022-23 for truing-up purpose.

Summary of Truing-up approved for FY 2022-23:

76. Considering the above facts and figures, the Commission approves Rs. 205.475 Lakhs and Rs.80.255 Lakhs towards truing-up deficits for FY 2021-22 and FY 2022-23 respectively. The details are shown in the Table below:

Table: 15
Summary of ARR and Truing-up Approved for SLDC for FY 2021-22 & FY 2022-23
(Rs. In Lakhs)

Sl. No	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
FY 2021-22					
A	Aggregate Revenue Requirement				
1	Human Resource Expenses	793.630	986.743	986.743	(193.113)
2	R & M Expenses	56.996	69.035	69.035	(12.039)
3	A & G Expenses	124.240	117.694	117.694	6.546
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	181.236	186.729	186.729	(5.493)
5	Depreciation	71.298	81.957	81.957	(10.659)
6	Rebate & Finance Cost	-	9.358	9.358	(9.358)
7	Sub-total (1+4+5+6)	1,046.164	1,264.787	1,264.787	(218.623)
8	Less: Misc Receipts	-	14.357	14.357	(14.357)
9	Net Revenue Requirement (7-8)	1,046.164	1,250.430	1,250.430	(204.266)
B	Income				
10	System Operation Charges (SOC)	836.931	835.971	835.971	(0.960)
11	Market Operation Charges (MOC)	209.233	208.984	208.984	(0.249)
12	Revenue from SOC & MOC (10+11)	1,046.164	1,044.955	1,044.955	(1.209)
C	Gap - Surplus/(Deficit) (12-9)	-	-205.475	-205.475	-205.475
FY 2022-23					
A	Aggregate Revenue Requirement				
1	Human Resource Expenses	874.473	947.553	947.553	(73.080)
2	R & M Expenses	89.311	49.420	49.420	39.891
3	A & G Expenses	104.637	141.682	141.682	(37.045)
4	O&M Expenses (Excluding Human Resources Expenses) (2+3)	193.948	191.102	191.102	2.846
5	Depreciation	81.183	110.561	110.561	(29.378)
6	Rebate & Finance Cost	-	10.447	10.447	(10.447)

Sl. No	Particulars	Approved by OERC	Based on Audited accounts actual proposed by SLDC for Truing-up	Truing-up approved by OERC	Surplus/ (Deficit)
1	2	3	4	5	6=3-5
7	Sub-total (1+4+5+6)	1,149.604	1,259.663	1,259.663	(110.059)
8	Less: Misc Receipts	-	24.661	24.661	(24.661)
9	Net Revenue Requirement (7-8)	1,149.604	1,235.002	1,235.002	(85.398)
B	Income				
10	System Operation Charges (SOC)	919.683	923.708	923.708	4.025
11	Market Operation Charges (MOC)	229.921	231.039	231.039	1.118
12	Revenue from SOC & MOC (10+11)	1,149.604	1,154.747	1,154.747	5.143
C	Gap - Surplus/(Deficit) (12-9)	-	-80.255	-80.255	-80.255

77. compliance to the Regulation 4(4) of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the Commission passes through the above truing-up deficits of **Rs.205.457 Lakhs** for FY 2021-22 and **Rs.80.255 Lakhs** of FY 2022-23 in the instant ARR & Tariff Order of SLDC for FY2024-25.

SLDC's ARR & Tariff for the FY 2024-25:

78. The Commission has scrutinized the various components associated with the determination of Revenue Requirements for SLDC functions as explained hereunder:

Return on Equity (RoE):

79. SLDC has not proposed any RoE in the ARR since no equity has been invested. Therefore, the Commission does not allow any RoE in the ARR of SLDC for FY 2024-25.

Interest on Loan Capital:

80. SLDC has not proposed any Interest on Loan Capital in the ARR as there is no outstanding loan. Therefore, the Commission does not allow any interest on loan in the ARR of SLDC for the FY 2024-25.

