

Queries on Filing of OPTCL

Finance:

1. Desegregation of balance sheet of GRIDCO & OPTCL based on audited accounts of GRIDCO for the FY 2004-05 has not been furnished through affidavit. This may be submitted.
2. Fixed Asset Register after 2002-03 is not available. The same has not been furnished since 2003-04 although it has been mentioned in the filing (TRL-8) that asset register for 2003-04 is already submitted. This should be complied.
3. For working out of O&M expenses as per CERC guidelines, OPTCL should submit the relevant data for the following items correctly.
 - a) Length of line in different voltage level in circuit kilometer.
 - b) No. of bays on different voltage level.
 - c) Cost of the above per circuit KM of the line and per bay.
4. The working sheet of estimation of R&M expenses based on audited figures for 2004-05 has not been furnished. Audited figures for 2004-05 shows that R&M expenses was Rs.4.59 crore whereas for 2005-06 and 2006-07 the same are estimated at Rs.95.22 crore and Rs.116.65 crore respectively. The huge gap between the actual expenditure incurred during 2004-05 and projection for 2005-06 & 2006-07 needs clarification. Also the licensee should provide the actual expenditure of O&M incurred up to December 2005, pertaining to the financial year 2005-06.
5. Recently in connection with Case No.115/2004, GRIDCO on 27.10.2005 has furnished a statement showing details of asset related loans and others through affidavit. The repayment liabilities projected there, do not match with the figures submitted in the Form TRF-3 of the filing. This is to be complied.
6. Last year, GRIDCO through affidavit filed an amount of Rs.389.99 crore as asset addition for the year 2004-05. The same figure, after the completion of audited accounts for the year 2004-05, stands at Rs.69.96 crore. The huge discrepancy needs to be clarified.
7. Licensee has not filled the data in complete shape in OERC form TRF-14 & TRF-15 viz Repair Maintenance expenses & A&G expenses. The same needs to be filled up.
8. The actuarial valuation report for determination of terminal benefit for 2005-06 & 2006-07 of employees has not been furnished. The same may be submitted.
9. The licensee in clause no 4.9 of the filing has not mentioned under which provision of the tariff regulation the reasonable return has been worked out. The same needs to be complied.

10. The basis of calculation of depreciation have not been spelt out in form TRF-23. This has to be specified. Please indicate the percentage of depreciation item-wise adopted for calculation.
11. OPTCL estimates inter-state wheeling of 500 MU of power in (para-7) of the petition. Similarly, OPTCL has indicated wheeling of power to an industry within the state from outside sources (para-6). The details of such industries/sources of wheeling need to be supplied for correct assessment of miscellaneous receipt.
12. OPTCL have estimated the transmission loss at 5.05% which is higher than the figure approved in the previous years tariff order. OPTCL needs to explain the cause of high system loss inspite of capital investment made during previous years. Besides, OPTCL should explain what corrective measures they propose to take for reduction of this loss (Para 5).
13. Capital work in progress (CWIP) as per the provisional balance sheet as on 31.03.2005 is reported by OPTCL as Rs.999.4002 crore and the projection for 2006-07 is Rs.500.28 crore. It is observed that the optimistic projection of CWIP is never achieved in practice and unnecessarily affects the tariff. Realistic projection based on the achievements of the previous years and the time for completion of projects in 2006-07 have to be specified.
14. Interest burden for non-completion of projects beyond the scheduled date should be worked out and submitted.
15. Interest on long-term liabilities (para 3.1.5) as extracted from the provisional balance sheet (part-II, schedule-A) claimed to be annexed in the filing, have not been furnished. This needs to be submitted for examination at this end.

Technical:

Format No.	Queries
TRL-1	To be filled up totally.
TRL-2	Transformer voltage ratio in Nayagarh and Barkote Grid sub-station needs to be corrected.
TRL-3	To be filled up.
TRL-4, 5,6 & 7	The circuit KM length of transmission lines is not tallying with that of TRL-8.
TRL-8	It is to be filled up completely. Status regarding 66 KV line should be clarified.
TRP-1 & 2	To be filled up completely.
TRP-4	Frequency position needs to be checked.
TRP-5	To be submitted.
TRP-8	It is inconsistent with the claims in TRP-3. Needs to be completely revised.
TRT-7	It is to be submitted

ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT – VIII, BHUBANESWAR – 751 012
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Case No.43/2005

Date: 31.12.2005

From

M.R. Hazra, OSJS (Retd.),
Secretary.

To

The Managing Director,
OPTCL,
Janpath, Bhubaneswar.

Sub: Annual Revenue Requirement and Transmission Tariff Application of OPTCL for FY 2006-07 against OERC Case No.43/2005: Discrepancies in the filing thereof.

Sir,

On scrutiny of the application, a lot of discrepancies have been observed and noted in a separate sheet enclosed herewith. You are hereby advised to clarify the same, ensure necessary rectification therein and submit the same along with the rejoinder to the queries to be raised by the objectors under affidavit on or before 13.1.2006.

Yours faithfully,

Encl : As above.

SECRETARY