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ODISHA ELECTRICITY REGULATORY COMMISSION
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Present: **Shri P. K Jena, Chairperson**
 Shri S. K. Ray Mohapatra, Member
 Shri B. Mohanty, Member

CASE NO. 121 OF 2025

DATE OF HEARING : 03.02.2026

DATE OF ORDER : 24.03.2026

IN THE MATTER OF: **An application for approval of Aggregate Revenue Requirement and determination of Transmission Tariff for FY 2026-27 filed by OPTCL under Sections 62, 64 and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Conduct of Business) Regulations, 2004, OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 and other tariff-related matters for the FY 2026-27 along with its Truing up of expenses for the FY 2024-25 in compliance to the Regulation-7 of the OERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2014.**

ORDER

M/s. Odisha Power Transmission Corporation Limited, Bhubaneswar (in short, 'OPTCL'), the Petitioner, which carries out intra-state transmission business in the State of Odisha has been notified in Clause-10 of the Govt. Notification No.6892 dated 09.06.2005 as the State Transmission Utility (STU) under Section 39(1) of the Electricity Act, 2003 (hereinafter referred to as "the Act") with effect from 01.04.2005. By virtue of the 2nd Proviso to Section 14 of the Act, OPTCL is a Deemed Transmission Licensee, being governed by License Conditions set forth in OERC (Conduct of Business) Regulations, 2004, at Appendix 4B, issued under Section 16 of the Act and modified by the Commission's Order dated 27th October 2006. After completion of the sale process of erstwhile distribution utilities and the consequent issuance of vesting orders by the Commission, Bulk Power Transmission and SLDC Agreements have been signed between OPTCL and the four new Distribution Companies/Licensees (TPCODL, TPNODL, TPWODL, TPSODL).

A. PROCEDURAL BACKDROP (Para 2 to 6)

2. As per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms and Conditions for Transmission Tariff) Regulations, 2014, licensees/deemed licensees are required to file their Aggregate Revenue Requirement by 30th November each year in the prescribed format. OPTCL as a deemed licensee had submitted its ARR application for FY 2026-27 along with Truing up for FY 2024-25 before the Commission on 29.11.2025. It was registered as Case No.121 of 2025. After due scrutiny and admission of the matter, the Commission directed OPTCL to publish its ARR & Transmission Tariff application for FY 2026-27 along with Truing Application for FY 2024-25 in the approved format in the leading and widely circulated newspapers, both English and Odia daily. The matter was also posted on the OPTCL's & Commission's website, inviting objections/views/suggestions/comments from the stakeholders and the general public. The Commission also directed the Applicant to file its rejoinder to the objections filed by the Objectors, serving a copy on each of them.
3. In response to the above directives, OPTCL published the public notice in English language in the Odia daily "The Sambad" & in the English daily "The Times of India" and in the Odia language in the Odia daily "The Prameya" on 18.12.2025. In response to the public notice, the Commission received 17 Nos. objections/suggestions from the following individuals / associations/ institutions/ organizations:
 - i. Shri Basudeb Bhatta, Co-Convenor, Aama Janata Adhikar, 226, Kharavel Nagar, Unit-3, Bhubaneswar-751001.
 - ii. Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour & President, Upobhokta Mahasangha, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.
 - iii. M/s. Tata Steel Limited, Athagarh, Anantapur, Po-Dhusuria, Cuttack-754027.
 - iv. M/s. Jindal Steel Limited, Chhendipada Road, SH-63, Po-Jindal Nagar, Angul-759111.
 - v. M/s. Jindal Stainless Limited, Kalinga Nagar, Industrial Complex, Jajpur-755026.
 - vi. M/s. Bhushan Power and Steel Limited, At/Po-Lapanga, PS-Thekoli, Sambalpur-768212.
 - vii. M/s. Visa Steel Limited, Kalinganagr Industrial Complex, At/Po- Jakhapura, Dist-Jajpur-755026.
 - viii. M/s. Tata Steel Limited, Kalinganagar Industrial Complex, Duburi, JK Road, Jajpur-755026.
 - ix. M/s. Power Tech Consultants, At-K-8-82, Kalinga Nagar, Ghatikia, Bhubaneswar-751029., email-pwrtch@gmail.com.

- x. The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015. email-pwrtch@gmail.com.
 - xi. M/s. Vedanta Limited, 1st Floor," Module-C/2, Fortune Tower, Chandrasekharapur, Nandanakanan Road, Bhubaneswar-751023.
 - xii. GRIDCO Limited, Janapath, Bhubaneswar-751022.
 - xiii. Shri Ananda Kumar Mohapatra, S/o-Late Jachindranath Mohapatra, Plot No-799/4, Kotitirtha Lane, Old Town, Bhubaneswar-751012.
 - xiv. The Chief- Regulatory & Legal, M/s.TP Central Odisha Distribution Limited (TPCODL), Bhubaneswar.
 - xv. The Head Regulatory, M/s.TP Southern Odisha Distribution Limited (TPSODL), Corporate Office, Kamapally, Courtpetta, Berhampur, 760004.
 - xvi. The Head (Regulatory Affairs & PMAG), M/s.TP Western Odisha Distribution Limited (TPWODL), At/Po: Burla, Dist: Sambalpur-768017.
 - xvii. Sr.GM (Risk, Regulatory & Legal), M/s.TP Northern Odisha Distribution Limited (TPNODL), Corporate Office, Januganj, Balasore-756019.
4. In exercise of the powers conferred by section 94(3) of the Act and to protect the interest of the consumers, the Commission engaged Consumer Counsel for objective analysis of the applicant's claims for Aggregate Revenue Requirement (ARR) and determination of Transmission Tariff for FY 2026-27.
 5. The date for hearing of the matter was fixed to 03.02.2026 at 10.30 AM and it was duly notified in the leading newspapers mentioning the list of the objectors The Commission also issued individual notice to the Objectors and the Department of Energy (DoE), Government of Odisha (GoO) informing them about the date and time of the hearing through hybrid mode at the Geta Govind Sadan, Bhubaneswar. The Commission conducted the public hearing as per the schedule. The CMD, OPTCL made a brief presentation on the application for approval of the ARR & determination of Transmission Tariff for FY 2026-27 and Truing up for FY 2024-25, followed by presentation by the consumer counsel on the view and objective analysis of the proposal of OPTCL. The Petitioner, Objectors, Consumer Counsel and the Representative of the Department of Energy, Government of Odisha were heard at length. Their written submissions were taken on record. The Commission took note of their verbal submissions. The Petitioner also submitted its response/reply to the queries raised by the Commission and various Objectors during the hearing.
 6. The Commission convened the State Advisory Committee (SAC) meeting through hybrid mode on 16.03.2026 at 11.00 A.M. to discuss about the ARR and Transmission Tariff application of OPTCL for FY 2026-27, along with Truing up for FY 2024-25.

The Members of SAC presented their valuable suggestions and views on the matter for consideration of the Commission.

B. OPTCL's ARR & TARIFF PROPOSAL FOR THE FY 2026-27 & TRUING UP FOR FY 2024-25 (PARA 7 TO 47)

7. In pursuance of the provisions of Regulation 5.2 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 and as per the requirement of Regulation 53 (1) in Chapter VIII of OERC (Conduct of Business) Regulations, 2004 and Clause 19.3 of License Conditions of OPTCL as well as the order dated 21.04.2020, passed in Case No. 72 of 2019 by the Commission, exercising the power conferred under Regulation 9.1 of the aforesaid Regulations extending the applicability of OERC's Transmission Tariff Regulations, 2014 until further orders, OPTCL submitted its Aggregate Revenue Requirement (ARR) application along with the truing-up application for FY 2024-25 for consideration of the Commission.

Categorization of Customers

8. OPTCL is responsible for the planning and development of the intra-state transmission system of the State. All the customers seeking access to OPTCL's Transmission System are classified under the following three categories:
- a. **Long-Term Open Access Customers (LTOA Customers):** A Long-Term Access Customer means the customer with the right to use the Intra-State Transmission System for a period exceeding 12 years but not exceeding 25 years. Based on such premise, four DISCOMs, NALCO, IMFA, ABREL SPL, ABREL SPV, MCL, BEL, TSL, Hindalco, JSL & AMPIN happen to be the long-term customers of OPTCL.
 - b. **Medium Term Open Access Customers (MTOA Customers):** Medium Term Open Access means open access for a period exceeding three (3) months but not exceeding three (3) years.

M/s Dhamra Port Company Limited is the only Medium-Term Open Access Customer (MTOA Customer) whose agreement will terminate in March 2026.
 - c. **Short Term Open Access Customers (STOA Customers):** Short Term Open Access means open access for a period up to one (1) month at a time.

Medium-Term Open Access or Short-Term Open Access shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution and no augmentation/expansion of the transmission system is required for granting such open access.

ARR & TARIFF PROPOSAL FOR FY 2026-27

Formulation and Computation of Transmission Charges:

9. The OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (hereinafter called “OERC’s Transmission Tariff Regulations, 2014”) were published in the Extra-Ordinary issue of the Odisha Gazette on 04.12.2014 and made effective from that date. OPTCL has submitted the ARR & Transmission Tariff application for FY 2026-27 in line with these Regulations. Regulation 5 of the OERC’s Transmission Tariff Regulations, 2014 specifies the procedure for Tariff Determination, whereas Regulation 8 specifies the principles for the determination of ARR. As per Regulation 8.1, the ARR for the Transmission Business for each year shall contain the following items:

- (i) Operation and Maintenance expenses;
- (ii) Interest and Financial Charges;
- (iii) Depreciation;
- (iv) Return on Equity;
- (v) Income Tax;
- (vi) Deposits from Transmission System Users;
- (vii) Less: Non-Tariff Income
- (viii) Less: Income from Other Business as specified in these Regulations

For formulating the ARR and Transmission Tariff, various costs involved in carrying out transmission business by OPTCL for FY 2026-27 have been categorized under the following heads:

I. Fixed Cost

- Operation & Maintenance(O&M) Expenses
- Interest and Financial Charges
- Depreciation
- Return on Equity

II. Others:

- Incentive for System Availability

DETAILS OF FIXED COST:

O&M Expenses:

10. As per Regulation 8.2 of the OERC Regulations, 2014, Operation and Maintenance (O&M) expenses shall include:

- (a) Salaries, wages, pension contribution and other employee costs;
- (b) Administrative and General (A&G) Expenses;
- (c) Repairs and Maintenance (R&M);
- (d) Expenses related to auxiliary energy consumption in the sub-station for the purpose of air-conditioning, lighting, technical consumption, etc.; and
- (e) Other miscellaneous expenses, statutory levies and taxes (except corporate income tax)

The details of O&M Expenses proposed by OPTCL for FY 2026-27 are as under:

Salaries, wages, pension contributions and other employee costs:

11. OPTCL has submitted that the Employee Cost includes Basic pay, Dearness Allowance (DA), House Rent Allowance (HRA), Medical Allowance, Conveyance Allowance/Reimbursement, Stipend for new recruits, Staff Welfare expenses, Ex-gratia, other expenses, etc., Terminal benefit liability (Pension, Gratuity and Leave Salary) and employer contribution to NPS. It has proposed **Rs.531.52 Cr.** under the head 'Employees Cost' for FY 2026-27. The component-wise details are shown in Table-1 below.

Table - 1
Employee Cost Proposed by OPTCL for FY 2026-27

Particulars	Formula	Amount
Employee cost, including Salary, Dearness Allowance, etc.	A	342.08
Terminal Benefit Liability of Employees and Existing Pensioners	B	205.84
Less: Capitalization	C	16.40
Total	D=A+B-C	531.52

Administrative and General (A&G) Expenses:

12. OPTCL has proposed **Rs.46.95 Cr.** towards A&G Expenses for FY 2026-27. It includes property-related expenses, communication, professional charges, conveyance and travelling, SLDC charges, license fee and material-related expenses. It is submitted that the A&G expenses being on the higher side than the amount approved by the Commission show an increasing trend in recent years due to an increase in the number of establishments (for smooth operation, maintenance and project execution), price rise and inflation.

Repair and Maintenance (R & M) Expenses:

13. OPTCL has stated that it has 198 Nos. Grid Sub-Stations of different voltage classes and 16,749.462 ckt. Kms of EHT transmission lines as on 31.03.2025. The details are shown in Table-2 below:

**Table 2
Sub-station and line details of OPTCL**

Sub-Station and Line Details		
400/220/33kV S/S	2	
400/220/132/33kV S/S	3	
220/132/33kV S/S	29	
220/33kV S/S	18	
220/132kV S/S	1	
132kV Sw. Stn.	26	
132/33kV S/S	119	
Total No. of Sub-Stations	198	
Voltage Level	Lines (ckt. km.)	Bays
400kV	1,196.872	70
220kV	6,835.483	468
132kV	8,717.107	1292
33kV		1534
TOTAL	16,749.462	3386

14. Further, 6 Nos. and 15 Nos. new Grid Substations are proposed by OPTCL to be commissioned respectively during the FY 2025-26 and 2026-27. The R&M works are being undertaken under different wings namely O&M, Telecom, Civil Works and Information Technology (IT). Accordingly, it has proposed R&M Expenses of **Rs.259.65 Cr.** for the FY 2026-27. The details of R & M expenses are given in Table-3 below:

**Table 3
Repairs and Maintenance Expenses Proposed by OPTCL for FY 2026-27
(Rs.in Cr.)**

Particulars	Formula	OERC Approval (FY 2024-25)	OERC Approval (FY 2025-26)	Projection (FY 2026-27)
O&M	A	135.00	160.00	224.07
Telecom	B			6.91
Civil Works	C			14.25
Information Technology & Others	D			14.42
Total R & M Expenses	E=A+B+C+D	135.00	160.00	259.65

Grid Coordination Committee (GCC) Expenses:

15. OPTCL has proposed **Rs.0.35 Cr.** towards annual GCC Expenses for FY 2026-27 in line with the matters specified in Chapter 11 (2)(2) of the Odisha Grid Code (OGC) Regulations, 2015.
16. Thus, OPTCL has proposed **Rs.838.47 Cr.** towards O&M Expenses for FY 2026-27, the details of which are given in Table-4 below:

Table 4
O&M Expenses Proposed by OPTCL for FY 2026-27

(Rs.in Cr.)		
Particulars	Formula	Amount
(i) Employees' Cost, including Terminal Benefits	A	531.52
(ii) A&G Cost	B	46.95
(iii) R&M Cost	C	259.65
(iv) (GCC expenses)	D	0.35
Total O&M Expenses	E=A+B+C+D	838.47

Interest and Financial Charges:

Interest on Loan:

17. OPTCL has estimated the total interest on loan capital at Rs.407.48 Cr. After considering interest on loan capital of Rs.166.57 Cr. to be capitalised during FY 2026-27, OPTCL has proposed a net interest on loan capital of **Rs.240.91 Cr.** (Rs. 407.48 Cr. – Rs.166.57 Cr.) for FY 2026-27.

Interest on Working Capital:

18. OPTCL has estimated its working capital requirement at Rs.344.22 Cr. and the interest on working capital at Rs.46.13 Cr. for FY 2026-27. However, OPTCL has not proposed any amount towards interest on working capital in the ARR and has requested the Commission to consider the actual interest on working capital incurred, if any, during FY 2026-27 at the time of truing-up.

Rebate:

19. As per Regulation 8.49 of the OERC Transmission Tariff Regulations, 2014, OPTCL has proposed **Rs. 27.53 Cr.** towards rebate @ 2% on the projected ARR for FY 2026- 27.

New Projects:

20. OPTCL has proposed **Rs. 2,561.30 Cr.** for FY 2026-27 towards Capital Expenditure (CAPEX) on new projects under different activities like Construction, O&M, Telecom, IT and Civil Works. The details of expenditure proposed under CAPEX are given in Table-5 below.

Table 5
CAPEX Proposed by OPTCL for FY 2026-27

(Rs. in Cr.)		
Particulars	Formula	Amount
New Transmission Projects (Construction Wing)	A	1888.45
Existing Assets (O&M Wing)	B	464.83
Telecom Wing	C	66.44
Information Technology (IT Wing) & others	D	78.09
Civil Wing	E	63.48
Total Capital Expenditure	D=A+B+C+D+E	2561.30

Depreciation:

21. OPTCL has submitted that, after excluding grant, beneficiary and deposit work assets amounting to Rs.2053.95 Cr. and fully depreciated assets (up to 90% of asset value) amounting to Rs.1897.58 Cr. from the gross original book value of fixed assets of Rs.9554.14 Cr., the value of its own transmission assets stands at Rs.5602.60 Cr. (Rs.9554.14 Cr.- Rs.2053.95 Cr.- Rs.1897.58 Cr.) as on 01.04.2024.
22. Further, during FY 2024-25, fixed assets amounting to Rs.505.69 Cr. (Rs. 529.84 Cr. – Rs.24.15 Cr.) have been added, which includes Rs. 215.57 Cr. towards grant, beneficiary and deposit works. OPTCL has also submitted that assets amounting to Rs. 284.13 crore have been fully depreciated (up to 90%) during FY 2024-25. Accordingly, it has estimated the gross original book value of fixed assets as on 31.03.2025 at Rs.5608.59 Cr. (Rs.5602.60 Cr. + Rs.505.69 Cr. - Rs.284.13 Cr. - Rs.215.57 Cr.), after excluding grant, beneficiary and deposit works and fully depreciated assets.
23. OPTCL has further projected the addition of transmission assets (excluding deposit works and grant assets) of Rs.603.36 Cr. and Rs.1130.59 Cr. during FY 2025-26 and FY 2026-27, respectively. It is submitted that assets amounting to Rs.209.63 Cr. would be depreciated up to 90% during FY 2025-26. Based on the above, the original book value of transmission fixed assets is projected to be Rs.6002.32 Cr. (Rs.5608.59 Cr. + Rs.603.36 Cr. - Rs.209.63 Cr.) as on 31.03.2026 and Rs.7132.91 Cr. (Rs.6002.32 Cr. + Rs.1130.59 Cr.) as on 31.03.2027.
24. Based on the projected capitalisation, OPTCL has proposed depreciation of **Rs.337.09 Cr.** for FY 2026-27, computed by taking the average of the book value of assets as on 31.03.2026 and 31.03.2027. It has requested the Commission not to deduct the up-valued assets amounting to Rs.512.71 Cr. (except freehold land of Rs.6.26 Cr.) while calculating the transmission assets, as the same have already been fully depreciated up to FY 2021-22.