Depreciation:

81. 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 the rate specified by CERC from time to time. The capital cost of the asset admitted by

the Commission shall be considered for the purpose of calculation of depreciation. SLDC has proposed Depreciation of **Rs.120.564 Lakhs** for the FY 2024-25 for its assets as shown in the Table below:

Table – 16
Depreciation Proposed by SLDC for the FY 2024-25
(Rs. in Lakhs)

Sl. No.	Name of the Assets	Gross Block as on 31.03.2022	Rate of Depreciation as per CERC's Schedule rate of depreciation	Depreciation Amount for the year 2024-25
1	2	3	4	5 = 3 X 4
1.	Battery including new for data center UPS	04.93	5.28%	0.260
2.	Isolation transformer & ACDB for UPS	10.46	5.28%	0.553
3.	Underground Cables	00.81	5.28%	0.043
4.	Split type Air Conditioner			
(i)	Procured during 2012-13 (4 Nos)	01.87	5.28%	0.099
(ii)	Procured during 2014-15 (7 Nos)	03.69	9.50%	0.350
(iii)	Procured during 2016-17 (18 Nos)	08.04	9.50%	0.764
(iv)	Procured during 2019-20 (16 Nos)	07.69	9.50%	0.730
(v)	AC Stabilizer	02.31	9.50%	0.220
5.	DG Set for disaster management	09.31	5.28%	0.491
6.	3 HP water pump	00.38	6.33%	0.024
7.	Office Furniture including new	21.21	6.33%	1.343
8.	New Furniture for SLDC Director's office	01.69	6.33%	0.107
9.	Water purifier	00.68	6.33%	0.043
10.	Electrical Installation for SLDC building (new)	18.06	6.33%	1.143
11.	Computer tables for EASSC	01.02	6.33%	0.064
12.	Video Projection System (VPS) including upgradation and enhancement	166.53	15.00%	24.979
13.	Photo copier	04.13	6.33%	0.261
14.	Laptops, Desktop Computers & peripherals for SLDC Control room and office	36.80	15.00%	5.520
15.	Microphone Video for Video Conferencing	01.78	15.00%	0.267
16.	Computers & peripherals for data center	258.13	15.00%	38.719
17.	RVDU at Jayanagar sub-station	15.29	15.00%	2.293
18.	Vehicle	04.77	5.28%	0.252
19.	Firewall	18.32	15.00%	2.115
20.	Printer	03.13	15.00%	0.469
21.	UPS	01.39	15.00%	0.209

Sl. No.	Name of the Assets	Gross Block as on 31.03.2022	Rate of Depreciation as per CERC's Schedule rate of depreciation	Depreciation Amount for the year 2024-25
1	2	3	4	5 = 3 X 4
22.	Office Equipment	02.20	6.33%	0.139
23.	CCTV Camera	00.07	6.33%	0.005
24.	LED Lights (55 Nos.)	00.63	6.33%	0.040
25.	HP All in One PC 3 Nos.	01.74	15.00%	0.261
26.	HP All in One PC 1 No.	00.58	15.00%	0.087
27.	HP LaserJet Multi-Function Printer 1 No.	00.24	15.00%	0.036
28.	GIGA 24 Port Switch (DLINK) 2 Nos.	00.35	15.00%	0.053
29.	One Plus Nord CE Mobile (1 No.)	00.25	6.33%	0.016
30.	Motorola T-82 License Fee Walkie Talkie (4 Nos.)	00.31	6.33%	0.019
31.	Fire Extinguisher (CO2) Base 4.5 Kg 10 Nos. & 6Kg 6 Nos.	00.50	6.33%	0.032
32.	LED SIGN BOARD 1 No.	01.00	6.33%	0.063
33.	Exhaust Fans 14 Nos (230-8, 300-3, 200-3)	00.29	6.33%	0.018
34.	1 No. of ACER Laptop TMP 214-53	00.66	15.00%	0.099
35.	1 No. of ACER PC Veriton M200-H510	00.54	15.00%	0.080
36.	ADMS Project (88 Substations)	250.31	15.00%	37.547
37.	FORTI GATE FG 81F (75 Sqft.)	05.00	15.00%	0.749
	Total	867.07		120.564
	Weighted Average Rate of Depreciation (%)		13.90	

82. The depreciation amounting to **Rs.120.564** Lakhs proposed above is inclusive of depreciation for the assets in the Unified Load Despatch Centre (ULDC) and offices in SLDC which has been computed in line with CERC's norm as per above mentioned OERC's Regulation. The depreciation claimed by SLDC is for the assets such as computers and peripherals for SLDC data Centre & for the Video Projection System (VPS) including its up-gradation and enhancement.

