

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

*Submitted by*

*SLDC*

*For*

*FY 2016-17*

**OPTCL'S PROPOSAL FOR ARR & LEVY OF ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS  
FOR FY 2016-17**

1. The 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 the 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 2016-17, 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 2016-17 has been prepared by OPTCL in line with the provisions 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 2016-17.

7. OPTCL has proposed the man power structure for SLDC operation in the ARR of FY 2016-17 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 2016-17 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. **22.529** lacs as per CERC Regulation. The major amount of depreciation charges is for recovering the depreciation cost for Video Projection Screen (VPS) amounting Rs. **10.727** lacs and the depreciation cost for IT equipments at EASSC amounting Rs. **5.797** lacs. (For details refer to the Form 6A and 6B of the ARR application)

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

**(Rs. Lacs)**

Financial Year	2014-15	2015-16	2016-17
Recovery of capital cost (amount to be recovered during the year)	0.000	0.000	0.000
Depreciation on existing assets	26.330	24.460	22.529
<b>Total</b>	<b>26.330</b>	<b>24.460</b>	<b>22.529</b>

**d. Operation and Maintenance Expenses:**

Operation and maintenance expenses excluding human resources expenses for FY 2016-17 has been computed as **Rs.412.40 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 2016-17. 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.

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

**(in Rs. Lacs)**

ITEMS	2014-15 (Actual)	2015-16 (Approved)	2015-16 (Actual up to Sept. - 2015)	2016-17 (Proposed)
Repair and maintenance expenses	207.280	392.240	85.630	273.500
Administrative and general expenses etc.	93.960		34.890	138.900
<b>Total</b>	<b>301.240</b>	<b>392.240</b>	<b>120.520</b>	<b>412.400</b>

**c. Human Resources Expenses:**

Human resources expenses have been computed at **Rs. 666.626 lacs**, considering the organisation structure proposed in line with ERLDC structure. The present staff strength of SLDC is 54 numbers as on 31.10.2015. In addition to that, 10 numbers of contractual / outsourcing staffs are engaged at SLDC as on date.

The salary and other remuneration of the employees have been computed considering the salary disbursed for the month of September, 2015 as the base. The overall increase of 30% has been considered to determine the HR expenses taking into account the annual Increment, anticipated impact of 7<sup>th</sup> Pay Commission and increase in DA.

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 at **Rs. 36.34 lacs** as per OERC Regulation considering 10% rate of interest (SBI base rate) plus 300 basis points. The details on working capital requirement and interest on it is given in the table below.

**Table - 3**  
**Statement of Interest on Working Capital**

Particulars	Amount Lacs (in Rs. Lacs)
O&M expenses for one month excluding human resources expenses	34.367
Human resource expenses for one month	55.552
Receivables ( 2 months of SOC & MOC)	189.649
<b>Total Working Capital</b>	<b>279.568</b>
Rate of Interest	13%
<b>Interest on working capital</b>	<b>36.34</b>

**Table - 4**  
**Abstract of Expenses Proposed for FY 2016-17**

Sl. No.	Particulars	2016-17 (in Rs. Lacs)
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	22.529
4.	O&M Expenses excluding human resource expenses	412.400
5.	Human Resource expenses	666.626
6.	Interest on Working Capital	36.340
	<b>Total expenses</b>	<b>1137.895</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. Twenty four numbers of SLDC executives have completed the Certification Training and successfully qualified. Further, thirteen numbers of executives have taken specialized training. For imparting training to balance executives, the expenditure for Training & Certification of LDC personnel has been projected at Rs 20 lacs for FY 2016-17.

**SLDC Assets:**

11. Most of the assets of SLDC along with sub-SLDC have been identified for transfer as per the direction of the 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 2015 has been considered. In absence of approved injection schedule for some of the CGPs during the FY 2015-16 (upto October’15), the approved schedule quantum for previous year has been considered for purpose of levying SLDC charges.
  - 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 2016-17**

**(in Rs. lacs)**

<b>Annual charges (AFC)</b>	<b>1137.895</b>
<b>System Operation Charges (SOC) (80% of the AFC)</b>	<b>910.316</b>
Intra State Transmission Licensee @10% of SOC	91.032
Generating Station & Sellers @45% of SOC	409.642
Distribution Licensees & Buyers@45% of SOC	409.642
<b>Market Operation Charges (MOC) (20% of the AFC)</b>	<b>227.579</b>
Generating Station & Sellers @50% of MOC	113.789
Distribution Licensees & Buyers@50% of MOC	113.789

**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.

**Prayer**

Considering the submission made above, OPTCL prays the Commission to approve the Annual Revenue Requirement of **Rs.1137.895 lacs** for FY 2016-17 towards State Load Despatch Centre (SLDC) function separately and kindly allow recovering the same from the users.