Return on equity (RoE):

25. OPTCL has submitted that based on the projected original book value of its own transmission fixed assets amounting to Rs.6002.32 Cr. as on 31.03.2026, it has computed the Return on Equity for FY 2026-27. OPTCL has considered 30% of the said asset base as normative equity and claimed RoE at the rate of 15.5% in accordance with the Tariff Regulations. Accordingly, OPTCL has proposed a Return on Equity of **Rs.279.11 Cr.** for FY 2026-27.

Income Tax:

26. As per Regulation 8.43 of the OERC's Transmission Tariff Regulations, 2014, Income tax of the Transmission Licensee shall be recovered from the beneficiaries. As per the acknowledgement of ITR- 6 for Assessment Year 2024-25, OPTCL has paid Income Tax of Rs.28.56 Cr. Accordingly, it has proposed the same amount of **Rs.28.56 Cr.** towards income tax for FY 2026-27. Further, the petitioner has stated that any variation in the proposed amount shall be adjusted during the true-up exercise based on the audited accounts as per Regulations 8.43 and 8.44 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014.

Total Transmission Cost:

27. Considering the proposed cost/expenses under different heads and incentives, OPTCL has submitted that the total transmission cost will be Rs. 1765.40 Cr. for the ensuing FY 2026-27.

Miscellaneous Receipts:

28. OPTCL has submitted that in line with the trend of revenue of previous years and earnings during 1st six months of FY 2026-27, it has proposed **Rs.275.35 Cr.** for FY 2026-27 towards Miscellaneous Receipts from different sources as given in Table-6 below:

**Table 1:
Summary Miscellaneous Receipts**

Source	Rs. in Cr.
Inter-State Transmission charges	8.14
Short-Term Open Access Charges	195.73
Bank Interest	20.00
Scrap Sale	5.00
Income from Lease rent (Optical Fibre)	16.48
Supervision Charges	20.00
Other Misc. Receipts	10.00
Total	275.35

Summary of ARR proposed by OPTCL for the FY 2026-27:

29. Considering all the aforesaid proposed transmission costs and miscellaneous receipts, OPTCL has proposed its Net Aggregate Revenue Requirement (ARR) of Rs.1490.05 Cr. for FY 2026-27b for approval. The Summary of ARR is shown in Table-7 below:

**Table - 7
Summary of ARR Proposed by OPTCL for FY 2025-26**

		(Rs. in Crore)	
Particulars		Amounts	
1. O&M Expenses (a+b+c+d+e)			838.47
<i>a. Employees Cost, including Terminal Benefits</i>		531.52	
<i>b. A&G Cost</i>		46.95	
<i>c. R&M Cost</i>		259.65	
<i>d. Expenses related to auxiliary energy consumption</i>		0.00	
<i>e. Other misc. expenses, statutory levies and taxes (GCC)</i>		0.35	
2. Interest & Financial Charges (f+g+h+i)			268.44
<i>f. Interest on Loan Capital</i>		240.91	
<i>g. Interest on Working Capital</i>		0.00	
<i>h. Rebate</i>		27.53	
<i>i. Exemption as per OERP-2022</i>		-	
3. Depreciation & amortisation expense			337.09
4. Return on Equity			279.11
5. Income Tax			28.56
6. Incentive for system availability			13.73
7. Total Transmission Cost (1+2+3+4+5+6)			1,765.40
8. Less: Misc. Receipts			275.35
9. Net ARR proposed to recover from LTA Customers (7-8)			1,490.05

Transmission Loss:

30. OPTCL has submitted that the transmission loss is purely a technical loss and dependent on the location of generation sources, system configuration and power flow requirements at different load centres. Further, due to the increasing demand for power on account of industrialization and implementation of central & state-sponsored schemes like ODSSP, SCRIPS, RRCP, LVMS, DRPS, etc. in Odisha, the flow of power in the transmission network contributes to the increased transmission loss. OPTCL further mentioned that its transmission loss is already very low and further reduction in loss is difficult to achieve. It is submitted that OPTCL has been able to reduce transmission loss over the years by commissioning several new transmission projects strategically and adopting innovative schemes under the Master Maintenance Plan during the last few years. The actual transmission loss in the OPTCL's transmission system from April 2025 to September 2025 is 3.07% against the Commission's approval of 3.00% for FY 2025-26. OPTCL expects the loss level to remain around 3.07% in the current year. Accordingly, it has proposed **3.05%** transmission loss during FY 2026-27.

OPTCL Revenue Receipt and Deficit in the Proposed ARR for FY 2026-27:

31. OPTCL has stated that it has taken the recent realistic demand projection of all four DISCOMs at **39103.46 MU** (4463.87 MW) for FY 2026-27. Further, the energy of 440 MU (50.23 MW) is likely to be transacted in 33kV & 11kV networks of DISCOMs for which it is not entitled to get any transmission charge as per the Commission's order. Hence, excluding this, the Petitioner has estimated that net **38663.46 MU** (i.e., 39103.46 MU - 440 MU) will be transmitted over the OPTCL's network for DISCOMs.
32. Regarding recovery of transmission charges from the Long-Term Access (LTA) Customers during FY 2026-27, OPTCL has proposed as follows:
- I. By levying transmission charges at the rate applicable to DISCOMs for transmission of **38,663.46 MU** (4,414.30 MW).
 - II. By levying transmission charges at the rate applicable to LTA customers, namely IMFA (380 MU), NALCO (147.60 MU) and Jindal Steel Limited (1,314 MU), for transmission and supply of emergency/backup power aggregating to **1,841.60 MU** (210.22 MW).
 - III. By levying transmission charges at the rate applicable to Renewable Energy (RE) LTA customers, namely M/s BEL (9.45 MU), M/s ABReL SPL (27.28 MU), M/s ABReL SPV (25.03 MU), M/s MCL (111 MU), M/s Tata Steel Limited, Kalinganagar (839.38 MU under GNA), M/s Hindalco (262.80 MU under GNA) and AMPIN (69.276 MU), for transmission of renewable power aggregating to **1,344.21 MU**, in accordance with the OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations, 2023.
33. Considering the above, OPTCL has estimated the total energy to be transmitted through its transmission system during FY 2026-27 at **41,849.28 MU** (38,663.46 MU + 1,841.60 MU + 1,344.21 MU) for DISCOMs and LTA/LTOA customers, including NALCO, IMFA, Jindal Steel Limited, BEL, ABReL SPL, ABReL SPV, MCL, Tata Steel Limited, Hindalco and AMPIN.
34. OPTCL has projected that the revenue to be earned from transmission of 41,849.28 MU for DISCOMs and other LTA/LTOA customers, at the existing transmission tariff of 25.50 paise per unit, shall be **Rs.1,067.16 Cr.**

Excess/Deficit of Revenue Requirement:

35. OPTCL has projected a revenue deficit of **Rs.423.04 Cr.** for FY 2026-27 by considering the proposed ARR of Rs.1490.05 Cr. and the estimated revenue of Rs. 1,067.01 Cr. to be earned from transmission of 41,849.28 MU at the existing transmission tariff @25.50 P/U.

Proposal for revision of Transmission Tariff/ Wheeling Charges:

36. OPTCL has submitted that as the deficit cannot be met at the existing rate of transmission tariff (i.e., @ 25.50 P/U), it has requested the Commission to approve:

- Aggregate Revenue Requirement of **Rs.1490.05 Cr.**
- Recovery of Transmission Charge @ **Rs. 8545.00/MW-Day** i.e. **35.61 Paise/unit.**
- Transmission Loss for wheeling as **3.05%** on energy drawl for the FY 2026-27.

Open Access Charges:

37. Regulation 20(2), Chapter 5 of Regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” (effective from 18.11.2021) specifies the details of Open Access Charges and transmission charges shall be payable on the basis of contracted capacity in case of long-term and medium-term open access consumers and on the basis of scheduled load in case of short-term open access consumers.

38. The Commission, vide Letter No. DIR(T)-332/2008/77 dated 01.02.2021, had clarified that the DISCOMs do not come under the new regulation “OERC (Terms and conditions of Intra state open access) Regulations 2020” and they are governed under OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Therefore, the transmission charges for the LTA customers are to be recovered as follows:

- i. From four DISCOMs (i.e. TPCODL, TPWODL, TPNODL & TPSODL) as per the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014.
[For FY 2026-27, the DISCOMs projection is 38,663.46 MU (4413.64 MW)]
- ii. From other LTA customers (i.e. NALCO, IMFA & JSL) as per OERC (Terms and conditions of Intra-state open access) Regulations 2020.
[For FY 2026-27, NALCO, IMFA & JSL have projected their respective demands as 147.60. MU (10 MW), 380 MU (41.09 MW) & 1314 MU (150 MW)]
- iii. From RE LTA customers (i.e. ABREL SPL, BEL, ABREL SPV, MCL & AMPIN) as per OERC (Promotion of Renewable Energy through Green Energy Open Access) Regulations 2023.
[For FY 2026-27, ABREL SPL, BEL, ABREL SPV. MCL & AMPIN have projected their respective demands as 27.28 MU, 9.45 MU, 25.03 MU, 111.00 MU & 69.27 MU]
- iv. From LTOA customers (i.e. TSL & Hindalco) coming under General Network Access (GNA).
[For FY 2026-27, TSL & Hindalco have projected their respective demands as 839.38 MU & 262.8 MU]

39. OPTCL has proposed the Open Access charges for FY 2026-27 as shown in Table-8 below.

Table - 8
Open Access Charges proposed by OPTCL for FY 2026-27

Particulars	Per Unit Approach
Net Aggregate Revenue Requirement (Rs. Cr.)	1490.05
Proposed Energy to be transmitted in the OPTCL Network (MU)	41,849.28
Power Flow in MWs (41,849.28 MU)	4,777.31
Proposed Transmission Tariff (Rs. /MW/Day)	8545.00
Proposed Transmission Charges (Paise/unit)	35.61

Reactive Energy Charges:

40. OPTCL has submitted that the Commission in Para 16 of the order dated 05.02.2019 in Case No. 50/2017 has *inter-alia* viewed that the provisional reactive energy charges of 3 paise/KVARH as allowed in the ARR 2018-19 order would continue for the time being till a final justification is submitted by OPTCL in consultation with the stakeholders. In view of the above, OPTCL has provisionally proposed 3paise/KVARh as Reactive Energy Charges FY 2026-27.

Levy of Grid Support Charges (GSC):

41. OPTCL had filed an application (Case No 44 of 2024) before the Commission on 26.06.2024 for determination and approval for levy of Grid Support Charges for industries having Captive Generating / Cogeneration plants and running in parallel with the Grids of OPTCL subsequent to order dated 06.07.2023 of Hon'ble Orissa High Court in W.P(C) No-2220 of 2021 & W.P(C) No-16513 of 2021, filed by M/s Vedanta Limited and M/s CCPPO Odisha respectively. The Commission *vide* order dated 09.07.2024 in Case No. 44 of 2024 had directed OPTCL to submit a consolidated report considering certain queries. Accordingly, OPTCL has submitted a report on 29.01.2025. If the levy of GSC is decided in favour of the petitioner (OPTCL), the major portion of the accrual from GSC shall be passed on to the end users, resulting in further reduction in transmission cost.

Rebate:

42. As per the direction of OERC, DISCOMs are governed under OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Regulation 8.49 & 8.50 provide that rebate is allowable @ 2% on the monthly bills (excluding arrears), if full payment is made within two working days (excluding holidays under N.I Act) of the

presentation of the bill and 1% on the monthly bills, if paid within 30 days of the presentation of the bill.

43. Long & Medium-term Open Access Customers other than DISCOMs are governed under OERC (Terms and Conditions of Intra-state Open Access) Regulations, 2020. They shall pay the transmission charges within seven (07) days from the date of receipt of the bill as mentioned vide Regulation 32(2)(b) of Intra-state Open Access Regulations 2020. There is no provision of rebate for early payment in the said Regulations 2020. The petitioner has requested for suitable directions in this regard.

Late Payment Surcharge:

44. It is submitted that Regulation 8.48 of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 shall be followed for DISCOMs. Regulation 33 of OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020 shall be followed for Long & Medium-Term Open Access Customers other than DISCOMs.

Duty and Taxes:

45. The Electricity Duty levied by the Government of Odisha and any other statutory levy/ duty/ tax/ cess/ toll imposed under any law from time to time shall be charged over and above the tariff.

TRUING-UP PROPOSAL OF OPTCL FOR FY 2024-25:

46. OPTCL has submitted that as per Regulation 7.1 (Truing up of Capital Expenditure and Tariff) of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 (in short 'Transmission Tariff Regulations, 2014'), OPTCL may file an application each year for truing-up along with the tariff petition filed for the next tariff period and the Commission shall carry out truing-up exercise along with the tariff petition filed for the next tariff period. OPTCL in the instant application has submitted its truing-up proposal for FY 2024-25 and prayed the Commission to carry out the truing-up exercise.
47. OPTCL submitting that during FY 2024-25, it has incurred a net deficit of Rs.53.07 Cr., requests the Commission to consider the surplus/deficit against each item for the truing-up of ARR for FY 2024-25. The actual figures/amounts as per the audited accounts and truing-up proposed by OPTCL against the approval of the Commission in ARR for FY 2024-25 are shown in Table-9 below:

Table - 9
Truing-up Proposed by OPTCL for FY 2024-25

(Rs. in Crore)

Sl No.	Particulars / Year	OERC Approval	Actual as per Audited Accounts	Truing up	Surplus/ (Deficit)
1	A. Employee Cost (Net)	488.63	473.39	473.39	15.24
2	B. R & M Cost	135.00	149.01	149.01	-14.01
3	C. A & G Cost (Including SLDC and GCC)	37.05	44.76	41.60	-4.55
4	Sub-Total (A+B+C)	660.68	667.16	664.00	-3.32
5	D. Depreciation	275.67	408.91	269.89	5.78
6	E. Interest on long-term liability	133.95	131.38	131.38	2.57
7	F. Rebate	20.16	15.93	15.93	4.23
8	G. Incentive for system availability	5.00	5.00	13.73	-8.73
9	H. GCC Expenses	0.35	-	-	0.35
10	Sub-Total (A to H)	1,095.81	1,228.38	1,094.93	0.88
11	I. Return on Equity	162.14		173.12	-10.98
12	J. Income tax	7.00		28.56	-21.56
13	Grand Total (A to J)	1,264.95	1,228.38	1,296.61	-31.66
14	<i>Less: Inter-state wheeling & Misc. Revenue</i>	302.75	347.51	347.51	44.76
15	<i>Less: Regulatory Surplus</i>	48.50	-	-	-48.50
16	Net Transmission Cost	913.70	880.87	949.10	-35.40
17	Revenue from Transmission Charges	913.76	896.09	896.09	-17.67
18	Difference to be allowed in truing up (FY 2024-25)	-0.06	-15.22	53.01	-53.07

C. VIEWS OF CONSUMER COUNSEL, ON TRANSMISSION TARIFF PROPOSAL OF OPTCL FOR FY 2026-27 (PARA 48)

48. The Consumer Counsel has examined the key parameters forming the basis of the proposed ARR and Transmission Tariff for FY 2026-27 and submits the following for consideration of the Commission:

(a) OPTCL has proposed to transmit 41,849.28 MU during FY 2026-27 with a projected transmission loss of 3.05%, resulting in a loss of approximately 1,276.40 MU. At an average BSP of 330.66 paise/unit, the financial impact of such loss works out to around Rs. 422.06 Cr. While the proposed loss level is in line with historical approvals (around 3%), the Commission may verify the metering at all interface points and the methodology adopted to ensure that inefficiencies are not passed on to consumers.

(b) The Net Aggregate Revenue Requirement proposed for recovery from Long-Term Access (LTA) consumers is Rs.1,490.05 Cr., as against Rs. 1,024.60 Cr. approved for FY 2025-26, reflecting an increase of Rs. 465.45 Cr. (approximately 45%). Correspondingly, the transmission tariff is proposed to be increased from 25.50 paise/unit to 35.61 paise/unit, i.e., an increase of 10.11 paise/unit (about 40%). The energy handled is

proposed to increase only by about 4% (from 40,228.89 MU to 41,849.28 MU), whereas ARR is increasing by 45%, which calls for strict prudence scrutiny.

(c) Under Operation & Maintenance expenses, Employee Cost is proposed at Rs.531.52 Cr. compared to Rs.493.12 Cr. approved for FY 2025-26 leading to an increase of Rs. 38.40 Cr. (8%). With total personnel strength of 2,587 employees, the average annual cost per employee works out to approximately Rs.56 lakhs, which requires benchmarking against national utilities. Repair & Maintenance (R&M) expenses are proposed at Rs. 259.65 Cr. as against Rs. 160.00 Cr. approved in FY 2025-26, showing a steep increase of Rs.99.65 Cr. (62%). Such sharp escalation must be justified with detailed item-wise break-up and actual historical trends. Administrative & General (A&G) expenses are proposed at Rs.46.95 Cr. compared to Rs.42.46 Cr., reflecting an increase of 11%, which also merits examination.

(d) Interest & Financial Charges are proposed at Rs.240.91 Cr. against Rs.120.37 Cr. approved for FY 2025-26, indicating an increase of 100%. This includes Rs.130.22 Cr. towards interest on normative loans proposed to be availed during FY 2026-27. The Consumer Counsel submits that interest on projected normative loans should not be allowed unless supported by actual capitalization and drawl. Similarly, Return on Equity (RoE) is proposed at Rs.279.11 Cr. as against Rs.194.45 Cr., an increase of 44%, and Depreciation is proposed at Rs.337.09 Cr. compared to Rs.284.33 Cr., an increase of 19%. These increases are directly linked to the projected capitalization of Rs.1,130.59 Cr. against the proposed CAPEX of Rs.2,561.30 Cr., though historical capitalization ratio have ranged between 27% and 44%, indicating consistent under-achievement.

(e) Miscellaneous income is proposed at Rs.275.35 Cr., lower than Rs.306.42 Cr. approved earlier, thereby increasing the net ARR burden on consumers. Incentive for system availability is proposed at Rs.13.73 Cr. as against Rs.5.00 Cr., representing a 175% increase, which should be allowed only on verification of audited availability levels.

In view of the above numerical trends — particularly the 45% rise in ARR, 40% increase in tariff, 62% rise in R&M expenses, and 100% increase in interest cost — the Consumer Counsel submits that the Commission may undertake a rigorous prudence check and allow only justified, efficient, and actually incurred costs so that consumer interest is adequately safeguarded.