The Commission scrutinized the assets position of SLDC as per audited accounts as on 31.03.2023 and found that the total amount of original book value of fixed assets was Rs.1150.770 Lakhs as on 31.03.2023. The Commission further, observed that, while projecting the depreciation for the ensuing year FY 2024-25, SLDC has considered more than 90% of depreciation in some assets. Considering the above observations, the Commission re-estimates as per norms and accordingly approves **Rs.79.285 Lakhs**

towards depreciation for the FY 2024-25 as against the SLDC proposal of Rs.120.564 Lakhs.

83. The Commission directs SLDC to submit the Complete Fixed Assets Register at the original book value of fixed assets as on 31.03.2024 & addition during FY 2023-24 showing assets created through SLDC Development Fund, Grants etc. and Capital work in progress (CWIP) position as on 31.03.2024 in the prescribed format of the Commission at **Annexure-I & II**. The same should reach the Commission's office on or before 30.09.2024 duly audited and certified by the Chartered Accountant/ Cost Accountant firms.

Human Resource Expenses (Employee Cost):

84. SLDC has projected **Rs. 1064.447 Lakhs** towards Employee Cost for the ensuing FY 2024-25 considering the existing employees including 4 number of Telecommunication personnel working at SLDC control Centre. In addition to the above, salary for 13 number of contractual/outsourced staff, engaged at SLDC has also been considered.
85. The Commission has examined the elements linked to employees cost proposed by SLDC. In past tariff exercises, the Commission has always considered the basic pay on a prorated basis of the actual basic pay of the previous year or the actual basic pay proposed by SLDC whichever is less. By considering the actual basic pay of the first 8 months (i.e. Rs.337.103 Lakhs) of the FY 2023-24, the Commission has estimated the basic pay for the FY 2023-24 as Rs. 505.655 Lakhs on a prorated basis. Further, by considering the annual increment @ 3%, the Commission has estimated the basic pay of Rs. 520.824 Lakhs as against the SLDC proposal of Rs 543.456 Lakhs for FY 2024-25. The Commission has considered Dearness Allowances @ 55% (based on Finance Department, Government of Odisha Circular dated 10.11.2023), Medical Allowance @ 5% of basic pay, House Rent Allowance @16% of basic pay is allowed on the basis of actual HRA paid to employees during the first 8 months of the FY 2023-24. Other employees related costs and allowances have been considered by the Commission appropriately. Accordingly, the Commission approves Rs.1017.474 Lakhs towards employee cost for FY 2024-25 against Rs.1064.447 Lakhs as proposed by SLDC. The details of proposed and approved employee's costs (Human resource expenses) are shown in the Table below:

Table – 17
Employees Cost Proposed by SLDC and Approved by the Commission for FY 2024-25
(Rs. Lakhs)

Sl. No	Particulars	Approved for FY 2023-24	Proposed for FY 2024-25	Approved for FY 2024-25
1.	Salaries	528.492	543.456	520.824
2.	Dearness Allowance	237.820	293.466	286.453
3.	Reimbursement of House Rent	74.000	84.238	83.332
4.	Reimbursement of Medical Expenses	26.425	27.173	26.041
5.	Other Allowance such as shift, Conveyance, ABT, green card washing etc.	17.580	18.139	17.360
6.	Contractual Staff Payment	15.560	24.636	17.825
7.	Leave Travel Concession	2.000	5.000	2.000
8.	Ex-gratia	9.048	14.700	10.000
9.	Staff Welfare Expenses	0.050	0.100	0.100
10.	Terminal Benefits (Employer's Share)	41.136	51.163	51.163
11.	Others (Specify) (Uniform & Liveries)	2.500	2.376	2.376
12.	Total Employees Cost	954.611	1,064.447	1,017.474

Operation and Maintenance (O&M) Expenses (excluding human resource expenses):

