

*Summary of ARR & Fees and
Charges for SLDC Filings*

Submitted by

SLDC

For

FY 2017-18

**OPTCL'S PROPOSAL FOR ARR & LEVY OF ANNUAL FEES & CHARGES FOR
SLDC FUNCTIONS FOR FY 2017-18**

1. Hon'ble Commission under Section 86(2) (iii) of the Act 2003 advised the State Govt. for recognition and restructuring of SLDC separating from OPTCL - the STU notifying an appropriate Transfer Scheme by 31.12.2008 positively.
2. OERC vide letter No. 1313 dated 04.08.2007 issued a road map for implementation of levy of annual fee and operating charges for SLDC functions in Odisha in order to separate SLDC charges from the existing transmission charges of OPTCL with effect from 01.04.2008 to make SLDC self – reliant.
3. As per direction of Hon'ble Commission, separate application for approval of Annual Fees and Operating Charges for SLDC function is being filed by OPTCL since FY 2009-10.
4. The application for approval of Annual Revenue Requirement and Fees & Charges for SLDC for FY 2017-18 has been prepared by OPTCL in line with the provision mentioned in the CERC (Fees & Charges of RLDC & other related matters) Regulations, 2009, OERC (Fees & Charges of SLDC & other related matters) Regulations, 2010 and considering the following recommendation of the MOP Committee Report.
 - (a) SLDC is to be equipped suitably to play the pivotal role of an Independent System Operator (ISO).
 - (b) Power system operation is the core activity of LDCs. Efficient load dispatching also requires a deep understanding of Transmission, Generation and Distribution technology. In view of above, the executives shall be from electrical engineering discipline. Efforts need be made to supplement them with interdisciplinary learning and development.
5. As per the recommendation in the report of the task force committee on “Capital Expenditure and Issues related to Emoluments for Personnel in Load Despatch Centres”, the assets pertaining to the Control Centre (SLDC) has to be handed over to the State Load Despatch Centres. Provision for recovery of the outstanding amount for investments made by the POWERGRID on ULDC project shall be kept in the ARR of SLDC. As per the Taskforce report, SLDC is liable to pay the recovery cost of control centre equipments only. Since the assets presently being used at SLDC is

yet to be transferred, the ULDC asset recovery charges are not considered in the ARR. However, the depreciation cost has been considered in the ARR for FY 2017-18.

6. OPTCL has proposed the man power structure for SLDC operation in the ARR of FY 2017-18 which is in line with ERLDC structure, the abstract of which is indicated in Annexure-I.

Item wise Annual Revenue Requirement for SLDC operation as proposed by OPTCL for FY 2017-18

7. 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:
 - a. Return on Equity
 - b. Interest on Loan Capital
 - c. Depreciation
 - d. Operation & Maintenance Expenses Excluding Human Resource expenses
 - e. Human Resource Expenses
 - f. Interest on Working Capital

a. Return on Equity:

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

b. Interest on Loan capital:

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

c. Depreciation:

Depreciation for the assets in the Unified Load Despatch Center and offices in SLDC has been computed as Rs. **23.853** lacs as per CERC Regulation. The major amount of depreciation charges is for recovering the depreciation cost for Video Projection Screen (VPS) amounting Rs. **9.118** lacs and the depreciation cost for IT equipments at EASSC amounting Rs. **7.702** lacs. Depreciation of new assets such as AC, furniture, UPS, photocopier, battery etc has also been considered. Total depreciation amount is provided in table –1 below.

Table – 1: Statement of Depreciation**(in Rs. Lacs)**

Financial Year	2015-16	2016-17	2017-18
Recovery of capital cost (amount to be recovered during the year)	0.000	0.000	0.000
Depreciation on existing assets	24.460	22.529	23.853
Total	24.460	22.529	23.853

d. Operation and Maintenance Expenses:

Operation and maintenance expenses excluding human resources expenses for FY 2017-18 has been computed as **Rs.291.530 lacs** considering the R&M expenditure proposed to be incurred for Facility Management Services (FMS), Website charges, AMC charges for SCADA/EMS equipments, IT equipments and civil work/ Electrical maintenance of office building and colony quarters etc.

A&G expenses includes Office expenses, Training and Certification programme of operators and executives, professional charges, communication system, gardening, meeting expenses etc.