D. VIEWS OF OBJECTORS ON THE TRANSMISSION TARIFF APPLICATION OF OPTCL FOR FY 2026-27 AND REPLY SUBMITTED THERETO BY OPTCL (PARA 49 TO 81)

49. The issue-wise views of the Objectors placed before the Commission and the response of OPTCL are summarised below:

Transmission Tariff Hike:

Views of the Objectors:

50. Some of the objectors have submitted that the proposed transmission tariff of 35.61 paise/unit reflects nearly a 40% increase over the approved 25.50 paise/unit for FY 2025-26, potentially burdening consumers. Further, employee cost (Rs.531.52 Cr) has increased by 8% whereas 58% of regular post are laying vacant, R&M expenses (Rs.259.65 Cr) have increased by 62%, A&G expenses (Rs. 46.95 Cr) have increased by 11%, Return on Equity has increased by 44%, income tax has increased by 165%, Interest on Loan Capital has increased by 100%. Some of the Objectors have submitted that the depreciation booked by the petitioner needs to be scrutinised. The objectors contend that the present proposal lacks clarity on ARR drivers, such as capital additions and O&M escalation and have requested a detailed prudence check under the OERC Transmission Tariff Regulations, 2014, to avoid inflated costs and protect consumer interest.

Submission of OPTCL:

OPTCL has submitted that as the State Transmission Utility and deemed transmission licensee, it transmits power from generators to DISCOMs through infrastructure developed under OERC-approved plans to ensure reliability, system strengthening, and future load growth. Further, it has adopted the principles, enunciated in the Transmission Tariff Regulations, 2014, for proposing different components of ARR for FY 2026-27 in the present application. Except for return on equity, all the components allowed in the ARR, are subject to truing up, which are carried out on the basis of actual expenses booked in the audited books of Accounts of OPTCL. The proposed transmission tariff of 35.61 paise/unit is derived from ARR and projected energy of 41,849.28 MU, ensuring legitimate cost recovery.

Transmission Loss:

Views of Objectors:

51. Some of the objectors have submitted that the proposed transmission loss of 3.05% for FY 2026-27 is higher than the approved level of 3.00% for FY 2025-26, which may lead to an increase in the effective wheeling cost. The objectors have pointed out that the

actual transmission loss was 3.11% in FY 2023-24, indicating possible inefficiencies in the system. It is submitted that OPTCL has not provided component-wise details of transmission losses or the methodology adopted for loss estimation. They have suggested that energy audits should be carried out, transparent accounting of Captive Generating Plant (CGP) injections should be ensured, and third-party audit may be undertaken to assess accurate transmission losses.

One of the objectors has presented a comparative analysis of transmission losses of other State Transmission Utilities (STUs), informing that several States have lower transmission losses compared to OPTCL.

Table-10

State Transmission Utilities with Transmission Losses Lower than OPTCL (Comparison based primarily on FY 2024-25 data; OPTCL = 3.09%)		
Sl. No.	STUs	Transmission Loss FY 2024-25 (%)
1	DTL (Delhi)	0.78
2	PTCUL (Uttarakhand)	1.02
3	HVPL (Haryana)	1.87
4	PSTCL (Punjab)	2.23
5	JUSNL (Jharkhand)	2.23
6	TGTRANSCO (Telangana)	2.48
7	TSECL (Tripura)	2.5
8	APTRANSCO (Andhra Pradesh)	2.75
9	KPTCL (Karnataka)	2.78
10	BSPTCL (Bihar)	3
11	MPPTCL (Madhya Pradesh)	2.75

The objectors have therefore suggested that stricter transmission loss targets may be fixed and gradually reduced to around 2.5%–2.9%, along with suitable regulatory disincentives for non-achievement, in order to protect consumer interest and improve system efficiency.

Submission of OPTCL:

OPTCL has submitted that the proposed 3.05% transmission loss for FY 2026–27 is mainly technical, influenced by grid configuration, load flow, and network expansion. Losses have declined from 3.73% (FY 2014-15) to about 3.07% in FY 2025-26, making the proposed level reasonable. To substantiate its viewpoint, it has submitted that at the all-India level, transmission losses across different regions have consistently remained above 3.12%.

Under Utilisation of Funds allocated to O&M:

Views of Objectors:

52. One of the objectors has submitted that funds allotted for O&M work have not been utilised properly. It is submitted that near about 58% regular posts are lying vacant in OPTCL, for which proper maintenance is not carried out.

Submission of OPTCL:

OPTCL has submitted that R&M expenditure from FY 2013-14 to FY 2025-26 has been prudently utilized in line with approvals, ensuring high system availability.

Rebate and Late Payment Surcharge Structure:

Views of Objectors:

53. Some of the objectors have submitted that the proposal of OPTCL to disallow rebate on prompt payment for Open Access customers like CGPs and Industries, while allowing rebate on the prompt payment benefit to DISCOMs, needs to be carefully reviewed in the context of its impact on customer relations, operational efficiency, and regulatory guidelines. This type of differential treatment is against the Open Access Regulation, Grid Code, and statutory provision under the Act. Therefore, they request the Commission to treat all the Transmission Users, i.e. CGPs, Industries, and DISCOM, on the same footing with provision for charges and rebates on the same principles without any discrimination.

Further, one of the Objectors has submitted that the proposed rebate (2% within 2 days, 1% within 30 days) and surcharge provisions may not sufficiently incentivize timely payments. Accordingly, he has suggested for higher rebate (2.5%), lower surcharge caps, and extension of the rebate to open access users to reduce arrears and consumer costs.

Submission of OPTCL:

OPTCL has submitted that the DISCOMs do not fall under the purview of the OERC (Terms and Conditions of Intra-State Open Access) Regulations, 2020. They are governed by the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. It is submitted that the details regarding the provision of rebate have been duly indicated in the ARR application for FY 2026-27 in accordance with these Regulations.

OPTCL has further submitted that it does not face issues of payment default, as the full transmission charges are recovered from the users. It is submitted that any enhancement in the percentage of rebate would ultimately result in an additional burden on consumers.

Accordingly, the suggestion pertaining to the extension of the rebate principle for recovery of past dues may not be applicable in the case of OPTCL.

Open Access Charges:

View of Objectors:

54. Some of the objectors have submitted that to ascertain the margin availability, OPTCL may be directed to submit the maximum power handling capability, power flow and % loading of all the 400 kV, 220 kV, 132 kV lines and Power Transformer, Auto Transformer, ICT Transformers. According to them, OPTCL should conduct load flow analysis to handle around 2000-3000 MW differential load in an appropriate manner. Once these data are made available, it can be ascertained that there is a sufficient margin available in the transmission network. Further, to utilize it fully, STOA should be promoted and the charges for the same may be kept at 1/4th of the MTOA. They also request for necessary amendments in the regulations for LTOA charges.

Submission by OPTCL:

OPTCL has submitted that the system peak demand of 7,069.89 MW occurred on 12.08.2025 at 24:00 hrs and loading details of EHT lines and transformers were compiled as per the Commission's queries for ARR FY 2026–27. Load flow studies under multiple scenarios were conducted in the approved 14th Intra-State Transmission Plan. OPTCL raises apprehension that reduction in STOA charges would shift additional burden onto retail consumers, as LTA would ensure priority access and reliability.

Reactive Energy Charges:

View of Objectors:

55. Some of the Objectors have submitted that the Commission has provisionally approved reactive energy charges @ 3 paise/kVARh, directing OPTCL to submit the justification of reactive energy charges in consultation with the stakeholders. However, despite approval of such charges for the last five years, OPTCL has not yet submitted the required justification for reactive energy charges. As such, they have requested the Commission not to allow the proposed reactive energy for FY 2026-27 and to direct OPTCL to refund the reactive energy charges collected during the last 4 years.

Submission by OPTCL:

OPTCL has submitted that under Regulation 31(1) of the OERC Intra-State Open Access Regulations, 2020, reactive energy charges for open access consumers shall be in accordance with provisions stipulated in the State Grid Code or as may be specified in

relevant regulations/orders of the Commission. It is submitted that the Commission, in its Order dated 05.02.2019 (Case No. 50/2017), has allowed provisional charges of 3 paise/kVARh. However, despite raising reactive energy bills by SLDC since the beginning of FY 2025–26, no amount has been received in the Reactive pool account against Reactive Energy Charges till date due to default in payment by DISCOMs and other LTOA customers.

Levy of Grid Support Charge for connectivity:

View of Objectors:

56. Some of the objectors have requested the Commission to abandon the levy of Grid Support Charges (GSC) on Captive Generating Plants (CGPs). CGPs are operated by industries that already have contract demand with the respective DISCOMs, meaning that they are contributing to the grid through their contracted capacity. The imposition of GSC on them would lead to a scenario where industries may be charged twice for grid support, once through the contract demand with DISCOMs and again via the proposed GSC.

Submission by OPTCL:

OPTCL has submitted that the benefits derived by the CGPs with co-located loads are enormous. The benefits are ancillary services, which are not paid till now. The Grid Support Charges (GSC) / Parallel Operation Charges are being levied by different State Regulatory Commissions. The same having been upheld by APTEL and the Supreme Court of India through various orders, OPTCL on 26.06.2024 has filed an application (registered as Case No. 44 of 2024) for determination and approval for the levy of Grid Support Charges for industries having Captive Generating / Co-generation plants and running in parallel with its Grid. The Commission has directed OPTCL to submit a consolidated report considering the observations/queries raised by the stakeholders and accordingly, OPTCL has filed a report before the Commission on 29.01.2025.

Further, it is submitted that a consumer connected to the OPTCL network pays demand charges for the contracted demand to the concerned DISCOMs. The rationale behind this arrangement is that the corresponding quantum of transmission corridor capacity is reserved for the respective consumer and the remaining available capacity in the EHT network is allocated to other consumers. It is, however, observed that the installed capacity of CGPs is much more than the contracted demand with DISCOMs. Further, it is submitted that OPTCL has proposed Grid Support Charge factoring the contracted demand signed with DISCOMs by CGPs. As such, the issue of double-charging raised by the objector does not arise

Further, OPTCL has submitted that after synchronization with the grid, CGPs adversely impact grid quality through the injection of harmonics and other disturbances. To address such impact and to ensure grid stability, appropriate charges, i.e. Grid Support Charges, are required to be levied.

Availability of key information related to the OPTCL Network:

Views of Objectors:

57. Some of the Objectors have proposed that OPTCL should proactively prepare and maintain monthly status report outlining the available transmission lines, substation details, bay availability and transformer capacity. This would enable prospective developers to assess the existing infrastructure and apply for NOC for grid connectivity before submitting their applications to the RE nodal agency. By making this information accessible, OPTCL can streamline the process for developers, allowing them to submit their grid connectivity applications with certainty.

Submission by OPTCL:

OPTCL has submitted that necessary system studies are invariably conducted and approvals are granted to RE developers applying for power injection or drawl following the completion of technical and field feasibility assessments. Further, OPTCL has developed a web portal, i.e. Odisha Grid Insights (OGri) portal, to publish the key information related to OPTCL EHT Network. This portal will be updated on monthly basis and will include the following details:

- i. Geo-coordinates of all line assets under OPTCL.
- ii. Present loading data (Minimum & Maximum).
- iii. Projected load demand within the next 6 months.
- iv. Transformation capacity.
- v. Network status, which will include:
 - a. Spare feeders (equipped or not-equipped)
 - b. Space available for feeder bays
 - c. Possible take-off arrangements (by cable or by overhead)
 - d. Evacuation facilities (radial mode or interconnected mode)
 - e. Load category (percentage of industrial load vs. domestic load)

The portal is currently operational with most of the above information. The portal can be accessed at <https://ogri.optcl.co.in>. This initiative will help RE developers to access the OPTCL network for finding potential injection points.

Grid Coordination Committee (GCC) expenses:

View of Objectors:

58. Some of the objectors have submitted that OPTCL should provide clarification regarding the Rs.0.35 Cr. proposal towards Grid Coordination Committee (GCC) expenses. They have also sought the details of the GCC meetings, conducted during FY 2023-24, FY 2024-25 and FY 2025-26. Further, it is suggested that OPTCL should disclose the outcomes of each GCC meeting or upload the information its website for public viewing and to ensure transparency and accountability.

Submission by OPTCL:

OPTCL has submitted that no GCC meeting was held during FY 2023-24, while one GCC meeting was conducted during FY 2024-25. It is submitted that the 17th and 18th GCC meetings were held on 17.01.2025 and 03.09.2025, respectively. OPTCL has informed that agenda items have been sought from the stakeholders for the 19th GCC meeting, which is proposed to be convened shortly and the proposed budget provision would support such coordination activities.

Capital Expenditure:

Views of Objectors:

59. One of the Objectors has raised question mark over transparency in capital expenditure.

Submission by OPTCL:

OPTCL has submitted that it operates with qualified professionals and complies with State Government rules and guidelines, ensuring transparency in tendering and execution. Internal audits, statutory audits by CAG-appointed firms and audits by PAG Odisha and CAG ensure financial accountability and oversight of projects and operations.

Green Transmission Initiatives:

Views of Objectors:

60. Some of the objectors have submitted that the proposal inadequately addresses renewable integration and grid modernization, despite OERC's earlier directions. They have questioned the slow progress in RE evacuation infrastructure and loss reduction and suggested for RE-friendly transmission planning, quarterly performance reporting and linking approvals with RE evacuation targets.

Submission by OPTCL:

OPTCL has submitted that it is developing 400/220 kV Therubali GSS, 132/33 kV Manmunda GSS and 220/33 kV Padepadar Solar Pooling Station for the evacuation of pumped storage and solar power. It is also implementing STAMS for centralized GSS

operation and standardizing multi-circuit tower and digital substation designs to support renewable integration, substation technology at 132/33 kV Agalpur-Rampur GSS among other initiatives.

Supply Position:

Views of Objectors:

61. One of the objectors has submitted that OPTCL should give an undertaking in the shape of an affidavit that the supply position of the State is stable.

Submission of OPTCL:

OPTCL has submitted that it continuously plans and implements transmission projects based on DISCOM requirements and system studies. The utility has maintained 99.98% transmission system availability, among the highest in the country, while keeping voltage within Grid Code limits, thereby ensuring reliable and high-quality power supply in the State.

Contractual Employee:

Views of Objectors:

62. Some of the objectors have submitted that contractual and outsourced workers are not paid equal wages despite performing similar work as regular employees. They have requested for regularization, disclosure of category-wise and division-wise outsourced workforce details and verification before approval of O&M expenses.

Submission by OPTCL:

OPTCL has submitted that outsourced workers engaged through competitive tender-based outsourcing as per organizational requirements. They are paid minimum wages as per the notification, issued from time to time by the Labour & ESI Department, Government of Odisha. Certain services are approved for outsourcing and the details of outsourced workers have been submitted in the tariff application.

Network Infrastructure:

Views of Objectors:

63. Some of the objectors have submitted that 165 Nos. of sub-stations & 14804 kms. of lines of OPTCL are now available for operation. They request the Commission to direct OPTCL to produce the detailed list of sub-stations & lines that are out of order with the plans pertaining to the activities on modernisation and renovation of the said substations & lines.

Response by OPTCL:

OPTCL has submitted that it operates 201 Grid Substations and 17,094.767 circuit km of EHT lines as on 20.01.2026. Regular maintenance, augmentation, renovation and modernization of substations and lines are undertaken to ensure reliable power supply. Old conductors and obsolete equipment are being upgraded or replaced to reduce transmission losses and improve efficiency. It has been intimated that no GSS or transmission lines have outlived their operational life.

Work under Govt. Funded Schemes:**Views of Objectors:**

64. One of the objectors has requested for a direction to OPTCL to produce the division-wise list of work under the various Govt. Funded Scheme, along with the details of the amounts.

Submission by OPTCL:

OPTCL has submitted that it has undertaken the construction of various grid substations and transmission lines during 2020 to 2025 with financial support from the Government of Odisha under multiple schemes, centrally monitored by its Project Wing, with detailed project lists furnished in the application. These include SCRIPS (100% Grant), LVMS (30:70 Equity–Loan), OTSSP-I (100% Equity), OTSSP-II (30:70 Equity–Loan), and GEETC (mixed funding through Grant and Equity).

Prudence Check of 765 kV Transmission Network Expansion Projects:**View of Objectors:**

65. Some of the objectors have submitted that OPTCL should disclose the status of its 765 kV transmission network plan, including progress of Angul–Gopalpur and Angul–Paradeep ISTS lines, Kolabira 765 kV substation, as well as the projects at Paradeep–Mahakalapada, Joda, Ersama, and Neulapoi. They have urged the Commission to undertake a prudence check of proposed capital expenditure and transmission charges to ensure transparency, cost efficiency, and consumer interest.

Submission by OPTCL:

OPTCL has submitted that the projects under the Inter-State Transmission System (ISTS), namely the 765 kV Angul–Paradeep and Angul–Gopalpur transmission lines, are scheduled to be completed by November 2026 and December 2027, respectively. It is further submitted that the projects under its scope, including the substations at Kolabira, Joda/Barbil, Ersama and Neulapoi, are currently at various stages of implementation.

MYT & Business Plan Filing:

View of Objectors

66. Some of the objectors have submitted that the transmission business, being a capital-intensive project, requires long-term planning for which the Commission may direct OPTCL to submit the MYT tariff and long-term Business Plan, based on which the Investment Plan should be provided.

Submission by OPTCL:

OPTCL has submitted that the Business Plan of OPTCL for the 3rd Control Period, i.e., from FY 2024-25 to FY 2026-27, has been approved by the Commission vide Order dated 24.09.2025 in Case No. 20 of 2025.

Intrastate Transmission System:

Views of Objectors:

67. Some of the objectors have submitted that the Intrastate Transmission System should be developed in a coordinated manner in consultation with CTU, State govt., Generating companies, Regional Power Committees, CEA & licensees. They claimed that coordination meetings are not being held regularly. According to them, many industries are facing a lot of difficulties in getting grid connectivity and enhancement of contract demand. The Objectors have requested for a direction to OPTCL to submit the status and stage-wise implementation plan of the Revised 14th Intra-State Transmission Plan.

Submission by OPTCL:

OPTCL has submitted that the Revised 14th Intra-State Transmission Plan of Odisha for FY 2022-23 to FY 2026-27 has been approved by the Commission *vide* Case No.08/2024. Recently, the investment proposals for 37 projects were heard after inviting suggestions and objections from the public.

Tariff-Based Competitive Bidding:

Views of Objectors:

68. Some of the objectors submitted that the Commission has published the OERC (Development of Intra-State Transmission Projects through Tariff-Based Competitive Bidding in the State of Odisha) Order, 2022. They seek a direction to OPTCL to submit an action taken report on the execution of new transmission projects, pointing out that the Commission has earlier directed for standardization of the transmission line tower, multi-circuit tower, etc.

