

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

*Submitted by*

*SLDC*

*For*

*FY 2015-16*

**OPTCL'S PROPOSAL FOR ARR & LEVY OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS  
FOR FY 2015-16**

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. While submitting the ARR proposal for FY 2015-16, OPTCL has considered the (a) recommendations stated under the Committee under the Chairmanship of Sri Gireesh B Pradhan, Additional Secretary to Ministry of Power (constituted in February 2008) to examine the issues for ring fencing of State Load Despatch Centres to ensure their functional autonomy and (b) the report submitted by the "Task Force on Capital Expenditure and issues related to Emolument for Personnel in Load Despatch Centres"
5. The application for approval of Annual Revenue Requirement and Fees & Charges for SLDC for FY 2015-16 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.
6. 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 2015-16.

7. OPTCL has proposed the man power structure for SLDC operation in the ARR of FY 2015-16 which is in line with ERLDC structure the abstract of which is indicated in Annexure-I.
8. The CAPEX plan for SLDC and sub LDCs has been proposed in the ARR for FY 2015-16 which is indicated in Annexure-II.

**Item wise Annual Revenue Requirement for SLDC operation as proposed by OPTCL for FY 2015-16**

9. As per the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 the annual charges consists 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. **42.675** lacs as per CERC Regulation. 25% of depreciation amount arising out of the CAPEX plan has been included anticipating completion of 25% of the items. The major amount of depreciation charges is for recovering the depreciation cost for Video Projection Screen (VPS) amounting Rs. **12.62** lacs and the depreciation cost for IT equipments at EASSC amounting Rs. **6.82** lacs. (For details refer to the Form 6B and annexure – VI of the ARR application)

**Table - 1**  
**Statement of Depreciation**

**(in Rs. Lacs)**

Financial Year	2013-14	2014-15	2015-16
Recovery of capital cost (amount to be recovered during the year)	0.000	0.000	18.211
Depreciation on existing assets	30.834	26.328	24.464
<b>Total</b>	<b>30.834</b>	<b>26.328</b>	<b>42.675</b>

**d. Operation and Maintenance Expenses:**

Operation and maintenance expenses excluding human resources expenses for FY 2015-16 has been computed as **Rs.403.18 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 and A&G expenses.

The O & M expenses have been projected considering actual expenditure to be incurred during FY 2015-16. While projecting the O&M expenses, the escalation rate of 5.72% of previous year's expenditure as provided in the OERC Regulation has not been adopted in some of the items.

Further, **Rs. 10 lacs** provision for VPN connectivity to the users (DISCOMs) operating under intra-state ABT regime has been included under R&M expenses.

**Table - 2**  
**Statement of O&M Expenses Excluding Human Resource Expenses**

**(in Rs. Lacs)**

ITEMS	2013-14 (Actual)	2014-15 (Approved)	2014-15 (Actual up to Sept. - 2014)	2015-16 (Proposed)
Repair and maintenance expenses	191.770	371.020	105.761	270.500
Administrative and general expenses etc.	112.370		38.144	132.680
<b>Total</b>	<b>304.140</b>	<b>371.020</b>	<b>143.905</b>	<b>403.180</b>

**c. Human Resources Expenses:**

Human resources expenses have been computed as **Rs. 618.222 lacs**, considering the organisation structure proposed in line with ERLDC structure. The salary and other remuneration of the employees have been computed by prorating existing salary to the required numbers. The present staff strength of SLDC is 54 numbers as on 31.10.2014. In addition to that, 12 numbers of contractual / outsourcing staffs are engaged at SLDC as on date. The executives already transferred to SLDC are expected to join soon. 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. 27.37 lacs** as per OERC Regulation considering 10.25% rate of interest (bank interest). The details on working capital requirement and interest on it is given in the table below.

**Table - 3**

**Statement of Interest on Working Capital**

**(in Rs. Lacs)**

<b>Particulars</b>	<b>Amount Lacs</b>
O&M expenses for one month excluding human resources expenses	33.598
Human resource expenses for one month	51.518
Receivables ( 2 months of SOC & MOC)	181.908
<b>Total Working Capital</b>	<b>267.025</b>
Rate of Interest	10.25%
<b>Interest on working capital</b>	<b>27.37</b>

**Table - 4**

**Abstract of Expenses Proposed for FY 2015-16**

**(in Rs. Lacs)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>2015-16</b>
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	42.675
4.	O&M Expenses excluding human resource expenses	403.180
5.	Human Resource expenses	618.222
6.	Interest on Working Capital	27.370
	<b>Total expenses</b>	<b>1091.447</b>

### **Certificate of LDC Personnel:**

10. 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. Eighteen numbers of SLDC executives have completed the Certification Training and successfully qualified. Further, ten numbers of executives have taken specialised training. For imparting training to balance executives, the expenditure for Training & Certification of LDC personnel has been projected as Rs 20 lacs for FY 2015-16.