The O & M expenses have been projected considering actual expenditure to be incurred during FY 2017-18.

Table – 2: Statement of O&M Expenses Excluding Human Resource Expenses**(in Rs. Lacs)**

ITEMS	2015-16 (Actual)	2016-17 (Approved)	2016-17 (Actual up to Sept.-16)	2017-18 (Proposed)
Repair and maintenance expenses	182.220	199.090	3.540	140.000
Administrative and general expenses etc.	103.050	83.390	44.720	151.530
Total	285.270	282.480	48.260	291.530

c. Human Resources Expenses:

Human resources expenses have been computed as **Rs. 1126.815 lacs**. Total number of employees at SLDC has been proposed as 67 nos. Present staff strength of SLDC is 69 as on 31.10.2016. The salary of the employees has been computed

by considering the approved 67 nos. of employees and implementation of 7th Pay Commission Report. Payment of arrear amounting Rs. 80.00 lacs due to implementation of 7th Pay Commission Report has been considered. The details calculation sheet of human resources expenses can be seen in Form-7B (4) of the ARR filing.

d. Interest on working capital:

The interest on working capital is computed as **Rs.45.03 lacs** as per OERC Regulation considering 9.3% rate of interest (bank interest) plus 300 basis points. Even though SLDC has not taken loan to meet the working expenses, the provision has been kept due to non-receipt of SLDC charges from the user for two months from the commencement of financial year. The loss of interest for the above amount is being recovered as interest on working capital. The details on working capital requirement and interest on it is given in table-3 below.

Table – 3: Statement of Interest on Working Capital

(in Rs. Lacs)

Particulars	Amount Lacs
O&M expenses for one month excluding human resources expenses	24.294
Human resource expenses for one month	93.901
Receivables (2 months of SOC & MOC)	247.871
Total Working Capital	366.067
Rate of Interest	12.3%
Interest on working capital	45.03

Abstract of expenses proposed for FY 2017-18 is given in table – 4 below.

Table – 4: Abstract of Expenses Proposed for FY 2017-18

(in Rs. Lacs)

Sl. No.	Particulars	2017-18
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	23.853
4.	O&M Expenses excluding human resource expenses	291.530
5.	Human Resource expenses	1126.815
6.	Interest on Working Capital	45.03
	Total expenses	1487.227

Certificate of LDC Personnel:

8. The committee on “Manpower, Certification and Incentives for System Operation and Ring fencing Load Despatch Centres” recommended compensation structure, innovative incentive schemes for higher learning and monetary incentives based on the ratings of the employees. For imparting training to the executives, the expenditure for Training & Certification of LDC personnel has been projected as Rs 20 lacs for FY 2017-18.

SLDC Assets:

9. Most of the assets of SLDC along with sub-SLDC have been identified for transfer as per the direction of Hon’ble Commission.

Determination of Annual Charges for SLDC:

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

Annual charges: Annual charges computed shall comprise of

- a) **System Operation Charges (SOC)** i.e. 80% of Annual charge
- b) **Market Operation Charges (MOC)** i.e. 20% of Annual charge

- **System Operation Charges (SOC)** shall be collected from the users in the following ratio
 - Intra State Transmission Licensee - 10% on the basis of Ckt-KMs
 - Generating Company & Seller - 45% on the basis of installed capacity
 - Distribution Licensee and Buyers - 45% on the basis of allocation
- **Market Operation Charges (MOC)** shall be collected equally from the Discoms and Generating Companies apportioning to the entitlement and installed capacity respectively.
 - As per the proposed maintenance program, the installed capacity of OHPC stations has been considered as 1850 MW computed on weighted average basis as provided in Annexure II of the filing.
 - For the purpose of determination of the above charges for CGPs, the maximum MW scheduled during April to October 2016 has been considered. Those CGPs have not been considered for SLDC charges who have stopped generation during FY 2016-17.

- In the absence of approved injection schedule for some of the CGPs during FY 2016-17 (up to October 2016) the approved schedule quantum has been considered.
- Further, it has been proposed to collect SLDC charges from industries which are importing power through inter-state open access only for the month of their transaction basing on the maximum scheduled quantum.