Submission by OPTCL:

OPTCL has submitted that the 400/220 kV AIS Substation at Remuli (at Basudevpur) and 2x160 MVA, 220kV GIS S/S at the existing Barbil GSS, along with associated 400kV & 220kV lines, earlier planned under TBCB, will now be developed through the cost-plus method, as decided by the State Government. It is informed that currently, no project is proposed under TBCB. It is further reported that OPTCL has standardized technical specifications for major transmission equipment and systems.

Setting up an Independent Testing Lab:**Views of Objectors:**

69. Some of the objectors have submitted that OPTCL should set up an independent testing lab accredited by NABL for testing relays, meters, and transformer oils so that such facilities can be availed by industries.

Submission by OPTCL:

OPTCL has submitted that OPTCL maintains an in-house oil testing laboratory that serves as the central facility for analysing oil breakdown voltage, dissolved gas analysis and PPM measurements. A relay testing laboratory is also planned. It is submitted that OPTCL will move the Government of Odisha for funding to obtain National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation for both laboratories.

Funding of Projects & Upgradation of Existing Infrastructure:**Views of Objectors:**

70. Some of the objectors have submitted that OPTCL should conduct a feasibility study to convert 26 Nos. existing 132 kV switching stations into 132/33 kV substations to meet future DISCOM load and integrate renewable energy. They have also urged for coordinated planning with DISCOMs & CTU, prior Commission approval for transmission projects, and voltage-wise loss monitoring to avoid stranded assets and ensure efficient investments.

Some of the objectors have submitted that OPTCL should coordinate with the Government of Odisha to secure grants for economically unviable but essential transmission projects. Such support, it is submitted, will reduce tariff burden on consumers, enable infrastructure development, promote regional growth and industrialization, and strengthen grid reliability and energy security through timely execution of strategic transmission projects.

Submission by OPTCL:

Since the creation of transmission infrastructure requires huge investments, OPTCL always requests the state Government for financial support. Such support reduces tariff burden on consumers, enables infrastructure development, promotes regional growth and industrialization besides strengthening grid reliability and energy security. State Govt., it is reported, has been contributing 100% financial assistance in the shape of grant/equity in case of non-remunerative and contributing 30% equity support in case of remunerative projects.

Monitoring of Transmission System Operation:**Views of Objectors:**

71. Some of the objectors have submitted that OPTCL should continuously monitor transmission system loading and prevent overloading or underloading to ensure efficiency and reliability. It is submitted that the adoption of dynamic load management, network reconfiguration, real-time analytics, AI-based predictive maintenance, and grid optimization would reduce losses, improve asset utilization, enhance grid stability, and ensure cost-effective transmission.

Submission by OPTCL:

OPTCL has submitted that regular system studies and network augmentation are being undertaken to prevent overloading, with priority to utilize under-loaded networks. Coordination meetings with DISCOMs ensure downstream infrastructure development. Transmission proposals are approved in CMETS-ER meetings. Projects like STAMS, AI-based inspection, and Asset Performance Management Systems will enhance monitoring, predictive maintenance, and grid efficiency.

Adaptation of innovative technologies:**Views of Objectors:**

72. Some of the objectors have submitted that despite initiatives such as automation, load bifurcation, digital substations, ring networks, and advanced transformers, expected loss reduction has not been achieved. It is submitted that transmission losses are largely influenced by distance and conductor resistance, and the benefits of modernization will materialise only after system-wide implementation.

Response by OPTCL:

OPTCL has submitted that it is implementing digital substations, HTLS conductors, FOCT technology, and energy-efficient transformers to reduce transmission losses.

Upgradation of old conductors, conversion of radial lines to ring mains, and conversion of single-circuit to double-circuit lines are also being undertaken to improve grid efficiency and reliability.

Cyclone Mitigation Plan:

Views of Objectors:

73. Some of the objectors have submitted that OPTCL should develop cyclone-resilient transmission infrastructure in coastal areas and report the availability of mobile substations and cyclone mitigation plans as directed by the Commission. They also raised concerns over the lack of progress on multi-circuit/multi-voltage lines and ROW reduction measures.

Response by OPTCL:

OPTCL has submitted that a Cyclone Mitigation Plan has already been implemented, involving coastal risk mapping, ERS towers, mobile substations, and spare equipment. During cyclone alerts, grid reconfiguration and pre-positioning of resources are undertaken, while drone assessment and ERS deployment enable restoration within 72 hours, followed by resilient reconstruction and preparedness drills.

Inadvertent Power:

Views of Objectors:

74. Some of the Objectors have submitted that under the MoP Notification dated 27.09.2025, CGPs and open access consumers must meet rising Renewable Consumption Obligations, increasing from 33.01% (FY 2025-26) to 35.95% (FY 2026-27). They have requested for 50% waiver on transmission charges for out-of-state renewable procurement to ease compliance and support industrial competitiveness.

Response by OPTCL:

OPTCL has submitted that CGPs are meant for self-consumption and cannot be treated as firm grid supply. Actual inadvertent injection was 230.64 MU up to September 2025, already considered in loss computation (3.07%). Hence, higher loss estimation by the objector is unjustified since transmission charges are based on scheduled energy.

Waiver/exemption on STU charges for inter-state RE power procurement:

Views of Objectors:

75. Some of the Objectors have submitted that under the MoP Notification dated 27.09.2025, CGPs and open access consumers must meet rising Renewable Consumption Obligations, increasing from 33.01% (FY 2025-26) to 35.95% (FY 2026-27). They have requested for

50% waiver on transmission charges for out-of-state renewable procurement to ease compliance and support industrial competitiveness.

Response by OPTCL

OPTCL has submitted that the Odisha Electricity Regulatory Policy, 2022 aims at strengthening infrastructure and protecting consumers. The Commission has already allowed RE procurement from outside the State on a scheduled energy basis. It is submitted that STU charge waivers would burden retail consumers and that industries are getting benefits from CTU waivers for which this request may not be considered.

ISTS Charges:

Views of Objectors:

76. Some of the Objectors have submitted that the proposed transmission tariff of 35.61 paise/unit for FY 2026-27 reflects significant investments in strengthening and expanding the intra-state transmission network to improve grid reliability and capacity. With the increased energy flow and reduced reliance on CTU systems, the per-unit cost is expected to decline over time.

Response by OPTCL:

OPTCL has submitted that the ISTS transmission charges are comparatively higher than OPTCL's transmission charges. It is more economical to construct evacuation systems for upcoming generators rather than utilizing the ISTS network, as this would reduce the ultimate burden on consumers. Accordingly, a marginal increase in transmission charges may be permitted in the interest of consumers.

Slow Capitalisation:

Views of Objectors:

77. Some of the Objectors have submitted that, as per audited accounts for FY 2024-25, total assets of the STU are Rs.10,739.66 Cr., including Rs.7,770.82 Cr non-current and Rs.2,968.84 Cr. current assets. The Line Networks, including the property of the Licensee was worth of Rs. 5264.29 Cr by FY24 and increased to Rs.5360.26 Cr as on FY25. Similarly, the value of CWIP (Capital Works-in-Progress) was Rs. 1720.16 Cr as on FY24 and increased to Rs. 2060.36. This shows that the rate of increase of Line networks in comparison to CWIP is very low. The slow growth of line networks in comparison to CWIP reveals that the Investment done for line networks does not earn the desired results due to sluggish capitalisation.

Response by OPTCL:

OPTCL has submitted that Property, Plant & Equipment (PPE) stood at Rs.5,264.29 crore as on 31.03.2024 and Rs.5,360.26 Cr. as on 31.03.2025, as reflected in the Balance Sheet under the net block. During FY 2024–25, assets amounting to Rs.528.41 Cr. were added. Similarly, during FY 2024–25, an amount of Rs. 860.81 Cr. was capitalized under Capital Work in Progress (CWIP) towards execution of ongoing and new projects. Therefore, the objection raised regarding the slow increase in rate is devoid of merit.

Working Capital Loan:

Views of Objectors:

78. The Utility records huge cash & bank balance to the tune of Rs. 2236.14 Cr. as recognised by the auditor. This establishes that the Utility does not need any working capital loan to operate the enterprise.

Response by OPTCL:

As per the audited accounts, the Cash and Cash Equivalents as on 31.03.2025 are Rs.1,656.60 Cr., out of which Rs.918.33 Cr. pertains to DISCOM projects being executed by OPTCL in its capacity as the implementing agency. It is submitted that funds received from the State Government under various schemes/projects are maintained either as cash balances or in fixed deposits. These funds are specifically earmarked for identified capital projects and cannot be diverted or utilized for meeting working capital requirements.

Deferred Income:

79. One of the Objectors harping on the liability side of the Balance Sheet, has submitted that the Licensee records total equity of Rs.3367.38 Cr. out of which Rs.471.99 Cr is other equity, inclusive of profits. The long-term borrowing of the Licensee stands at Rs.1696.60 Cr., whereas the other non-current liabilities is Rs.2349.52 Cr. The borrowing has reduced in comparison to the previous FY 2023-24. The Deferred Income provided for the Assets created out of the Govt grant & deposit works is recognised by the auditor at Rs.2063.94 Cr. and Rs.140.71 Cr. Therefore, he urged upon the Commission to true up the proposal of the licensee, considering the above-mentioned line networks and deferred income recognised by the Auditor as for FY 2024-25.

Response by OPTCL:

OPTCL has submitted that deferred income mainly comprises grants, subsidies, or consumer contributions received towards the creation of assets. These amounts are initially treated as deferred income and are amortised to the Profit and Loss Account over the useful life of the corresponding assets, thereby matching income with depreciation

expenses. Therefore, the deferred income is not an element of the ARR of OPTCL and should not be considered.

Regulatory Surplus of Rs. 48.50 Cr.

Views of Objectors:

80. One of the objectors has submitted that the regulatory surplus of Rs.48.50 Cr. was considered by the Commission while determining the transmission tariff for FY 2024-25 whereas the Petitioner did not true up the same. The Petitioner has treated the above approved regulatory surplus as deficit revenue & claimed for its recovery from the tariff. That means, the Petitioner disputed the regulatory surplus of Rs.48.50 Cr. at its sweet will without preferring any appeal before higher forums. The dismissal of Rs.48.50 Cr. in the process of truing up by the Petitioner is unlawful and unacceptable to Stakeholders. Therefore, he has requested the Commission to pass out the same in the truing up process for FY 2024-25 for the purpose of determining the transmission tariff for FY 2026-27.

Response by OPTCL

OPTCL has submitted that the truing-up application for the FY 2024-25 is filed in compliance with Regulation 7.1 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, along with audited accounts for FY 2024-25. The Commission has derived the cumulative surplus over the years of Rs.117.60 Cr. as on 31.03.2023 and deducted Rs.48.50 Cr. from the above surplus of Rs.117.60 Cr., besides adjusting it in the ARR for FY 2024-25. The truing application is being filed on a yearly basis and after scrutiny, the Commission derives the cumulative surplus. Therefore, the effect of Rs.48.50 Cr. will be clubbed in the cumulative surplus/deficit automatically. Thus, the apprehension of the objector has no merit.

Function of the State Commission:

Views of the Objectors:

81. One of the objectors has submitted that the Commission is statutorily bound to adhere to the nine guiding principles enshrined under Sections 61, 62 and 83 of the Act while determining tariff. Section 61(i) specifically mandates that the State Electricity Regulatory Commissions, including OERC, shall, subject to the provisions of the Act, specify the terms and conditions for tariff determination and, in doing so, be guided by the National Electricity Policy (NEP) and the National Tariff Policy (NTP). In terms of the provisions of the NEP and NTP, the Commission is required to duly acknowledge and factor in the rapid economic development of the State while undertaking proceedings for the determination of tariff for the sale and purchase of electricity in the State.

Response of OPTCL:

No comments.

E. OBSERVATIONS OF THE STATE ADVISORY COMMITTEE (SAC) (PARA 82 TO 83)

82. The Commission convened the 39th State Advisory Committee (SAC) meeting on 16.03.2026 at 11:00 A.M. at Power Training Centre (PTC), OPTCL, Bhubaneswar, through hybrid mode. Various issues related to the power sector and the Annual Revenue Requirement of OPTCL, the transmission licensee, were discussed and the Members placed their valuable suggestions on the ARR and Tariff proposal of OPTCL. A brief summary of suggestions/views of the members during the meeting is given below:

- (a) It was observed that in certain areas of Bargarh district, particularly Paikmal and Padampur, the 11 kV voltage at times drops to as low as 6.6 kV, indicating serious voltage quality concerns. In this regard, it was suggested that OPTCL may be directed to establish new substations in the Jharbandh and Bijepur areas to strengthen the network and improve the voltage profile.
- (b) It was observed that demand growth in the State has remained largely stagnant. The Members emphasized the need to devise appropriate mechanisms to attract heavy industries for enhancing load growth. It was suggested that the Commission may consider issuing suitable directions to ensure time-bound extension of connectivity to industries so as to facilitate ease of doing business and promote industrial development.
- (c) It was suggested that a dedicated forum may be constituted to analyse the impact of electric mobility on the power supply position of Odisha and to facilitate informed planning. Further, it was highlighted that resource sharing and optimization are critical for achieving economical tariffs, and the need to promote research and development (R&D) initiatives in this regard across all utilities was emphasized.
- (d) It was observed that while the transmission tariff of OPTCL has remained stable, there has been an upward revision in the charges of PGCIL. In this context, it was suggested that further efforts may be made to rationalize and reduce OPTCL's transmission charges. It was also recommended that OPTCL may explore direct connectivity to the second units of NTPC at Talcher and Darlipali to optimize transmission charges and avoid payment of CTU charges. Further, it was pointed out that although provisions exist in the PPA for

evacuation of power from Darlipali by OPTCL, the same have not yet been operationalized and appropriate action may be taken in this regard.

- (e) It was observed that the Grid Substation at Udayagiri has not yet been commissioned, despite completion of the project nearly five years ago, and the need for expediting its charging and operationalization was emphasized. Further, concerns were raised regarding unauthorized construction of buildings beneath transmission lines, and the importance of strict enforcement of safety regulations to prevent potential hazards was highlighted.

83. In response to the queries raised by the Members of the SAC, the Director (Finance), OPTCL acknowledged the issues raised. With regard to the high employee cost, he explained that approximately 40% of the total employee expenses pertain to terminal liabilities of legacy employees following the transfer notification. He further submitted that delays in execution of OPTCL projects are primarily due to uncontrollable factors such as Right of Way (RoW) issues and delays in obtaining forest clearances.

F. VIEWS OF STATE GOVERNMENT (PARA 84 TO 85)

84. The Commission had held a meeting on 05.03.2026 with the Energy Department, led by the Additional Chief Secretary of the Department and deliberated on the issues related to the electricity tariff. The relevant portion of the minutes of the meeting, pertaining to OPTCL, is reflected below:

“Exemptions under Odisha Renewable Energy Policy, 2022:

The exemptions provided to the consumers on availing RE power through Open Access are kind of subsidy that should be paid to the respective licensees in advance by the Government as per Section 65 of the Electricity Act, 2003. The Chairperson directed that the Government must follow the statute provisions strictly in this regard. The representatives of the Government took note of the same and stated that the matter would be resolved as per provisions of the Act.

Action-State Government

Separation of SLDC from OPTCL

Section 31(1) of the Electricity Act has given mandate to State Government to establish a centre to be known as State Load Despatch Centre, for the purposes of exercising the powers under the Electricity Act and until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre. The Odisha SLDC is still functioning under OPTCL with shortage of manpower. The CMD, OPTCL mentioned that the officers strength in SLDC is adequate as per the work requirement and there is no interference from OPTCL in the functioning of SLDC. The Chairman, OERC highlighted that the independent functioning of SLDC with adequate staff is necessary for the greater interest of the system.

STU separation from OPTCL

In the Central level, PGCIL which was originally operating both as CTU and transmission licensee, has been divested of CTU functions and a new company now discharges the same. If the planning and operation functions of a transmission company are merged in a single company, then there will be conflict of interest between the two functions. There will always be a fear under a cost-plus tariff regime, many unviable projects are taken up by a monolithic company having dual function of planning and operation. Thus, the Government should actively consider the separation of STU from OPTCL. The Additional Chief Secretary took cognizance of the matter.

Action-State Government & OPTCL

Future of BESS in the State

With high integration of RE and the inbuilt intermittent nature of its supply, the power system is in need of energy storage systems such as BESS and PSP. Therefore, BESS implementation program should be taken up by the state government.

MD, GRIDCO stated that they have already undertaken 125 MW BESS projects in the state under VGF by the Central Government through reverse auction. Further, they are exploring the installation of small BESS of 1-2 MW projects at PSS level, that would also contribute to the system dynamics if done on a larger scale.

Action- GRIDCO

Proportion of Equity investment by Government Utilities

As per the practice in the sector, any capital investment is treated in the ARR in the Debt:Equity ratio of 70:30. The Cost of equity is generally higher than that of debt. Therefore, the Regulations capped it at 30%. The utilities must try to reduce the equity level so that the consumer will be less burdened through tariff. Therefore, the Commission advised the Government to consider instructing all Utilities for investing equity of 20% or less in all the CAPEX investments in the future. The balance of investment must be arranged through loan. In that way, the investment will have lower return and as a result the tariff of such utilities will also reduce. Further, the Commission opined that the surplus fund available with the PSUs, if reinvested in CAPEX, will be treated as normative loan and allow return on this investment accordingly. The Representatives of the Government took note of the matter.

Action-State Government”

85. In course of the hearing, the Commission had requested the Government to submit its views within seven days of the date of conclusion of the hearing for consideration in the tariff determination process. The written views of the Government were received on 17.03.2026. On meticulous scrutiny of the same, the Commission observes that barring issues pertaining to *Exemptions under Odisha Renewable Energy Policy, 2022* and *investment of surplus fund through Equity*, the views are not comprehensive and do not adequately address all the issues raised in the instant proceeding. Since tariff

determination is a time-bound statutory exercise, the Commission has proceeded with the determination of the tariff based on the materials available on record.

The Commission feels it is prudent to reproduce the views of the Government pertaining to OPTCL:

“2.Exemptions under Odisha Renewable Energy Policy, 2022

The exemptions provided under OREP, 2022 are applicable only to renewable energy consumed within the State. Promoting local generation and consumption of renewable energy will help reduce the power purchase cost of DISCOMs and minimise associated losses. Increase in state renewable consumption will also decrease Odisha's dependence on out-of-state generators and reduce embedded costs linked to scheduling and dispatch of pooled power. The Govt. intends to compensate for the exemptions allowed under OREP, 2022, and has already accorded in-principle approval, vide letter dated 20.09.2025, for reimbursement to OPTCL of the exemption of 20 paise per unit of STU charges, based on the certification issued by GRIDCO.

