

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

*** **

**Present : Shri S. P. Nanda, Chairperson
Shri B. K. Misra, Member
Shri S. P. Swain, Member**

CASE NO. 103 OF 2012

DATE OF HEARING : 04.02.2013 (AT 3.30 PM)

DATE OF ORDER : 20.03.2013

**IN THE MATTER OF : An application of the OPTCL for approval of
Annual Revenue Requirement and Fees and
Charges for State Load Despatch Centre (SLDC)
functions for FY 2013-14.**

ORDER

PROCEDURAL HISTORY: (Para 1 to 14)

1. The Odisha Power Transmission Corporation Limited, Bhubaneswar (for short OPTCL), a Govt. Company registered on 29th March, 2004 under the Companies Act, 1956 has been carrying on the business of transmission of electricity within the State of Odisha. It has also been notified as the State Transmission Utility (STU) under Section 39 (1) of the Electricity Act, 2003 “hereinafter referred to as “the Act”. GRIDCO which was both the Bulk Supply and Transmission Licensee under the Orissa Electricity Reforms Act, 1995 had ceased to be a Distribution Supply License and has become only a Bulk Supply Trader under the new dispensation created by the Act, the supply business having been vested with 4 Distribution Licensees, viz WESCO, NESCO, SOUTHCO & CESCO (now CESU). As such GRIDCO could no longer carry on both bulk Supply and transmission business by virtue of 1st proviso to Section 39 of the said Act. The Transfer Scheme entitled “Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005” of Govt. of Odisha under Sec.131 (4) of the Act, transferred the erstwhile transmission business along with SLDC functions of GRIDCO with all the assets and liabilities of such business to OPTCL and vested the same with the said STU with effect from 1.4.2005. By virtue of the 2nd Proviso to Sec. 14 of the Act, OPTCL has been a deemed Transmission Licensee under the Act, so far as transmission functions are concerned, OPTCL is now governed by License Conditions set forth in OERC (Conditions of Business) Regulations, 2004, at Appendix 4B issued u/S. 16 of the Act, as modified by the Commission’s Order dated 27th October, 2006. By Clause 10(2) & (3) of the said Orissa Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the State Govt. has expressly notified OPTCL, a Govt. Company created for taking over transmission function of GRIDCO, as the State

Transmission Utility with effect from 01.04.2005. Moreover, even though by the said Scheme, vide Clause 10(2), the OPTCL was 'notified' as State Transmission Utility; it was also empowered to "discharge" the State Load Dispatch functions till further orders of the State Govt. This provision as regards "discharge of State Load Dispatch functions" in the Transfer Scheme was obviously intended to be an interim, temporary and stop-gap measure pending establishment/Notification of a State Load Dispatch Centre under Sec.31(1) and the substantive part of Sec.31(2) of the Electricity Act, 2003.

2. As in Section 55 of the Electricity (Supply) Act, 1948 (now repealed), Sections 31 & 32 of the Electricity Act, 2003 contemplate SLDC as an independent *apex* body to ensure integrated operation of the power system in the State. SLDC has been empowered by Section 33 of the Electricity Act, 2003 to give such directions and exercise such supervision and control as may be required for ensuring integrated grid operations and for achieving maximum economy and efficiency in the operation of power system in the State. These are all highly responsible, technical, and *non-commercial* statutory functions conceived by the Electricity Act, 2003 and are entrusted to SLDC to be carried out as an independent apex body. Every Licensee including OPTCL and generating companies and generating stations and sub-stations are to comply with such directions vide Sec.33 (2) and Sec.40 (b) of the Act. At present SLDC has not been organizationally separated from OPTCL which is a regulated entity. In this context it is noteworthy that under Sec.31(2) of the Act; a government body is supposed to operate SLDC and directions of the State Govt. to such a body are to be confined within the ambit of Sec.37 of the Act. The State Govt. has been advised accordingly from time to time the latest reminder having been issued vide DO Letter No.DIR(T)-351/08 (Vol.I)/1765 dtd.22.09.2011 of OERC.
3. The Act has also provided for financial independence of SLDC under sub-section 3 of Section 32 by way of levy and collection of fees and charges from generating companies and the licensees engaged in Intra-State Transmission of electricity, Sub-section 2 under Section 2 of the Electricity (Removal of Difficulty) Sixth Order, 2005 issued by Ministry of Power (MoP) Govt. of India on dated 08.06.2005 provides that the State Load Dispatch Centre may levy and collect such fee and charges from the Licensees using the Intra-State transmission system as may be specified by the State Commission. Apart from the aforesaid statutory provisions, the National Electricity Policy (vide Paras 5.3.3 and 5.3.7), OERC (Terms and Conditions for Intra-State Open Access) Regulations, 2005 (vide Reg.7), Orissa Grid Code Regulation, 2006 (vide Regulations 2.2.1.3, 2.2.2, 2.2.4, 2.2.5 and 2.2.6), OERC (Intra-State ABT) Regulations, 2007(vide Regulations 6 and 10), CERC (Open Access in Intra-State Transmission) Regulations, 2008 (vide Regulation 8) also point to independent functionality of SLDC.
4. The Commission also perused the Recommendations of Shri Gireesh B. Pradhan Committee of the Ministry of Power (MOP), Govt. of India, submitted to MOP in August, 2008 especially the recommendation for ring-fencing of Load Dispatch Centre to ensure its functional autonomy. The recommendations were as under:

(a) Recommendation 1

The Committee recommends that the LDCs should be ring-fenced suitably to ensure their functional autonomy by taking the following steps:

- (i) The Appropriate Government should take suitable steps to facilitate independent functioning of the Load Despatch Centres in line with the Electricity Act, 2003 and National Electricity Policy. To begin with, the State Governments are urged to create a separate representative board structure for governance of LDCs on the lines of wholly owned subsidiary being created for the independent System Operation of RLDCs and NLDC.*
- (ii) The financial accounts should be separated for all LDCs by 31st March 2009 with the appropriate Electricity Regulatory Commissions (ERC) specifying the fees and charges payable.*
- (iii) Capital Expenditure (CAPEX) plans for modernization of all LDCs during 2009-12 should be submitted and the approval of the respective Electricity Regulatory Commission (ERC) should be obtained by 31st March, 2009. The Central Transmission Utility (CTU) and Regional Load Despatch Centres (RLDCs) should extend the necessary assistance to SLDCs in this area.*
- (iv) In the next stage, rolling 5-year CAPEX plans should be prepared by each LDC and got approved by the respective ERCs to take care of the system expansion, associated real-time data requirements as well as technological innovations and obsolescence of control center equipment. ERCs may examine CAPEX proposal considering a shorter life cycle of 7 to 10 years for such equipment.*

(b) Recommendation 2:

For making LDCs financially self-reliant, the Electricity Regulatory Commissions (ERCs) should recognize the three distinct revenue streams:

- (i) Fees and charges for system operation*
- (ii) Tariff for decision support system and IT infrastructure (currently only ULDC tariff)*
- (iii) Operating charges for scheduling, metering and settlement for market players.*

All Generating Companies and licensees using the services of the LDCs would make all the above payments. In addition the LDCs could provide value added services (studies, manpower development, reports, access to data archives etc.), on chargeable basis.

5. So far the State Government has not exercised its power under Sec.31 (1) and (2) of the Act to establish a separate and independent entity for operation of SLDC. Hence, by virtue of the 1st Proviso to Sec.31 (2) of the Act, OPTCL as STU has to “operate” the SLDC for the time being. SLDC should function as an independent autonomous entity within the ambit of OPTCL - the STU to discharge its statutory functions / obligations in accordance with the Act, and Regulations of the Commission, such as those relating to Intra-State Open Access Regulation, 2005, Intra-State ABT Regulation, 2007 & Fees & Charges for SLDC Regulation, 2010, as well as provisions under Orissa Grid Code Regulation, 2006. The Ministry of Power, Gol, by Letter dated 04.11.2008 has recommended implementation of Shri Gireesh B.Pradhan Committee on Manpower Certification and Incentives for System Operation and Ring – Fencing Load Dispatch Centers. As such it is fit and proper that SLDC shall collect Annual Fees and Charges for SLDC functions from the various stakeholders as per Sec.32 (3) of the Act and other sources permissible under law from the various

stakeholders and hence, the Commission directed OPTCL- the STU to file separate application for ARR and approval of Annual Fees and Charges for SLDC functions since FY 2009-10.

6. In exercise of powers conferred under Sec.181 (2)(g) of the Electricity Act,2003 read with Sec.32(3) of the said Act and all other powers enabling it in that behalf, the Commission has framed Odisha Electricity Regulatory Commission (Fees and Charges for SLDC and other related matters) Regulations,2010, which has been published in Odisha Gazette No.1924 dated 18.11.2010 and has come into force with effect from 18th Nov,2010.
 - a. As per Regulation 3 of OERC (Fees and Charges for SLDC & other related matters) Regulations,2010 as well as in conformity with OERC (Conduct of Business) Regulations,2004, the Commission directed OPTCL-the Transmission Licensee to file two separate applications as mentioned below before the Commission by 30.11.2012.
 - b. An application for approval of ARR and determination of Transmission Tariff for Intra-State Transmission Network of OPTCL for FY 2013-14.
 - c. An application for approval of ARR & Annual Fees and Charges for SLDC functions of Orissa SLDC for FY 2013-14.
7. It is to be noted that OPTCL's application as per Para-8(c) above is not a tariff application under Sec.62 of the Act. OPTCL filed the application before the Commission on 30.11.2012 for approval of Independent ARR & SLDC Fees & Charges for FY 2013-14.
8. The said application dated 30.11.2012 was duly scrutinized and was registered as Case No. 103 of 2012 and was admitted for hearing. Objections were invited after wide publication of the application in English and Oriya daily newspapers and Commission's and OPTCL's website. In response to the aforesaid public notice of the applicant, the Commission received 6 nos. of objections / suggestions from the following persons/ associations/ institutions/organizations:-

(1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No.302 (B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri M.K. Rajguru, Advocate, Shri T. Mishra, Advocate and Shri J. K. Mohapatra, Advocate on behalf of M/s. NALCO, At-NALCO Bhawan, P/1, Nayapalli, Bhubaneswar, Dist.-Khurda,(3) Shri G. N. Agrawal, Advocate, Convener-cum-General Secretary, Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrarajpur, Sambalpur-768003, (4) Mr. Bibhu Charan Swain, Senior Consultant, M/s Power Tech Consultants, 1-A, /6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (5) Shri R.P. Mahapatra, Retd. Chief Engineer & Member (Gen., OSEB, Plot No.775(Pt.), Lane-3, Jayadev Vihar, Bhubaneswar, (6) Shri Manas Kumar Das, GM(PT),CSO, NESCO,WESCO & SOUTHCO, Regd. Office-Plot No. N-1/22, IRC Village, Nayapalli, Bhubaneswar-15,Ms.Niharika Pattanayak, ALO, DoE, GoO 22 were filed their suggestions/ objections. All the above named Objectors were present during tariff hearing except Objector Nos.3 and 4 but their written submissions filed before the Commission are taken on record for consideration by the Commission.