86. As per OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, Operation and Maintenance (O&M) Expenses consist of Repair & Maintenance (R & M) expenses and Administrative & General (A&G) expenses excluding Human Resources Expenses. Accordingly, SLDC has proposed O&M expenses (excluding human resource expenses) is Rs.250.412 Lakhs (Rs.87.141 Lakhs towards R&M expenses and Rs.163.271 Lakhs towards A&G expenses) for the FY 2024-25.
87. The Commission has scrutinized the actual expenditure made by SLDC for R&M and A&G expenses during FY 2022-23. Further, as per Regulation 14 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the permissible operation and maintenance expenses for the subsequent years of the tariff period shall be escalated at the rate of 5.72% per annum. Accordingly, the Commission has evaluated O&M expenses for the FY 2024-25 by considering the annual escalation @ 5.72% per annum over the actual O&M expenses incurred during FY 2022-23 and approves **Rs.213.589 Lakhs** towards Operation and Maintenance (O&M) Expenses (Excluding Human Resource Expenses) which includes R&M expenses of **Rs.55.235 Lakhs** and A&G expenses of **Rs.158.354 Lakhs**. The details are shown in the Table below:

Table – 18
O&M Expenses Proposed by SLDC and Approved by the Commission
for the FY 2024-25

(Rs. Lakhs)

Sl. No.	Particulars	Actual for FY 2022-23	Approved for FY 2023-24	Proposed for FY 2024-25	Approved for FY 2024-25
1.	R& M Expenses	49.420	77.158	87.141	55.235
2.	A&G Expenses	141.682	131.543	163.271	158.354
	Total (1+2)	191.102	208.700	250.412	213.589

Interest on Working Capital

88. SLDC has estimated that its working capital requirement is Rs.355.746 Lakhs and accordingly has proposed Rs.41.622 Lakhs as interest on working capital considering @ 11.70 % as rate of interest (SBI base Rate 8.70 % plus 300 basis point). However, the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010 provides that the rate of Interest on working capital shall be on normative basis and shall be equal to the short-term Prime lending rate of the State Bank of India. The Commission observes that since SLDC has adequate funds in the SLDC Development Fund and this fund is being used for the purpose of working capital considering the amount spent as deemed loan, therefore no interest on working capital for FY 2024-25 is allowed.

Summary of ARR Proposed by SLDC and Approved by the Commission for FY 2024-25:

89. The summary of expenses proposed by SLDC in its ARR and approved by the Commission for FY 2024-25 including truing up the deficit approved for FY 2021-22 & FY 2022-23 in this order has been shown in the Table below:

Table – 19
Summary of ARR Proposed by SLDC and Approved by the Commission
for FY 2024-25

(Rs. in Lakhs)

Sl. No.	Items	Approved for FY 2023-24	Proposed for FY 2024-25	Approved for FY 2024-25
1	Human Resource Expenses	954.611	1,064.447	1,017.474
2	O & M Expenses (Excluding Human Resources Expenses)	208.700	250.412	213.589
3	Depreciation	80.689	120.564	79.285
4	Interest on Working Capital	-	41.622	-
5	Sub-total (1+2+3+4)	1244.000	1477.045	1310.348
6	Truing-up Deficit of FY 2021-22	-	-	205.475
7	Truing-up Deficit of FY 2022-23	-	-	80.255
	Total (5+6+7)	1,244.000	1,477.045	1,596.078

Determination of Annual Charges of SLDC

90. The Commission approves Rs.1596.078 Lakhs (Rs.133.007 Lakhs/month) as the Annual Charges for SLDC Operation during FY 2024-25 and the same is to be recovered from the users of the Intra-State Transmission Network and avail the services of SLDC during the ensuing year. Accordingly, as per OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the Commission has considered Annual Fixed Charges (AFC) of SLDC Operations for FY 2024-25, which is to be recovered through SOC & MOC, the details are given in the Table below:

Table - 20
SLDC Charges approved by the Commission for the FY 2024-25

(Rs. in Lakhs)