7.ix.Investment of surplus fund by utility (OPTCL & OHPC) through equity:

The Govt. notes the Commission's observations regarding the utilisation of surplus funds by OHPC and OPTCL for capital expenditure. As per the OERC Regulations, internal resources generated from free reserves and deployed for project funding are to be treated as paid-up capital for the purpose of computing Return on Equity (RoE). This framework aligns with the Electricity Act, the National Tariff Policy, and the applicable OERC/CERC Tariff Regulations, which seek to balance consumer interests with financial sustainability and continued sector investment.

At present, RoE has been admitted only on equity infused by the State Govt. for completed projects. Accordingly, OPTCL has filed a petition before the Commission on 19.12.2025 requesting recognition of internal-accrual-funded investment for RoE up to 30%, with the balance treated as normative loan. The petition is currently pending adjudication at the Commission.

The Govt. recognises that the use of internal resources for CAPEX is essential for maintaining liquidity, supporting project execution, and reducing dependence on borrowings. However, clarity regarding the regulatory treatment of such equity is important. Disallowing RoE on equity funded through internal resources may have broader implications for the financial viability, borrowing capacity, and long-term sustainability of sector entities, including OHPC and OPTCL. Allowing RoE on such investments as provided for in the prevailing Regulations would help maintain stable financing for essential infrastructure.

Both OHPC and OPTCL have submitted that surpluses generated through regulated RoE are routinely reinvested for capital formation, R&M of ageing hydro stations, and equity support for upcoming hydro and pumped storage projects, all of which contribute to Odisha's long-term energy security. However, the Govt. will review the issue of non-allotment of equity to the State Govt. in consultation with OHPC, OPTCL, GRIDCO, and other stakeholders, and will communicate its considered views to the Commission after examining the operational, financial, and regulatory implications.”

G. ANALYSIS OF PROPOSAL OF OPTCL AND COMMISSION'S VIEWS & ORDER (PARA 86 TO 245)

86. The Commission has notified OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 and as per Regulation 2.1 (k), the “Control Period” is defined as a multi-year time period fixed by the Commission, from time to time. As per the above Regulations, the 1st Control Period was from 1st April 2014 to 31st March 2019. After the expiry of the 1st control period in the year 2019, the Commission had allowed OPTCL to submit their Business Plan for the 2nd control period, which the Commission defined as the period from 01.04.2019 to 31.03.2024. Accordingly, OPTCL had submitted its Business Plan for the 2nd control period, which has been approved by the Commission in their order dated 03.11.2021, passed in Case No. 63/2020. Further, OPTCL had submitted its Business Plan for the 3rd Control period, i.e. from FY 2024-25 to FY 2026-27. Due to some anomalies in the information, the Commission did not approve the same. However, OPTCL has been granted the liberty to file a fresh application of the Business Plan for the 3rd control period from FY 2024-25 to FY 2026-27. In compliance with the aforesaid direction of the Commission vide Case No. 53/2024, OPTCL has formulated its revised Business Plan for the 3rd Control Period from FY 2024-25 to FY 2026-27, which has been approved by the Commission in their order dated 24.09.2025, passed in Case No. 20/2025. In addition to the above, the Commission, vide their order in Case No. 72/2019, exercising power under Regulation 9.1 of OERC’s Transmission Tariff Regulations, 2014, had also extended the definition of controllable and uncontrollable costs enumerated in the above Regulations until further order. The Regulations empower the Commission to define control periods from time to time. The Regulations of the Commission remain in force until it is specifically repealed or modified by the Commission.
87. The transmission is often considered as the “backbone” of the electricity delivery chain and forms a vital link in the electricity supply chain. The transmission system provides interconnection between the source (electrical energy sources) and consumption (load centres) of electricity. In order to ensure a smooth flow of power from the generating station to the end consumer, the transmission system needs to be expanded, upgraded and maintained on regular basis. A reliable and secure transmission system is essential for meeting the growing power demand of DISCOMs, for providing uninterrupted power supply and for meeting contingency conditions as well as for fulfilling customer expectations. OPTCL inherited the transmission network from GRIDCO on 01.04.2005 on "as is where is" basis. Over the years, the Commission has approved significant amount of capital investment proposals for the installation of new Grid Substations,

transmission lines, upgradation of transformers, etc. to ensure adequate margin/capacity in the transmission network and allowed required R&M expenses to maintain a healthy transmission system. Additionally, most Renewable Energy generators within the State are being connected to the STU network, which further enhances the intra-state transmission network for smooth flow/evacuation of power. As on 31.03.2025, OPTCL owns 198 Nos. of Grid Sub-stations of different voltage classes having 27355 MVA transformation capacity and EHT transmission lines of 16749.46 Ckm.

88. The tariff policy notified by the Ministry of Power, Government of India, on 28.01.2016 stipulates the following objectives of the transmission system:
- (i) Ensuring optimal development of the transmission network ahead of generation with an adequate margin for reliability and to promote efficient utilization of generation and transmission assets in the country;
 - (ii) Attracting the required investments in the transmission sector and providing adequate returns.
89. The Commission has carefully considered the submission of the Objectors regarding the aims and objectives of different policies, such as the Tariff Policy and National Electricity Policy, notified under Section 3 of the Act. These policies supplement the Act. In the National Electricity Policy Electricity is recognised as one of the critical infrastructures on which the socio-economic development of the country depends. Supply of electricity at a reasonable rate to rural India is essential for its overall development. Equally important is the availability of reliable and quality power at competitive rates to the Indian industry to make it globally competitive and enable it to explore the employment opportunities, thereby contributing to the sustainable economic growth of the State. These objectives can be achieved only when the stakeholders connected with this sector discharge their functions following the mandate of the Act. Apart from the Policies, while determining the tariff, the Commission is guided by the Regulations and the provisions of the Act particularly, those enumerated from Section 61 to 66 of the Act. Section 61 of the Act takes care of the consumer interest besides ensuring recovery of the cost of electricity. The State Regulator alone is not supposed to be responsible for ensuring the socio-economic development of the State. It is only possible by the collective output of the efforts of the players while discharging their respective functions, enshrined in the Act. This is what the National Electricity Policy talks of. For achieving this goal, different provisions of the Act must be read harmoniously and not in isolation. The Commission determines the tariff strictly as per Section 61 to 66 of the Act without

exception to ensure that the cost of the electricity is recovered from the beneficiary for the financial viability of the sector.

90. Para 7.2(2) of the Tariff Policy states that it is desirable to move to a system of loss compensation based on incremental losses. The deficiencies in transmission capacities are to be overcome through network expansion. Necessary studies are to be conducted to establish the allowable level of system loss for the network configuration and the consequential capital expenditure required to augment the transmission system and reduce system losses. Since additional power flow beyond certain level of line loading leads to significantly higher losses, CTU/STU should ensure the upgradation of transmission systems to avoid situations of overloading.
91. Para 7.3(1) of the Tariff Policy states that financial incentives and disincentives should be implemented for the CTU and the STU around the Key Performance Indicators (KPI) for these organizations. Such KPIs would include efficient Network Construction, System Availability and Loss Reduction. All the available information, particularly the information on available transmission capacity and load flow studies, should be shared with intending users by the CTU/STU and the load dispatch centres.
92. It is observed that during FY 2024-25, the daily peak demand touched 6928 MW on dt.19.06.2024 and the minimum demand was 4241 MW on dt.08.12.2024. The peak demand in 2024-25 is about 496 MW more than the peak demand experienced during the previous year 2023-24 (6432 MW). The total energy drawal for the State Consumption is about 36811.28 MU in FY 2024-25 against 36556.82 MU in 2023-24, which indicates an increase in electricity consumption of around 254.46 MU in the State. The Maximum energy (3693 MU) and Minimum energy (2393 MU) requirements occurred in the months of May and December 2024, respectively.

Computation of Transmission Loss for FY 2026-27

93. The transmission system of OPTCL operates as an integral part of the Eastern Regional Grid to serve the internal demand of the State, besides facilitating import and export of power depending upon the system demand, under the overall supervision of the Eastern Regional Load Dispatch Centre (ERLDC) in accordance with the Grid Code. The transmission loss has therefore been determined based on the principle of “as the system operates.”
94. OPTCL has submitted that transmission loss is purely a technical loss, which depends on factors such as voltage level of transmission, real-time power injection from generating stations, system configuration, load flow requirements at different load centres, distance

between generation and load centres, reactive power compensation, voltage profile and seasonal variation in demand. According to OPTCL, such losses are inherent in the transmission system, and the scope for reduction is limited.

95. OPTCL has further submitted that, in the interest of public service, grid substations and transmission lines have been constructed in remote and underdeveloped areas of the State with financial support from the Central and State Governments. Expansion of the EHT transmission network, addition of substations and operation of certain transmission elements under underloaded conditions in such areas have also contributed to higher transmission losses. The under-loading of EHT lines and substations in remote areas also leads to over-voltage conditions in the system.
96. OPTCL has further submitted that the actual transmission loss in its system for FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25 and FY 2025-26 (first six months) was 3.28%, 3.25%, 3.22%, 3.18%, 3.15%, 3.11%, 3.09% and 3.07% respectively, as against the Commission's approved level of 3.00%.
97. The approved and actual transmission loss for the year 2014-15 to 2025-26 is furnished in Table-11 below:

Table-11

Year	OERC Approval (%)	Actual (%)
2014-15	3.75%	3.73%
2015-16	3.75%	3.67%
2016-17	3.70%	3.58%
2017-18	3.50%	3.34%
2018-19	3.00%	3.28%
2019-20	3.00%	3.25%
2020-21	3.00%	3.22%
2021-22	3.00%	3.18%
2022-23	3.00%	3.15%
2023-24	3.00%	3.11%
2024-25	3.00%	3.09%
2025-26	3.00%	3.07% (1 st six months)

98. OPTCL has further submitted that additional EHT lines and substations are being constructed in remote and underdeveloped areas under various Central and State Government schemes. The increase in the length of EHT lines and operation of substations under underloaded conditions in such areas contributes to higher transmission losses and charges.
99. OPTCL has also submitted that at the all-India level, transmission losses across different regions have remained above 3.12% and therefore, its transmission loss level of around

3.07% is comparable with the national average. The transmission loss levels of different regions for FY 2023-24 are shown in Table-12 below:

Table-12
Transmission Loss of Different Regions for FY 2023-24

Region	Transmission loss
Northern Region	3.15%
Western Region	3.12%
Southern Region	3.46%
Eastern Region	4.24%
North Eastern Region	3.89%

100. OPTCL has further submitted that various system operation and loss reduction measures have been undertaken, including system automation, load bifurcation, modification of system configuration, procurement of energy-efficient equipment, digitalisation of substations using Substation Automation System (SAS), strengthening of protection systems using busbar protection and event loggers, implementation of Advanced Metering Infrastructure (AMI), conversion of radial systems into ring systems, construction of higher voltage substations (220 kV and 400 kV), replacement of old conductors and conversion of overloaded lines to HTLS conductors. In view of the above initiatives and the trend in transmission loss levels, OPTCL has proposed 3.05% transmission loss for FY 2026-27
101. The Commission observes that OPTCL has not achieved the loss level approved by the Commission (3.00%) during FY 2018-19 to FY 2024-25. OPTCL has attributed the higher loss levels to the expansion of the transmission network and system strengthening works in remote and underdeveloped areas of the State. The Commission further notes that transmission loss levels approved by several State Electricity Regulatory Commissions for other State Transmission Utilities, such as Andhra Pradesh, Bihar, Karnataka and Telangana are lower than 3%.

Table-13

Sl. No.	STUs	Transmission Loss FY 2024-25 (%)
1	PTCUL (Uttarakhand)	1.10
2	HVPNL (Haryana)	1.87
3	PSTCL (Punjab)	2.23
4	JUSNL (Jharkhand)	2.23
5	TGTRANSCO (Telangana)	2.48
6	TSECL (Tripura)	2.50
7	APTRANSCO (Andhra Pradesh)	2.75
8	KPTCL (Karnataka)	2.66
9	BSPTCL (Bihar)	3.00

102. Reduction of transmission loss is a key responsibility of the transmission licensee, and OPTCL is expected to make sustained efforts to reduce the loss level in a time-bound manner. However, considering OPTCL's historical performance, the investments made in transmission network strengthening, adoption of automation and energy-efficient technologies, and the submissions of both the objectors and OPTCL, the Commission considers it appropriate to retain the transmission loss level at **3.00%** for FY 2026-27, which is the same as the level approved for the previous year.

Energy audit of the transmission system:

103. The Commission has repeatedly directed OPTCL to carry out an energy audit of the transmission system to identify areas with higher transmission losses, assess losses in various transmission elements of Grid Sub-stations and transmission lines, and plan appropriate remedial measures for further reduction of transmission loss. However, the Commission notes that no concrete steps have yet been taken by OPTCL in this regard. Therefore, the Commission directs OPTCL to submit a detailed report by **30.06.2026** indicating the steps taken for conducting the energy audit of the transmission system.
104. Further, OPTCL shall carry out the energy audit of the transmission system to identify areas with higher transmission losses and assess losses in various transmission elements of Grid Sub-stations and transmission lines at different voltage levels (132 kV, 220 kV and 400 kV) and submit the report to the Commission on or before **31.09.2026**.

Execution of Transmission Projects

105. OPTCL being the STU is mandated to ensure the development of an efficient, coordinated and economical transmission network for the smooth flow of power from generating stations to load centres, including remote tribal and other underdeveloped areas. The transmission system connects the generation source with the distribution system and plays an important role in extending 24/7 quality power to consumers.
106. Transmission planning is an ongoing process of assessing the electric system and its ability to deliver electricity reliably and efficiently to customers and recommending system reinforcements to meet future load demand. As per Section 39(2) of the Act, Intra-State Transmission System should be developed in a coordinated manner in consultation with CTU, State Government, Generating Companies, Regional Power Committees, CEA, Licensees etc. The Inter-State Transmission System (ISTS) is developed by CTU in consultation with CEA, STUs and other stakeholders, but Intra-state transmission development is the responsibility of the State Transmission Utility (STU). As per tariff policy, necessary studies are to be conducted to augment the

transmission system and to reduce transmission system loss. Planning of transmission network (at least considering network up to 132/33 kV transformers) is essential and needs to be based on load flow study for at least five (5) years' time frame, considering the projected load growth, generation addition, and operation feedback of SLDC. The Resource Adequacy Planning framework mandates the planning of generation resources on a long-term basis for a period of 10 years. Accordingly, transmission system planning needs to match with Generation Adequacy Planning to strengthen the transmission network for the smooth flow of power from generating stations to load centres. The long-term transmission plan may also be reviewed in consultation with CEA and CTU to incorporate the national perspective and ensure optimal utilisation of transmission assets.

107. The summary of the study report for the time frame shall bring out:
- a) List of existing lines getting overloaded at 132 kV, 220 kV & 400 kV level
 - b) List of existing sub-stations with overloaded transformers
 - c) Requirement of additional lines & sub-stations
 - d) Requirement of compensation to address over-voltage problem
 - e) Technical loss etc.
108. The revised 14th inter-state transmission system plan (FY 2022-23 to FY 2026-27) submitted by OPTCL has been in principle approved based on the load projections of DISCOMs, upcoming industrial/urban growth, large-scale integration of RE and the proposed green hydrogen project in Paradeep & Gopalpur area and expected generation addition during that time frame as per the system study report. OPTCL should plan the expansion of the transmission network based on system study for a longer time frame (not less than 10 years) considering integration of large-scale RE (Solar/ wind/PSP) generation, expected future load growth and taking into account the operation feedback of SLDC to avoid under-utilization of transmission assets (transmission lines and substations) to minimize system losses, overall transmission cost and ultimately reducing tariff burden on consumers.
109. The Commission believes that a robust and reliable transmission network is essential for the overall development of the power sector in the state, aiding in last-mile connectivity and achieving the ultimate objective of 24x7 quality power to all. Furthermore, with the push from the Government of India and the State Government's Renewable Policy 2022 for large-scale integration of renewable energy, a strong transmission infrastructure is imperative to facilitate the evacuation of such renewable power. The Commission opined that OPTCL, as the STU, is responsible for the integrated, planned, and coordinated development of the State's transmission network. Considering the various load scenarios

that impact loss levels and consequently sales, OPTCL is directed to approach the Commission with a Detailed Project Report (DPR) alongside a long-term transmission system study report (taking into account various generation and load scenarios during peak and off-peak periods) in accordance with the Licence Conditions, Tariff Regulations, and Transmission Planning Criteria-2023 of the CEA, as well as a cost-benefit analysis, before proceeding with any capital investments.