After due notice to the Applicant, Govt.of Odisha and the Objectors and in the consultative process, the Commission heard the applicant, objectors, consumer counsel, representative of the State Government on 04.02.201 and orders as follows

9. The Commission vide Order dated 20.03.2009 in Case No.65/2008, approved ARR of Rs 9.66 Crore for FY 2009-10 for SLDC and separated the Operating Charges @ Rs.2000/MW/Month from the Transmission Charges of OPTCL w.e.f. 01.04.2009 for collection from four DISCOMs and other LTOA & STOA customers of the State under OERC (Determination of Open Access Charges) Regulations,2006 so as to enable SLDC to function as an Independent System Operator as recommended by the Gireesh B. Pradhan Committee of the MOP, Govt. of India.
10. The Commission vide Order dated 20.03.2010 in Case No.146 of 2009 had approved ARR of Rs.7.76 crore for FY 2010-11in favour of SLDC to recover through System Operation Charges(SOC) &Market Operation Charges (MOC)from Generators and Sellers, DISCOMs & Buyers and from Intra-state Transmission Licensee OPTCL. This was in line with CERC Notification dated 18.09.2009, i.e. CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 where it is stipulated to collect the RLDC & NLDC charges from all the users who use the Inter-State Transmission Network as well as avail the services of RLDCs & NLDC.
11. The Commission vide Order dated 18.03.2011 in Case No.150 of 2010 had approved ARR of Rs.8.80 crore for FY 2011-12 in favour of SLDC to recover through SystemOperation Charges(SOC) &Market Operation Charges (MOC)from Generators and Sellers, DISCOMs & Buyers and from Intra-state Transmission Licensee OPTCL. This was in line with CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 and OERC (Fees & Charges for SLDC & other related matters) Regulations, 2010 where it is stipulated to collect the SLDC charges from all the users who use the Intra-State Transmission Network as well as avail the services of SLDC.
12. The Commission vide Order dated 23.03.2012 in Case No.97 of 2011 had approved ARR of Rs.9.02 crore for FY 2012-13 in favour of SLDC to recover through System Operation Charges(SOC) &Market Operation Charges (MOC)from Generators and Sellers, DISCOMs & Buyers and from Intra-state Transmission Licensee OPTCL. This was in line with CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 and OERC (Fees & Charges for SLDC & other related matters) Regulations, 2010 where it is stipulated to collect the SLDC charges from all the users who use the Intra-State Transmission Network as well as avail the services of SLDC.
13. In exercise of the power u/s. 94(3) of the Electricity Act, 2003 and in order to protect the interest of the consumers, the Commission appointed WISE, Pune as Consumer Counsel for objective analysis of OPTCL's proposal in respect of SLDC's ARR, Annual Fees and Charges for FY 2013-14. The Consumer Counsel submitted its report to the Commission and its Representative put forth its analysis and views on the matter in the presence of all the parties present during the Proceeding on 04.02.2013 before the Commission.
14. The Commission convened the State Advisory Committee (SAC) Meeting on 28.02.2013 to discuss about the ARR application and levy of Annual Fee and Charges for SLDC functions for FY 2013-14. Some Members of the SAC pointed out that there is no need for enhancement of Annual Fees & Charges for SLDC functions during FY 2013-14 as SLDC has not so far geared up to play the real challenging role of an Independent System Operator (ISO) for Odisha Power Sector as per the provisions of the Act & National Electricity Policy.

OPTCL'S PROPOSAL FOR ARR & ANNUAL FEES & CHARGES FOR SLDC FUNCTIONS FOR FY 2012-13 (Para 15 to 45)

15. As per direction of the Commission from time to time, separate application for approval of Annual Fees and Charges for SLDC functions is being filed by OPTCL since FY 2009-10 onwards.
16. The application for approval of Annual Revenue Requirement and Fees & Charges for SLDC for FY 2013-14 has been submitted 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 recommendations 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.
17. National Productivity Council (NPC) has been entrusted by OPTCL for preparation of a report on the manpower restructuring of OPTCL as well as that of SLDC which is in final stage. However, as per the directions of the Commission vide Order dated 20.03.09, the functional Organizational Structure of SLDC has been proposed in line with ERLDC structure for discharging SLDC functions smoothly as per the provisions of the Act to facilitate to work as an independent system operator in order to ensure an efficient, reliable and secure power system operation and merit order dispatch of electricity pending finalization of NPC structure.
18. The Annual Fees and Charges of SLDC have been computed in line with OERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2010.
19. 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.
20. As per the Taskforce Report, SLDC is liable to pay the recovery cost of Control Center Equipments only. Since the assets belongs to SLDC are yet to be transferred, the ULDC asset recovery charges are not considered in the ARR. However; the depreciation cost has been considered in anticipation of transfer of assets during the current FY 2013-14.

Proposed Organizational Structure and their Functions

21. The SLDC function shall be headed by a Chief Load Despatcher in the rank of a Director. He shall be assisted by two Sr. Load Despatchers one in the rank of CGM and the other in the rank of SGM for conducting the Real Time grid operation/ support services and commercial activities respectively. For technical assistance one Executive Assistant in the rank of Manager is being attached to the above officers. Besides one Private Secretary shall be attached to the Chief Load Despatcher. All technical function heads shall be reporting to their respective Sr. Load Dispatchers. The position wise role and responsibility are as detailed below:

22. **Grid Operation Headed by CGM (Grid Operation)**

The details of manpower and functions under CGM (Grid Operation) are given in the table below.

Table-2

Work	Function	Manpower
A. Real time operation headed by GM(Elect), Operation:		
Real Time Operation	<p>Generation Despatch</p> <ul style="list-style-type: none"> • Real time generation dispatch as per merit • Scheduling revisions <p>Transmission Despatch</p> <ul style="list-style-type: none"> • Network monitoring and control • Congestion management • Voltage & VAr control <p>Sub-SLDC function</p> <ul style="list-style-type: none"> • Monitoring of communication link and RTU availability • Co-ordination with SLDC SCADA unit 	<p>1 No DGM (Elec)</p> <p>SLDC – 4 groups</p> <p>5 Nos. of Executives in each group consisting of</p> <p>1 No. AGM</p> <p>1 No. Manager</p> <p>2 Nos. Dy. Manager</p> <p>1 No. DM(T)</p> <p>Sub-SLDC - 3 nos.</p> <p>5 executives in each Sub-SLDC consisting of</p> <p>1 No Manager (E)</p> <p>4 Nos DM (T) in shift</p> <p>Total - 36 nos.</p>
Operational Planning	<ul style="list-style-type: none"> • Operational System Analysis • Shutdown planning • Operational report preparation • Management of data base • Transmission / Generation availability Monitoring • EMS 	<p>1 No. Manager</p> <p>1 Nos of Dy. Managers</p> <p>Total-2 nos.</p>
B. Operation services, MIS & Regulatory Affairs headed by G.M(Elect). (OS, MIS& RA)		
Operation Services Group	<ul style="list-style-type: none"> • Demand forecast- Short term (Day ahead & Month ahead) • Day ahead scheduling of generation and optimization, in coordination with the State generators, ISGS allotment and neighboring utilities such as CGP, DISCOMs, etc. • Scheduling of drawl of DISCOMs • Maintenance of Historical data and 	<p>1 No DGM</p> <p>1 No. Manager</p> <p>1 No Dy. Manager</p> <p>Total- 3 nos.</p>

Work	Function	Manpower
	database. <ul style="list-style-type: none"> Short term transaction (Open Access) coordination with traders Off-line load flow study for outage planning and real time operation Network Security and disturbance Analysis Protection coordination Implementation plan for intra state ABT 	
MIS & RA	Data Archiving & Management report preparation System Study Incident Reporting & Disturbance Analysis Meetings Technical Library OERC Reporting ARR Regulation and Regulatory matters	1 No Manager 2 Nos Dy. Manager Total-3 nos.

23. **Commercial Group Headed by Sr. General Manager (Commercial)**
 The details of manpower and functions under Sr. General Manager (Commercial) are given in the table below.

Table - 3

Work	Function	Manpower
Sr. GENERAL MANAGER (Elect) (Commercial, TS & C & M):		
A. Commercial Group	<ul style="list-style-type: none"> Reviewing Long term contracts and Short term contracts Energy meter data collection & compilation Review of metering arrangement for Short-term contracts. Development of Billing & Settlement procedures and keeping of accounts of energy transacted. Preparation of UI bill for intra state utilities in case of implementation of Intra state ABT. Preparation of State Energy Accounting and Bills for State Distribution Utilities. 	1 No. GM 1 No AGM 1 No Managers 3 Nos D.M, Total - 06 nos.
B. Technical Services / Contract & Material Management	<ul style="list-style-type: none"> AC/DC auxiliary supply Diesel generator operation and maintenance 	1 Nos. Dy. Manager Total - 1 nos.

Work	Function	Manpower
Group	<ul style="list-style-type: none"> • UPS, battery, battery charger maintenance • Safety • Civil works maintenance. • Air conditioning plant maintenance. • Award of contract and contract execution • Material management and maintenance of stores. 	
C. SCADA/EMS Group	<ul style="list-style-type: none"> • Monitoring of communication link availability such as Optical Fiber, MW, PLCC etc.(to be maintained by STU) • Monitoring of RTU availability in coordination with STU Telecom Dept. • SCADA System (hardware) maintenance. • To develop suitable MIS for grid monitoring. • Maintaining Historical database. • Interface with ULDC project. • To build up accounting oriented information system. • Co-ordination with all Sub-SLDCs 	1 Nos. Manager(T) 1 No. Dy. Manager(T) Total - 2 nos.

24. **Support Services for SLDC Under Director, SLDC**

The functions directly controlled by Director, SLDC are given in the Table below.

Table-4

A. HUMAN RESOURCES MANAGEMENT	<ul style="list-style-type: none"> • Manpower planning, Training, Budgeting & placement • Personal services (Leave / Loan / Recoveries etc) • Installation Security and safety • Human resource development • Public Relation • Administration. 	1 No Asst. Manager Total - 1 no.
B. FINANCE	<ul style="list-style-type: none"> • Drawing and Disbursing functions • Auditing • Reconciliation • Maintenance of asset registers 	1 No Manager 1 Nos Asst Manager Total - 2 nos.

	<ul style="list-style-type: none">• Budget• Accounts	
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25.

Abstract of Staff Requirement for SLDC

Table - 5
Executive Staff Requirement

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

Sl. No.	Category of Posts	Total Nos.
30	Deputy Manager (Telecom)	01
1.4 HRM		
31	Assistant Manager (HR)	01
1.5 FINANCE		
32	Manager (Finance)	01
33	Assistant Manager (Finance)	01
1.6 SECRETARIAL		
34	PS to Director	01
	TOTAL EXECUTIVES	63

Table - 6
Non-Executive Staff Requirement:

Sl. No.	Category of Posts	Total Nos.
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
	TOTAL NON-EXECUTIVES	18

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

Computation of Annual Charges

26. As per the Regulation 10 of OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010; the Annual Charges shall consist of the following components:
- Return on Equity
 - Interest on Loan Capital
 - Depreciation
 - Operation & Maintenance expenses excluding Human Resource expenses
 - Human Resource expenses
 - Interest on Working Capital

Return on Equity:

27. Since no equity has been invested, there is no Return on Equity.

Interest on Loan Capital:

28. There is no outstanding loan /loan proposed for SLDC expenditure. Hence Interest on Loan Capital has not been considered.

Depreciation:

29. Depreciation for the assets in the Unified Load Despatch Center and offices in SLDC has been computed as Rs. 30.834 lakh as per CERC Regulation. The major amount of depreciation charges is for recovering the depreciation cost for Video Projection

Screen (VPS) amounting Rs. 17.468 lakh and IT equipments at the EASSC amounting Rs. 9.439 lakh. The details of depreciation are indicated in the table below.

Table - 7
Statement of Depreciation for FY 2013-14

Items	Amount in Rs.Lakh
Recovery of Capital Cost (Amount to be recovered during the year)	0.000
Depreciation on existing assets	30.834
Cumulative depreciation on capital recovery and existing assets	30.834

Operation and Maintenance Expenses:

30. Operation and Maintenance Expenses excluding Human Resources expenses for FY 2013-14 has been computed as Rs.484.676 lakh considering the **R&M expenditure** proposed to be incurred for FMS, Website charges, AMC charges for SCADA / EMS equipments, IT equipments and civil work maintenance of office building and colony etc and **A&G expenses** considering Office Expenses, Training and Certification Programme of operators and executives, professional charges, communication system, gardening, meeting expenses etc.

31. The O&M Expenses have been projected considering actual expenditure to be incurred during FY 2013-14. The escalated rate of 5.72% of previous year's expenditure as provided in the OERC Regulation has not been adopted in some of the items due to less expenditure incurred during the current financial year. The expenditure could not be made by SLDC due to non-transfer of assets and deployment of required manpower, which are under process.

Further provision for Dashboard data management services for DISCOMs operating under Intra-state ABT Regime has been included under R&M expenses amounting to Rs. 55 lakh for the required hardware and software. Considering the assets to be transferred before the commencement of the FY 2013-14, provisions of Rs. 10 lakh and Rs. 2 lakh have been kept for civil works maintenance and electrical maintenance of SLDC building and colony quarters respectively.

32. Administrative & General (A&G) Expenses include Office Expenses, Training and Certification Programme of operators and executives, professional charges, communication system, gardening, meeting expenses etc. which has been proposed as Rs.161.966 lakhs for FY 2013-14 in addition to the general R&M expenditures as indicated above.

Table – 8
Statement of O&M Expenses for FY 2013-14

Items	Amount (Rs. lakh)
Repairs and Maintenance Expenses	322.710
Administrative and General Expenses etc.	161.966
Total	484.676

Human Resources Expenses:

33. Human Resources Expenses have been computed as Rs.524.960 lakh considering the organization structure proposed in line with ERLDC Structure.