### **SLDC Assets:**

11. 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:**

12. The Annual Charges for SLDC has 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.
  - For the purpose of determination of the above charges for CGPs, the maximum MW scheduled during April to October 2014 has been considered. Those CGPs have not been considered for SLDC charges who have stopped generation during FY 2014-15.

- 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 2015-16**

**(in Rs. lacs)**

<b>Annual charges (AFC)</b>	<b>1091.447</b>
<b>System Operation Charges (SOC) (80% of the AFC)</b>	<b>873.157</b>
Intra State Transmission Licensee @10% of SOC	87.316
Generating Station & Sellers @45% of SOC	392.921
Distribution Licensees & Buyers@45% of SOC	392.921
<b>Market Operation Charges (MOC) (20% of the AFC)</b>	<b>218.289</b>
Generating Station & Sellers @50% of MOC	109.145
Distribution Licensees & Buyers@50% of MOC	109.145

**Registration Fee:**

13. 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:**

14. 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 as per CERC Regulation.

**Prayer**

Considering the submission made above, OPTCL prays Hon'ble Commission to approve the Annual Revenue Requirement of **Rs.1091.447 lacs** for FY 2015-16 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 2015-16

### LEVY AND COLLECTION OF FEES & CHARGES (in Lacs)

<b>Annual charges</b>	1091.447
Total Cost (Annual Fixed Cost)	<b>1091.447</b>
System Operation Charges (SOC) (80% of the AFC)	873.157
Market Operation Charges (MOC) (20% of the AFC)	218.289
<b>System Operation Charges (SOC)</b>	<b>873.157</b>
Intra State Transmission Licensee @10% of SOC	87.316
Generating Station & Sellers @45% of SOC	392.921
Distribution Licensees & Buyers@45% of SOC	392.921
<b>(a) Intra State Transmission Licensee (SOC per month)</b>	<b>7.276</b>
<b>(b) Generating Station &amp; Sellers</b>	<b>392.921</b>

(Rs. in Lacs)

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	
			(Annual)	(Monthly)
<b>A</b>	<b>State Generating Station</b>			
1	OHPC	2027.50	177.206	14.767
2	OPGC	420.00	36.709	3.059
3	TTPS	460.00	40.205	3.350
<b>B</b>	<b>Small Hydro &amp; Bio-mass</b>			
4	OPCL (Small Hydro)	20.00	1.748	0.146
5	Meenakshi (Small Hydro)	37.00	3.234	0.269
6	Shalivahana Green Energy Ltd	0.00	0.000	0.000
<b>C</b>	<b>IPP</b>			
7	Sesa Sterlite Limited	600.00	52.441	4.370
<b>D</b>	<b>CGPs</b>	<b>Maximum Scheduled (MW) (up to end of October-2014)</b>		
8	Aarti Steel Ltd	44.00	3.846	0.320
9	Action Ispat & Power Pvt. Limited	30.00	2.622	0.219
10	Aryan Ispat & Power Pvt. Ltd.	7.00	0.612	0.051
11	Bhusan Power & Steel Ltd,Jharsuguda	90.00	7.866	0.656
12	Bhusan Steel Limited, Meramundali	3.00	0.262	0.022
13	FACOR Power Ltd.	10.00	0.874	0.073
14	HINDALCO	17.00	1.486	0.124
15	IFFCO	10.00	0.874	0.073
16	IMFA	57.50	5.026	0.419
17	Jindal Stainless Limited, Duburi	76.03	6.645	0.554
18	Jindal Steel & Power Ltd., Angul	250.64	21.906	1.826
19	Maitthan Ispat Limited	2.00	0.175	0.015
20	MSP Metallicks Limited	5.50	0.481	0.040
21	NALCO, Angul	57.00	4.982	0.415
22	Narberham Power & Steel (P) Ltd	3.00	0.262	0.022
23	Nava Bharat Ventures Limited	56.79	4.964	0.414
24	Nilachal Ispat Niqam Limited	8.00	0.699	0.058
25	OCL India Ltd.	19.62	1.715	0.143
26	Orissa Sponge Iron Limited	0.00	0.000	0.000
27	Pattaniak Steel & Alloys Limited	2.00	0.175	0.015
28	Rathi Steel & Power Limited	0.00	0.000	0.000
29	RSP	4.00	0.350	0.029
30	Seven Star Steels Ltd.	0.00	0.000	0.000
31	Shree Ganesh Metallicks Limited	1.90	0.166	0.014
32	Shyam Metallicks & Energy Limited	1.00	0.087	0.007
33	SMC Power generation	4.00		
34	Tata Sponge Iron Limited	19.00	1.661	0.138
35	SESA Sterlite Limited, CGP,Jharsuguda	60.00	5.244	0.437
36	SESA Sterlite Limited, CGP,(Lanjigarh)	5.00	0.437	0.036
37	VISA Steel Limited	25.00	2.185	0.182
38	Yazdani Steel & Power Limited	2.00	0.175	0.015
39	Aditya Aluminium Limited	55.00	4.807	0.401
40	Aftab Solar Pvt. Ltd.	5.11	0.447	0.037
	<b>Total</b>	<b>4495.59</b>	<b>392.571</b>	<b>32.714</b>
<b>(c)</b>	<b>Distribution Licensees &amp; Buyers</b>		<b>392.921</b>	
		<b>% share</b>		
41	CESU	36.85	144.791	12.066
42	NESCO	21.73	85.382	7.115
43	WESCO	27.80	109.232	9.103
44	SOUTHCO	13.62	53.516	4.460
	<b>Total</b>	<b>100.00</b>	<b>392.921</b>	<b>32.743</b>