Table – 5: Abstract of Collection of SLDC Charges Proposed for FY 2017-18

(in Rs. lacs)

Annual charges (AFC)	1487.227
System Operation Charges (SOC) (80% of the AFC)	1189.782
Intra State Transmission Licensee @10% of SOC	118.978
Generating Station & Sellers @45% of SOC	535.402
Distribution Licensees & Buyers@45% of SOC	535.402
Market Operation Charges (MOC) (20% of the AFC)	297.445
Generating Station & Sellers @50% of MOC	148.723
Distribution Licensees & Buyers@50% of MOC	148.723

Registration Fee:

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

Application Fee and Scheduling Charges:

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

Prayer

Considering the submission made above, OPTCL prays Hon'ble Commission to approve the Annual Revenue Requirement of **Rs.1487.227 lacs** for FY 2017-18 towards State Load Despatch Centre (SLDC) function separately and kindly allow recovering the same from the users.

**Proposed Levy and Collection of Fees and Charges by OPTCL for SLDC operation for
FY 2017-18**

LEVY AND COLLECTION OF FEES & CHARGES (Rs. in Lacs)

Annual charges	1487.227
Total Cost (Annual Fixed Cost)	1487.227
System Operation Charges (SOC) (80% of the AFC)	1189.782
Market Operation Charges (MOC) (20% of the AFC)	297.445
System Operation Charges (SOC)	1189.782
Intra State Transmission Licensee @10% of SOC	118.978
Generating Station & Sellers @45% of SOC	535.402
Distribution Licensees & Buyers@45% of SOC	535.402
(a) Intra State Transmission Licensee (SOC per month)	9.915
(b) Generating Station & Sellers @45% of SOC	535.402

(Rs. in Lacs)

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1850.00	207.328	17.277
2	OPGC	420.00	47.069	3.922
3	TTPS	460.00	51.552	4.296
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	2.241	0.187
5	Meenakshi Power Ltd. (Small Hydro)	37.00	4.147	0.346
6	Shalivahana Green Energy Ltd	20.00	2.241	0.187
C	IPP			
7	GMR, Kamalanga	350.00	39.224	3.269
8	Vedanta Limited (IPP)	600.00	67.242	5.603
9	NBVL (IPP)	60.00	6.724	0.560
D	CGPs	Maximum Scheduled (MW) (up to end of October-2016)		
10	Aarti Steel Ltd	35.56	3.985	0.332
11	Action Ispat & Power Pvt. Limited	2.83	0.317	0.026
12	Aditya Aluminium Limited	2.00	0.224	0.019
13	Aryan Ispat & Power Pvt. Ltd.	9.97	1.117	0.093
14	Bhubaneshwar Power Pvt. Ltd.	115.80	12.978	1.081
15	Bhusan Power & Steel Ltd.,Jharsuguda	30.00	3.362	0.280
16	Bhusan Steel Limited, Meramundali	50.00	5.603	0.467
17	ESSAR Power (Orissa) Ltd.	7.78	0.872	0.073
18	FACOR Power Ltd.	3.61	0.405	0.034

19	HINDALCO	15.00	1.681	0.140
20	IFFCO	10.00	1.121	0.093
21	IMFA	46.94	5.261	0.438
22	Jindal Stainless Limited, Duburi	15.76	1.766	0.147
23	Jindal Steel & Power Ltd., Angul	231.58	25.953	2.163
24	Maithan Ispat Limited	2.00	0.224	0.019
25	MGM Minerals Ltd.	2.42	0.271	0.023
26	NALCO, Angul	49.00	5.491	0.458
27	Narbheram Power & Steel (P) Ltd	3.00	0.336	0.028
28	Nava Bharat Ventures Limited	48.60	5.447	0.454
29	Nilachal Ispat Nigam Limited	8.00	0.897	0.075
30	OCL India Ltd.	22.87	2.563	0.214
31	Pattaniak Steel & Alloys Limited	2.00	0.224	0.019
32	RSP	4.00	0.448	0.037
33	Shree Ganesh Metalicks Limited	1.05	0.118	0.010
34	Shyam Metalicks & Energy Limited	1.00	0.112	0.009
35	SMC Power generation	4.00	0.448	0.037
36	Tata Sponge Iron Limited	19.00	2.129	0.177
37	Vedanta Limited (Jharsuguda)	134.65	15.090	1.258
38	Vedanta Limited (Lanjigarh)	5.00	0.560	0.047
39	VISA Steel Limited	25.00	2.802	0.233
40	Yazdani Steel & Power Limited	2.00	0.224	0.019
E	Solar Projects	Installed Capacity (MW)		
41	ACME, Odisha	25.00	2.802	0.233
42	AFTAB Solar	5.00	0.560	0.047
43	GEDCOL	20.00	2.241	0.187
	Total	4777.42	535.402	44.617
(c)	Distribution Licensees & Buyers @45% of SOC		535.402	
		% share		
44	CESU	34.92	186.962	15.580
45	NESCO	22.21	118.913	9.909
46	WESCO	28.73	153.821	12.818
47	SOUTHCO	14.14	75.706	6.309
	Total	100.00	535.402	44.617