Interest on Working Capital:

34. The interest on working capital computed as Rs.31.54 lakh as per OERC Regulation, 2010 considering 12% rate of interest. The details are indicated in the table below.

Table – 9
Statement for Working Capital

ITEM	Amount (in Rs. lakh)
O & M Expenses for one month excluding Human Resources Expenses	40.390
Human Resource Expenses for one month	43.747
Receivable (2 months of SOC & MOC)	178.668
Total Working Capital	262.805
Rate of Interest	12.00%
Interest on Working Capital	31.54

Provision of CAPEX Plan

35. The CAPEX plan of SLDC for the FY 2011-12 has been approved by the Commission vide OERC Order dated 24.10.2011 which is under implementation. Hence, separate CAPEX plan has not been proposed for the ensuing FY 2013-14.

Certification for LDC Personnel

36. The Recommendation No.(4) in Clause 6.4 of Report of the Committee on “Manpower, Certification and Incentives for System Operation and Ring fencing Load Despatch Centres” of MoP, GoI has envisaged that the highly specialized and technical nature of SLDC functions necessitate a suitable compensation structure to attract and retain talent. The Committee recommended the compensation structure, innovative incentive schemes for higher learning and monetary incentives based on their ratings. Seven numbers of SLDC Executives have completed the Certification Training and successfully qualified. Thirteen number of SLDC executives have completed the certification training and would appear the online examination on 16th December 2012. Hence, the expenditure for Training & Certification of LDC personnel has been projected as Rs 20 lakh for FY 2013-14.

SLDC Assets

37. Most of the assets of SLDC along with sub-SLDCs have been identified as per the direction of the Commission. The evaluation of such assets is under progress and will be completed by the end of the FY2012-13.

Table - 10

Summary of Annual Revenue Requirement of SLDC for recovery through Annual Fees and Charges for FY 2013-14

Sl. No	Item Proposed Expenses	Amount (Rs. lakh)
1.	Employee Cost including Certification of SLDC personnel	524.960
2.	Repair & Maintenance Cost	322.710
3.	Administrative & General Expenses	161.966
4.	Interest on Loan Capital	0.000
5.	Interest on Working Capital	31.54
6.	Depreciation (Including Capital Recovery Cost)	30.834
7.	Contingency Reserve	0.000
8.	Bad & Doubtful Debt	0.000
9.	Reasonable Return	0.000
	Total	1072.010

Determination of Annual Charges for SLDC

38. The Annual Charges for SLDC have been computed as per provisions in Regulation 17, 18, 19, 20, 21 & 22 of OERC Regulations, 2010 as detailed below: The Annual charges 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) is proposed to be collected from the users in the following ratio

- Intra State Transmission Licensee-10% on the basis of Ckt-Kms
- Generating Companies & Sellers - 45% on the basis of Installed capacity
- Distribution Licensees & Buyers - 45% on the basis of allocation

Market Operation Charges (MOC) is proposed to be collected equally from the DISCOMs and Generating Companies apportioning to the entitlement and installed Capacity.

For the purpose of determination of the above charges for CGPs, the maximum MW scheduled during April to October 2012 has been considered.

39. OPTCL has proposed for recovery of Annual Fixed Cost (AFC) of Rs.1072.010 lakh through SOC & MOC as per OERC Regulation, 2010.

- a. System Operation Charges (SOC) (80% of AFC) – Rs.857.608 lakh
- b. Market Operation Charges (MOC) (20% of AFC) – Rs.214.402 lakh

System Operation Charges

System Operation Charges (SOC) of Rs.857.608 lakh shall be collected from the following stakeholders as under:

- a. Intra –State Transmission Licensee @ 10% of SOC- **Rs.85.761 lakh**
- b. Generating Stations & Sellers @ 45% of SOC. **Rs.385.923 lakh**
- c. DISCOMs & Buyers @ 45% of SOC. **Rs.385.923 lakh**

Recovery of System Operation Charges

40. The recovery of SOC of Rs 857.608 lakh per annum & Rs. 71.47 lakh per month shall be as per OERC Regulations, 2010 as under :-

- (a) OPTCL as Intra-State Transmission Licensee has to bear 10% of SOC of **Rs.85.761 lakh/annum and Rs.7.147 lakh/month**.
- (b) **Generating Stations & Sellers are to bear Rs. 385.923 lakh /Annum and Rs. 32.16 / Month.** The installed capacity of all generators and CGPs has been assessed as 4684.8 MW. SOC of Rs.385.923 lakh /annum and Rs.32.16 lakh/month have been apportioned to each generator/CGP in proportion to its installed capacity as shown in table below:

Table – 11

Apportionment of Annual & Monthly SOC Charges amongst Generating Stations & Sellers

(Rs lakh)

Sl. No	Generating Company / Sellers	Installed Capacity	Total amount (Rs. lakh) (Annual)	Total amount (Rs. lakh) (Monthly)
A	State Generating Station			
1	OHPCL	2027.5	167.021	13.918
2	OPGC	420	34.559	2.883
3	TTPS	460	37.894	3.158
B	Small Hydro			
4	OPCL (Small Hydro)	20	1.648	0.137
5	Meenakshi (Small Hydro)	37	3.048	0.254
6	Shalivahana Green Energy Ltd.	20	1.648	0.137
C	IPP			
7	Arati Steels (IPP)	50	4.119	0.343
8	Sterlite Energy Limited	600	49.427	4.119
D	CGPs	Maximum		
9	Aarti Steel Limited (CGP)	15	1.236	0.103
10	Action Ispat&Power Pvt. Ltd.	4.3	0.354	0.030
11	Aryan Ispat & Power Pvt. Ltd.	10.5	0.865	0.072
12	Bhusan Power & Steel Ltd., Jharsugura	75	6.178	0.515
13	Bhusan Steel Limited, Meramundali	90	7.414	0.618
14	FACOR Power Ltd.	18	1.483	0.124
15	HINDALCO	20	1.648	0.137
16	IFFCO	20	1.648	0.137
17	IMFA	30	2.471	0.206
18	Jindal Stainless Limited, Duburi	70	5.766	0.481
19	Jindal Steel & Power Ltd., Angul	261	21.501	1.792
20	Maithan Ispat Limited	6	0.494	0.041
21	MSP Metallicks Limited	6.5	0.535	0.045
22	NALCO, Angul	60	4.943	0.412
23	Narbheram Power & Steel (P) Ltd	5	0.412	0.034
24	Nava Bharat Ventures Limited	64	5.272	0.439
25	Nilachal Ispat Nigam Limited	27	2.224	0.185
26	Orissa Sponge Iron Limited	6.5	0.535	0.045
27	Pattaniak Steel & Alloys Limited	6	0.494	0.041
28	Rathi Steel & Power Limited	4	0.330	0.027

Sl. No	Generating Company / Sellers	Installed Capacity	Total amount (Rs. lakh) (Annual)	Total amount (Rs. lakh) (Monthly)
29	RSP	4	0.330	0.027
30	Shree Ganesh Metalicks Limited	16	1.318	0.110
31	Shyam Metalicks & Energy Limited	8	0.659	0.055
32	Tata Sponge Iron Limited	17.5	1.442	0.120
33	Vedanta Aluminium Limited	150	12.357	0.130
34	Vedanta Aluminium Limited	7	0.577	0.048
35	VISA Steel Limited	46	3.789	0.316
36	Yazdani Steel & Power Limited	3	0.247	0.021
	Total	4684.8	385.923	32.160

(c) The percentage of share and recovery of SOC from DISCOMs are as under:

Table : 12
Apportionment of Annual & Monthly SOC Charges amongst Distribution Companies

Name of DISCOMs	% Share	Annual Charge (Rs.lakh)	Monthly Charge (Rs. lakh)
CESU	35.68	137.698	11.475
NESCO	22.98	88.685	7.390
SOUTHCO	28.14	108.599	9.050
WESCO	13.20	50.942	4.245
TOTAL	100	385.923	32.160

Recovery of Market Operation Charges

41. The recovery of Market Operation Charges (MOC) of Rs.214.402 lakh/annum & Rs.17.86 lakh/ Month shall be as per OERC Regulation, 2010 as under.

a. Generating Stations & Sellers @ 50% of MOC are to pay Rs.107.201 lakh/annum to SLDC & Rs.8.933 lakh /Month.

Individual generator & CGP are to pay MOC in proportion to its assessed installed capacity of 4684.8 MW as shown in the following Table:

Table: 13
Apportionment of Annual & Monthly MOC Charges amongst Generating Stations & Sellers Generating Company/Sellers

Sl. No	Generating Company / Sellers	Installed Capacity	Total amount (Rs. lakh)	Total amount (Rs. lakh)
A	State Generating Station			
1	OHPC	2027.5	46.395	3.866
2	OPGC	420	9.611	0.801
3	TTPS	460	10.526	0.877

Sl. No	Generating Company / Sellers	Installed Capacity	Total amount (Rs. lakh)	Total amount (Rs. lakh)
B	Small Hydro			
4	OPCL (Small Hydro)	20	0.458	0.038
5	Meenakshi (Small Hydro)	37	0.847	0.071
6	Shalivahana Green Energy Ltd.	20	0.458	0.038
C	IPP			
7	Arati Steels (IPP)	50	1.144	0.095
8	Sterlite Energy Limited	600	13.730	1.144
D	CGPs	Maximum Scheduled (MW) (up to end of		
9	Aarti Steel Limited (CGP)	15	0.343	0.029
10	Action Ispat&Power Pvt. Ltd.	4.3	0.098	0.008
11	Aryan Ispat & Power Pvt. Ltd.	10.5	0.240	0.020
12	Bhusan Power & Steel Ltd., Jharsugura	75	1.716	0.143
13	Bhusan Steel Limited, Meramundali	90	2.059	0.172
14	FACOR Power Ltd.	18	0.412	0.034
15	HINDALCO	20	0.458	0.038
16	IFFCO	20	0.458	0.038
17	IMFA	30	0.686	0.057
18	Jindal Stainless Limited, Duburi	70	1.602	0.133
19	Jindal Steel & Power Ltd., Angul	261	5.972	0.498
20	Maithan Ispat Limited	6	0.137	0.011
21	MSP Metallicks Limited	6.5	0.149	0.012
22	NALCO, Angul	60	1.373	0.114
23	Narbheram Power & Steel (P) Ltd	5	0.114	0.010
24	Nava Bharat Ventures Limited	64	1.464	0.122
25	Nilachal Ispat Nigam Limited	27	0.618	0.051
26	Orissa Sponge Iron Limited	6.5	0.149	0.012
27	Pattaniak Steel & Alloys Limited	6	0.137	0.011
28	Rathi Steel & Power Limited	4	0.092	0.008
29	RSP	4	0.092	0.008
30	Shree Ganesh Metallicks Limited	16	0.366	0.031
31	Shyam Metallicks & Energy Limited	8	0.183	0.015
32	Tata Sponge Iron Limited	17.5	0.400	0.033
33	Vedanta Aluminium Limited	150	3.432	0.286
34	Vedanta Aluminium Limited	7	0.160	0.013
35	VISA Steel Limited	46	1.053	0.088
36	Yazdani Steel & Power Limited	3	0.069	0.006
	Total	4684.8	107.201	8.933

b. DISCOMs & Buyers @ 50% of MOC are to pay **Rs.107.201 lakh/annum & Rs. 8.933 lakh/ Month** as shown in Table below:

Table: 14

**Apportionment of Annual & Monthly MOC Charges amongst
Distribution Companies & Buyers**

	% share	Annual Charge (Rs. lakh)	Monthly Charge (Rs. lakh)
CESU	35.68	38.249	3.187
NESCO	22.98	24.635	2.053
SOUTHCO	28.14	30.166	2.514
WESCO	13.20	14.151	1.179
Total	100	107.201	8.933

Registration Fee

42. Besides the above charges, provision for collection of Registration Fee@ Rs1.00 lakh from all users has been made as per OERC Regulation, 2010.

Application Fee and Scheduling Charges

43. 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 (STOA) Customers as per CERC Regulation, 2009.
44. The details of ARR and proposed levy of SLDC Annual Fee and Charges for FY 2013-14 are summarized in the following table:

Table - 15

Sl. No.	Particulars	Unit	Proposal for 2013-14
1.	Annual Revenue Requirement	Rs. lakh	1072.010
2.	System Operation Charges (SOC)	Rs. lakh	857.608
3.	Market Operation Charges	Rs. lakh	214.402
4.	Total Generation Capacity	MW	4684.8

Summary of Annual Revenue Requirement and Fees & Charges for SLDC functions proposed by OPTCL

45. OPTCL has proposed before the Commission to approve the Annual Revenue Requirement of Rs. **1072.010** lakh for FY 2013-14 towards State Load Dispatch Centre (SLDC) functions separately and to approve to recover through:
- (a) System Operation Charges (SOC) (80% of AFC) – Rs. **857.608** lakh/annum or Rs.71.467 lakh/month.
- (b) Market Operation Charges (MOC) (20% of AFC) - Rs.**214.402** lakh/annum or Rs.17.866 lakh/ month.