Sl. No.	Particulars	Total for FY 2024-25	Monthly Charges
1	Annual Fixed Charges (AFC)	1,596.078	133.007
A	System Operation Charges (SOC) (80% of the AFC)	1,276.862	106.405
B	Market Operation Charges (MOC) (20% of the AFC)	319.216	26.602
	Total (A+B)	1,596.078	133.007
A	System Operation Charges (SOC) (80% of the AFC)	1,276.862	106.405
a)	Intra State Transmission Licensee @10% of SOC	127.686	10.641
b)	Generating Station & Sellers @45% of SOC	574.588	47.882
c)	Distribution Licensees & Buyers@45% of SOC	574.588	47.882
	Total of A (a+b+c)	1,276.862	106.405
B	Market Operation Charges (MOC) (20% of the AFC)	319.216	26.602
d)	Generating Station & Sellers @50% of MOC	159.608	13.301
e)	Distribution Licensees & Buyers@50% of MOC	159.608	13.301
	Total of B (d+e)	319.216	26.602

Recovery of System Operation Charges (SOC)

91. As per Regulation 20 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, the System Operation Charges (SOC) of **Rs.1276.862 Lakhs/annum** or **Rs.106.405 Lakhs/ month** shall be collected from the stakeholders as under:
- i) 10% of annual SOC shall be recovered @ **Rs.127.686 Lakhs/annum** or **Rs.10.641 Lakhs/month** from the Intra-State Transmission Licensee,
 - ii) 45% of annual SOC (i.e. **Rs.574.588 Lakhs/annum** or **Rs. 47.882 Lakhs/month**) shall be recovered @ **Rs.9077.205/MW/annum** or **@Rs.756.434/MW/month** from the Generating Companies & Sellers based on the scheduled generation / installed capacity of 6330.01 MW assessed by SLDC, and

- iii) Balance 45% of annual SOC shall be recovered @ **Rs.574.588 Lakhs/annum** or **Rs. 47.882 Lakhs/month** from the Distribution Licensees & Buyers based on the percentage of Energy Consumption approved by the Commission for FY 2024-25 which is given in the Table below:

Table - 21
Apportionment of Annual & Monthly SOC amongst Distribution Companies
for FY 2024-25

Name of DISCOMs	Energy Consumption approved by OERC for FY 2024-25 (MU)	Share of Energy Consumption (%)	Annual Charge (In Lakhs)	Monthly Charge (In Lakhs)
TPCODL	12,513	33.33	191.524	15.960
TPNODL	8,163	21.74	124.943	10.412
TPWODL	11,940	31.81	182.754	15.229
TPSODL	4,924	13.12	75.367	6.281
Total	37,540	100.00	574.588	47.882

Recovery of Market Operation Charges (MOC)

92. As per Regulation 21 of the OERC (Fees & Charges of SLDC and other related matters) Regulations, 2010, The Market Operation Charges (MOC) of **Rs.319.216 Lakhs/annum** or **Rs.26.602 Lakhs/ month** shall be collected from the stakeholders as under:

- i. 50% of annual MOC (i.e. **Rs.159.608 Lakhs/annum** or **Rs. 13.301 Lakhs/month**) shall be recovered @ **Rs.2521.449/MW/annum** or **@Rs.210.121/MW/month** from the Generating Companies & Sellers based on the scheduled generation / installed capacity of 6330.01 MW assessed by SLDC, and
- ii. Balance 50% of annual MOC shall be recovered @ **Rs.159.608 Lakhs/annum** or **Rs. 13.301 Lakhs/month** from the Distribution Licensees & Buyers based on the percentage of Energy Consumption approved by the Commission for FY 2024-25 which is given in the Table below:

Table - 22
Apportionment of Annual & Monthly MOC amongst Distribution Companies
for FY the 2024-25

Name of DISCOMs	Energy Consumption approved by OERC for FY 2024-25 (MU)	% Share of Energy Consumption	Annual Charge (In Lakhs)	Monthly Charge (In Lakhs)
TPCODL	12,513	33.33	53.201	4.433
TPNODL	8,163	21.74	34.706	2.892
TPWODL	11,940	31.81	50.766	4.231
TPSODL	4,924	13.12	20.935	1.745
Total	37,540	100.00	159.608	13.301

Registration Fee

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

94. Application Fee and Scheduling Charges

SLDC in its ARR application has proposed that the Application Fee and Scheduling Charges shall be paid by the Open Access Customers as per OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020. The Commission approves the proposed Application Fee and Scheduling Charges for Open Access Customers payable to SLDC during FY 2024-25 as per the above Regulations of OERC i.e. OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020.

