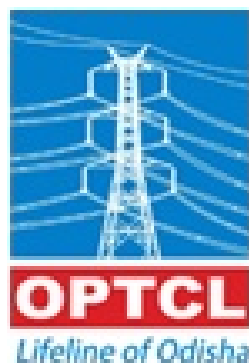


**ARR & FEES AND CHARGES APPLICATION
OF
ODISHA POWER TRANSMISSION CORPORATION LIMITED
FOR
STATE LOAD DESPATCH CENTER, ODISHA
FOR THE YEAR 2023-24
(CASE NO. 77 / 2022)**



**OERC PUBLIC HEARING THROUGH VC ON DATE -
14.02.2023 AT 03:00 P.M.**

PROFILE OF SLDC



State Load Dispatch Center (SLDC) is

- The Power System Operator for the State.
- Financially separated since 01.04.2009.
- Filing a separate ARR for its function since FY 2009-10.
- Maintaining separate books of accounts and meeting its expenses out of the revenue generated.

Manpower Strength:

- | | | |
|---|----|-------|
| • Sanctioned Strength | -- | 67 |
| • Total no. of existing Employees | | |
| Technical Executives | -- | 38 |
| Non-Technical Executives | -- | 3 |
| Non-Executives | -- | 5 |
| | | ----- |
| | | 46 |
| • Supporting staff (office attendant & data entry operator on contractual basis) | -- | 13 |

PERFORMANCE OF SLDC



- SLDC efficiently manages the State's requirement maintaining the merit order by optimum scheduling and vigilant monitoring of grid condition.
- Successfully optimized the State's share of energy drawl from Machhakund Power Station by continuous monitoring at SLDC and Jayanagar Substation through RVDU.
- Accorded consent / disposed 8496 nos. of Inter / Intra State Open Access applications during FY 2021-22 and 6764 applications (up to December' 22) in the current Financial Year.

PERFORMANCE OF SLDC Contd...



- Conducting mock black start exercises successfully for State Hydro stations with formation of islands in every six months.
- Successfully monitored the drawl schedule of the Distribution Companies of the State to minimize the deviation from ISGS schedule.
- Processing of meter data of all interface energy meters and prepares State Energy Accounting for Distribution Licensees and IPPs.
- Successfully carried out reactive power management to reduce penalty arising through reactive energy billing.

PERFORMANCE OF SLDC Contd...

- Processed 4099 Nos. outage planning requests of Generators, Intra & Inter State transmission elements during FY 2022-23 (up to January 23).
- Processed 54 Nos. First Time Charging requests of Transmission elements during FY 2022-23 (up to January 23).
- Preparation of injection / withdrawal data at all nodes up to 132 kV corresponding to the all India peak block on monthly basis using the PSSE software for PoC Charge Determination.
- Computation of monthly ATC/TTC for the State Transmission System.

Implemented and ongoing projects of SLDC



- Implemented Automatic Demand Management Scheme (ADMS) at 88 nos. of OPTCL grid substations covering 271 nos. of 33kV feeders for demand response in the State with PSDF grant assistance for maintaining Grid Stability. Date of operationalization 19th July 2022.
- Implementation of SAMAST (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) as per the recommendations of Forum of Regulators (FOR) in all the activities of SLDC through integrated Software Modules is in progress with PSDF grant assistance.
- Implementation of Wide Area Measurement System for granular visibility and monitoring of the Odisha Power System - PSDF grant is awaited.

Achievements of SLDC during FY 2022-23

- SLDC, Odisha has been adjudged as the Best SLDC in the country by the Forum of Load Despatchers (FOLD) and Ranked First under Medium Size Category for LDC Excellence Award.



- Independent Power Producers Association of India (IPPAI) have felicitated SLDC, Odisha with IPPAI Power Award -2022 for best State Load Despatch Center in the country.



PROJECTED REVENUE REQUIREMENT



The revenue requirement is projected under the following heads as per the provisions under OERC (Fees & Charges of SLDC & other related matters) Regulations 2010.

1. Return on equity
2. Interest on loan capital
3. Depreciation
4. O&M expenses excluding HR expenses
5. Human Resource expenses
6. Interest on working capital

DEPRECIATION



Depreciation for the assets in the Unified Load Despatch Centre and offices in SLDC has been computed as **Rs. 80.689 lacs** as per CERC Regulation.

Major contribution of depreciation charges are towards

- Computers & peripherals for SLDC Data Centre - Rs. 38.719 lacs
- Video Projection System - Rs. 24.979 lacs
- RVDU at Jayanagar S/S - Rs. 2.293 lacs
- Computers & peripherals for SLDC Control room and office - Rs. 5.520 lacs
- Firewall - Rs. 2.115 lacs
- Electrical installations - Rs. 1.143 lacs

OPERATION & MAINTENANCE EXPENSES



Operation and Maintenance expenses comprising of R&M and A&G expenses (As per provision in CERC and OERC Regulations) have been proposed as **Rs 356.455 lacs.**

REPAIR & MAINTENANCE EXPENSES



- R&M expenses of **Rs 140.29 lacs** has been proposed. The major items are:

Rs in Lacs

Electrical maintenance of Office Building, Colony quarters including Street light.	15.000
Civil works repair and maintenance (construction of dilapidated rooms, leak proof treatment of roofs, colouring & maintenance of residential buildings of SLDC colony)	50.000
MPLS connectivity for ADMS signal communication with 16 nos. of substations.	5.290
AMC for FMS	7.000
AMC of Computers & Peripherals and Software	50.000
AMC for Website services	3.000
AMC for FAX , Photo copier, Air Conditioners etc	2.500
Leased Internet connectivity	4.000

A&G EXPENSES



- Administrative and General Expenses of **Rs 216.165** lacs has been proposed. The major items are:

Rs. in lacs

Certification and training of operational staff as per the recommendation of MoP Committee Report	30.00
Traveling allowances of SLDC personnel	20.00
Telephone charges	1.00
Payment of Electricity charges	50.00
Watch & ward	35.00
Legal expenses, advertisement & stationary printing	10.00
Office Up-keeping, meetings & gardening	15.00
Vehicle hire charges	30.00

SLDC Development Fund



The available balance in SLDC Development Fund as on **31.03.2022** is Rs. **6908.041** lacs. The following expenditure is proposed to be incurred from SLDC Development Fund.

Sl. No.	Description of item/work	Estimated amount (Rs. in Lakhs)
1	Construction of new SLDC Building	3435.16
2	Implementation of SAMAST	2266.00
3	Implementation of ADMS	53.00
	TOTAL	5754.16

CERTIFICATION FOR LDC PERSONNEL



The committee set up by the Govt. of India under the Chairmanship of Shri. G.B. Pradhan, recommended setting up of a system of certification of System Operators by an independent Central body. The National Power Training Institute has been entrusted with the responsibility of conducting the certification exams. The combined committee for training and certification under the Chairmanship of Shri S. M. Dhiman, suggested three levels of certification viz. 'BASIC LEVEL', 'SPECIALIST LEVEL' and 'MANAGEMENT LEVEL'. The certification authority i.e. National Power Training Institute is conducting the online examination for BASIC & SPECIALIST levels of certification on periodic basis for certification of personnel working in Load Despatch Centres in India.

For imparting training to the executives, the expenditure for Training & Certification of LDC personnel has been projected as ₹30.0 lacs for FY 2023-24.

HUMAN RESOURCE EXPENSES



The Human Resource expenses has been estimated based on the salaries disbursed to the existing staff for the month of September'22 which has been apportioned for the FY 2023-24 amounting Rs. **974.545** lacs.

INTEREST ON WORKING CAPITAL

The interest on working capital is computed as Rs. **41.311** lacs as per OERC Regulation considering 11.7% rate of interest (SBI base rate) plus 300 basis points.

[Towards compensation of loss in interest for the amount utilized to meet the expenses for the month of April & May which could have been deposited in SLDC Development fund.]

PROPOSED ARR FOR FY 2023-24

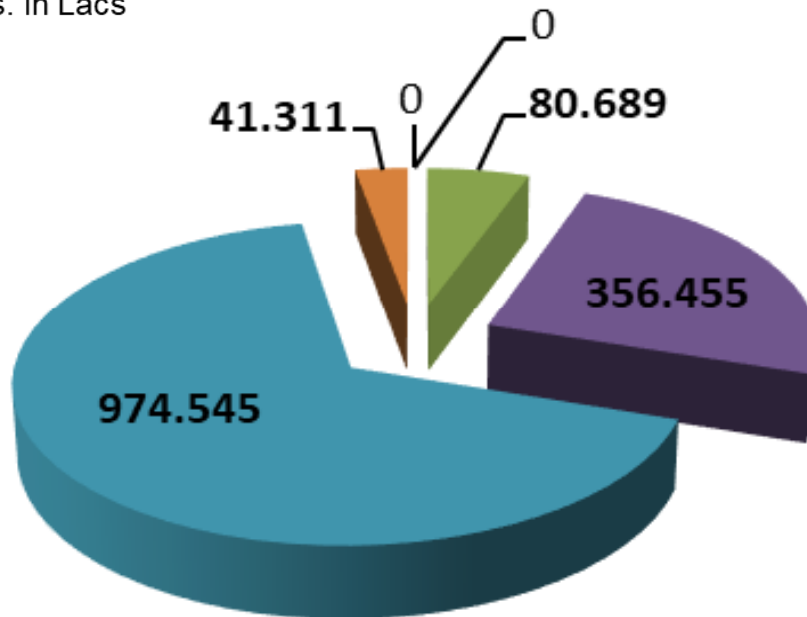


Sl. No	Item	Amount (Rs. in Lacs.)
1	Return on Equity	0.000
2	Interest on Loan Capital	0.000
3	Depreciation	80.689
4	O&M expenses excluding HR expenses	356.455
5	Human Resource Expenses	974.545
6	Interest on Working Capital	41.311
TOTAL		1453.000

ABSTRACT OF PROPOSED ARR FOR FY 2023-24



Rs. in Lacs



- Return on Equity
- Interest on Loan Capital
- Depreciation
- O&M Expenses excluding human resource expenses
- Human resource expenses
- Interest on Working Capital