VIEWS OF CONSUMER COUNSEL & OBJECTORS ON OPTCL PROPOSAL FOR ARR AND ANNUAL FEES AND CHARGES FOR SLDC FUNCTIONS FOR FY 2013-14 (Para 46 to 89)

Analysis of the Proposal by Consumer Counsel (Para 46 to 57)

46. World Institute of Sustainable Energy (WISE), Pune - the Consumer Counsel has analyzed the application of the licensee and some of their important observations are as under:-

Annual Revenue Requirement

47. SLDC has given the proposal for revenue requirement of Rs.1072.01 lakhs for FY 2013-14 which is 18.8% rise over Rs.902.28 lakhs approved by the Commission for FY 2012-13. This would be recovered through Annual Fees and Charges. The Revenue Requirement includes Employee Cost of Rs.524.960 lakhs which is provisional. National Productivity Council (NPC) has been entrusted for preparation of a Report on the manpower structuring of OPTCL as well as of SLDC which is in final stage. However, in the absence of any approved Organizational Structure for SLDC, the proposed Employee Cost seems to be at a higher side as the Commission had earlier approved a working strength of 81 nos. at par with ERLDC structure vide Para 182 of its Order dated 20.3.2010 and only 43 nos. of Employees are in place in SLDC during FY 2012-13.
48. SLDC has projected Administrative and General (A&G) expenditure at Rs.161.966 lakhs for FY 2013-14 which is about 116% rise over Rs.75 lakhs approved by the Commission to be spent during FY 2012-13. Against the approval of Rs.75 lakhs for FY 2012-13 SLDC has made an expenditure of Rs.41.502 lakhs during first six months of FY 2012-13 & if prorated for full year, it may be of the order of Rs. 83.004 lakhs for FY 2012-13. A & G Expenditure is to be based on certain principles like escalation of 5.72% over the previous year expenses i.e. on the estimated expenditure of Rs.83 lakhs. Accordingly, the Commission may approve A & G Expenses for FY 2013-14.
49. Repair and Maintenance (R&M) expenses of Rs.322.710 lakhs has been projected for FY 2013-14. But SLDC has spent only an amount of Rs.95.651 lakhs during first six months of FY 2012-13, and if prorated for full year, it may be of the order of Rs. 191.302 lakhs for FY 2012-13. Hence the R&M Expenses proposed by SLDC for FY 2013-14 may be approved by the Commission considering 5.72% escalation over the prorated amount of Rs.191.302 lakhs as per OERC SLDC Regulation, 2010.
50. SLDC has computed depreciation of Rs 30.834 lakhs for ULDC and offices in SLDC as per OERC SLDC Regulation, 2010, out of which Rs.17.468 lakhs has been claimed on account of VPS and Rs. 9.439 lakhs has been claimed on account of IT equipments at EASSC. Depreciation on VPS may be allowed on the ground that the Commission has observed in the last year's Order that the VPS has been purchased from the account of the SLDC. However, the Commission may ask for information on the functioning of EASSC before approving the depreciation amount on the same.
51. SLDC has calculated Interest on Working Capital as Rs.31.54 lakhs by considering an interest rate of 12%. The proposed Working Capital may be reduced based on the approved O & M and HR Expenses.

Non-Compliance of Directions of the Commission - Main Issues

52. On transfer of assets of Sub-SLDCs at Bhubaneswar, Meramundali, Jayanagar & Budhipadar to SLDC, no definite time frame has been suggested by OPTCL as against the time line proposed by OERC in the approved Road Map as 31.08.2007.
53. On functioning of EASSC of SLDC, the Commission has earlier directed to establish the EASSC and to commence its operations w.e.f. 01.04.2010 and also has approved fund for EASSC since 2008-09. However, as stated by OPTCL during hearing on 04.02.2013 EASSC is not operational till date.

54. SLDC is to be headed by a Chief Load Despatcher in the rank of Director with requisite supporting Executives and Staffs (81 nos). The HR information pertaining to FY 2012-13 reveal that the present strength of SLDC is at 43 nos. without a Chief Load Despatcher. OERC earlier directed OPTCL to send requisition to State Government to post a Director in SLDC by 30.06.2012 and that has not been complied with.
55. OPTCL may furnish the details of the works undertaken and the expenditures made till date for expenses under CAPEX to the Commission in every quarter for appraisal.
56. SLDC may use SLDC development fund for assets creation, and margin money for raising loans from FIs for assets creation and funding of R&D projects.

Summing Up

57. The Consumer Counsel WISE presented before the Commission the following concluding remarks during hearing on 04.02.2013 on application of OPTCL for approval of ARR & annual Fees & Charges of SLDC for FY 2013-14 :-
- The SLDC is considered as ‘Brain’ of Power System Operation.
 - SLDC is responsible for optimum scheduling and dispatch of electricity, carrying out real time operations for grid control and dispatch of electricity in cost effective manner.
 - EASSC is yet to be commissioned under SLDC & SLDC is unable to prepare and issue monthly State Energy Account (SEA), weekly UI Account and weekly Reactive Energy Account in accordance with OERC (Intra-State ABT) Regulations, 2007 even after 4 years of ring-fencing.
 - Non functioning of SLDC at the full strength will adversely affect the Power System Operations and indirectly increase the cost of electricity to be served.
 - The SLDC has been committing delay in implementing the various orders of Commission.
 - The Commission may consider all the above facts before approving the ARR for FY 2013-14.

Views of Objectors (Para 58 to 89)

58. The Commission has considered all the views of various Objectors on the proposal of OPTCL on ARR and Annual Fees and Charges for SLDC functions for FY 2013-14. Some of the views were found to be of general nature whereas others were specific to the proposed ARR filing for FY 2013-14. Based on their nature and points-at-issue, these views have been classified issue-wise and discussed below.

Functioning of SLDC & Establishment of a Separate Corporation for SLDC

59. Some objectors pointed out that SLDC has failed to act as an Independent System Operator even after 4 years of its ring-fencing, and therefore, Odisha Power System Corporation Ltd. (OPSEL) should be created which will be a wholly owned subsidiary of the OPTCL in line with Power System Corporation of India (POSOCO) functioning under POWERGRID since March, 2009.
60. Some objectors pointed out that SLDC should function as an Independent System Operator with a representative board structure as recommended by the Gireesh B. Pradhan

Committee of the MoP.

61. One objector submitted that the State Govt. should notify a Transfer Scheme separating SLDC functions from OPTCL and establish the proposed OPSCL as an independent Corporation directly under DoE, Govt. of Odisha for SLDC to function as an ISO as required under the Act.

Organizational Structure and Staffing of SLDC

62. Some objectors submitted that the SLDC has failed to appoint the Chief Load Dispatcher in the rank of Director during last 4 years as per the Commission's directions and hence OPTCL may be directed by the Commission again to appoint the Chief Load Dispatcher at the earliest.

63. Some objectors have submitted that the present manpower structure in the SLDC is not at par with the ERLDC structure. In spite of categorical directives of the Commission in each ARR Order for SLDC since last 4 years, SLDC staff strength has gone down from 50 nos. in FY 2009-10 to 43 nos. in FY 2012-13. The Commission should direct OPTCL to appoint 81 nos. of Executives at the earliest for proper functioning of SLDC.

Establishment of Energy Accounting & Settlement System Centre (EASSC) in SLDC

64. Some objectors submitted during the hearing that as per the Road Map of the Commission issued vide Letter No. 1313 dated 04.08.2007, EASSC of SLDC was to function by 31.08.2007 to prepare and issue of Monthly State Energy Account, weekly UI and Reactive Energy Account for billing and payment to all the stake holders deploying requisite personnel, software & hardware.

65. They submitted that OPTCL vide affidavit dated 04.02.2012 mentioned on the status of establishment of EASSC under SLDC as under:

“The data centre for Energy Accounting and Settlement Service Centre (EASSC) since been made operational by OPTCL which is presently operated and maintained on 24 x 7 basis by M/s WIPRO, the Facility Management Service (FMS) Contractor. The Meter Data Management (MDM) & billing software which has been developed by M/s INFOSYS is under User's Acceptance Test (UAT). The EASSC shall be made operational soon after completion of the test. The delay for completion of EASSC is due to delay in receipt of hardware from the firm & customization of the software.”

66. In view of the above, the objectors pointed out before the Commissions that submissions of OPTCL under Oath through affidavit on 11.01.2010, on 05.01.2011 & again on 04.02.2012 clearly show that OPTCL is in the habit of submitting false statements before the Commission on the issue relating to establishment and Commercial Operation of EASSC as EASSC is yet to be established and commissioned in SLDC and SLDC is depending on Energy Billing Centre (EBC) of GRIDCO to prepare Monthly Accounting and Weekly UI Accounting of the stakeholders. They further submitted that OPTCL should be directed by the Commission to install, trial run & commercial operation of EASSC by 31st March, 2013 positively failing which action against persons responsible for delay in Commercial Operation of EASSC should be taken up by OPTCL under intimation to the Commission.

Transfer of Assets & sub-LDCs to the control of SLDC

67. Some objectors submitted during the hearing that the Commission directed OPTCL vide Order dated 20.03.2009 to transfer the assets of SLDC and Sub-LDCs at Bhubaneswar, Meramundali, Jayanagar & Budhipadar to the control of SLDC by April, 2009.

68. Some of the objectors pointed out that OPTCL vide affidavit dated 04.01.2012 submitted as under on transfer of assets from OPTCL to SLDC:-

Regarding transfer of assets belonging to SLDC & sub-LDCs, it is to submit that as per the report received from the Chartered Accountants Firm, engaged for separation of assets & liabilities of SLDC, action have been initiated as per their suggestions. As a first step in this regard, the land and building being presently used by SLDC for carrying on its functions are being identified. Evaluation of the cost of the building is also under progress. The transfer of ownership of the assets to SLDC from OPTCL would take place through a transfer scheme to be notified by the Govt. of Odisha. However for the present the assets which are under exclusive use by SLDC, are being accounted for the purpose of maintaining separate accounts pending creation of a separate Government Company/ Authority/ Corporation to carry on the SLDC business.

69. They further submitted during the hearing that OPTCL even after expiry of 4 years of the direction of the Commission vide Order dated 20.03.2009 has not initiated any tangible action on valuation and transfer of Sub-LDCs at Bhubaneswar, Meramundali, Jayanagar & Budhipadar which are part and parcel of SLDC assets as per Govt. of Odisha “Transfer Scheme” Notification dated 09.06.2005. They requested the Commission to direct OPTCL to transfer the assets to the control of SLDC immediately.

Financial Performance of SLDC in present form under OPTCL

70. One objector submitted before the Commission during the hearing that the financial performance of SLDC for the last four financial years are extremely poor which can be seen from the data tabulated as under:

Table - 16
Financial Performance of SLDC

Financial Year	Amount approved by the Commission (in Cr.)	Amount spent by SLDC (in Cr.)	Percentage of expenses to the amount approved (%)
2008-09	6.88	0.029	0.42
2009-10	9.66	3.80	39.33
2010-11	13.62	7.68	56.38
2011-12 (April to Nov, 11)	8.80	3.58	40.68
2012-13 (April to Nov, 12)	9.02	3.62	40.11

NB: If the Expenses of Rs. 3.62 Cr. is prorated for FY 2012-13, the expenditure for FY 2012-13 will be about Rs.5.43 Cr. and 60% of the approved amount.

- He submitted that the Commission has approved an additional amount of Rs.6.995 crore towards capital expenditure during FY 2010-11, 2011-12 & 2012-13 under SLDC but the cumulative expenditure under this head till November, 2012 is only Rs.2.22 Cr. which is about 31.87% of the approved CAPEX.

71. He therefore submitted that due to such poor financial performance of SLDC, the Commission should not approve more than the ARR of Rs.8 Cr. for FY 2013-14.