40	AF IAB Solar	5.00	0.430	0.036
	<b>Total</b>	<b>4768.44</b>	<b>409.642</b>	<b>34.137</b>
<b>(c) Distribution Licensees &amp; Buyers @45% of SOC</b>			<b>409.642</b>	
		<b>% share</b>		
40	CESU	35.40	145.027	12.086
41	NESCO	21.17	86.719	7.227
42	WESCO	29.64	121.406	10.117
43	SOUTHCO	13.79	56.491	4.708
	<b>Total</b>	<b>100.00</b>	<b>409.642</b>	<b>34.137</b>

**Proposed Levy and Collection of Fees and Charges by OPTCL for SLDC operation for FY 2016-17**

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

<b>Annual charges</b>	1137.895
Total Cost (Annual Fixed Cost)	<b>1137.895</b>
System Operation Charges (SOC) (80% of the AFC)	910.316
Market Operation Charges (MOC) (20% of the AFC)	227.579
<b>System Operation Charges (SOC)</b>	<b>910.316</b>
Intra State Transmission Licensee @10% of SOC	91.032
Generating Station & Sellers @45% of SOC	409.642
Distribution Licensees & Buyers@45% of SOC	409.642
<b>(a) Intra State Transmission Licensee (SOC per month)</b>	<b>7.586</b>
<b>(b) Generating Station &amp; Sellers @45% of SOC</b>	<b>409.642</b>

(Rs. in Lacs)

Sl. No.	Generatina Companv / Sellers	Installed Capacity (MW)	Total amount	
			(Annual)	(Monthly)
<b>A State Generating Station</b>				
1	OHPC	2008.50	172.544	14.379
2	OPGC	420.00	36.081	3.007
3	TTPS	460.00	39.517	3.293
<b>B Small Hydro &amp; Bio-mass</b>				
4	OPCL (Small Hydro)	20.00	1.718	0.143
5	Meenakshi Power Ltd. (Small Hydro)	37.00	3.179	0.265
6	Shalivahana Green Energy Ltd	20.00	1.718	0.143
<b>C IPP</b>				
7	GMR, Kamalanga	350.00	30.067	2.506
8	Vedanta Limited (IPP)	600.00	51.544	4.295
<b>D CGPs</b>				
		<b>Maximum Scheduled (MW)</b>		
		<b>(up to end of October-2015)</b>		
9	Aarti Steel Ltd	52.15	4.480	0.373
10	Action Ispat & Power Pvt. Limited	16.00	1.375	0.115
11	Aditya Aluminium Limited	2.00	0.172	0.014
12	Aryan Ispat & Power Pvt. Ltd.	7.00	0.601	0.050
13	Bhusan Power & Steel Ltd.,Jharsuguda	30.00	2.577	0.215
14	Bhusan Steel Limited, Meramundali	3.00	0.258	0.021
15	ESSAR Power (Orissa) Ltd.	8.00	0.687	0.057
16	FACOR Power Ltd.	2.67	0.229	0.019
17	HINDALCO	2.00	0.172	0.014
18	IFFCO	10.00	0.859	0.072
19	IMFA	48.21	4.142	0.345
20	Jindal Stainless Limited, Duburi	87.42	7.510	0.626
21	Jindal Steel & Power Ltd., Angul	188.98	16.235	1.353
22	Maithan Ispat Limited	2.00	0.172	0.014
23	MSP Metallicks Limited	5.50	0.472	0.039
24	NALCO, Angul	48.00	4.124	0.344
25	Narbheram Power & Steel (P) Ltd	3.00	0.258	0.021
26	Nava Bharat Ventures Limited	42.18	3.624	0.302
27	Nilachal Ispat Nigam Limited	8.00	0.687	0.057
28	OCL India Ltd.	17.68	1.519	0.127
29	Pattaniak Steel & Alloys Limited	2.00	0.172	0.014
30	RSP	4.00	0.344	0.029
31	Shree Ganesh Metallicks Limited	1.05	0.090	0.008
32	Shyam Metallicks & Energy Limited	1.00	0.086	0.007
33	SMC Power generation	4.00	0.344	0.029
34	Tata Sponge Iron Limited	25.10	2.156	0.180
35	Vedanta Limited (Jharsuguda)	170.00	14.604	1.217
36	Vedanta Limited (Lanjigarh)	5.00	0.430	0.036
37	VISA Steel Limited	25.00	2.148	0.179
38	Yazdani Steel & Power Limited	2.00	0.172	0.014
<b>E Solar Projects</b>				
		<b>Installed Capacity (MW)</b>		
39	ACME, Odisha	25.00	2.148	0.179
40	AFTAB Solar	5.00	0.430	0.036
	<b>Total</b>	<b>4768.44</b>	<b>409.642</b>	<b>34.137</b>
<b>(c) Distribution Licensees &amp; Buyers @45% of SOC</b>			<b>409.642</b>	
		<b>% share</b>		
40	CESU	35.40	145.027	12.086
41	NESCO	21.17	86.719	7.227
42	WESCO	29.64	121.406	10.117
43	SOUTHCO	13.79	56.491	4.708
	<b>Total</b>	<b>100.00</b>	<b>409.642</b>	<b>34.137</b>