95. ARR and Annual & Monthly Charges for the FY 2024-25

The details of ARR and Annual & Monthly Charges of SLDC for the FY 2024-25 for collection from different stakeholders approved by the Commission are summarized in the Table below:

Table - 23
ARR & Annual and Monthly Charges Approved by the Commission for FY 2024-25
(Rs. in Lakhs)

Sl. No.	Particulars	Approved for 2023-24	
		Per annum	Per month
1	ARR of SLDC	1,596.078	133.007
2	Intra-State transmission licensee to pay SOC to SLDC	127.686	10.641
3	Generating Stations & Sellers to pay SOC & MOC to SLDC (Rs. per MW calculated considering scheduled generation / installed capacity of 6330.01 MW)	734.196	61.183
		(Rs.11,598.654 per MW)	(Rs.966.555 per MW)
4	Distribution Licensees & Buyers to pay SOC & MOC to SLDC	734.196	61.183
5	(i) TPCODL	244.725	20.393
	(ii) TPNODL	159.649	13.304
	(iii) TPWODL	233.520	19.460
	(iv) TPSODL	96.302	8.026

96. Payment Mechanism of Annual Charges to SLDC

- (a) The LC arrangement has been created between SLDC and DISCOMs for securing payment of SLDC charges. Customers other than DISCOMs shall pay the Monthly Charges to SLDC directly based on the bills served upon them from time to time by SLDC. The Customers other than DISCOMs shall pay an amount equivalent to two months monthly SOC & MOC as the case may be in advance as security against default in payment of SOC & MOC of SLDC.
- (b) SLDC shall raise the bill both for SOC & MOC to Generating Stations & Sellers on monthly basis against the total installed/contracted capacity of 6330.01 MW as projected by SLDC for the FY 2024-25 at the rates approved by the Commission. Similarly, SLDC shall raise the bill to OPTCL & Distribution Licensees on monthly basis at the rates approved by the Commission for the FY 2024-25.
- (c) For payment of bills on monthly basis through the Letter of Credit (LC) mechanism, a rebate of 2% shall be allowed. Other than the Letter of Credit mechanism, if payment is made within a period of one month of presentation of bills, a rebate of 1% shall be allowed.
- (d) In case the payment of any bill for SLDC charges is delayed by any user beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the SLDC.
- (e) The SOC & MOC Charges of SLDC shall be paid on a monthly basis by the Customers based on the monthly bills served upon them by SLDC following the payment mechanism mentioned above.

97. SLDC Development Fund

- (a) Based on the provisions in CERC Regulation, 2009 & Regulation-8 of OERC (Fees & Charges of SLDC and other related Matters) Regulation, 2010, the Commission vide Para-213 of the Order dated 20.03.2010 had approved for creation of a separate fund by SLDC namely “SLDC Development Fund” under a separate head of account. SLDC Development Fund has already been created by SLDC with effect from 01.04.2010.
- (b) The accumulated cash balance in SLDC Development Fund has been shown by SLDC as Rs.8024.413 Lakhs as on 31.03.2023 after utilization of SLDC

Development Fund of Rs.943.720 Lakhs upto 31.03.2023 and after taking into account of regulatory deficit of Rs.205.475 Lakhs of the FY 2021-22. Since the Commission has approved the regulatory deficit of Rs.205.475 Lakhs in the truing-up for FY 2021-22 and passthrough in this tariff order, the revised accumulated balance in SLDC Development Fund will be **Rs.8229.888 Lakhs** (Rs.8024.413 Lakhs + Rs.205.475 Lakhs) as on 31.03.2023. Since SLDC has not considered the revenue deficit of Rs.80.255 Lakhs of FY 2022-23 for calculation of accumulated cash balance in the SLDC development fund as on 31.03.2023, the truing up approved for the FY 2022-23 (i.e., revenue deficit of Rs.80.255 Lakhs) by the Commission in this order is not required to consider while determination accumulated balance in the SLDC development fund. The same would be adjusted against the revenue deficit of FY 2022-23.