**Market Operation Charges (MOC)**  
**(a) Generating Company @50% of MOC**

**218.289**  
**109.145**

(Rs. in Lacs)

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	
			(Annual)	(Monthly)
<b>A</b>	<b>State Generating Station</b>			
1	OHPC	2027.50	49.224	4.102
2	OPGC	420.00	10.197	0.850
3	TTPS	460.00	11.168	0.931
<b>B</b>	<b>Small Hydro &amp; Bio-mass</b>			
4	OPCL (Small Hydro)	20.00	0.486	0.040
5	Meenakshi (Small Hydro)	37.00	0.898	0.075
6	Shalivahana Green Energy Ltd	0.00	0.000	0.000
<b>C</b>	<b>IPP</b>			
7	Sterlite Energy Limited	600.00	14.567	1.214
<b>D</b>	<b>CGPs</b>	<b>Maximum Scheduled (MW) (up to end of October-2014)</b>		
8	Aarti Steel Ltd	44.00	1.068	0.089
9	Action Ispat & Power Pvt. Limited	30.00	0.728	0.061
10	Aryan Ispat & Power Pvt. Ltd.	7.00	0.170	0.014
11	Bhusan Power & Steel LtdJharsuguda	90.00	2.185	0.182
12	Bhusan Steel Limited, Meramundali	3.00	0.073	0.006
13	FACOR Power Ltd.	10.00	0.243	0.020
14	HINDALCO	17.00	0.413	0.034
15	IFFCO	10.00	0.243	0.020
16	IMFA	57.50	1.396	0.116
17	Jindal Stainless Limited, Duburi	76.03	1.846	0.154
18	Jindal Steel & Power Ltd., Angul	250.64	6.085	0.507
19	Maithan Ispat Limited	2.00	0.049	0.004
20	MSP Metallicks Limited	5.50	0.134	0.011
21	NALCO, Angul	57.00	1.384	0.115
22	Narbheram Power & Steel (P) Ltd	3.00	0.073	0.006
23	Nava Bharat Ventures Limited	56.79	1.379	0.115
24	Nilachal Ispat Nigam Limited	8.00	0.194	0.016
25	OCL India Ltd.	19.62	0.476	0.040
26	Orissa Sponge Iron Limited	0.00	0.000	0.000
27	Pattaniak Steel & Alloys Limited	2.00	0.049	0.004
28	Rathi Steel & Power Limited	0.00	0.000	0.000
29	RSP	4.00	0.097	0.008
30	Seven Star Steels Ltd.	0.00	0.000	0.000
31	Shree Ganesh Metallicks Limited	1.90	0.046	0.004
32	Shyam Metallicks & Energy Limited	1.00	0.024	0.002
33	SMC Power generation	4.00	0.097	0.008
34	Tata Sponge Iron Limited	19.00	0.461	0.038
35	Vedanta Aluminium Limited (Jharsuguda)	60.00	1.457	0.121
36	Vedanta Aluminium Limited (Lanjigarh)	5.00	0.121	0.010
37	VISA Steel Limited	25.00	0.607	0.051
38	Yazdani Steel & Power Limited	2.00	0.049	0.004
39	Aditya Alluminium Limited	55.00	1.335	0.111
40	Aftab Solar Pvt. Ltd.	5.11	0.124	0.010
	<b>Total</b>	<b>4495.59</b>	<b>109.145</b>	<b>9.095</b>