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

**227.579**

**113.789**

*(Rs. in Lacs)*

Sl. No.	Generating Company / Sellers	Installed Capacity (MW)	Total amount	Total amount
			(Annual)	(Monthly)
<b>A</b>	<b>State Generating Station</b>			
1	OHPC	2008.50	47.929	3.994
2	OPGC	420.00	10.022	0.835
3	TTPS	460.00	10.977	0.915
<b>B</b>	<b>Small Hydro &amp; Bio-mass</b>			
4	OPCL (Small Hydro)	20.00	0.477	0.040
5	Meenakshi Power Ltd. (Small Hydro)	37.00	0.883	0.074
6	Shalivahana Green Energy Ltd	20.00	0.477	0.040
<b>C</b>	<b>IPP</b>			
7	GMR, Kamalanga	350.00	8.352	0.696
8	Vedanta Limited (IPP)	600.00	14.318	1.193
<b>D</b>	<b>CGPs</b>	<b>Maximum Scheduled (MW) (up to end of October-2015)</b>		
9	Aarti Steel Ltd	52.15	1.244	0.104
10	Action Ispat & Power Pvt. Limited	16.00	0.382	0.032
11	Aditya Aluminium Limited	2.00	0.048	0.004
12	Aryan Ispat & Power Pvt. Ltd.	7.00	0.167	0.014
13	Bhusan Power & Steel Ltd., Jharsuguda	30.00	0.716	0.060
14	Bhusan Steel Limited, Meramundali	3.00	0.072	0.006
15	ESSAR Power (Orissa) Ltd.	8.00	0.191	0.016
16	FACOR Power Ltd.	2.67	0.064	0.005
17	HINDALCO	2.00	0.048	0.004
18	IFFCO	10.00	0.239	0.020
19	IMFA	48.21	1.150	0.096
20	Jindal Stainless Limited, Duburi	87.42	2.086	0.174
21	Jindal Steel & Power Ltd., Angul	188.98	4.510	0.376
22	Maithan Ispat Limited	2.00	0.048	0.004
23	MSP Metallicks Limited	5.50	0.131	0.011
24	NALCO, Angul	48.00	1.145	0.095
25	Narbheram Power & Steel (P) Ltd	3.00	0.072	0.006
26	Nava Bharat Ventures Limited	42.18	1.007	0.084
27	Nilachal Ispat Nigam Limited	8.00	0.191	0.016
28	OCL India Ltd.	17.68	0.422	0.035
29	Pattaniak Steel & Alloys Limited	2.00	0.048	0.004
30	RSP	4.00	0.095	0.008
31	Shree Ganesh Metallicks Limited	1.05	0.025	0.002
32	Shyam Metallicks & Energy Limited	1.00	0.024	0.002
33	SMC Power generation	4.00	0.095	0.008
34	Tata Sponge Iron Limited	25.10	0.599	0.050
35	Vedanta Limited (Jharsuguda)	170.00	4.057	0.338
36	Vedanta Limited (Lanjigarh)	5.00	0.119	0.010
37	VISA Steel Limited	25.00	0.597	0.050
38	Yazdani Steel & Power Limited	2.00	0.048	0.004
<b>E</b>	<b>Solar Projects</b>	<b>Installed Capacity (MW)</b>		
39	ACME, Odisha	25.00	0.597	0.050
40	AFTAB Solar	5.00	0.119	0.010
	<b>Total</b>	<b>4768.44</b>	<b>113.789</b>	<b>9.482</b>

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

**113.789**

Sl.		% share		
40	CESU	35.40	40.285	3.357
41	NESCO	21.17	24.088	2.007
42	WESCO	29.64	33.724	2.810
43	SOUTHCO	13.79	15.692	1.308
	<b>Total</b>	<b>100</b>	<b>113.789</b>	<b>9.482</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)****ANNEXURE-II****DETAILS OF CAPITAL EXPENDITURE PROPOSED***Fig in Lacs*

<b>Sl. No.</b>	<b>Item</b>	<b>Quantity</b>	<b>Amount</b>
1	Construction of New Building adjucent to the existing bulding at SLDC, Bhubaneswar for accamodation of staff	LS	800.00
2	Procurement of computer & Peripherals for use at SLDC.	10 nos	5.00
3	Procurement of new furnitures & fixures	LS	5.00
4	Establishment of Vedio Conferencing system at SLDC with Firewalls configuration	1 + 8 Users	25.00
5	Installation of Roof Top Solar PV of 75 kW capacity in coordination with GEDCOL.	75kW	100.00
6	Software for countering the cyber attacks	1	20.00
7	Replacement of old Air Conditioners at SLDC control room & office building	15 nos	12.00
8	Photocopier	2 nos	1.50
9	Colour Scanner	2 no.	0.20
10	Provision of UPS at SLDC		10.00
	<b>TOTAL</b>		<b>978.70</b>