110. The Commission observes that currently there are 28 Nos of projects that have not been completed as per the scheduled date of completion and are being substantially delayed. The details are given below:

Table -14
Status of Ongoing Projects

Sl. No.	Name of the Project	Scheduled date of completion	% of Progress	Time Overrun (Months)
1	132kV D/C line from Boudh to Phulbani with associated bay extension work at both ends.	03/2018	85%	95
2	2x20MVA, 220/33kV S/S at Baliguda and 220kV Kesinga-Baliguda D/C line & 220kV bay extn. at Kesinga	06/2017	S/S-95% Line-65%	104
3	2x20 MVA, 220/33kV S/S at Dasapalla and associated LILO line (JICA)	01/2020	S/S-90% Line-90%	73
4	2x160MVA + 1x20MVA, 220/132/33kV S/S at Kiakata and associated 220kV & 132kV lines (JICA)	01/2020	S/S-95% Line-132kV: 95% 220kV: 70%	73
5	132kV D/C line from Parlakhemundi to R.Udayagiri.	03/2020	75%	71
6	Diversion of 400kV & 220kV lines with 220kV LILO arrangement for connectivity with 400/220kV GIS at Meramundali-B.	03/2020	90%	71
7	2X160MVA 220/132kV & 2X63MVA 132/33kV, 220/132/33 kV GIS at Balianta (Benupur) , BBSR and associated line	09/2020	S/S-95% Line:90%	65
8	2X63MVA, 132/33kV GIS at Satyanagar , BBSR (SCRIPS)	02/2021	Satyanagar S/S-95%	60
9	2X63MVA, 132/33kV GIS at Badagada , BBSR (SCRIPS)	02/2021	Badagada S/S-15% UG-80%	
10	220kV LILO line of one circuit of existing 220kV TTPS-JODA D/C Line (Circuit-II) at 220/33kV GIS Substation, Keonjhar	02/2021	75%	60

Sl. No.	Name of the Project	Scheduled date of completion	% of Progress	Time Overrun (Months)
11	132kV D/C line from 220/132/33kV S/S Baner (Jaipatna) to 132/33kV S/S at Junagarh along with associated bay extension work at Jaipatna & Junagarh S/S.	08/2021	50% (Short closure under process)	54
12	Pkg-I: GSS 2x500MVA, 400/220/33kV GIS at Ersama, Paradeep. Pkg-II: Associated lines Pkg-III: Associated lines	Pkg I : 12/2022	80%	38
		Pkg II : 12/2023	50% (RS Infra)	26
		Pkg III: 12/2023	70% (Transrail)	26
13	2x20MVA, 132/33kV Grid S/S at Tarbha with associated 132kV line.	06/2023	S/S: 75% Line: 60%	32
14	2x20MVA, 132/33kV Grid S/S at Athamalik with associated 132kV line.	10/2024	S/S: 95% Line: 100%	16
15	2x20MVA, 132/33kV Grid S/S at Jharbandh with associated 132kV line.	11/2024	S/S: 70% Line: 85%	15
16	132 kV LILO of one circuit of Budhipadar to Sundergarh line at 220/132/33 kV S/S, Bamra	11/2024	70%	15
17	132 kV S/C line from Patnagarh S/S to Kantabhanji S/S	11/2024	45%	15
18	132 kV S/C line from Padampur S/S to Ghens S/S	11/2024	85%	15
19	132kV D/C line between existing 220/132/33 kV S/S at Turumunga and 132/33kV S/S at Dhenkikote	02/2025	20%	12
20	2X160 MVA, 2X40 MVA 220/132/33 kV GSS at Chhendipada and associated line	08/2025	S/S-10% T/L-5%	6
21	2X40 MVA 220/33 kV GSS at Parjang and associated line	08/2025	S/S-50% T/L-50%	6
22	2x40MVA, 220/33kV GSS at Hatabasta and associated line	09/2025	S/S-40% T/L-0%	5
23	2x40MVA, 220/33kV GSS at Madanpur Rampur and associated line	02/2026	S/S-50% T/L-60%	1
24	2x20 MVA, 132/33kV GSS at Raighar with line	09/2025	S/S-45% T/L-5%	5
25	2x20 MVA, 132/33kV GSS at Bijepur with line	08/2025	S/S-50% T/L-80%	6
26	2x63 MVA, 132/33kV GIS at SCB Medical and associated line	05/2024	90%	21
27	132kV Narendrapur-Berhampur SC UG cable	01/2026	50%	1
28	132kV Samangara-Puri SC UG cable	03/2025	50%	11

111. OPTCL must take steps for faster and timely execution of the transmission projects, already approved by the Commission, with optimization of cost and to avoid cost & time overrun and ultimate tariff burden to the consumers. OPTCL should give more emphasis on Project management and monitoring which is one of the most important aspects of project execution on schedule with control on cost overrun. The project management should start from the beginning of the project concept, provided with a detailed Master Network incorporating all the activities involved and the time for completion of each activity. Project monitoring (financial as well as physical progress) is to be regularly carried out by a dedicated cell of OPTCL, through review meetings. The status reports are to be placed before the management. In the review meetings, OPTCL should identify various bottlenecks or constraints that hinder the execution of transmission projects. These issues should be resolved at the earliest to avoid delay in the completion of the projects. Delay in execution of the projects leads to cost and time overruns, which cause an unnecessary burden on the consumers of the State. Therefore, the Commission directs OPTCL to submit the cost overrun due to the delay in the execution of projects, including the projects listed above. The time and cost overrun are inefficiencies in the Project management & Monitoring and control of the expenditure of OPTCL which must be curbed. OPTCL shall ensure that no unauthorised construction comes up below the EHV transmission lines to avoid accidental hazard.

System Interruptions due to Major Incident and Voltage Profile:

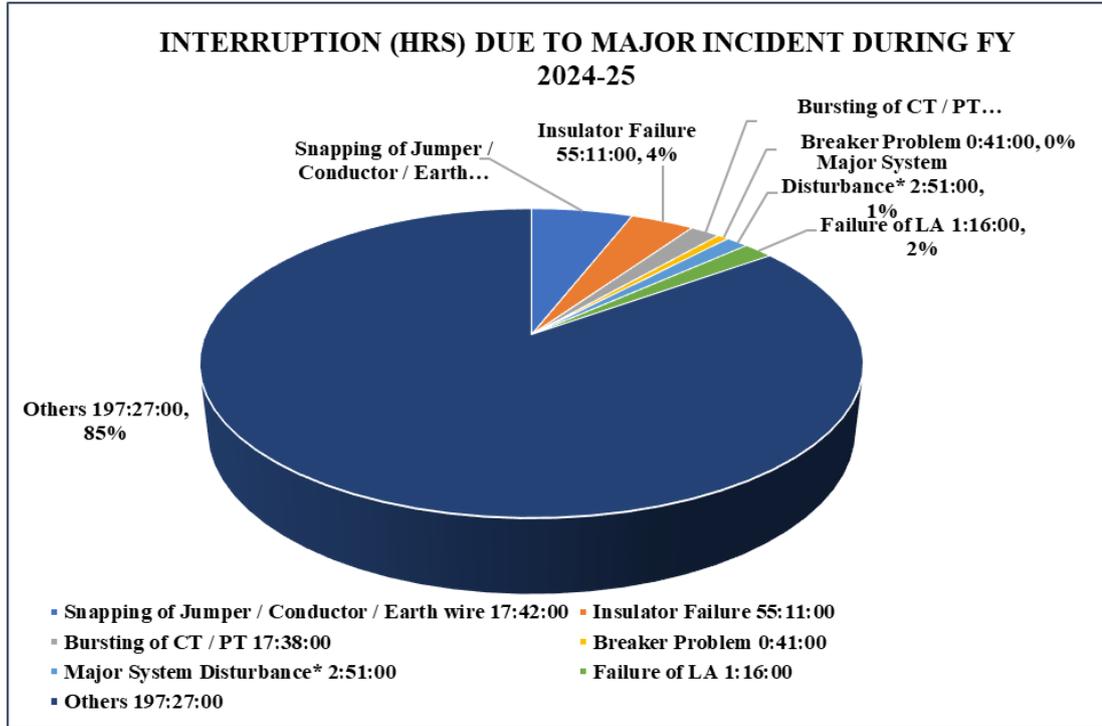
112. OPTCL’s system has experienced 292.46 Hours of power interruption during FY 2024-25 due to failure/ outage of various transmission system elements, i.e., on account of conductor/jumper/earth wire snapping, insulator failure, bursting of Current Transformer/Potential Transformer, failure of Lightning Arrester and other major system disturbances (large command area affected due to outage of transmission lines and generators). However, OPTCL has claimed that it has arranged to maintain the power supply (without resorting to total power failure due to the non-availability of transmission capacity) of other nearby transmission facilities. Further, OPTCL claims that there was no blackout experienced in the State during FY 2024-25. The duration of interruption in the year is given in Table-15 below:

**Table-15
Interruption due to Major Incident**

Incident	Duration of Interruption	No. of Interruption	Percentage
Snapping of Jumper / Conductor / Earth wire	17:42:00	27	5.45%
Insulator Failure	55:11:00	17	7.68%

Bursting of CT / PT	17:38:00	8	5.05%
Breaker Problem	0:41:00	3	0.40%
Major System Disturbance*	2:51:00	6	1.21%
Failure of LA	1:16:00	8	4.65%
Others	197:27:00	390	66.87%
Total	292:46:00	495	100.00%

The duration of interruption indicated above is the sum total of interruptions that occurred in different areas(S/s) during the year. However, there was no total blackout experienced for the State during the year 2024-25.



113. The EHT voltage, as per Regulations 3(1)(b) of Central Electricity Authority (Grid Standards) Regulations, 2010, should be in the range of 122-145 kV at 132 kV level, 198-245 kV at 220 kV level and 380-420 kV at 400 kV level. As reported, at the 132 kV level, OPTCL had experienced lower voltage (111.24 kV to 120.03 kV) beyond the permissible limit at 10 Nos. Grid Substations. The voltage profile at the 220 kV level was quite satisfactory except at the Bargarh Grid Substation, where the voltage (194.97 kV) had marginally gone below the permissible limits. Further, at the 400kV level, OPTCL had experienced lower voltage beyond the permissible limit at Mendhasal GSS (372.73 kV) & Meramundali GSS (379.20 kV). Therefore, the OLTC of the power transformers should be in healthy condition and should be operated in auto mode to maintain the voltage within the permissible limits, in addition to other measures, including reactive compensation. Further, the reactive load of DISCOMs is to be monitored regularly and OPTCL shall take up the matter with DISCOMs for providing adequate compensation in the distribution system, as remedial measures and required system studies may also be carried out to advise DISCOMs to resolve such issues.

Truing up of OPTCL for the FY 2024-25

114. OPTCL has proposed its truing-up application for FY 2024-25 in compliance with Regulation 7.1 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, along with the present ARR & Transmission Tariff application for FY 2026-27. The analysis of expenditure and income under various heads proposed in the truing-up application of OPTCL is discussed in the following paragraphs.
115. OPTCL has submitted that the income and expenditure relating to SLDC have been segregated as a part of true-up from the consolidated account of OPTCL and consequential surplus of **Rs.0.26 Cr.** of SLDC has been transferred to the SLDC Development Fund as per provisions stipulated in the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010. The details are shown in the Table below:

Table – 16
OPTCL & SLDC Income & Expenditure Breakup for FY 2024-25
(Rs. in Crore)

Sl No	Particulars	Actual as per Audited Accounts		
		Consolidated OPTCL Account	SLDC	Transmission
1	2	3	4	5=3-4
A	Expenditure			
1	Employee Cost	483.49	9.95	473.54
2	R & M Cost	149.79	0.78	149.01
3	A & G Cost	46.20	1.57	44.63
4	Depreciation	409.74	0.83	408.91
5	Interest on Loan Capital	131.38	-	131.38
6	Rebate	16.09	0.16	15.93
7	Provisions for Tax & Other	(75.79)	-	(75.79)
8	Total Expenditure (1+2+.... +7))	1,160.90	13.29	1,147.61
B	Income			
9	Revenue from Operations	909.20	13.10	896.10
10	Other Income	489.40	0.45	488.95
11	Total Income (9+10)	1,398.60	13.55	1,385.05
C	Gap - Surplus/(Deficit) (11-8)	237.70	0.26	237.44

Employees' Cost including Terminal Benefits:

116. OPTCL has submitted that the Commission had approved Rs.488.63 Cr. towards Net Employee Cost including Terminal Benefits liabilities of Rs.193.49 Cr. in the ARR & Tariff Order for FY 2024-25. However, as per its audited accounts of FY 2024-25, the actual net employee cost is Rs.479.45 Cr., including Terminal Benefits liabilities of Rs.194.00 Cr. Regulation 8.9 of the OERC Transmission Tariff Regulations, 2014 states as follows:

“Terminal Liabilities would be provided based on a periodic actuarial valuation to be made by the Commission in line with the prevailing Indian accounting standards”.

As per IND AS-19 issued by MCA, employee benefit liabilities shall be assessed through actuarial valuation. Based on the report of Independent Actuary Dr. R. Kannan, Consulting Actuary, Kolkata, OPTCL has booked Rs.169.07 Cr. towards terminal liabilities in the statement of P&L A/c for FY 2024-25 as against the Commission’s approval of Rs.168.03Cr. Besides, the actual employer’s contribution towards NPS and NP categories is Rs.24.93 Cr. booked for FY 2024-25. Excluding the SLDC portion of Rs.0.48 Cr., its actual employer’s contribution in the NPS and NP categories is Rs.24.45 Cr. against the approved amount of Rs.25.46 Cr. Accordingly, OPTCL has proposed the Commission to consider Rs.193.52 Cr. (Rs.169.07 Cr.+ Rs.24.45 Cr.) towards terminal liabilities for OPTCL in the truing-up order for FY 2024-25.

117. OPTCL has submitted that in the employees' cost, the Commission had approved Rs.3.30 Cr. towards outsourced engagement cost. However, as per the audited account, the actual outsource engagement cost is Rs.4.04 Cr. and has been booked under A&G Expenses instead of Employee costs. Since the actual outsource engagement cost is a component of employees cost, OPTCL has proposed and requested to consider the outsource engagement cost of Rs.4.04 Cr. under employees cost in the truing-up order in line with the Commission’s approval.
118. OPTCL has submitted that as per its audited accounts, the SLDC portion of Employee Cost is Rs.10.10 Cr. for FY 2024-25. Excluding the employees' cost of SLDC and considering the outsourced employees' cost of Rs.4.04Cr., OPTCL has requested the Commission to consider Rs.473.39 Cr. (Rs.479.45 Cr. + Rs.4.04 Cr. – Rs.10.10 Cr.) for truing-up of net employees cost for FY 2024-25.
119. Based on the audited accounts of FY 2024-25, the Commission has analysed the proposals and submissions made by the OPTCL regarding the employee cost. In the ARR & tariff Orders of FY 2024-25, the Commission had provisionally allowed Terminal benefits liabilities to meet the statutory obligations. Subsequently, the actual terminal benefit liabilities are trued up based on the respective year-audited accounts of OPTCL. Further, up to the end of FY 2023-24, the Commission had approved total terminal benefits liabilities of Rs.3340.36 Cr. in the truing-up orders and Rs.168.03 Cr was approved in the ARR & Tariff Order for FY 2024-25. The details are shown in Table-17 below:

Table –17
Approved Terminal Benefit

(Rs. in Crore)

Financial Year	Amounts
up to 31.03.2008	571.02
2008-09	51.34
2009-10	76.94
2010-11	140.20
2011-12	171.03
2012-13	146.19
2013-14	83.69
2014-15	195.63
2015-16	138.26
2016-17	188.04
2017-18	623.84
2018-19	168.17
2019-20	163.35
2020-21	153.59
2021-22	99.88
2022-23	201.16
2023-24	168.03
Total up to 31.03.2024	3340.36
Approved in the ARR & Tariff Order for the FY 2024-25	168.03
Total up to 31.03.2025	3508.39

120. Further, by scrutinising the audited accounts of Terminal Benefits Trust Fund for FY 2024-25, the Commission observes that as per the actuarial valuation up to 31.03.2025, the total Corpus requirement is Rs.3450.01 Cr. and the corpus investment value is also Rs.3450.01 Cr. Therefore, there is no gap between actuarial valuation and investment made by the Trust up to FY 2024-25. The details of the Trust account are shown in Table-18 below:

Table -18
Terminal Benefits Trust Fund Accounts as on 31.03.2025

(Rs. In Crore)

Trust	Corpus Requirement up to 31.03.2025	Actual Investment up to 31.03.2025	Gap in Investment as on 31.03.2025	Trust Deficit of FY 2024-25		
				Expenditure	Income	Surplus/ (Deficit)
1	2	3	4=2-3	5	6	7 = 6-5
Pension	3,159.14	3,149.07	10.07	254.69	229.83	(24.86)
Gratuity	122.07	122.83	(0.76)	16.72	9.63	(7.09)
Leave	168.80	178.11	(9.32)	16.04	12.08	(3.97)
Total	3450.01	3450.01	0.00	287.46	251.54	(35.92)

121. After analysing the above facts and figures in the audited trust accounts position and audited accounts of OPTCL for FY 2024-25, the Commission has considered to allow Rs.193.52 Cr. (Rs.169.07 Cr. towards terminal benefit liabilities for Pension, Gratuity &

Leave salary and Rs.24.45 Cr. towards actual employer's Contribution towards NPS and NP) for truing-up terminal benefits under employees cost for FY 2024-25. The details of terminal benefits proposed by OPTCL and approved by the Commission are mentioned in Table-19 below:

Table –19
Terminal benefit approved by the Commission and actually proposed by OPTCL for Truing-up of FY 2024-25

(Rs. in Crore)

Particulars	Approved by OERC in ARR Order	Based on the audited accounts, the actual proposed by OPTCL for Truing-up	Truing-up approved by OERC
Terminal benefit liabilities towards Pension, Gratuity & Leave Salary	168.03	169.07	169.07
Employer's Contributions to NPS & NP category	25.46	24.45	24.45
Total	193.49	193.52	193.52

122. The Commission has scrutinized other components of employee costs as per the audited accounts for FY 2024-25 in line with its approval in the ARR and tariff order of FY 2024-25. The Commission has also considered the proposal of OPTCL towards additional employee cost on account of outsourced engagement of Rs.3.30 Cr. (limited to the amount allowed in the ARR and tariff order of FY 2024-25), which has been booked under the head of other A&G expenses as per the audited account. Accordingly, the Commission now approves **Rs.471.62 Cr.** towards the employee cost of OPTCL for truing up purposes as against the earlier approval of Rs.488.63 Cr. in the ARR & tariff Order for FY 2024-25. The details are shown in Table-20 below:

Table - 20
Employees' Cost Approved for Truing-up for FY 2024-25

(Rs. in Crore)

Sl No	Particulars	Approved in ARR	Actual As per Audited Accounts	SLDC Portion	Transmission Portion	Proposed for Truing-up	Approved in Truing Up
1	2	3	4	5	6=4-5	7	8
A	Salary & Allowance						
1	Basic Pay and Grade Pay	160.57	156.98	5.17	151.81	151.81	151.81
2	Dearness Allowance	88.31	82.47	2.68	79.79	79.79	79.79
3	House Rent Allowance	25.69	26.00	0.76	25.24	25.24	25.24
4	Medical Allowances (allowance+ Reimbursement)	8.03	7.91	0.26	7.65	7.65	7.65
5	Conveyance Expenses (allowance+ Reimbursement)	3.35	4.22	0.09	4.13	4.13	4.13
6	Other Allowance	1.59	1.71	0.08	1.63	1.63	1.63
7	Bonus	0.02	0.18	-	0.18	0.18	0.18
8	Stipend for New Recruitment	2.98	8.09	-	8.09	8.09	8.09
9	Stipend to Apprentice	3.95	1.46	-	1.46	1.46	1.46

10	Sub-total of A (1 to 9)	294.49	289.02	9.04	279.98	279.98	279.98
B	Additional Employee Cost						
11	Out Sources Engagement*	3.30	4.04	0.27	3.77	3.77	3.30
12	Sub-total of B	3.30	4.04	0.27	3.77	3.77	3.30
C	Other Employee Cost						
13	Leave Travel Concession	0.50	0.17	0.02	0.15	0.15	0.15
14	Honorarium	0.15	0.10	-	0.10	0.10	0.10
15	Ex-gratia	5.00	6.57	0.12	6.45	6.45	5.00
16	Staff Welfare Expenses	7.00	4.50	0.02	4.48	4.48	4.48
17	Other Employee Cost	-	0.03	-	0.03	0.03	0.03
18	Capacity Building Charges	1.10	1.46	-	1.46	1.31	1.46
19	Sub-total of C (13 to 18)	13.75	12.83	0.16	12.67	12.52	11.22
D	Terminal Benefits						
20	Pension	146.98	135.95	-	135.95	135.95	135.95
21	Gratuity	12.57	13.21	-	13.21	13.21	13.21
22	Leave Salary	8.48	19.91	-	19.91	19.91	19.91
23	Other (including contribution to NPS)	25.46	24.93	0.48	24.45	24.45	24.45
24	Sub-total of D (20 to 23)	193.49	194.00	0.48	193.52	193.52	193.52
E	Total Employees Cost (A+B+C+D)	505.03	499.89	9.95	489.94	489.79	488.02
F	Less: Employees Cost Capitalised	16.40	16.40	-	16.40	16.40	16.40
G	Net Employee Cost (E- F)	488.63	483.49	9.95	473.54	473.39	471.62

*Booked under A&G Expenses as per Audited Accounts

Repair & Maintenance (R&M) Expenses:

123. OPTCL has submitted that the Commission had allowed Rs.135.00 Cr. towards R&M Expenses in the ARR &Transmission Tariff Order for FY 2024-25. As per the audited accounts, the R&M Expenditure is Rs.149.79 Cr. for FY 2024-25. Accordingly, it has requested the Commission to consider Rs.149.01 Cr. (excluding Rs.0.78 Cr. towards SLDC function) for truing-up of R&M expenses for FY 204-25.