- (c) The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. during FY 2024-25 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.
 - (d) SLDC shall be entitled to utilize the SLDC Development Fund as usual in the creation of assets, payment of margin money for raising loans from FIs for assets creation and funding of R&D Projects, if any, relating to the development of Odisha Power System with the necessary approval of the Commission.
 - (e) Any asset created by SLDC out of SLDC Development Fund shall not be considered for Return on Equity (RoE) & payment towards Interest on Loan.
98. SLDC needs to ensure the availability of required information from substations through SCADA/ RTU and share it with OPTCL for billing and smooth operation of the system. Further, efficient operation of the transmission system is very much required because of the expected large-scale integration of renewable generation with variability in the injection of power in the coming years. SLDC should provide operational feedback to OPTCL regularly regarding the overloading of transmission lines and transformers, over/ under voltage at various substations, and the need for reactive compensation, etc., so that remedial action can be taken through proper planning of transmission system for future and for strengthening/augmentation of existing system for mitigation of constraints in transmission system for smooth operation of the power system of the state.

99. At present, people of the State are considering solar energy as a feasible option for powering their homes and businesses because of the increase in their own electricity consumption as well as energy costs day by day. Further, due to the formulation/introduction of the Renewable Energy Policy 2022 by the Government of Odisha, many industries/firms in Odisha are now interested to go for the generation of power from Renewable Energy Sources like Solar or Wind in Odisha. We therefore expect a large-scale integration of Solar generation in the State Power System in the near future. It is a fact that in the absence of a proper storage system, the generation of Solar power can only be best utilized during the daytime. Therefore, SLDC shall make use of the flexibility provided by conventional hydro generation plants and the capacity of inter-grid tie-lines to accommodate Solar energy generation to the largest extent possible subject to Grid security.
100. SLDC as an Independent System Operator (ISO) is an apex body and has an important role to play in ensuring the integrated operation of the Power System of the State. The transmission system of OPTCL includes about 16368.259 CKM. of transmission lines, 26228 MVA transformation capacity, and 193 number of grid substations, which are in operation at 132 kV, 220 kV, and 400 kV levels, to cater to the present peak demand of about 6000 MW of the State.

As an Independent System Operator, SLDC is directed:

- (a) To update the status of the assessment of the Power flow in different lines at different voltage levels (132 kV, 220 kV & 400 kV) in the last three years to understand the utilization level of the transmission assets (10-30%, 30-40%, 40-50%, 50-60%, >60%) so that future planning for the addition of transmission assets can be done properly for optimum utilization of assets.
- (b) To update with details on the System Protection Scheme (SPS) in operation/any future planning for implementation of such system in the intra-state transmission system.
- (c) To update the status of construction of new SLDC building along with the status of planning & implementation of backup SLDC to avoid any unexpected cyber-attack.
- (d) To update the initiative taken to carryout study for planning and development of Islanding Scheme for major cities like Bhubaneswar, Cuttack, Berhampur, Sambalpur & Rourkela etc. separately or in combination of more than one city.

- (e) To update the step being taken to undertake planning to collect meter data and other relevant information online relating to RE generation (about 20-25 GW) in the state, which are likely to be connected to the Grid primarily at 33 kV level.
 - (f) To list out Automatic Generation Control (AGC) enabled generators.
 - (g) To intimate the measures being taken to prevent cyber-attacks to ensure safe, secure, and efficient operation of the State Power Grid.
 - (h) To intimate the preparedness to implement Deviation Settlement Mechanism (DSM) in the operation of State Grid like other States.
 - (i) To prepare for scheduling of Green Energy banked through Green Energy Open Access including consumption of green energy by producers of Green Hydrogen/ Green Ammonia/ their derivatives.
101. The System Operation & Market Operation Charges approved in respect of SLDC will become effective from 1st April 2024 and shall continue until further orders.
102. The application of SLDC in Case No. 114 of 2023 for approval of Aggregate Revenue Requirement and Fees and Charges for State Load Despatch Centre (SLDC) functions for FY 2024-25 and Case No 133 of 2023 for approval of Truing-up of FY 2021-22 & FY 2022-23 are disposed of accordingly.

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

Sd/-
(G. Mohapatra)
Officiating Chairperson