Annual Charges

72. Some Objectors submitted that as SLDC is not able to spend the approved outlay for FY 2009-10, FY 2010-11, FY 2011-12 & FY 2012-13, the Annual Charges to be approved by the Commission FY 2013-14 may be determined and allowed on realistic basis.
73. One Objector submitted that 45% of SOC & 50% MOC should be apportioned among Distribution licensees and buyers on the basis of demand allocation. NALCO and ICCL should be included as buyers in the State. NALCO and ICCL should also pay their share as % of (45% of soc and 50% of MOC) based on yearly allocation of power to them.
74. Another Objector submitted that SOC & MOC charges have been proposed by SLDC to be collected from Generators & the Sellers on the basis of their entitlement & Installed capacity. For the Captive Generating Plants, the maximum MW scheduled during April to October 2012 has been considered by SLDC in their ARR proposal. The Objector submitted that SLDC may be advised to consider on some average either on monthly or yearly average injection basis for SOC & MOC so that more accuracy can be attained.
75. One objector submitted that for generating stations which are “must run”, and not subject to scheduling, the SOC and MOC charges should not be levied if meter reading and energy accounting is not done by SLDC.

Repair & Maintenance (R&M) Expenses

76. Some Objectors pointed out that the proposed R&M expenses for Rs.322.71 lakh is at higher side. They submitted that the Commission may approve R&M Expenses for FY 2013-14 considering 5.72% escalation over the actual/ prorated expenses for FY 2012-13.
77. Another Objector submitted that as SLDC assets have not yet been transferred to SLDC by OPTCL Civil Works (R&M) for residential building & Electrical maintenance of Rs.12 lakhs proposed in ARR for FY 2013-14 may not be allowed.

Employee Cost

78. Some Objectors proposed that the Employee Cost may be allowed to the extent of expected expenditure to be made during FY 2012-13 as staff strength of SLDC has been reduced in FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13.
79. One Objector proposed that HR expenses for FY 2013-14 may be approved considering escalation @ 5.72% on the actual/ prorated expenses for FY 2012-13.
80. One objector has submitted that the employee cost may be allowed to the extent of expenditure to be made during 2012-13 after prudent exercise at the Commission’s level as the present manpower strength is not as per the proposed structure for SLDC approved by OERC on par with ERLDC structure.

Intra-state ABT cost

81. One objector has submitted that SLDC may be advised to produce the actual expenditure made during 2010-11, 2011-12 and 2012-13 as against approval of Rs.85 lakhs by Commission.

Interest on Working Capital

82. Some Objectors submitted that since SLDC has not availed any loan from Banks/ Financial Institutions towards Working Capital requirement, interest payment on Working Capital does not arise.

83. One Objector submitted that since SLDC Charge is being collected as First charge over Transmission Charge of OPTCL every month, there is no need of Working Capital Requirement and hence interest on Working Capital proposed for Rs. 31.54 lakhs should not be approved in ARR of SLDC for FY 2013-14.

84. The same objector has submitted that SLDC may utilize the fund available in the SLDC Development Fund as rolling Working Capital requirement with due approval from the Commission.

Administration & General (A&G) Expenses

85. Some Objectors submitted that since A&G Expenses during 1st six months of FY 2012-13 were only Rs.41.50 lakhs, the A&G Expenses over Rs.75 lakhs only may be allowed in ARR of SLDC for FY 2013-14 after prudent verification by the Commission.

86. One Objector has suggested that A&G Expenses for FY 2013-14 may be approved considering 5.2% escalation over the approved amount of Rs.75 lakhs for FY 2012-13.

SLDC Development Fund

87. One Objector suggested that SLDC should inform all the stake holders regarding the status of "SLDC Development Fund" as per OERC Regulation, 2010 and the amount available under the fund may be intimated to the Commission and to all the stake holders on 1st of April of each financial year.

88. Another objector has prayed for stopping and disallowing the SLDC development fund for FY 2013-14 on account that the SLDC Development Fund is remaining with SLDC only for interest earning as SLDC has failed to utilize the amount in this Fund for the purpose for which it is intended as per OERC Regulation, 2010. Even the CAPEX amount of Rs.699 lakhs approved from the corpus of this Fund could be utilized to the extent of 32% during last three financial years.

Non-compliance of directions of OERC

89. One objector submitted before the Commission that as OPTCL being a licensee has been dishonoring the Directions/ Orders of the Commission year after year relating to revamping of SLDC to play the effective role of an ISO, OPTCL is therefore liable for penal action/ punishment under Section 142 of Electricity Act, 2003 by way of penalty of Re. 1 Lakh and in case of continuing failure there after the additional penalty of Rs. 6000/ day may be levied during which the failure of compliance of the Commission's Order continues, which in this case may be considered w.e.f. 1st April, 2011.

OPTCL's Response to the Objectors (Para 90 to 119)

90. In response to the views of the Objectors on the ARR and Annual Fees and Charges for SLDC functions for FY 2013-14, OPTCL/SLDC had filed rejoinders in respect of each issue as under

Functioning of SLDC & Establishment of a Separate Corporation for SLDC

91. It is submitted that as per provision under Section 31(2) of the Electricity Act, the State Transmission Utility shall operate the State Load Despatch Centre (SLDC) until a Government Company or any Authority or Corporation is notified by the State Government. Accordingly, OPTCL, being the designated STU, is operating SLDC at present.

92. It is further submitted that SLDC is now operating autonomously as an Independent System operator under the direct administrative control of the Chairman-cum-Managing Director of OPTCL.

93. It is further submitted that the creation of a wholly owned subsidiary Power System Corporation (POSOCO) under POWERGRID for independent System Operation of RLDCs and NLDCs does not necessarily call for a similar separation in the state level as the volume and nature of activities carried out by the SLDC are fundamentally different from RLDCs and NLDCs. Furthermore, POSOCO is continuing as a subsidiary of POWERGRID.

Organizational Structure and Staffing of SLDC

94. It is further submitted that SLDC is now operating autonomously as an independent system operator under the direct administrative control of the Chairman-cum-Managing Director of OPTCL.

95. It is submitted that the posting of required number of technical and support Executives at SLDC is being taken up on top priority basis.

Establishment of Energy Accounting & Settlement System Centre (EASSC) in SLDC

96. It is submitted that the existing Energy Billing Centre (EBC) of GRIDCO facilities are being used for performing EASS work of SLDC. Software developed by Infosys is temporarily loaded in hardware of EBC.

97. Both EASSC and EBC hall will be relocated in the SLDC Building for which location is being readied.

98. Necessary steps have already been taken for establishment and commissioning of EASSC at SLDC for preparation of State Energy Accounting (SEA) and settlement.

99. Monthly State Energy Accounting, weekly UI Statement and billing are being done since April 2012.

100. The application software for Reactive Energy billing has already been developed by the M/s WIPRO Ltd., which is under validation and testing stage.

Performance Review

101. It is submitted that the Performance Report of SLDC is being submitted to OERC regularly.

Transfer of SLDC assets

102. It is submitted that most of the assets of SLDC along with the sub-LDCs are being identified as per the direction of Commission.

103. It is further submitted that Land Officer of OPTCL has been entrusted to identify the land & building to be handed over to SLDC.

Annual Revenue Requirement

104. It is submitted that SLDC has incurred an expenditure of Rs.361.872 lakhs up to the end of November 2012 out of an approved amount of Rs. 902.278 lakhs for the FY 2012-13. The balance amount will be spent during the remaining period of the current FY.

105. SLDC has incurred Rs. 222.28 lakhs till November 2012 as the CAPEX out of a total approved amount of Rs.349.90 for CAPEX.

Annual Charges

106. It is submitted that as per provision under Section-17 (2) in the OERC (Fees and charges of SLDC and other related matters) Regulations, 2010, SLDC shall be entitled to levy & collect registration fees & charges from the Users. Accordingly, all the generating stations including MUST RUN stations that use the Intra State facility are being levied SLDC charges.

107. In reply to another objection it is submitted that the installed capacity for the state owned generating stations and IPPs dedicated for the state are considered for computing SOC & MOC. For the CGPs, injecting surplus power, their maximum scheduled power during FY 2012-13 (up to October 2012) has been considered for the above computation as per prevailing practice.

108. In reply to some other objectors, it is submitted that SLDC charges are being levied to NALCO & ICCL considering their maximum schedule. There is no provision in the Regulation for levy of charges considering those CGPs as buyers.

Depreciation

109. As regards to claiming of depreciation in ARR for FY 2013-14, it is submitted that the major amount of depreciation charges is for recovering the depreciation cost for Video Projection Screen (VPS) amounting Rs. 17.468 lacs and the depreciation cost for IT equipments at EASSC amounting Rs. 9.439 lacs.

Repair & Maintenance (R&M) Expenses

110. As regards to R&M expenses, it is submitted that Rs. 95.651 lakhs has already been spent during the first six months of the FY 2012-13.

111. It is further submitted that a liability payment of Rs. 115 lakhs towards AMC charges of SCADA & EMS equipments scheduled to be paid during the balance period of the ensuing financial year along with other expenses.

Employee Cost

112. AS regards the employee cost, it is submitted that Rs. 524.960 lakhs has been computed considering 81 numbers of personnel of different categories who are to be employed.

113. It is further submitted that associated activities for commercial implementation of Intra-State ABT is being managed by the existing staff and infrastructure at SLDC and it is not possible to segregate the expenses towards Intra-State ABT only.

Interest on Working Capital

114. As regards to interest on Working Capital, it is submitted that the due date for monthly SLDC charges is one month from the bill date. Most of the Users are not making payment within the due date. Arrangement of Working Capital from the SLDC development fund results in losing interest. To compensate the same, provision of interest on Working Capital has been kept in the ARR for FY 2013-14.

Administration & General (A&G) Expenses

115. As regards to A&G expenses, it is submitted that major expenditure provision for electricity charges, watch and ward, outsourcing for meter data collection consultancy and

FMS charges amounting to Rs. 55 lakhs have been kept for the balance period of the ensuing financial year.

SLDC Development Fund

116. It is submitted that the SLDC is meeting CAPEX from the SLDC Development Fund.
117. It is further submitted that the SLDC development fund shall be used to meet CAPEX in future with due approval of the Commission.

Day-ahead Entitlement and Scheduling for DISCOMS

118. It is submitted that the day-ahead entitlement and Implementation Schedule for DISCOMs are being issued daily in the evening day ahead considering the generation availability from all sources for the State.
119. Considering several factors, power availability is scheduled to DISCOMs and the allegation that SLDC helping GRIDCO is not based on fact.

OBSERVATION OF THE STATE ADVISORY COMMITTEE (SAC) (Para 120 to 122)

120. The State Advisory Committee (SAC) constituted under Section 87 of Electricity Act, 2003 met on 28th Feb, 2013 to deliberate on the Annual Revenue Requirement and Tariff Applications for the FY 2013-14 of utilities, namely OHPC, OPTCL, GRIDCO, SLDC, CESU, NESCO, SOUTHCO and WESCO.
121. Secretary, OERC made a Power Point presentation on various aspects and tariff proposals of OHPC, GRIDCO, OPTCL, SLDC & four Distribution Companies & the suggestions made during course of tariff hearings held from 01.02.2013 to 23.02.2013. The broad breakup of the tariff proposal presented during the Meeting is indicated in Table below:

Table – 17

Name of Licensee/Generator	OHPC*	GRIDCO**	OPTCL	SLDC	DISCOMs ***
Appr. ARR for 2012-13 (Rs. Cr)	396.83 (404.839)	6950.64	587.02	9.0228	8203.55
Props. ARR for 2013-14 (Rs. Cr)	397.69 (405.77)	9515.79	862.75	10.720	10909.20
% Rise Proposed	0.21 (0.22)	36.92	46.97	18.81	32.98
Approved Tariff (P/U) for 2012-13	70.62 (68.82)	270.74	25.00	0.39	451.84
Proposed Tariff for 2013-14 (P/U)	70.77 (68.98)	378.74	33.80	0.43	668.54
% Rise Proposed	0.21 (0.22)	39.89	35.20	10.26	47.96

Note:

- * Figures in the bracket include Machhkund.
- ** The proposed ARR of GRIDCO is based on existing tariff of OHPC
- *** The proposed ARR of DISCOMs is based on existing BSP of 270.74 P/U, Transmission Tariff of 25 P/U & SLDC Charges of 0.39 P/U.

122. Some Members of SAC pointed out that there is no need for enhancement of Annual Fees & Charges for SLDC during FY 2013-14 as SLDC has not yet geared up to play the effective role of an Independent System Operator (ISO) in Odisha Power Sector.

