

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO. 4, CHUNAKOLI, SAILESHREE VIHAR,
CHANDRASEKHARPUR,
BHUBANESWAR-751021**

**Case No.64 of 2016
Date: 21.12.2016**

To

The Chairman-cum-Managing Director,
OPTCL,
Janpath, Bhubaneswar.

Sub: Annual Revenue Requirement & Tariff Application for 2017-18.

Sir,

On scrutiny of the above application, it has been noticed that information and analysis with regard to a number of items which are extremely relevant for the purpose of scrutiny of Annual Revenue Requirement and Tariff for FY 2017-18 have not been furnished. An Annexure indicating items on which information/clarification are needed is enclosed.

You are hereby directed to furnish the information as per the queries raised in the said Annexure by **06.01.2017** positively. The queries raised in this letter along with the replies shall be supplied to all the persons who might purchase the documents.

Yours faithfully,

Encl: As above.

Director (Tariff) I/c

Annexure

Wanting Information in OPTCL's ARR Filing for FY 2017-18

TECHNICAL:

1. The Commission in past has directed OPTCL to conduct annual audit of the store materials and opined that there should be zero inventory except materials required to attend emergency break down. OPTCL should furnish a report on such audit to the Commission.
2. Detailed report on revenue receipt as regards to supervision charges and project management cost for implementation of Odisha Distribution System Strengthening Projects (ODSSP) and other works item wise may be furnished for FY 2015-16 & FY 2016-17 up to date.
3. OPTCL should submit the actual demand of DISCOMs (Discom-wise) for FY 2014-15, 2015-16 & 2016-17 up-to-date for projection of demand for ensuing year. The basis of calculation of Discoms demand & specifically Railways demand for the ensuing year may be furnished.
4. OPTCL in its ARR has projected an amount of Rs.12.86 Cr. (Sl.-23 & Sl-26) for procurement of T&P for Disaster Resilience and Response system and ERS towers for early restoration of EHT towers, which needs detail explanation. A note on the technology and practice being adopted/ followed in any transmission utility across the country may be furnished. Further, the reason of the above projection in the ARR for FY 2017-18, while the GoO has provided a special provision for Disaster Response Centre (DRC) and Disaster Resilient Power System (DRPS) under Odisha Power System Improvement Programme. The detail receipt by OPTCL from Govt. under these heads & expenditures made thereto should be furnished.
5. OPTCL may furnish detail list of expenditure incurred towards R&M work under different heads executed by OPTCL during 2016-17 up to date in line with Table – 7 of the ARR of ensuing year. OPTCL has projected an amount of Rs.6.73 Cr., Rs.12.58 Cr., and Rs.1.31 Cr. & Rs.10.00 Cr. towards sub-station automation system, protection System Up gradation, Audit of Energy meter & Engagement of Security personal respectively under R&M head. The detailed note on the above items may be furnished. Further, specific note on sub-station automation system and the basis of selection of s/s for the purpose should be furnished. The note should mention the specific areas which needs automation and also number of substation already completed and the expected expenditure for the said work. The above

works are capital in nature but included in the R & M works. OPTCL should also justify its inclusion in R & M.

6. OPTCL has claimed an amount of Rs.3.55 Cr. towards auxiliary energy consumption in sub-station. The entire power purchase cost of GRIDCO is recovered from DISCOMs through BSP & OPTCL is not paying any amount to GRIDCO for this consumption. In the above backdrop, OPTCL claim for such consumption on this head may be explained.
7. In Table -24, OPTCL has deducted 150 MU towards energy handled in distribution network from the total energy transmitted in OPTCL network. OPTC has recovered its total ARR from the DISCOMs as per the meter reading taken at GRIDCO sub-station end. So reason of deducting 150 MU from total drawl of DISCOMs for calculating energy handled in OPTCL system may be explained. The basis and study undertaken by OPTCL to propose 150 MU loss in distribution system may be submitted. Further OPTCL should submit the details of Discom-wise transaction made through 33KV & 11KV network for 2014-15,2015-16 & 2016-17 up-to-date.
8. OPTCL should furnish the detail expenditure incurred towards GCC and CSR for FY 2015-16 & 2016-17 up to date to justify their claim for 2017-18.
9. OPTCL should furnish the details of wheeling charge collected from CGPs (both quantum and revenue) for FY 2015-16 and 2016-17 up to date.
10. The Capex Plan proposed by OPTCL in ARR for FY 2017-18 is not matching with Business Plan approved by the commission for said year. OPTCL should justify the reason of such difference.
11. OPTCL should submit the details calculation for claiming Reactive Energy Charge of 3Paise /KVARh for 2017-18.
12. OPTCL in its ARR has proposed to claim additional charges of 10 P/Kwh & 15 P/Kwh towards collecting meter reading data & compensation of unbalanced power from Railways. The basis of calculation & Study under taken by OPTCL on this account may be submitted.
13. OPTCL in its ARR has proposed to claim Reliability Support Charge for connectivity of Rs.1.00lakh/MW/annum on the installed capacity of CGPs for 10 years. Study under taken by OPTCL on this account may be submitted.
14. OPTCL is required to coordinate with Machakund HEP on daily basis for availing uninterrupted power supply from MHEP to Jayanagar (on regular/Continuous manner). The feeder should be healthy and to be charged properly in case it trips. OPTCL is to intimate the