The Commission has scrutinised the proposal of OPTCL and observed that as per the audited accounts of OPTCL, Rs.149.79 Cr has been booked under R&M expenses for FY 2024-25. Accordingly, as proposed by OPTCL, the Commission approves Rs.149.01 Cr. (excluding R&M Expenses of Rs.0.78 Cr towards SLDC function) for truing up of R&M expenses for FY 2024-25 against the earlier approval of Rs.135.00 Cr in the ARR & tariff Order of FY 2024-25, the details are shown in Table-21 below:

Table -21
Actual R&M Cost as per the audited accounts for FY 2024-25
(Rs. in Crore)

Sl. No.	Particulars	Actual as per Audited Accounts	SLDC Portion	Transmission Portion	Proposed for Truing-up	Approved in Truing Up
1	2	4	5	6=4-5	7	8
1	Building	12.43	-	12.43	12.43	12.43
2	Plant and machinery	84.16	-	84.16	84.16	84.16

3	Lines cables and network assets	35.32	-	35.32	35.32	35.32
4	Electrical installations	10.22	0.14	10.08	10.08	10.08
5	Vehicle	0.06	0.02	0.04	0.04	0.04
6	Furniture and fixtures	0.01	0.01	-	-	-
7	Office equipment	7.59	0.61	6.98	6.98	6.98
	Total	149.79	0.78	149.01	149.01	149.01

Administration & General (A&G) Expenses:

124. OPTCL has submitted that the Commission had allowed Rs.37.05 Cr. under A&G expenses, which includes Rs.32.97 Cr. towards normal A&G expenses, Rs.2.50 Cr. towards Licensee Fees to the OERC, Rs.0.30 Cr. towards ERPC Charges and Rs.1.28 Cr. towards SLDC Charges. It is submitted that the Commission had allowed above A&G expenses by considering the Wholesale Price Index (WPI) rate @0.73% of December 2023, whereas the actual yearly WPI of all commodities is @ 3.5% for FY 2024-25. Further, considering the base A&G expenses of FY 2023-24 (Rs.37.70 Cr.), which was considered by the Commission in the ARR & Tariff Order for FY 2025-26 and above yearly WPI index (@3.50%), it has estimated that, the revised A&G expenses would be Rs.44.28 Cr. for FY 2024-25 instead of Rs.37.05 Cr.
125. OPTCL has submitted that as per the audited accounts for FY 2024-25, an amount of Rs.66.32 Cr. (excluding Rs.3.37 Cr capitalised) has been booked under A&G Expenses, which includes Rs.4.04 Cr. towards outsourced employees' cost, Rs.16.09 Cr. towards rebate to the consumers and the balance Rs.46.19 Cr. (Rs.66.32 Cr. - Rs.16.09 Cr. - Rs.4.04 Cr.) towards normal A&G Expenses. Further, it has been proposed to consider the outsourced employees' cost of Rs.4.04 Cr. under the head of employee cost & rebate to the consumers (Rs.16.09 Cr.) separately instead of A&G Expenses in line with the Commission's approval in the ARR & Tariff Order of FY 2024-25. Accordingly, it has been proposed to consider Rs.41.60 Cr. (Rs.46.19 Cr – Rs.3.16 Cr. - Rs.1.43 Cr.) excluding Rs.1.43 Cr. on account of SLDC function & Rs.3.16 Cr. towards Corporate Social Responsibility (CSR) expenses from the normal A & G expenses of Rs.46.19 Cr. for truing-up of A&G expenses as against Commission's approval of Rs.37.05 Cr. for FY 2024-25.
126. The Commission has scrutinised the above submission of OPTCL towards A&G expenses with the audited Accounts and observes that excluding Rs.3.37 Cr. toward capitalisation of A&G Expenses, Rs.4.04 Cr. towards outsourced employees' cost and Rs.16.09 Cr. towards rebate to the consumers, an amount of Rs.46.20 Cr. (Rs.69.70Cr.-

Rs.3.37 Cr.- Rs.4.04 Cr. -Rs.16.09 Cr.) has been booked under A&G Expenses for FY 2024-25. Further, the Commission observes that the actual A&G Expenses for SLDC function is Rs.1.57 Cr. instead of Rs.1.43 Cr., as proposed by OPTCL, Rs.2.99 Cr. booked towards provision & losses and Rs.3.16 Cr. booked towards Corporate Social Responsibility (CSR) expenses. Excluding these expenses from the A&G expenses, as per the audited account, the A&G Expenses of OPTCL is Rs. 38.48 Cr. (Rs.46.20 Cr. – Rs.2.99 Cr. - Rs.1.57 Cr. - Rs.3.16 Cr.) for FY 2024-25. Since the A&G expenses are controllable in nature, the Commission had always allowed the A&G expenses in the truing-up orders, limited to the amount approved in the respective ARR & Tariff Order. However, based on the WPI rate (i.e. 3.50%) proposed by OPTCL for FY 2024-25, the Commission verifies the same with the supporting document provided by OPTCL. The Commission observes that the actual WPI Rate has escalated @ 2.31% (3.50/151.40*100) during the FY 2024-25. Therefore, the Commission considers the actual WPI Rate @2.31% and allows the A&G expenses to that extent only. Accordingly, the Commission approves **Rs.37.57 Cr.** of A&G Expenses as against Rs.37.05 Cr. approved in the ARR & Tariff order for FY 2024-25, the details of which are shown in Table-22 below:

Table -22
Actual A&G Cost approved for FY 2024-25

Particulars	Approved in ARR	Approved for Truing Up
Normal A& G Expenses (FY 2023-24)	32.73	32.73
Escalation as per WPI @0.73% considered in ARR	0.24	-
Actual WPI of FY 2024-25 @2.31%	-	0.76
A& G Expenses for FY 2024-25	32.97	33.49
Add: licensee fees to Commission	2.50	2.50
Add: ERPC Charges	0.30	0.30
Add: SLDC charges	1.28	1.28
Total A&G Expenses	37.05	37.57

Depreciation:

127. OPTCL has submitted that the Commission had allowed an amount of Rs.275.67 Cr. towards depreciation in the Transmission Tariff Order for FY 2024-25. However, as per the audited accounts for FY 2024-25, the total depreciation and amortization expenses is shown at Rs.409.74 Cr., which is calculated on the straight-line method as per the rates as well as methodology notified under the Act. The details are shown in Table-23 below:

Table - 23
Depreciation as per Audited Accounts of OPTCL for FY 2024-25

(Rs. in Crore)

Sl. No	Description	Total	SLDC's portion	OPTCL's portion
1	Amortisation of leasehold assets	2.91	-	2.91
2	Depreciation on Buildings	7.67	-	7.67
3	Depreciation On Electrical Installation	0.85	0.02	0.83
4	Depreciation on Other civil works	4.45	0.00	4.45
5	Depreciation on Plant and Machinery	253.94	0.00	253.94
6	Depreciation on Lines, Cable Network etc.	125.59	0.00	125.58
7	Depreciation on Vehicles	0.11	0.00	0.11
8	Depreciation on Furniture and Fixtures	0.73	0.02	0.71
9	Depreciation on Office Equipment	12.90	0.78	12.12
10	Amortisation of Computer Software	0.59	0.00	0.59
	TOTAL	409.74	0.83	408.91

128. OPTCL has submitted that the depreciation needs to be calculated as per Regulation 8.38 & 8.34 of OERC Transmission Tariff Regulations, 2014. Accordingly, it is submitted that the depreciation on Transmission Activities is Rs.408.91 Cr., excluding Rs.0.83 Cr. towards SLDC portion. Further, it is submitted that, out of the above depreciation, Rs.139.03 Cr. is related to assets created on account of the grant, beneficiary and deposit works. Hence, the net depreciation on own assets of OPTCL is Rs.269.88 Cr. (Rs.408.91 Cr. - Rs.139.03Cr.) and accordingly OPTCL requests the Commission to allow Rs.269.88 Cr. towards depreciation in the truing-up for the FY 2024-25.
129. Based on the above submission of the OPTCL for truing-up of depreciation for FY 2024-25, the Commission has scrutinised the audited accounts for FY 2024-25 and observes that, during FY 2024-25, it has added total transmission assets of Rs.505.69 Cr., including assets created out of the grant, beneficiary & deposit works of Rs.215.57 Cr.. However, in the last truing-up Order for FY 2023-24 of OPTCL, the Commission had considered the total original book value of fixed assets of transmission systems as Rs.9552.99 Cr. (Rs.7671.90 Cr. at Deemed Cost) as on 31.03.2024. Considering the additional transmission assets of Rs.505.69 Cr. created during FY 2024-25, the total original book value of transmission fixed assets over the periods as per audited accounts of OPTCL as on 31.03.2025 is Rs.10,058.68 Cr. (Rs.8177.59 Cr. at Deemed Cost), which are shown in Table-24 below:

Table - 24
Book Value of Fixed Assets of Transmission Systems as on 31.03.2025
(Rs.in Crore)

Assets Added during Financial Year	At Original Book Value	At Deemed Cost (Ind AS)
Up to on 31.03.1999 <i>(As per GoO Transfer Scheme Notification dated 26-11-1998)</i>	1,178.93	
1999-00	111.79	
2000-01	115.48	
2001-02	83.75	
2002-03	132.17	
2003-04	69.45	
2004-05	71.72	
2005-06	158.91	
2006-07	144.23	
2007-08	206.10	
2008-09	142.72	
2009-10	188.49	
2010-11	189.80	
2011-12	135.58	
2012-13	219.48	
2013-14	180.05	
2014-15	142.62	
Sub-total up to 31.03.2015	3,471.27	1590.18
2015-16	768.81	768.81
2016-17	683.82	683.82
2017-18	447.00	447
2018-19	665.94	665.94
2019-20	535.73	535.73
2020-21	665.01	665.01
2021-22	1,035.62	1,035.62
2022-23	741.50	741.5
2023-24	538.29	538.29
Sub-total up to 31.03.2024	9,552.99	7,671.90
2024-25	505.69	505.69
Total up to 31.03.2025	10,058.68	8,177.59

130. In the last ARR & Tariff Order of OPTCL for FY 2025-26, after deducting Up-valued assets of Rs.512.71 Cr, fully depreciated assets of Rs.1904.63 Cr & assets created out of grant, beneficiary & deposit works of Rs.2116.13 Cr., the Commission had calculated OPTCL's own asset (including SLDC) value at Rs.5019.52 Cr. (Rs.9552.99 Cr. - Rs.512.71 Cr.- Rs.1904.63 Cr. -Rs.2116.13 Cr.) as on 31.03.2024 (Para 223, Table-43). Considering the above original book value of own assets of Rs.5019.52Cr. as on 01.04.2024, assets value of Rs.505.69 Cr. (including grant, beneficiary & deposit works assets of Rs.215.57 Cr.) added during FY 2024-25 and the book value of assets of Rs.284.13 Cr. which has fully depreciated during FY 2024-25, the Commission calculates the transmission assets of OPTCL (including SLDC) as Rs.5025.51 Cr.

(Rs.5019.52 Cr. + Rs.505.69 Cr. - Rs.215.57 Cr. - Rs.284.13 Cr.) as on 31.03.2025. Considering the above opening & closing assets of FY 2024-25 and the applicable rate of depreciation, the Commission calculates Rs.257.40 Cr. for truing-up of depreciation for the FY 2024-25. However, the Commission has approved of Rs.0.83 Cr. for the truing-up of depreciation of SLDC for FY 2024-25. Accordingly, the Commission approves **Rs.256.57 Cr.** (excluding Rs.0.83 Cr of SLDC) towards truing-up of depreciation of OPTCL for FY 2024-25. The details are shown in Table-25 below:

Table -25
Depreciation trued up on OPTCL Assets for FY 2024-25

(Rs. in Crore.)

Particulars	Depreciation Rate as per OERC Regulation (%)	Original Book Value of Own Fixed Assets as on 01-04-2024	Book Value of Fixed Assets added in FY 2024-25	Book Value of Grant, Beneficiary & Deposit works Fixed Assets Added during FY 2024-25	Book Value of Fixed Assets Fully depreciated during FY 2024-25	Book value of Own Fixed Assets as on 31.03.2025	Depreciation for FY 2024-25
1	2	3	4	5	6	7=3+4-5-6	8= (3+7)/2 X 2
Freehold Land	-	44.94	1.19	-	-	46.13	-
Leasehold Land	3.34	51.88	4.23	0.45	0.22	55.44	1.79
Building	3.34	194.49	7.96	2.35	2.22	197.88	6.55
Electrical Installation	5.28	8.19	0.29	-	0.07	8.41	0.44
P&M (Other Civil Works)	3.34	118.64	11.52	-	0.07	130.09	4.15
Plant & Machinery	5.28	3,399.31	320.43	133.51	218.27	3,367.97	178.66
P&M (Line, Cable & Network)	5.28	1,090.95	154.12	79.13	60.63	1,105.32	57.98
Vehicles	9.50	1.23	0.01	-	0.55	0.69	0.09
Furniture & Fixture	6.33	8.01	1.68	0.13	0.25	9.31	0.55
Office Equipment	6.33	94.92	2.83	-	1.86	95.89	6.04
Intangible Assets	15.00	6.96	1.43	-	-	8.39	1.15
Total		5,019.52	505.69	215.57	284.13	5,025.51	257.40
		Depreciation allowed to SLDC for Truing-up of FY 2024-25					0.83
		Depreciation allowed to OPTCL for Truing-up of FY 2024-25					256.57

Interest on Loan:

131. OPTCL has submitted that the Commission had allowed Rs.133.95 Cr. towards interest on the loan in the Transmission Tariff Order for FY 2024-25. As per the audited accounts of FY 2024-25, the net interest cost is Rs.131.38 Cr. after capitalisation of Rs.15.15 Cr.

Accordingly, OPTCL has requested the Commission to consider Rs.131.38Cr. towards the true-up of interest cost on loan for FY 2024-25.

132. The Commission has examined the audited books of accounts of OPTCL for FY 2024-25 and observed that the total interest on loan is Rs.146.53 Cr. and after capitalisation of Rs.15.15 Cr., the net interest on loan is Rs.131.38 Cr. (Rs.146.53 Cr. - Rs.15.15 Cr.). Accordingly, the Commission approves Rs.131.38 Cr. towards interest on the loan for FY 2024-25 as against the Rs.133.95 Cr. approved in the Transmission Tariff Order for FY 2024-25.

Rebate:

133. OPTCL has submitted that the Commission has allowed Rs.20.16 Cr. (including Rs.2.31 Cr. exemption under Odisha Renewable Energy Policy, 2022) under rebate in the Transmission Tariff Order for FY 2024-25. However, as per the audited accounts for FY 2024-25, the actual rebate is Rs.16.09 Cr. Excluding the SLDC portion of Rs.0.16 Cr, OPTCL has requested the Commission to consider Rs.15.93 Cr. towards truing-up of rebate for FY 2024-25. The Commission has examined the same with the audited Accounts of OPTCL of FY 2024-25 and accordingly approves Rs.15.93 Cr. of rebate for FY 2024-25 as against the Rs.20.16 Cr. approved in the ARR & Transmission Tariff Order for FY 2024-25.