COMMISSION’S OBSERVATIONS (Para 123 to 177)

123. The Commission, for approval of ARR for SLDC functions and determination of Annual Fees and Charges for FY 2013-14 followed the same principle as laid down in the Electricity Act, 2003, CERC (Fees and Charges of RLDC and Other Related Matters) Regulation, 2009 and OERC (Fees and Charges of SLDC and other Related matters) Regulations, 2010. These principles forming the basis of this ARR determination exercise are dealt in greater details in the main text of this order under the relevant components of the ARR.

Return on Equity (RoE)

124. At present all assets relating to SLDC & the Sub-LDCs at Bhubaneswar, Meramundali, Jayanagar and Budhipadar are booked under OPTCL for which the Commission approves Transmission Tariff separately. As the equity component for SLDC is ‘Zero’, hence ‘Nil’ RoE is considered for SLDC under Annual Charges.

Interest on Loan Capital

125. In the same analogy as above the Commission is not inclined to approve any interest on loan capital as there is no outstanding loan /loan proposed for SLDC expenditure for FY 2013-14.

Depreciation

126. OPTCL has proposed Depreciation of existing assets of Rs. 30,834 lakhs for FY 2013-14 towards depreciation of assets of SLDC and the details are shown in Table-below:

Table – 18
Calculation of Depreciation cost

(Rs. Lakh)

Sl. No.	Name of the Assets	Gross Block as on 31.03.2012	Depreciation Rates as per CERC's Depreciation Rate Schedule	Depreciation Amount for the year 2013-14
	1	2	3	4=Col.2 X Col.3
1.	Land	00.00	0.00%	0.000
2.	Office Building	00.00	1.63%	0.000
3.	Residential Building	00.00	1.63%	0.000
4.	Roads	00.00	100.00%	0.000
5.	Battery	08.37	5.28%	0.442
6.	Isolation transformer & ACDB for UPS	11.05	5.28%	0.583
7.	Underground Cables	00.85	5.28%	0.045
8.	Over Head LT lines	00.00	5.28%	0.000
9.	AC Plant	00.17	5.28%	0.009
10.	Split type Air Conditioner	04.93	5.28%	0.260
11.	DG Set	05.19	5.28%	0.274
12.	Office Furnitures	00.82	6.33%	0.052
13.	Office equipment	00.08	6.33%	0.005
14.	Internal Wiring	00.08	6.33%	0.005
15.	Street Light	10.20	5.28%	0.538
16.	Communication Equipment (intercom system)	00.00	6.33%	0.000
17.	IT equipment such as computers, printers including equipments at EASS centre	62.93	15.00%	9.439
18.	Software for EASS	02.74	30.00%	0.823
19.	Video Projection System (VPS)	116.45	15.00%	17.468
20.	End User's equipments such as router etc. to receive the metering data	04.05	15.00%	0.608
21.	Vehicle	05.35	5.28%	0.282
	TOTAL	233.27		30.834
	Weighted Average Rate of Depreciation (%)	13.22		

* Assets of ULDC projects except battery, UPS & DG Set have not been considered for computation of depreciation cost as they are owned by PGCIL.

* Assets such as Land & Building, Road have not been handed over to SLDC and hence not been considered for calculation of depreciation.

127. The Commission approves Rs.30.834 lakh proposed by OPTCL under Depreciation for FY 2013-14.

Operation and Maintenance (O&M) Expenses:

128. The O&M expenses for SLDC for FY 2013-14 are considered under the following heads:

- a. Employee Cost (Human Resource Expenses) including Certification of SLDC personnel.

- b. Repair & Maintenance (R&M) Cost
- c. Administration & General (A&G) Cost
- d. Less Capitalized

Employee Cost (Human Resource Expenses):

129. OPTCL has projected the Employee Cost including Certification of SLDC personnel at Rs.524.960 lakh. The details of Employee Cost including Certification of SLDC personnel are shown in Table below :

Table - 19
Employee Cost including Compensation proposed for SLDC for FY 2013-14
(Rs. lakh)

Details of Human Resource Expenses

1. ACTUALS FOR PREVIOUS YEAR (2011-12)
2. ACTUALS FOR IST SIX MONTHS OF THE CURRENT YEAR (2012-13)
3. EXPECTED FOR LAST SIX MONTHS OF THE CURRENT YEAR(2012-13)
4. EXPECTED FOR ENSUING YEAR(2013-14)

Sl. No.	Account Code	Executive		Non-Executive		Total
		Technical	Non-Tech.	Technical	Non-Tech.	
1.	Salaries	155.746	13.217	18.210	29.808	216.981
2.	Over-time					
3.	Dearness Allowance	131.667	11.667	15.429	25.500	184.262
4.	Other Allowance such as shift, conveyance, ABT, green card washing, type etc	15.643	0.961	1.767	2.065	20.437
5.	Bonus					
6.	Compensation for LDC Personnel					12.000
7.	Sub Total (1 to 6)	303.056	25.845	35.406	57.373	433.680
	OTHER STAFF COST					
8.	Reimbursement of Medical Expenses	8.937	0.661	0.911	1.491	11.999
9.	Leave Travel Concession	2.000	0.500	1.000	1.500	5.000
10.	Reimbursement of House Rent	33.600	1.200	2.006	6.375	43.181
11.	Interim Relief to Staff					0.000
12.	Encashment of Earned Leave					0.000
13.	Honorarium					0.000
14.	Payment under Workmen compensation Act					0.000
15.	Ex-gratia					0.000
16.	Expenditure on VRS					0.000
17.	Sub Total (8 to 16)	44.537	2.361	3.916	9.366	60.180
18.	Staff Welfare Expenses	0.300	0.100	0.100	0.500	1.000
19.	Terminal Benefits	0.000	0.000	0.000	0.000	0.000
20.	Provisions - RPP for 15 executives	30.000				30.000
21.	Others (Specify) (Uniform & Liveries))			0.050	0.050	0.100
22.	Total (7+17+18+19+20+21)	377.893	28.306	39.472	67.289	524.960
23.	Revenue recovered, if any					0.000
24.	Net Total (22-23)	377.893	28.306	39.472	67.289	524.960
	ADDITIONAL INFORMATION					
1.	No. of Employees as on :					
	I) Executives	50	5			55
	ii) Non-Executives			9	17	26
	iii) Skilled					

Sl. No.	Account Code	Executive		Non-Executive		Total
		Technical	Non-Tech.	Technical	Non-Tech.	
	iv) Non-Skilled					
	Total					81
2.	No. of Employees per					
	i) MW handled					
	ii) MKwh handled					

130. The Employee Cost has been determined based on actual expenditure incurred by SLDC during FY 2012-13 (April, 2012 to November, 2012) and prorated expenses for SLDC for FY 2012-13 based on actual expenses for the period from April, 2012 to November, 2012 & the annual increment of 3% over the prorated expenses of SLDC for 2012-13.

131. The Commission has further observed that Intra-State ABT (Phase-I) is under commercial operation since 01.04.2012, Intra-State ABT (Phase-II) was also under “MOCK Exercise” from that date and Intra-State ABT in full shape covering both Phase-I & Phase-II will be implemented in the State shortly. Hence, additional expenses for implementation of Intra-State ABT during FY 2013-14 of Rs.85 lakhs have been approved under the Employee Cost for FY 2013-14. The Employee Cost approved by the Commission for FY 2013-14 is given in the Table below:

Table – 20
Employee Cost proposed and approved for SLDC for FY 2013-14

(Rs. lakh)

Particulars	FY 2012-13	Proposed by OPTCL for SLDC & Sub-LDCs for FY 2013-14	Approved by the Commission for FY 2013-14
Actual working strength	43 Nos.	81 Nos.	At par with ERLDC (81 Nos.)
Employee Expenses (Prorated)	255.89	524.96	320.20
Additional Expenses for implementation of Intra-State ABT during FY 2013-14	-	-	85.00
Less Expenses Capitalized	0.00	0.00	0.00
Net Employee Expenses	255.89	524.96	405.20

Administration & General (A&G) Expenses

132. The A&G expenses comprise of several heads such as insurance, conveyance expenses, telephone expenses, vehicle hiring charges, rents, stationery expenses, electricity charges, entertainment expenses, legal expenses, audit fees, technical and professional fees, taxes, stamp charges, conveyance, security and service charges, other miscellaneous charges etc.

133. Administration and General (A&G) Expenses have been projected by OPTCL for SLDC at Rs.161.97 lakh for FY 2013-14. The component-wise details of Administrative and General Expenses projected for FY 2013-14 are furnished in Table below:

Table - 21
Details of Administrative & General (A&G) Expenses

(Rs. Lakhs)

Sl. No.	Description	Actuals for previous Financial Year 2011-12	Current Financial Year			Estimates for ensuing year 2013-14
			Actual For First Six Months (up to Sept, 2012)	Projection For Balance Six Months	Total	
	PROPERTY RELATED EXPENSES					
1	Licence Fees		0.243	0.000	0.243	0.200
2	Rent					
3	Rates & Taxes					
4	Insurance	0.042	0.212	0.000	0.212	0.200
5	Contribution to accident reserve fund		0.000	0.000	0.000	0.000
6	Sub total :	0.042	0.456	0.000	0.456	0.456
	COMMUNICATION					
7	Telephone & Trunk Call	4.306	1.999	4.000	5.999	7.000
8	Postage & Telegram, Telex, Teleprinter Charges, Telefax	0.249	0.177	0.500	0.677	1.000
9	Courier Charges	0.008	0.000	0.010	0.010	0.010
10	Other	0.000	0.000	0.000	0.000	0.000
11	Sub total :	4.563	2.176	4.510	6.686	8.010
	PROFESSIONAL CHARGES					
12	Legal expenses	2.420	0.002	5.000	5.002	5.000
13	Consultancy & Facility Management Service Charges	16.140	7.325	15.200	22.525	30.000
14	Technical fees	0.000	0.000	0.000	0.000	0.000
15	Audit fees	0.000	0.000	0.000	0.000	0.000
16	Other charges	0.000	0.000	0.000	0.000	0.000
17	Sub total :	18.559	7.327	20.200	27.527	35.000
	CONVEYANCE & TRAVELLING					
18	Conveyance expenses (Fuel)	2.365	1.184	1.500	2.684	3.000
19	Travelling expenses	6.214	2.900	3.500	6.400	7.000
20	Hire charges of vehicle	2.844	1.143	3.000	4.143	4.500
21	Others	0.000	0.000	0.000	0.000	0.000
22	Sub total :	11.424	5.227	8.000	13.227	14.500
	OTHER EXPENSES					
23	Electricity charges	31.996	14.732	20.350	35.082	38.000
24	Fees & Subscription	0.000	0.000	0.000	0.000	0.000
25	Books & Periodicals	0.087	0.012	0.050	0.062	0.200
26	Printing & Stationery	1.167	0.201	1.000	1.201	1.500
27	Advertisement	1.474	0.000	2.500	2.500	4.000
28	Entertainment	0.104	0.050	0.070	0.120	0.200
29	Watch & Ward	5.426	2.254	7.500	9.754	12.000
30	Miscellaneous	0.895	0.486	1.500	1.986	2.500
31	Organisational Development Expenses Cultural, Sports etc	0.000	0.000	0.000	0.000	0.100
32	Outsourcing of collection of Metering data from regional interconnection points	11.484	4.515	11.000	15.515	20.000
33	Training (including certification of operators)+ERP Training, Data entry & data integration	6.063	3.475	5.000	8.475	20.000
34	Sub total :	58.696	25.724	48.970	74.694	98.500
	MATERIAL RELATED EXPENSES					
35	Demurrage and Wharfage on materials	0.000	0.000	0.000	0.000	0.000
36	Clearing & forwarding charges	0.000	0.000	0.000	0.000	0.000
37	Transit insurance	0.000	0.000	0.000	0.000	0.000
38	Sub total :	0.000	0.000	0.000	0.000	0.000
39	Others (Specify)	0.000	0.000	0.000	0.000	0.000
40(a)	Gardening	0.020	0.000	2.000	2.000	2.500
40(b)	Meetings	0.345	0.193	0.800	0.993	1.500

Sl. No.	Description	Actuals for previous Financial Year 2011-12	Current Financial Year			Estimates for ensuing year 2013-14
			Actual For First Six Months (up to Sept, 2012)	Projection For Balance Six Months	Total	
)						
40(c)	Office up-keeping	0.880	0.400	0.700	1.100	1.500
41	Sub total :	1.245	0.593	3.500	4.093	5.500
42	Total (6+11+17+22+34+38+41)	94.529	41.502	85.180	126.682	161.966
43	Revenue recoveries, if any	0.000	0.000	0.000	0.000	0.000
44	Net Total (42-43)	94.529	41.502	85.180	126.682	161.966

134. Considering the views of all stakeholders and that of the SLDC, the following quantum of A&G expenses is approved by the Commission for FY 2013-14.