action taken by them so as to draw 50% of Odisha share of power available from MHEP on real time basis.

15. OPTCL should furnish the details of quantum and revenue earned by OPTCL towards Interstate & Intrastate wheeling, STOA and STU charge received from energy exchange for FY 2014-15, 2015-16 and 2016-17 upto date (Table-22). OPTCL should submit the orders of the some SERCs where STOA rates are equal to LTOA. The details of STOA may be furnished in the table below:

Year	No. of application received by SLDC	No. of application allowed by SLDC	Total Power (MW) transmitted through Open Access	Total Energy (MU) transmitted through Open Access	Amount collected by OPTCL (Rs. in Lakhs)
2014-15					
2015-16					
2016-17 upto date					

16. OPTCL should furnish the details of project completed during FY 2015-16 and FY 2016-17 up-to-date in the following format:-

Sl No.	Name of the Project	Schedule date of completion	Revised date of completion	Actual date of completion	Original estimated cost of the project	Revised cost	Actual expenditure

FINANCE:

17. The audited accounts along with statutory audit report for the FY 2015-16 may be submitted.
18. In Form F-2, the addition of assets during FY 2015-16 is shown at Rs.636.59 crore where as in Form F-17 (statement of fixed assets and depreciation) it is shown at Rs.770.80 crore. The discrepancies in the figure may be clarified.
19. In Form F-2 the interest during construction is shown “NIL”. Clarification may be given.
20. The actual receipt of project related loan from 01.4.2016 to 30.11.2016 may be submitted.
21. OPTCL has claimed an amount of Rs.167.02 crore towards Basic pay and Grade pay during 2017-18. Basis of computation may be provided. Further, detailed calculation of arrear impact due to implementation of 7th Pay Commission may be provided.

22. Month-wise details of Basic Pay, Grade Pay, DA, HRA drawn from April, 2016 to November, 2016 may be provided.
23. New induction of employee during 2016-17 and 2017-18 is projected at 386 Nos. and 140 Nos. respectively. The financial impact of such new induction is projected at Rs.7.54 crore under the head stipend for new recruitment. OPTCL need to clarify why the above number of employee is considered again in determining the Basic Pay + GP during 2017-18 of regular employees.
24. In form F-9, OPTCL proposed equity infusion of Rs.57.00 crore during 2016-17. Details of such infusion of equity such as sanction order, date etc., may be intimated if the equity is to be funded by Govt. of Odisha.
25. In Form F-6, OPTCL projected an amount of Rs.308.92 crore as Sundry Debtors as at the end of the year 2017-18. List of defaulters against whom such amount is due and action taken by OPTCL to recover the same may be submitted.
26. Monthly Cash flow statement considering the revenue items only for the FY 2015-16 and FY 2016-17 (upto November, 2016) may be submitted.
27. Under the head Administration and General Expenses, the Hire charges on vehicle are estimated at Rs.8.16 crore. The basis of such estimate along with detailed calculation may be submitted.
28. The Commission has allowed an amount of Rs.5.00cr in the ARR for FY 2016-17 towards incentive. The details of expenditure made by OPTCL on this amount should be submitted.
29. OPTCL has claimed an amount of Rs.155.11 crore towards repair and maintenance during 2017-18. Information on actual expenditure since last four years ie. 2013-14, 2014-15, 2015-16 & 2016-17 (upto November, 2016) may be submitted. OPTCL is required to submit the actual status of procurement of material (item-wise) and its execution (actual from April, 2016 to November, 2016).
