

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT – VIII, BHUBANESWAR – 751 012
*** ****

**Case No.67
Date: .12.2014**

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

Sub: Annual Revenue Requirement & Tariff Application for 2015-16.

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 2015-16 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 **06.01.2015** 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 (RA)

Wanting Information in OPTCL's ARR Filing for FY 2015-16

TECHNICAL:

1. OERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2014 has published in Extra Ordinary Gazette on dt.04.12.2014. The said Regulations shall come into force on the date of publication in the Gazette. So OPTCL should amend its filing in line with the said Regulation and submit the same within 06.01.2014.
2. The Commission while reviewing the performance of OPTCL on 11.08.2014 have directed 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.
3. Detailed report on revenue receipt as regards to supervision charges/project management cost for implementation of Odisha Distribution System Strengthening Projects (ODSSP) may be furnished.
4. Special projection of Rs.7.45 Cr. for procurement of Disaster Resilience and Response system for early restoration of EHT towers 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 & FY 2015-16, while the GoO has a provision of 103 Cr. and 500 Cr. in phase-I of Disaster Response Centre (DRC) and Disaster Resilient Power System (DRPS) under Odisha Power System Improvement Programme.
5. OPTCL may furnish detail list of expenditure incurred towards R & M work under different heads executed by OPTCL during 2014-15 upto date in line with Table – 7 of the ARR of ensuring year. In the past, it is observed that some items which are capital in nature was included in the R & M works and that was objected by many objection. OPTCL should also justify its inclusion in R & M.
6. The progress of SCADA interface points at vital 132 KV s/s of OPTCL along with the up to date expenditure should be furnished.
7. OPTCL should furnish the reason of Rs.12 Cr. provision for procurement of ERS for 400 KV towers when the GoO has separate schemes for system improvement to be executed under Odisha Power System improvement programme.

8. In Table -27, OPTCL has deducted 150 MU towards energy handled in distribution network from the total energy transmitted in OPTCL network. The basis and study undertaken by OPTCL to propose 150 MU loss in distribution system may be submitted.
9. Details of expenditure incurred by OPTCL towards GCC and payment to SLDC towards SOC should be submitted.
10. OPTCL has proposed transmission loss in OPTCL system as 3.75% in the ARR of FY 2015-16 i.e. same as FY 2014-15. It is observed that there is no loss reduction after commissioning a number of new transmission projects and also adopting master maintenance plan. So OPTCL should submit the action plan to reduce the transmission loss in OPTCL system. Further, OPTCL may furnish the transmission loss level in other States of India.
11. OPTCL should furnish the details of emergency power sale to CGPs (both quantum and revenue) for FY 2013-14 and 2014-15 upto date.
12. OPTCL should furnish the details of quantum and revenue earned by OPTCL towards Interstate wheeling, STOA and STU charge received from energy exchange for FY 2013-14 and 2014-15 upto date.
13. OPTCL should furnish the details of project completed during FY 2013-14 and FY 2014-15 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:

14. OPTCL have submitted a copy authenticated Accounts for the FY 2013-14 which has been submitted to the Statutory Auditors. The audited accounts along with statutory audit report for the FY 2013-14 may be submitted.
15. There is a mismatch of numbers on Form F-1 & Form F-2. The closing balance of work-in progress as on 31.3.2014 and 31.3.2015 are shown at Rs.833.82 cr. And is 1880.63 cr. Respectively in Form F-1, whereas in Form F-2 the figures are shown at Rs.908.95 and Rs.1025.82 cr. respectively as on 31.3.2014 and 31.3.2015, OPTCL may clarify.

16. It is found that every year the addition to fixed asset is very less whereas the work-in-progress is piling up year by year. The numbers available from audited accounts of past two years and from authenticated accounts for 2013-14 is given below:-

Rs. In Cr.

Year	Addition during the year	W.I.P. as at the end of the year.
2011-12	135.58	625.18
2012-13	219.48	817.41

OPTCL may explain as to why the rate of capitalization is low?

17. OPTCL have proposed addition of new loan to the tune of Rs.349.23 crore and Rs.562.64 crore for the FY 2014-15 and 2015-16 respectively. Particulars of such new loan along with sanctioned order and the purpose for which the loans are to be availed (linking to the capital programme approved by the Commission) may be submitted.

18. The drawal of old loan during 2014-15 (Form F-3) is shown at 82.27 Cr. (19.94+62.33) whereas in the month wise cash flow statement (F-6), the drawal upto November, 2014 of the FY 2014-15 is only Rs.1.09 cr. How OPTCL plan to draw the balance amount of loan during the financial year 2014-15. Details of the sanction order and the project to which the loan is linked may be submitted.

19. Month wise details of basic pay, grade pay, DA, HRA drawn from April, 2014 to November, 2014 may also be submitted. Information as no. of employees may be submitted in the following format.

1. No. of employees as on 31.3.2013.
2. Induction on new employees during 2013-14.
3. Retired/revised/expired during 2013-14.
4. No. of employees as on 31.3.2014.
5. Induction of new employee during 2014-15.
6. Retired/resigned/expenditure during 2014-15.
7. No. of employees as on 31.3.2015
8. Induction during 2015-16.
9. Retired/resigned/expenditure during 2015-16.
10. No. of employees as on 31.3.2016.

20. OPTCL has claimed an amount of Rs.154.11 cr. towards R & M during 2015-16 as against the approved amount of Rs.93.00 cr. during 2014-15. To justify the claim under the head Repairs & Maintenance, OPTCL is required to submit actual status of procurement of materials (item wise) and its execution (actual from March, 2014 to November, 2014 in the following format:-

Sl No.	Name of the Item	Amount in Cr.	Date of Delivery of materials	Present status and execution

21. In Form-9, OPTCL proposed infusion of equity to the tune of Rs.337.00 cr. during 2014-15 and Rs.480.00 during 2015-16. Details of such infusion of equity may be submitted. If such amount is to be funded by State Govt., then details of sanction order and date may be furnished.

22. In Form F-6, OPTCL has shown an amount of Rs.216.54 cr. towards Sundry Debtors as at the end of the year 2014-15. OPTCL is required to clarify the reason for showing such huge amount of arrear in their account. Further, the list of defaulting DISCOMs along with the outstanding transmission dues may be submitted.

23. Monthly cash flow statement considering the revenue items only for the FY 2013-14 and 2014-15 (actual upto November 2014) may be submitted.

24. The utilization of Contingency reserve as shown by OPTCL in ARR for an amount of Rs.16.64 cr. during 2014-15 and Rs.19.12 cr. during 2015-16 may be submitted.

OPTCL has filed its ARR Application for the FY 2014-15 with the Commission which has been registered as Case No.67/2014. After scrutiny of the said application some discrepancies/deficiencies have been noticed which has been summarized in the Annexure placed in this file for perusal and approval of the Commission. A draft letter to OPTCL is also placed for approval of the Commission.

Joint Director (F)

Joint D (T/Engg.)

Director (Tariff) I/c

Secretary

Member (D)

Member (S)

Chairperson