Table - 22
A&G expenses proposed for SLDC and approved by OERC
(Rs. lakh)

Particulars	FY 2012-13 (Prorated figure)	Proposed for SLDC for FY 2013-14	Approved by OERC for FY 2013-14
Gross A&G expenses	75.60	161.97	84.00
Certification of SLDC personnel	-	20.00	20.00
(less)Expenses capitalized	0.00	0.00	0.00
Net A&G expenses	75.60	161.97	104.00

Repair & Maintenance (R&M) Expenses

135. OPTCL has proposed Repair & Maintenance (R&M) Cost for FY 2013-14 as Rs.322.710 lakh. The details of R&M expenses proposed in the ARR are shown in Table below:

Table – 23
R&M Expenses proposed for SLDC for FY 2013-14

(Rs. lakh)

Sl. No.	Description	Actuals for previous Financial Year 2011-12	Current Financial Year			Estimates for ensuing year 2013-14
			Actual For First Six Months Up to Sept' 12	Projection For Balance Six Months of current year	Total during the current year	
1	Consumption of stores and spares	0.000	0.000	0.000	0.000	0.000
2	Loss of stores and spares	0.000	0.000	0.000	0.000	0.000
3	Plant & Machinery repairs and maintenance (R/M of 2 nos light vehicle)	0.262	0.270	0.220	0.490	0.500
4	Civil works repairs and maintenance (Leak proof treatment to roofs & maintenance of residential buildings)	0.000	0.000	0.000	0.000	10.000
5	Electrical maintenance of Office Building, Colony quarters including	1.968	0.000	0.000	0.000	2.000

Sl. No.	Description	Actuals for previous Financial Year 2011-12	Current Financial Year			Estimates for ensuing year 2013-14
			Actual For First Six Months Up to Sept' 12	Projection For Balance Six Months of current year	Total during the current year	
	Street light.					
6	Leased Internet connectivity	0.000	0.000	1.500	1.500	0.500
7	Hiring/Rent of BSNL link for data transfer from 3 nos. Sub-LDCs to SLDC.	0.000	0.000	20.000	20.000	20.000
8	Dedicated web server with Firewalls configuration for dashboard management to provide un interrupted services to the users	0.000	0.000	0.000	0.000	55.000
9	AMC charges for:-					
9a	Leased Internet connectivity & RF Link	0.000	0.000	0.750	0.750	1.450
9b	Website service charges	170.287	0.990	1.500	2.490	3.000
9c	Band width charges for WAN		0.000	0.000	0.000	0.000
9d	SCADA / EMS equipment & VPS		93.000	115.000	208.000	225.000
9e	APS equipment		0.000	0.000	0.000	0.000
9f	Computers and peripharals, Software		1.284	1.500	2.784	4.000
9g	FAX , Photo copier , Air Conditioners etc		0.107	0.900	1.007	1.060
9h	Repair of furnitures & fixures		0.000	0.000	0.100	0.100
10	Total (1 to 9)	172.517	95.651	141.470	237.121	322.710
11	Revenue recoveries, if any	0.000	0.000	0.000	0.000	0.000
12	Net Total (7-8)	172.517	95.651	141.470	237.121	322.710

136. The Commission has observed that even though the assets of SLDC & Sub-LDCs are yet to be transferred under the control of SLDC, OPTCL has proposed R&M expenses of Rs.10 lakh for civil repair works and Rs.2 lakh for Electrical repair works under SLDC for FY 2013-14 which are not admissible. The Commission finds that actual R&M expenses incurred during FY 2012-13 (from April to November, 2012) was Rs.148.833 lakhs and on proration the R&M expenses for FY 2012-13 may be of the order of Rs.223.249 lakhs. Considering 5.72% escalation over prorated expenses for FY 2012-13 R&M expenses of SLDC will be about Rs.236.019 lakhs for FY 2013-14.

137. The Commission, therefore, approves an amount of Rs.235 lakh for R&M expenses relating to SLDC and Sub-LDCs at Bhubaneswar, Meramunduli, Jayanagar and Budhipadar during FY 2013-14. This should be spent with due planning so that these Load Despatch and Sub-Load Despatch Centres bear a new look in FY 2013-14.

Interest on Working Capital

138. OPTCL has projected the interest on working capital at Rs.31.54 lakh considering 12% rate of interest. The details are shown in Table below:

Table - 24
Calculation of Interest on Working Capital Proposed for SLDC for FY 2013-14

Sl. No.	Particulars	Amount (Rs. lakh)
1	O & M Expenses excluding Human Resource Expenses for one month	40.390
2	Human Resource Expenses for one month	43.747
3	Receivables (2 months of SOC & MOC)	178.668
4	Total Working Capital	262.805
5	Rate of Interest	12%
6	Interest on Working capital	31.54

139. The Commission, approves an amount of Rs.22.91 lakh towards the Interest on Working Capital for FY 2013-14 on the following basis as shown in table below.

Table - 25
Approved Interest on Working Capital for FY 2013-14

Particulars	Amount (Rs. lakh)
Employee Cost for one month	33.77
R & M expenses for one month	28.25
Receivables (2 months of SOC & MOC)	132.99
Total Working Capital	195.01
Rate of Interest	11.75
Interest on Working Capital	22.91

Contingency Reserve

140. The Commission is of the opinion that as SLDC charges are First Charge on Escrow A/c of DISCOMs, and Generators are supposed to pay SLDC Charges in time (may be in advance). SLDC may not be required to make any short -term loan to meet its Working Capital. Whatever normative interest on Working Capital has been allowed by the Commission above shall work as cushion for any contingency expenditure for SLDC. Hence, the Commission does not approve any amount under this head.

Summary of ARR for FY 2013-14

141. Against Rs.902.28 lakh approved for FY 2012-13 and Rs.1072.010 lakh proposed by SLDC for FY 2013-14, the Commission hereby approves Rs.797.942 lakh for FY 2013-14. . The details of Expenses proposed by OPTCL in the ARR of SLDC and approved by the Commission for FY 2013-14 are depicted in the Table below:

Table - 26
Summary of ARR of SLDC for FY 2013-14

Sl. No.	Item	(Rs. lakh)		
		Approved for FY 2012-13	Proposed for SLDC for FY 2013-14	Approved by OERC for FY 2013-14
1	Employee Cost including compensation	495.680	524.960	320.20
2	Additional Compensation for implementation of Intra-State ABT	85.00	-	85.00

Sl. No.	Item	Approved for FY 2012-13	Proposed for SLDC for FY 2013-14	Approved by OERC for FY 2013-14
3	R&M Expenses	200.00	322.71	235.00
4	A&G Expenses (Including Certification of SLDC personnel)	75.00	161.97	104.00
5	Depreciation	20.550	30.83	30.83
7	Interest on loan	0.00	0.00	0.00
8	Interest on Working Capital	26.05	31.54	22.91
9	Return on Equity	0.00	0.00	0.00
10	Contingency Reserve	0.00	0.00	0.00
	TOTAL	902.278	1072.01	797.942

Determination of Annual Charges of SLDC

142. The Annual Charges for SLDC have been proposed by OPTCL as per provisions in Regulation 20, 21, 22 & 23 of CERC (Fees & Charges of RLDC & other related matters) Regulations, 2009 as well as per the provisions in Regulation 18,19,20 & 21 of OERC (Fees and Charges of SLDC and other related matters) Regulation, 2010. The Annual Charges for SLDC Operations during FY 2013-14 have been approved by the Commission at Rs.797.942 lakh/ annum and Rs.66.50 lakh/ month which are to be recovered from the users who use the Intra-State Transmission Network or the associated facilities and services of SLDC during the ensuing year.

143. OERC Regulations, 2010 define the System Operation Function & Market Operation Function of SLDC as under:

- **System Operation Function** includes monitoring of grid operations, supervision and control over the Intra-State Transmission System, real-time operations for grid control & dispatch, system restoration following grid disturbances, compiling and furnishing data pertaining to system operation, congestion management & black start coordination etc.
- **Market Operation Function** includes functions of scheduling, dispatch, metering, data collection, energy accounting and settlement, transmission loss calculation and apportionment, operation of pool account and congestion charge account, administrating ancillary services & information dissemination etc.

144. OERC Regulations, 2010 specify that the Annual Charges should comprise of

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

145. As per OERC Regulations, 2010, System Operation Charges (SOC) shall be collected from the users in the following ratio

- Intra-State Transmission Licensee-10% of the SOC on the basis of Ckt-KMs
- Generating Companies & Sellers - 45% of the SOC on the basis of Installed Capacity or Contracted Capacity
- Distribution Licensees & Buyers- 45% of the SOC in proportion to the sum of their allocation & Contracted Capacities

146. **As per OERC Regulations, 2010, Market Operation Charges (MOC)** shall be collected equally from the DISCOMs and Generating Companies apportioning to their entitlement and installed Capacity/ Contracted Capacity.

147. The Commission has, therefore, considered Annual Charges (AC) of SLDC Operations for FY 2013-14 at Rs.797.942 lakh/ annum i.e. Rs.66.50 lakh/month to be recovered through SOC & MOC as under:

System Operation Charges (SOC) (80% of AC) – Rs.638.35 lakh/annum or
Rs.53.20 lakh/month.

Market Operation Charges (MOC)(20% of AC) – Rs.159.59 lakh/annum or
Rs.13.30 lakh/month

System Operation Charges (SOC)

148. The System Operation Charges (SOC) of Rs.638.35 lakh/ annum or Rs.53.20 lakh/month shall be apportioned for collection from the following stakeholders as under:

Intra –State Transmission Licensee @ 10% of SOC- Rs.63.84 lakh/ annum or
Rs.5.32 lakh/ month.

- Generating Stations & Sellers @ 45% of SOC..... Rs.287.26 lakh/ annum or
Rs.23.94 lakh month.

- DISCOMs & Buyers @ 45% of SOC..... Rs.287.26 lakh/ annum or
Rs.23.94 lakh month.

149. **Recovery of System Operation Charges (SOC)**

- The recovery of SOC from OPTCL as Intra-State Transmission Licensees shall be 10% of SOC of Rs.63.84 lakh/ annum and Rs.5.32 lakh/ month.

- The recovery of SOC from the Generating Stations & Sellers based on installed capacity of all generators and CGPs as assessed by OPTCL at 4684.80 MW shall be @ Rs.6131.73 / MW/ annum or @ Rs.510.98 / MW / month.

- The recovery of SOC from the Distribution Licensees & Buyers shall be based on the percentage of Energy Consumption for FY 2013-14 & shall be as shown in table below:

Table - 27

Apportionment of Annual & Monthly SOC Charges amongst Distribution Companies for FY 2013-14

Name of DISCOMs	Energy Consumption approved by OERC for FY 2013-14 (In MU)	% Share of Energy Consumption	Annual Charge (Rs. lakh)	Monthly Charge (Rs. lakh)
CESU	7937	34.44	98.92	8.24
NESCO	5269	22.86	65.67	5.47
WESCO	6655	28.87	82.94	6.91
SOUTHCO	3187	13.83	39.72	3.31
Total	23048	100.00	287.26	23.94

Market Operation Charges (MOC)

150. The Market Operation Charges (MOC) of Rs.159.59 lakh/annum or Rs.13.30 lakh shall be apportioned for collection from the following stakeholders as under:

- Generating Stations & Sellers @ 50% of MOC..... Rs.79.79 lakh / annum or
Rs.6.65 lakh / month
 - DISCOMs & Buyers @ 50% of MOC..... Rs.79.79 lakh / annum or
Rs. 6.65 lakh / month

151. Recovery of Market Operation Charges (MOC)

- The recovery of MOC from the Generating Stations & Sellers based on installed capacity of all generators and CGPs as assessed by OPTCL at 4684.8 MW shall be @ Rs.1703.26/MW/annum or @ Rs.141.94/MW/month.
- The recovery of MOC from the Distribution Licensees is based on the percentage of Energy Consumption for FY 2013-14 as shown in Table below:

Table – 28
Apportionment of Annual & Monthly MOC Charge amongst
Distribution Companies for FY 2013-14

Name of DISCOMs	Energy Consumption approved by OERC for FY 2013-14 (In MU)	% Share of Energy Consumption	Annual MOC Charge (Rs. lakh)	Monthly MOC Charge (Rs. lakh)
CESU	7937	34.44	27.48	2.29
NESCO	5269	22.86	18.24	1.52
WESCO	6655	28.87	23.04	1.92
SOUTHCO	3187	13.83	11.03	0.92
Total	23048	100.00	79.79	6.65

Registration Fee

152. OPTCL has proposed for collection of one time Registration Fee of Rs.1.00 lakh as per Regulation 22 of OERC Regulation, 2010 from all users whose Scheduling, Metering & Energy Accounting are coordinated by SLDC. The Commission hereby approves the proposal of OPTCL for collection of one time Registration Fee of Rs1.00 lakh by SLDC from all users which may be deposited in SLDC Development Fund as per Regulation 8 of OERC Regulations, 2010.