**Market Operation Charges
(MOC)**

297.445

**(a) Generating Company @50%
of MOC**

148.723

(Rs. in Lacs)

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
A	State Generating Station			
1	OHPC	1850.00	57.591	4.799
2	OPGC	420.00	13.075	1.090
3	TTPS	460.00	14.320	1.193
B	Small Hydro & Bio-mass			
4	OPCL (Small Hydro)	20.00	0.623	0.052
5	Meenakshi Power Ltd. (Small Hydro)	37.00	1.152	0.096
6	Shalivahana Green Energy Ltd	20.00	0.623	0.052
C	IPP			
7	GMR, Kamalanga	350.00	10.896	0.908
8	Vedanta Limited (IPP)	600.00	18.678	1.557
9	NBVL (IPP)	60.00	1.868	0.156
D	CGPs	Maximum Scheduled (MW) (up to end of October-2016)		
10	Aarti Steel Ltd	35.56	1.107	0.092
11	Action Ispat & Power Pvt. Limited	2.83	0.088	0.007
12	Aditya Aluminium Limited	2.00	0.062	0.005
13	Aryan Ispat & Power Pvt. Ltd.	9.97	0.310	0.026
14	Bhubaneshwar Power Pvt. Ltd.	115.80	3.605	0.300
15	Bhusan Power & Steel Ltd.,Jharsuguda	30.00	0.934	0.078
16	Bhusan Steel Limited, Meramundali	50.00	1.557	0.130
17	ESSAR Power (Orissa) Ltd.	7.78	0.242	0.020
18	FACOR Power Ltd.	3.61	0.112	0.009
19	HINDALCO	15.00	0.467	0.039
20	IFFCO	10.00	0.311	0.026
21	IMFA	46.94	1.461	0.122
22	Jindal Stainless Limited, Duburi	15.76	0.491	0.041
23	Jindal Steel & Power Ltd., Angul	231.58	7.209	0.601
24	Maithan Ispat Limited	2.00	0.062	0.005

25	MGM Minerals Ltd.	2.42	0.075	0.006
26	NALCO, Angul	49.00	1.525	0.127
27	Narbheram Power & Steel (P) Ltd	3.00	0.093	0.008
28	Nava Bharat Ventures Limited	48.60	1.513	0.126
29	Nilachal Ispat Nigam Limited	8.00	0.249	0.021
30	OCL India Ltd.	22.87	0.712	0.059
31	Pattaniak Steel & Alloys Limited	2.00	0.062	0.005
32	RSP	4.00	0.125	0.010
33	Shree Ganesh Metalicks Limited	1.05	0.033	0.003
34	Shyam Metalicks & Energy Limited	1.00	0.031	0.003
35	SMC Power generation	4.00	0.125	0.010
36	Tata Sponge Iron Limited	19.00	0.591	0.049
37	Vedanta Limited (Jharsuguda)	134.65	4.192	0.349
38	Vedanta Limited (Lanjigarh)	5.00	0.156	0.013
39	VISA Steel Limited	25.00	0.778	0.065
40	Yazdani Steel & Power Limited	2.00	0.062	0.005
E	Solar Projects	Installed Capacity (MW)		
41	ACME, Odisha	25.00	0.778	0.065
42	AFTAB Solar	5.00	0.156	0.013
43	GEDCOL	20.00	0.623	0.052
	Total	4777.42	148.723	12.394

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

148.723

Sl.		% share		
44	CESU	34.92	51.934	4.328
45	NESCO	22.21	33.031	2.753
46	WESCO	28.73	42.728	3.561
47	SOUTHCO	14.14	21.029	1.752
	Total	100	148.723	12.394

