

Wanting information in Annual Revenue Requirement & levy of Annual Fee and Operating Charges for SLDC functions filed by OPTCL of FY 2008-09.

- Action taken on the Mile-Stones given by the Commission vide letter No. 1313 dtd.04.08.2007 may be furnished.

Employee Cost:

The Commission desires that the Employee Cost of SLDC functions may be submitted as per the following format:

- (a) No. of employees (exists as on dt.01.04.2005).
- (b) Retired employees (as on dt.01.04.2005).
- (c) Year wise induction of new employees & cost involved (2005-06 to 2007-08).
- (d) Year wise reduction on number of employees & Saving on cost (2005-06 to 2007-08).
- (e) Addition to the no. of retired employees & the cost involved thereon (2005-06 to 2007-08).
- (f) No. of employees engaged on Contractual basis & cost involved (2005-06 to 2007-08).
- (g) The Man-power requirement for FY 2008-09 may be reassessed again on realistic basis in line with the pattern followed in ERLDC, APSLDC etc. and non-technical & non-executive staff may be proposed with the barest minimum possible for state-of-the art functions of SLDC.

A&G Expenses:

- The A&G expenses have been projected for Rs.3.58 Cr. during FY 2008-09. Under A&G expenses, Conveyance and traveling expenses have been proposed for Rs. 50.00 Lakhs and under Employee Cost Conveyance expenses of Rs. 8.667 Lakhs have also been proposed. This needs to be clarified.
- A&G expenses (Item wise) for SLDC functions only may be submitted for FY 2005-06, FY 2006-07 & FY 2007-08 (for six months till 30.09.2007) for scrutiny of the Commission.

R&M Expenses:

- In the ARR application, SLDC has claimed only Rs.5.88 Cr. for R&M of the ULDCS which is 5.4% of the total capital investment of Rs.108.85 Cr. allocated to the State of Orissa. The supporting documents may please be furnished.
- R&M expenses of SLDC functions incurred for FY 2005-06, 2006-07 and 2007-08 (six months till 30.09.2007) may be furnished to examine the provision of Rs.1.0 Cr. proposed for FY 2008-09 towards R&M cost of SLDC.
- On scrutiny, it is seen that in keeping with the directive of the Commission vide letter dtd.04.08.2007, SLDC has neither established Energy Billing Centre by the date line 31.08.2007 on transfer from GRIDCO nor filed any

submission before the Commission in this regard. In the ARR for FY 2008-09.

- SLDC is directed to comply the nil expenditure for EBC under R&M expenses and justification of provision of Rs.2.0 Cr. proposed against EBC in FY 2008-09.
- SLDC is also directed to specifically intimate the Commission the date of functioning of EBC under SLDC on transfer from GRIDCO as per the direction of the Commission vide letter dated 04.08.2007.
- In the ARR application SLDC has proposed a provision of Rs.2.0 Cr. towards infrastructure development under ULDCS in FY 2008-09. The Commission directs to provide the details of the expenditure proposed along with justification thereof.
- **Determination of the Annual Fee and Operating Charges:**

Determination of Annual Fee:

- On scrutiny of the investment plan for FY 2008-09 for SLDC, it is noticed that provision for Rs.2.0 Cr. has been made in the ARR for investment for infrastructure development of EBC. As the Energy Billing Centre is presently functioning with back-up having all the infrastructure including software and hardware, the necessity of further investment plan of Rs.2.0 Cr. during FY 2008-09 for EBC is to be explained in details.
- Provision of Rs.2.5 Cr. for ULDC project has been kept under investment during FY 2008-09. When the ULDC project has already been completed, the necessity of further investment of Rs.2.5 Cr. under ULDC project is to be explained with justification thereof.
- It is observed that no provision has been kept in ARR for FY 2008-09 against the following;
 - (a) AMC of Fibre Optic System;
 - (b) AMC of Digital Microwave & Mux;
 - (c) Procurement of R&M materials under ULDC and AMC & R&M for Sub-SLDCs under Telecommunication wing of SLDC.

This may be reassessed and the expenses if any may be proposed with justification thereof.

- SLDC has not proposed any investment under Grid Operation Expenses during FY 2008-09. The Grid Operation Expenses may include AMC of EMS/ SCADA System, AMC of CMC SCADA System, AMC of UPS System at back-up SLDC and at four Sub-Load Despatch Centres at Bhubaneswar, Meramundali, Jayanagar and Budhipadar. This may be reassessed.
- **Computation of Operating Charges:**

On scrutiny, it is observed that the Employee Cost, R&M Cost, A&G Cost etc. as mentioned above are to be reassessed and to be submitted to the Commission for further scrutiny.

- Thrust area for 2008-09 may be outlined to address the new generation capacity of transmission there of.