Application Fee and Scheduling Charges:-

153. OPTCL in its ARR application for SLDC has proposed that the Application Fee and Scheduling Charges of Rs.5000/- per application and Rs.2000/- per day or part thereof shall be paid by the Short Term Open Access (STOA) Customers. The Commission hereby approves the aforesaid Application Fee and Scheduling Charges for STOA customers payable to SLDC during FY 2013-14.

ARR and Annual & Monthly Charges for FY 2013-14

154. The details of ARR & Annual and Monthly Charges for FY 2013-14 for SLDC for collection from different stakeholders approved by the Commission are summarized in Table below:

Table - 29

Sl. No	Particulars	Unit	Approved for 2013-14	
			Per annum	Per month
1	ARR of SLDC	Rs. lakh	797.94	66.50
2	Intra-State transmission licensee to pay SOC to SLDC	Rs. lakh	63.84	5.32
3	Generating Stations & Sellers to pay SOC & MOC to SLDC (Rs. per MW calculated considering generation capacity of 4684.8 MW)	Rs. lakh	367.05 (Rs.7834.99 per MW)	30.59 (Rs.652.92 per MW)
4	Distribution Licensees & Buyers to pay SOC & MOC to SLDC	Rs. lakh	367.05	30.59
	(i) CESU	Rs. lakh	126.40	10.53
	(ii) NESCO		83.91	6.99
	(iii) WESCO		105.98	8.83
	(iv) SOUTHCO		50.75	4.23

Payment Mechanism of Annual Charges to SLDC

155. As per clause 11 of the Odisha Electricity Reforms (Transfer of Transmission and Related Activities) Scheme, 2005, the transmission charge of OPTCL is duly secured by a first charge over the receivables of GRIDCO from DISCOMs and other Open Access Customers in favour of OPTCL. Receivables of DISCOMs are escrowed in favour of GRIDCO. As on today there is no escrow arrangement between DISCOMs and OPTCL. DISCOMs are users of Intra-State Transmission network of OPTCL. OPTCL used to bill the Distribution Companies for the use of transmission services on the basis of meter reading at the delivery point to DISCOMs with a copy to GRIDCO. This bill is being paid by GRIDCO to OPTCL from the receivables of DISCOMs escrowed with them.
156. On the basis of the aforesaid principle mentioned above, the monthly SOC & MOC Charges for SLDC shall also be duly secured by a First Charge over the receivables of GRIDCO in favour of SLDC from the escrowed amount of DISCOMs based on the bills served by SLDC to DISCOMs with copy to GRIDCO for use of Intra-State transmission system as well as the services of SLDC. The above principle followed for Financial Year, 2010-11, 2011-12 & 2012-13 for payment of monthly SLDC charges to SLDC over the Transmission Charges of OPTCL as FIRST CHARGES shall also be allowed for FY 2013-14.
157. The Customers other than DISCOMs shall pay the Monthly Charges to SLDC directly based on the bills served upon them from time to time by SLDC. The Customers other than DISCOMs shall pay an amount equivalent to two months monthly SOC & MOC Charges as the case may be in advance as security against default in payment of SOC & MOC Charges of SLDC.
158. SLDC should bill both MOC & SOC per MW/month in terms of total contracted capacity of 4684.8 MW for FY 2013-14 to Generating Stations & Sellers. Similarly, SLDC shall bill to OPTCL & Distribution Licensees every month at the rates approved by the Commission for FY 2013-14.

159. If the SOC & MOC Charges as the case may be, are not paid by the due date(s) by the Customers other than DISCOMs, surcharge at the rate of 1.25 percent per month shall be levied on the unpaid amount.

160. The SOC & MOC Charges of SLDC shall be paid monthly by the Customers based on the monthly bills served upon them by SLDC following the principle of payment mechanism mentioned above.

SLDC Development Fund

161. Based on the provision in Regulations of CERC Regulation, 2009 & Regulation-8 of OERC Regulation, 2010, the Commission vide Para-213 of the Order dated 20.03.2010 has already approved to create a separate fund called "SLDC Development Fund" under a separate head of account under SLDC. SLDC Development Fund has already been established under SLDC with effect from 01.04.2010.

162. The balance amount approved in SLDC ARR for FY 2010-11, 2011-12 & 2012-13 and remained unspent as on 31.03.2011, 31.03.2012 and 31.03.2013 shall be transferred and deposited in the aforesaid "SLDC Development Fund".

163. The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short-term Open accesses Charges etc. during FY 2013-14 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.

164. The SLDC shall be entitled to utilize the money from SLDC Development Fund in assets creation and margin money for raising loan from FIs for assets creation & funding of R & D Projects, if any relating to Odisha Power System with the necessary approval of the Commission.

165. Any assets created by SLDC out of money available in SLDC Development Fund shall not be considered for computation of Return on Equity & Interest on Loan.

166. Some objectors submitted during hearing that SLDC could spend only 32% of the CAPEX money of Rs.699 lakhs sanctioned by the Commission till date out of SLDC Development Fund and the amount under this Fund is only earning interest for SLDC without serving the very purpose for which it is created.

Implementation of Intra-State ABT

167. The implementation of Intra-State ABT (Phase-I) in real time mode with commercial implication in the State of Odisha was effected w.e.f. 01.04.2012 and the implementation of Intra-State ABT (Phase-II) is now going on under MOCK MODE including the State Generators, Captive and Co-generation Plants since 01.04.2012. Intra-state ABT in full shape will be implemented in the State of Odisha shortly.

Functioning of SLDC

168. As per the Commission's Order dt.20.3.2009, SLDC is ring-fenced to function as an Independent System Operator (ISO). But the Commission has noted with anguish and dismay the way the SLDC has been functioning during last 4 years i.e. in FY 2009-10, FY 2010-11, FY 2011-12 & 2012-13. It is found that not a single directive out of several directives issued by the Commission in ARR Orders of SLDC in last 4 years has been compiled by OPTCL. Neither a Director has been posted as Chief Load Despatcher nor any Executive and Staff have been added to SLDC during FY 2009-10, FY 2010-11 & FY 2011-12 against the approval of 81 nos. by the Commission. During the public hearing on 04.02.2013, to the queries of the Commission, OPTCL submitted that OPTCL has not yet sent the requisition

for the post of Director to Govt. of Odisha and the SLDC staff strength has been reduced to 43 nos. during FY 2012-13.

169. As per the Road Map issued by the Commission vide Lr. No. 1313 dated 04.08.2007, ESSAC of SLDC was to function by 31.08.2007 to prepare and issue Monthly State Energy Account (SEA), weekly UI & Reactive Energy Account for billing and payment to / by all stake holders deploying requisite personnel, hardware & software. The Commission allowed Rs 6.88 Cr. during FY 2008-09, Rs 2 Cr. during FY 2009-10 for the purpose. After lapse of about 5 ½ years, OPTCL vide affidavit dated 24.01.2013 submitted before the Commission that the existing EBC facilities of GRIDCO are used at present for performing EASSC work of SLDC. Software developed by INFOSYS is temporary loaded in hardware of EBC of GRIDCO. The application of software for Reactive Energy Billing has already been developed by WIPRO which is under validation/ testing stage.

Establishment of Wholly owned subsidiary Odisha Power System Corporation Limited (OPSCI) under OPTCL

170. Girish B Pradhan Committee of MoP vide Recommendation-1(i) suggested that the State Govt. should take suitable step to facilitate independent functioning of the State Load Despatch Centre (SLDC) in line with Electricity Act, 2003 and National Electricity Policy. The Committee further recommended that to begin with, the State Govt.s are urged to create a separate representative board structure for governance of SLDC on the lines of wholly owned subsidiary being created for the independent system operation of RLDCs and NLDC.

171. Based on the above recommendation, a wholly owned subsidiary Power System Corporation of India (POSOCO) has been already created under POWERGRID for the Independent System Operation of 5 nos. RLDCs & NLDC. POSOCO has been functioning since March, 2009 headed by a CEO.

172. During the hearing on 04.02.2013 some objectors submitted before the Commission to advise the State Govt. to immediately create a similar wholly owned subsidiary Odisha Power System Corporation limited (OPSCL) under OPTCL as SLDC has failed to operate as an ISO even after its ring-fencing w.e.f 1st April, 2009.

173. The Commission vide Para 210 of Order dated 18.03.2011 directed OPTCL and the State Government for immediate creation of a wholly owned subsidiary Odisha Power System Corporation Ltd. (OPSCL) under OPTCL in line with POSOCO.

174. The Chairperson of the Commission vide D.O. Letter No. 1765 dated 22.09.2011 requested the Chief Secretary of Govt. of Odisha for establishment of OPSCL as a wholly owned subsidiary under OPTCL by 31.12.2011 to allow Odisha SLDC to function as an ISO in Post Intra-State ABT regime in the State.

175. The Commission vide para 203 of the Order dtd.23.03.2012 directed OPTCL as under:

As SLDC has failed to act as an Independent System Operator even after 3 years of its ring-fencing, the Commission is of the view that the State Govt. & OPTCL should take immediate steps for creation of a wholly owned subsidiary Odisha Power System Corporation Ltd. (OPSCL) under OPTCL in line of POSOCO created under POWERGRID functioning since March, 2009. OPTCL is directed to send its Board Resolution to this effect to Department of Energy by 30th June, 2012 & the State Govt. should communicate its formal approval by 30th September, 2012.

176. The Commission has observed that neither OPTCL nor the Govt. of Odisha, Department of Energy has initiated any action in this matter till date.

177. Post NEW GRID collapse on July 30 and July 31, 2012, Forum of Regulators (FoR) has emphasized the urgent need to restructure and revamp SLDCs based on the recommendations of Girish B Pradhan Committee of MoP to ensure grid security.

Commission's Directives (Para 178 to 185)

178. As SLDC has failed to act as an Independent System Operator even after 4 years of its ring-fencing, the Commission is of the view that the State Govt. & OPTCL should take immediate steps for creation of a wholly owned subsidiary Odisha Power System Corporation Ltd. (OPSCL) under OPTCL in line of POSOCO created under POWERGRID functioning since March, 2009. OPTCL is directed to send its Board Resolution to this effect to Department of Energy by 30th June, 2013 & the State Govt. should communicate its formal approval by 30th September, 2013.

179. As the post of Chief Load Despatcher of SLDC is lying vacant since last 4 years paralyzing SLDC to function as an ISO, OPTCL is directed to send the Board's Resolution to post a Director to function as Chief Load Despatcher of SLDC to the Department of Energy by 30th June, 2013 positively. The State Govt. is advised to post the Director for SLDC latest by 30th September, 2013.

180. The Commission directs OPTCL that the assets & liabilities relating to SLDC and sub-LDCs should be transferred under SLDC by 30th June, 2013 pending notification of the State Govt. under Section-31 (2) of the Electricity Act, 2003.

181. The Commission directs that Energy Accounting & Settlement System Centre (EASSC) of SLDC should function from 01.04.2013 without fail and should prepare & issue the monthly Energy Account, weekly UI Account & weekly Reactive Energy Account to all the stakeholders from April 2013 onwards.

182. The Commission further directs OPTCL to post 81 nos. of Executive and Staff at par with ERLDC within four months of this order enabling the SLDC to function as an Independent System Operator as recommended by the Girish B. Pradhan Committee of the MoP pending finalization of NPC Report for SLDC.

183. The Commission directs Chief Load Despatcher, SLDC to submit quarterly performance and quarterly expenses under CAPEX relating to SLDC by end of each Quarter for Performance Review of SLDC at the Commission at the end of each Quarter during FY 2013-14.

184. The System Operation & Market Operation Charges approved in respect of SLDC will become effective from 1st April, 2013 and shall continue until further orders.

185. The application of OPTCL in Case No.103 of 2012 is disposed of accordingly.

Sd/-
(S. P. SWAIN)
MEMBER

Sd/-
(B. K. MISRA)
MEMBER

Sd/-
(S. P. NANDA)
CHAIRPERSON