Abstract of Staff Requirement for SLDC

1. Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
1	Director (Chief Load Despatcher)	01
2	Executive Assistant to Director [DGM(E)]	01
1.1 A. GRID OPERATION		
REAL TIME OPERATION		
3	CGM (Elect)	01
4	Executive Assistant to CGM [Deputy Manager (E)]	01
5	General Manager (Elect)	01
6	DGM (Elect)	01
7	AGM (Elect)	04
8	Manager (Electrical)	04
9	Deputy Manager (Electrical)	04
10	Assistant Manager (Electrical)	04
11	Assistant Manager (Telecom)	04
OPERATIONAL PLANNING		
12	DGM (Elect)	01
13	Deputy Manager (Electrical)	01
SCADA		
14	DGM (Telecom)	01
15	Deputy Manager (Telecom)	02
A. OS, RA & MIS		
16	General Manager (Elect)	01
17	DGM (Elect)	01
18	AGM (Electrical)	01
19	Manager (Electrical)	01
20	Assistant Manager (Electrical)	04
21	Deputy Manager (Law)	01
B. COMMERCIAL SERVICES		
22	Sr. General Manager (Elect)	01
Commercial, Tech Services, Contract & Material Management		
23	General Manager (Commercial, TS, C&M)	01
COMMERCIAL		
24	AGM (Elect)	01
25	Manager (Electrical)	02
26	Deputy Manager (Electrical)	02
27	Assistant Manager (Electrical)	03
TECHNICAL SERVICES / CONTRACT & MATERIAL MANAGEMENT		
28	DGM (Electrical)	01
D. HRM		

Sl. No.	Category of Posts	Total Nos.
29	General Manager (HR)	01
30	DGM (HR)	01
31	Deputy Manager (HR)	01
E. FINANCE		
32	DGM (Finance)	01
33	Deputy Manager (Finance)	01
34	Junior Manager (Finance)	01
F. SECRETARIAL		
35	Sr. PS to Director	01
36	PA / PS	01
	TOTAL EXECUTIVES	59

2. Non-Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
1	Steno / Comp. Asst.	04
2	Office Assistant	04
	TOTAL NON-EXECUTIVES	8

Total staff requirement proposed for SLDC=1+2 =59+8=67 Nos.

Annexure – II

Computation of Installed Capacity of OHPC Stations for FY 2017-18

Sl. No.	Name of Power Station	Unit No	Installed Capacity	No of months in service	Total MW-month = (4) X (5)	Remarks (Period of shutdown as proposed by OHPC in the ARR application)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	BURLA	# 1	49.5	12	594	
		# 2	49.5	12	594	
		# 3	32	12	384	
		# 4	32	12	384	
		# 5	20	0	0	16.12.2016 to 16.04.2018
		# 6	37.5	0	0	16.10.2015 to 16.02.2018
2	CHIPLIMA	# 1	24	12	288	
		# 2	24	12	288	
		# 3	24	9.5	228	15.10.2015 to 15.06.2017
3	BALIMELA	# 1	60	0	0	15.05.2016 to 15.11.2018
		# 2	60	12	720	
		# 3	60	12	720	
		# 4	60	12	720	
		# 5	60	12	720	
		# 6	60	12	720	
		# 7	75	12	900	
		# 8	75	12	900	
4	RENGALI		250	12	3000	
5	UPPER KOLAB		320	12	3840	
6	INDRAVATI		600	12	7200	
	TOTAL HYDRO		1972.5		22200	
	Average MW to be consider for SLDC Charges=				1850	

Compliance of directions of Hon'ble Commission

13. On reply to the Commission on independent functioning of SLDC, the OPTCL has replied that as per provision under Section 31(2) of the Electricity Act, OPTCL, being the designated STU, is operating SLDC at present. SLDC is now operating autonomously as an independent system operator headed by Chief Load Despatcher, under the direct administrative control of the Chairman-cum-Managing Director of OPTCL. The post of Director has already been approved by Government of Odisha.
14. In response to another concern of Commission on transfer of assets to SLDC, the OPTCL has responded by saying that all assets pertaining to SLDC & Sub-LDCs have been identified and used exclusively by SLDC personnel. Transfer of assets shall be done through a 'Transfer Scheme' by Government of Odisha after due notification.