SLDC CHARGES



- **Annual Charges**

- The Annual Charges for SLDC has been computed as per provision in Regulation 17, 18, 19, 20, 21 & 22 of OERC Regulations, 2010 and shall comprise of

- A. System Operation Charges (SOC) i.e. 80% of Annual Charges

- B. Market Operation Charges (MOC) i.e. 20% of Annual Charges

- **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 & buyers

45% on the basis of allocation

- **Market Operation Charges (MOC)**

- **Generating Company & Seller**

50% on the basis of Installed capacity

- **Distribution Licensee & buyers**

50% on the basis of allocation

SHARING OF CHARGES



- ❑ Total installed capacity of State Generating Stations, IPPs & maximum injection schedule of CGPs has been computed as **6219.57 MW**.
- ❑ The total installed capacity for computation of SOC and MOC has been enumerated considering installed capacity of State Generating Stations & IPPs and maximum injection scheduled by CGPs during the FY 2022-23 up to October - 2022.

SHARING OF CHARGES, contd..



For the purpose of determination of SOC & MOC charges for CGPs, the maximum MW scheduled during April to October 2022 has been considered. In absence of approved injection schedule for some of the CGPs during the FY 2022-23 (up to October'22), the approved schedule quantum for previous year has been considered for purpose of levying SLDC charges.

SUMMARY OF ARR & OPERATING CHARGES



1	Total Revenue Requirement	₹ Lac	1453.000
A	System Operation Charges (SOC) @80% of Annual Charge	₹ Lac	1162.400
B	Market Operation Charges (MOC) @20% of Annual Charge	₹ Lac	290.600

SUMMARY OF ARR & OPERATING CHARGES



Sl No.	Particulars	Unit	Proposal for 2023-24
A	System Operation Charges (SOC) of ₹ 1162.400 Lacs Payable by:		
(i)	Intra State Transmission Licensee @10% of SOC	₹ Lac	116.240
(ii)	Generating Station & Sellers @45% of SOC	₹ Lac	523.080
(iii)	Distribution Licensees & Buyers@45% of SOC	₹ Lac	523.080

SUMMARY OF ARR & OPERATING CHARGES



Sl No.	Particulars	Unit	Proposal for 2022-23
B	Market Operation Charges (MOC) of ₹ 290.600 Lacs Payable by:		
(i)	Generating Station & Sellers @50% of MOC	₹ Lac	145.300
(ii)	Distribution Licensees & Buyers@50% of MOC	₹ Lac	145.300

OTHER CHARGES



- **Registration Fee**

Besides the above charges, provision for collection of one time registration fee@ ₹1.00 lac from all users has been made as per CERC / OERC Regulations.

- **Application Fee and Scheduling Charges for OA**

Application fee and Scheduling charges shall be paid by the open access customers as per the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020.

ABSTRACT OF APPROVED / ACTUAL EXPENSES



₹ in lacs

YEAR----->	2021-22		2022-23 (Actual up to Sept.-22)	
	approved	actual	approved	actual
R & M expenses	56.996	72.919	89.311	18.528
A & G expenses	124.240	113.811	104.637	56.627
Human resource expenses	793.630	986.740	874.473	498.682
Depreciation	71.298	71.298	81.183	81.183
Interest on Working Capital	0.000	0.000	0.000	0.000
Total	1046.164	1244.768	1149.604	655.020

Excess expenditure in FY 2021-22

Hon'ble Commission allowed **Rs.793.630 lakhs** towards Employee Cost including Terminal Benefits for the FY 2021-22 (Para- 37, Page- 20 of the Fees and Charges Tariff order for FY 2021-22). As per the audited accounts for FY 2021-22, the Employee Cost is **Rs.986.741 lakhs**.

The excess expenditure was mainly due to:

- (i) Enhanced House Rent Allowance (HRA) @ 20/18% of Basic Pay on revised pay structure to all executives of OPTCL w.e.f. 21.04.2018 (decision of BoD in 126th meeting held on 11.02.2022). Additional expense of **Rs.154.289 lakhs** has been booked as HRA expenses (including arrears).
- (ii) Enhanced Medical Allowance @ 5% of Basic Pay on revised pay structure to all executives of OPTCL w.e.f. 21.04.2018 (decision of BoD in 125th meeting held on 16.12.2021). Additional expense of **Rs.49.754 lakhs** has been booked as Medical Allowance (including arrears).

Excess expenditure in FY 2021-22

Hon'ble Commission allowed **Rs.53.996 lakhs** towards **R&M** for the FY 2021-22 (Para- 33, Page- 19 of the Fees and Charges Tariff order for FY 2021-22). As per the audited accounts for FY 2021-22, the R & M expenses is **Rs.72.919 lakhs**.

The excess expenditure was mainly due to additional expense of Rs. **15.923 lakhs** for R&M of Computers, IT peripherals & Software licenses and Electrical installations.

The detail expenditure statement for the FY 2021-22 shall be submitted before the Hon'ble Commission.



THANK YOU