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

**109.145**

Sl.		% share		
40	CESU	36.85	40.220	3.352
41	NESCO	21.73	23.717	1.976
42	WESCO	27.80	30.342	2.529
43	SOUTHCO	13.62	14.866	1.239
	<b>Total</b>	<b>100</b>	<b>109.145</b>	<b>9.095</b>

## Abstract of Staff Requirement for SLDC

## Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
1	Director (Chief Load Despatcher)	01
2	Executive Assistant to Director [Manager(E)]	01
<b>A. GRID OPERATION</b>		
	<b>REAL TIME OPERATION</b>	
3	CGM (Elect)	01
4	General Manager (Elect)	01
5	DGM (Elect)	01
6	AGM (Elect)	04
7	Manager (Electrical)	04
8	Deputy Manager (Electrical)	08
9	Deputy Manager (Telecom)	04
	<b>Sub LDC ( 3 nos)</b>	
10	Manager (Elect)	03
11	Deputy Manager (Telecom)	12
	<b>OPERATIONAL PLANNING</b>	
12	AGM (Elect)	
13	Manager (Electrical)	01
14	Deputy Manager (Electrical)	01
<b>B. OS, RA &amp; MIS</b>		
15	General Manager (Elect)	01
16	DGM (Elect)	01
	<b>OPERATION SERVICES</b>	
17	Manager (Electrical)	01
18	Deputy Manager (Electrical)	01
	<b>MIS &amp; Regulatory Affairs</b>	
19	Manager (Electrical)	01
20	Deputy Manager (Electrical)	02
<b>C. COMMERCIAL SERVICES</b>		
21	Sr. General Manager (Elect)	01
	<b>Commercial, Tech Services, Contract &amp;Material Management</b>	
22	General Manager (Commercial, TS, C&M)	01
	<b>COMMERCIAL</b>	
23	DGM(Elect)	
24	AGM (Elect)	01

<b>Sl. No.</b>	<b>Category of Posts</b>	<b>Total Nos.</b>
25	Manager (Electrical)	01
26	Deputy Manager (Electrical)	03
	<b>TECHNICAL SERVICES / CONTRACT &amp; MATERIAL MANAGEMENT</b>	
27	Deputy Manager (Electrical)	01
	<b>SCADA</b>	
28	AGM (Telecom)	
29	Manager (Telecom)	01
30	Deputy Manager (Telecom)	01
<b>1.4 HRM</b>		
31	Assistant Manager (HR)	01
<b>1.5 FINANCE</b>		
32	Manager (Finance)	01
33	Assistant Manager (Finance)	01
<b>1.6 SECRETARIAL</b>		
34	PS to Director	01
	<b>TOTAL EXECUTIVES</b>	<b>63</b>

**Non-Executive Staff Requirement:**

<b>Sl. No.</b>	<b>Category of Posts</b>	<b>Total Nos.</b>
1	Steno / Typist / Comp. Asst.	02
2	Office Assistant( Gr-I, II & LDC)	03
3	Semi skilled Assistant / Operator	03
4	Helper for Real time	05
5	Peon/Attendant	04
6	Driver	01
	<b>TOTAL NON-EXECUTIVES</b>	<b>18</b>

**Total staff requirement proposed for SLDC=A+B =63+18=81 Nos.**

**Annexure - II****Details of Capital Expenditure Proposed****(in Rs. Lacs)**

<b>Sl. No.</b>	<b>Item</b>	<b>Amount</b>
1	Construction of new building for 3 nos. of Sub-LDC at Budhipadar, Jaynagar & Meramundali	300.00
2	Expansion of existing SLDC building at Bhubaneswar	200.00
3	Procurement of hardware & associated IT equipment at Sub-LDCs	100.00
4	Provision of back up communication link between SLDC & Sub-LDCs	1.00
5	Dedicated web server with firewalls configuration for dashboard management to provide uninterrupted service to users (DISCOMs)	60.00
6	Software for countering the cyber attacks	50.00
7	Computer & peripherals for SLDC	10.00
8	Procurement of furnitures & fixtures for EASSC	50.00
9	Replacement of old A/C of SLDC building	10.00
1	Provision of voice recorder at Sub-LDCs	40.00
1	Provision of 2 nos of UPS at SLDC	10.00
1	Installation Video conferencing system at SLDC	20.00
	<b>TOTAL</b>	<b>851.00</b>