Return on Equity (RoE):

134. OPTCL has submitted that, as per audited accounts, its total equity capital is Rs.2895.39 Cr as on 31.03.2025, which includes the opening equity capital of Rs.60.07 Cr. on account of demerger of GRIDCO into GRIDCO & OPTCL, Rs.647.00 Cr. on account of conversion of bond and interest thereon into equity capital and Rs.452.61 Cr. equity capital infused by the State Government during the FY 2024-25. Further, it is submitted that the Commission had approved RoE of Rs.162.14 Cr. @ 15.5% on the equity capital of Rs.1046.07 Cr. in the Transmission Tariff order for FY 2024-25 by excluding equity value of Rs.513.03 Cr, equity-funded projects (13Nos) which are still under CWIP by the end of FY 31.03.2024. However, out of said CWIP equity-funded projects, 6 projects worth Rs.91.72 Cr have been capitalised during FY 2024-25. Accordingly, it has requested the Commission to consider Rs.173.12 Cr. (Rs162.14 Cr. +Rs10.98 Cr. on capitalised amounts of Rs.91.72 Cr.) for truing-up of return on equity for FY 2024-25.
135. The Commission has examined the submissions & the audited accounts of OPTCL for FY 2024-25 and observed that total equity capital infused by the GoO is Rs.2835.32 Cr up to FY 2024-25. The details of which are shown in Table-26 below:

Table – 26
Details of equity capital infused by the State Govt. till FY 2023-24

(Rs. in Crore)

Sl. No.	Sanction Order No. and Date	Amount (Rs. Cr.)
1	R&R-I-01/2009-3560 dt.25.03.09	23.04
2	R&R-I-01/2009-2003 dt.24.02.09	0.01
3	R&R-I-01/2009-9464 dt.11.09.09	5.00
4	R&R-I-01/2009-4826 dt.01.06.10	20.00
5	R&R-I/73/2010-2438 dt.23.03.2011	51.95
6	R&R-6/12-685 dt.31.01.2012	1.00
7	R&R-6/12-690 dt.31.01.2012	39.00
8	R&R-6/12-695 dt.31.01.2012	3.00
9	R&R-6/12-629 dt.22.01.2013	25.76
10	R&R-6/12-634 dt.22.01.2013	16.60
11	R&R-6/12-624 dt.22.01.2013	7.64
12	R&R-6/12-5693 dt.18.07.2013	29.19
13	R&R-6/12-5698 dt.18.07.2013	11.97
14	R&R-6/12-5703 dt.18.07.2013	8.84
15	R&R-69/14-10445 dt.29.12.2014	10.50
16	R&R-69/14-10450 dt.29.12.2014	27.50
17	R&R-69/14-10455 dt.29.12.2014	12.00
18	R&R -54/2015/En-5458 dt. 23.06.15	20.00
19	R&R-69/14-6823 dt.06.08.2015	19.68
20	R&R-69/14-6818 dt.06.08.2015	17.22
21	R&R-69/14-6813 dt.06.08.2015	20.03
22	BT(P)-15/15-10291 dt.21.12.2015	0.07
23	R&R -54/2015/En-737 dt. 28.01.16	10.00
24	R&R -54/2015/En-4348 dt. 07.06.16	20.00
25	R&R-69/14-5364 dt.18.7.2016	10.00
26	R&R-69/14-5369 dt.18.7.2016	20.00
27	R&R-69/14-5374 dt.18.7.2016	20.00
28	R&R -54/2015/En-466 dt. 17.01.17	60.00
29	R&R -17/2017/En-2895 dt. 22.04.17	20.00
30	R&R -17/2017/En-10216 dt. 27.12.17	50.00
31	BT(P)-04/2018/En-1786 dt. 26.02.18	15.00
32	BT(P)-04/2018/En-1791 dt. 26.02.18	20.00
33	BT(P)-04/2018/En-1796 dt. 26.02.18	15.00
34	R&R -40/2018/En-3902 dt.28.04.2018	15.00
35	R&R -40/2018/En-4632 dt.24.05.2018	40.00
36	BT(P)-04/2018(pt)-10432/En dt. 19.12.2018	15.00
37	BT(P)-04/2018(pt)-10439/En dt. 19.12.2018	15.00
38	BT(P)-04/2018(pt)-10446/En dt. 19.12.2018	15.00
39	R&R-40/2019-5100/En TD.27.06.2019	3.67
40	R&R-40/2019-6530/En dtd.6.08.2019	11.03
41	S.O. No: 201915819273 dtd.27.02.2020	55.00
42	S.O. No: 202018025467 dtd.13.10.2020	50.00
43	S.O. No: 202019704714 dtd.23.03.2021	9.00
44	S.O. No: 202019752418 dtd.26.03.2021	5.29

Sl. No.	Sanction Order No. and Date	Amount (Rs. Cr.)
45	S.O. No: 202019747311 dtd.26.03.2021	647.00
46	S.O. No: 202121454297dtd.06.09.2021	50.00
47	S.O. No: 202122892459 dtd.18.12.2021	30.00
48	S.O. No: 202122892550 dtd.18.12.2021	30.00
49	S.O. No: 202124034526 dtd.03.03.2022	6.65
50	S.O. No: 202124047110 dtd.04.03.2022	55.00
51	S.O. No: 202124048923 dtd.04.03.2022	4.00
52	S.O. No: 202124049541 dtd.04.03.2022	140.00
53	S.O. No: 202227471951 Dated 18.11.2022	9.69
54	S.O. No: 202227471252 Dated 18.11.2022	22.83
55	S.O. No: 202227471090 Dated 18.11.2022	92.24
56	S.O. No: 202227471290 Dated 18.11.2022	10.00
57	S.O. No: 202227471194 Dated 18.11.2022	50.00
58	S.O. No: 202227470743 Dated 17.11.2022	26.58
59	S.O. No: 202227470711 Dated 17.11.2022	119.12
60	S.O. No.202331276395 Dated 14-09-2023	18.00
61	S.O.No.202331276355 Dated 14-09-2023	5.00
62	S.O.No.202331276284 Dated 14-09-2023	12.10
63	S.O.No.202331297833 Dated 26-09-2023	13.92
64	S.O.No.202333681995 Dated 23-02-2024	36.61
65	S.O.No.202334084744 Dated 12-03-2024	40.00
66	S.O. No.202334195334 Dated 20-03-2024	100.00
67	Sub-total up to FY 2023-24 (1 to 66)	2,382.71
68	S.O.No.202458578219 Dated 18-09-2024	13.92
69	S.O. No.202450314958 Dated 03-08-2024	70.00
70	S.O. No.202450386885 Dated 03-08-2024	70.00
71	S.O. No.202459219075 Dated 23-09-2024	50.00
72	S.O. No.202465741314 Dated 28-10-2024	70.00
73	S.O. No.202465764845 Dated 28-10-2024	70.00
74	S.O. No.202464565396 Dated 17-10-2024	20.00
75	S.O. No.202469507869 Dated 27-02-2025	8.70
76	S.O. No.202469589248 Dated 28-02-2025	80.00
77	Sub-total during FY 2024-25	452.62
78	Total up to FY 2024-25 (67+77)	2,835.32

136. OPTCL was asked to submit the detailed information about Capital Work-in-Progress (CWIP) as on 31.03.2025. Based on their submission, the Commission observes that out of the above equity capital received from the Government of Odisha, equity capital of Rs.1045.70 Cr. is still under CWIP by the end of FY 2024-25, details of which are shown in Table-27 below:

Table – 27
Equity infused by the State Government under CWIP as on 31.03.2025
(Rs. in Crore)

Sl. No.	Name of Project	Scheme	Equity received but under CWIP as on 31.03.2025 (Rs. Cr.)
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1	2X20MVA, 132kV Grid S/S Lamtaput with SAS and associated line.	SSP-30% GoO Equity	10.49
2	132kV DC line from 220/132/33kV S/S Baner (Jaipatna) to 132/33kV S/S at Junagarh	SSP-30% GoO Equity	10.94
3	2x20MVA, 220/33kV S/S at Baliguda and associated line	Rs. 300 Cr GoO Equity	37.43
4	2x20MVA, 132/33kV R.Udyagiri S/S and associated line	Rs. 300 Cr GoO Equity	16.79
5	220/132/33 KV GRID S/S, Kiakata	30% Equity Support for JICA	37.52
6	2x500MVA, 400/220/33kV GIS at Paradeep and associated line	30% GoO Equity	191.24
7	2X20MVA, 132/33KVGSS at Brundabahal with associated line	100% GoO Equity	29.18
8	132/33 KV S/S at Tarabha with associated 132kV LILO Line	100% GoO Equity	31.69
9	3 Nos of Projects under Scheme RRCP-II	RRCP-II-30% GoO Equity Support	23.89
10	5 Nos of Projects under LVMS Scheme	30% GoO Equity	77.83
11	8 Nos of AIS Project Under OTSSP Ph-I	100% GoO Equity	320.00
12	21 Nos of Project Under OTSSP Ph-II	30% GoO Equity	200.00
13	Green Energy Evacuation Trans. Corridor (GEETC) Scheme-2Nos of Projects	100% GoO Equity	26.50
14	Green Energy Evacuation Trans. Corridor (GEETC) Scheme-5Nos of Projects	30% GoO Equity	23.50
15	TTPS -440/220/33 kV GIS at Meramunduli B	30% GoO Equity	8.70
	Total		1,045.70

137. As per Regulations 8.28 & 8.29 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, return on equity shall be computed at the rate of @15.50% per annum (post-tax) on the equity base as determined by the Commission. Further, the Government of Odisha, specifically in its letter No.3333 dated 24.03.2021 and subsequently vide their letter No. 3941 dated 21.03.2025, had intimated the Commission that no return on equity shall be paid on the equity of Rs.647.00 Cr., which relates to the sanction of the Government towards the conversion of the bond to the equity. Excluding the aforesaid amount of Rs.1045.70 Cr. towards equity-funded projects under CWIP up to 31.03.2025 & Rs.647.00 Cr. from the total equity capital of Rs.2835.32 Cr. infused by the Government of Odisha, the Commission has considered the equity capital of Rs.1142.62 Cr. (i.e., Rs.2835.32 Cr. - Rs.1045.70 Cr.- Rs.647.00 Cr.) as on 31.03.2025. In the last truing-up order for FY 2023-24, the Commission had considered Rs.1078.41 Cr. equity capital as on 31.03.2024. Therefore, the Commission has evaluated the average equity capital of Rs.1110.52 Cr. {(Rs.1078.41 Cr. + Rs.1142.62 Cr.)/2} for calculation of RoE for FY 2024-25. The Commission further observes that the Bhundabahal project, worth Rs.58.12 Cr., has been executed through

100% equity support from the Government of Odisha and out of the same Rs.28.94 Cr. (Format-F2) has been capitalised by OPTCL. Further, as per Regulation 4.11(b) of said Regulations, in the event of the actual equity in excess of 30% of the fund deployed, the excess equity shall be treated as a normative loan. Therefore, the Commission has considered Rs.8.68 Cr. (30% of Rs.28.94 Cr.) as equity capital and the balance Rs.20.26 Cr. (70% of Rs.28.94 Cr.) as a normative loan as per the provision of the Regulations. Accordingly, the Commission has determined the Equity capital as Rs.1090.26 Cr. (i.e., Rs.1110.52 Cr. – Rs.20.26 Cr.) for calculation of RoE @15.50% and return on normative loan of Rs.20.26 Cr. @7.37% (i.e. actual weighted average rate of interest for the FY 2024-25). Accordingly, the Commission approves **Rs.170.48 Cr.** (Rs.1090.26 Cr. x 15.50% + Rs.20.26 Cr. X 7.37%) as return on equity for the FY 2024-25 against Rs.162.14 Cr. approved in the Transmission tariff Order of FY 2024-25.

Incentive for System Availability:

138. OPTCL has submitted that the Commission in the Transmission Tariff Order for FY 2024-25 has allowed Rs.5.00 Cr. towards incentive for system availability. The Petitioner states that for FY 2024-25, the system availability was 99.99% as verified by SLDC. Accordingly, the incentive against system availability is calculated as Rs.13.73 Cr. and OPTCL requests the Commission to consider the said amount in true-up for the FY 2024-25. After analysing the same, the Commission approves **Rs.5.00 Cr.** for true-up of Incentive for System Availability for FY 2024-25 in line with the approval given in the Transmission tariff order for FY 2024-25.

Income Tax:

139. OPTCL has submitted that the Commission had allowed Rs 7.00 Cr. towards Income Tax in the ARR of FY 2024-25 in anticipation of payment made under the head income tax, subject to actual payment, which will be verified during the true-up exercise of that year. However, OPTCL has calculated and paid Income Tax of Rs.28.56 Cr. during FY 2024-25 under MAT and requested the Commission to approve the same for FY 2024-25.
140. As per Regulation 8.43 of OERC Regulations, 2014, the Income tax of the Transmission Licensee shall be recovered from the beneficiaries. The Commission has examined the documents provided by the OPTCL and accordingly allows Rs.28.56 Cr. towards Income tax for the FY 2024-25.

Misc. Receipts:

141. OPTCL has submitted that as against its proposal of Rs.240.94 Cr., the Commission had approved Rs.302.75 Cr. towards Misc. Receipt in the Transmission tariff order of FY

2024-25 from Short Term Open Access and STU charge, inter-state transmission, Bank Interest, Sale of Scraps, Supervision Charges and other Misc. Receipts. However, as per the audited accounts of FY 2024-25, the actual misc. receipts is Rs.347.51 Cr. (excluding Deferred Income on account of Govt & Beneficiary Assets of Rs.138.70 Cr. and Provision Written Back of Rs.2.74 Cr.) consisting of Short Term Open Access Charges, Interest from bank deposits, Supervision charges, other miscellaneous income, etc. and has requested the Commission to consider same in the truing up of FY 2024-25.

142. The Commission has scrutinised the same and observed that total Misc. receipts booked in the audited accounts of OPTCL is Rs.489.40 Cr., including deferred Income on account of Govt grant & Beneficiary Assets of Rs.139.03 Cr. and Provision Written Back of Rs.2.74 Cr. for FY 2024-25. Excluding Rs.0.45 Cr of SLDC portion, actual miscellaneous receipt of OPTCL is Rs.488.95 Cr. including deferred Income on account of Govt grant & Beneficiary Assets of Rs.138.70 Cr. and Provision Written Back of Rs.2.74 Cr. However, the Commission does not consider the deferred Income on account of Govt grant & Beneficiary Assets and provision for the calculation of miscellaneous receipts due to adjustment in nature. Accordingly, the Commission approves **Rs.347.51 Cr.** (Rs.488.95 Cr.- Rs.138.70 Cr. – Rs.2.74 Cr.) towards miscellaneous receipts for the FY 2024-25 against Rs.302.75 Cr. approved by the Commission in the Transmission tariff Order for FY 2024-25. The details are shown in Table-28 below:

Table –28
Actual Misc. Receipts of OPTCL for the FY 2024-25

(Rs. in Crore)

Sl No.	Description	Approved in ARR	Actual As per Audited Accounts	SLDC Portion	Transmission Portion	Proposed for Truing-up	Approved in Truing Up
1	2	3	4	5	6=4-5	7	8
A	Misc Receipts						
1	Medium & Short-term Open Access (STOA) Charges	165.00	208.39	-	208.39	208.39	208.39
2	Inter State Wheeling Charges	7.75	-	-	-	-	-
3	Interest from Bank deposits	80.00	74.83	-	74.83	74.83	74.83
4	Supervision Charges	30.00	31.53	0.11	31.42	31.42	31.42
5	Interest from advances to suppliers	-	1.27	-	1.27	1.27	1.27
6	Interest on Income Tax Refund	-	1.19	-	1.19	1.19	1.19
7	Scrap Sales	5.00	0.51	-	0.51	0.51	0.51
8	Other miscellaneous income	15.00	29.91	0.01	29.90	29.90	29.90
	Sub-total (A)	302.75	347.63	0.12	347.51	347.51	347.51

B	Other						
8	Deferred Income on account of Govt & Beneficiary Assets	-	139.03	0.33	138.70	-	-
9	Provision Written Back	-	2.74	-	2.74	-	-
	Sub-total (B)	-	141.77	0.33	141.44	-	-
C	Total (A+B)	302.75	489.40	0.45	488.95	347.51	347.51

Transmission Charges

143. OPTCL has submitted that while approving the ARR & Transmission Tariff for FY 2024-25, the Commission had approved total ARR of Rs.913.76 Cr. to be recovered from LTA customers. The petitioner has submitted that, as per the audited accounts of FY 2024-25, the revenue from transmission charges recovered from the LTA is Rs.896.09 Cr. Accordingly, the petitioner has requested the Commission to consider Rs.896.09 Cr in the truing up for FY 2024-25.
144. The Commission has examined the audited accounts of OPTCL for FY 2024-25 and found that during that year, the petitioner has recovered transmission charges of Rs.896.09 Cr. from the LTA customers and accordingly approves the same amount for the truing-up of FY 2024-25.

SLDC Development Fund:

145. OPTCL has submitted that in line with the Commission's order dated 20.03.2010, a separate account, i.e., SLDC Development Fund, has been created for SLDC w.e.f. 01.04.2010. Accordingly, the surplus derived from SLDC transactions during FY 2024-25, amounting to Rs.0.26 Cr. has been transferred to SLDC Development Fund.

Summary of Truing-up approved for FY 2024-25

146. Considering the above facts and figures, the Commission approves Rs.22.52 Cr. towards truing-up deficit as against OPTCL's deficit proposal of Rs.53.00 Cr. for the FY 2024.25. The details are shown in Table-29 below:

Table - 29
Summary of Truing-up expenses approved by the Commission for FY 2024-25
(Rs. in Crore)

Sl No	Particulars	Approved by OERC in ARR	Actual as per Audited Accounts of OPTCL	True up expenses proposed by OPTCL	Truing-up expenses approved by OERC	Surplus / (Deficit)
A	Gross Revenue Requirement					
1	Employee Cost	488.63	473.54	473.39	471.62	17.01
2	R & M Cost	135.00	149.01	149.01	149.01	(14.01)
3	A & G Cost (Including GCC	37.05	44.76	41.60	37.57	(0.52)

	Expenses)						
4	Depreciation	275.67	408.91	269.88	256.57	19.10	
5	Interest on Loan Capital	133.95	131.38	131.38	131.38	2.57	
6	Return on Equity	162.14	-	173.12	170.48	(8.34)	
7	Incentive for System Availability	5.00	-	13.73	5.00	-	
8	GCC Expenses	0.35	-	-	-	0.35	
9	Rebate	20.16	15.93	15.93	15.93	4.23	
10	Provisions for Tax & Other	7.00	(75.79)	28.56	28.56	(21.56)	
11	Sub-total (1+2+.... +10)	1,264.95	1,147.74	1,296.60	1,266.12	(1.17)	
12	Less: Misc Receipts (Including STOA)	302.75	488.95	347.51	347.51	44.76	
13	Less: True up Surplus	48.50	-	-	-	(48.50)	
14	Net Revenue Requirement (11-12-13)	913.70	658.79	949.09	918.61	(4.91)	
B	Revenue from operation						
15	LTOA DISCOMs	892.32	896.09	896.09	896.09	3.77	
16	LTOA CGPs & Others	21.44	-	-	-	(21.44)	
17	Total (15+16)	913.76	896.09	896.09	896.09	(17.67)	
C	Gap - Surplus/(Deficit) (17-14)	0.06	237.30	(53.00)	(22.52)	(22.58)	

147. The summary of the truing-up expenses approved by the Commission and cumulative surplus over the years is **Rs.58.05 Cr.** as on 31.03.2025. The details are shown in Table-30 below:

Table – 30
Summary of Cumulative Truing-up Surplus/(deficit) of OPTCL approved by the Commission up to FY 2024-25

(Rs. in Crore)

FY	Trans. Cost approved in the ARR	Actual Trans. Cost (audited) considered for truing-up	Trans. Revenue from LTA approved in ARR	Actual Trans. Revenue from LTA (audited) considered for truing up	Surplus/(Deficit) in Trans. Cost	Surplus/(Deficit) in Trans. Revenue from LTA	Total Surplus/(deficit) for the year considered in Truing-up	Cumulative Truing-up Surplus/(deficit)
1	2	3	4	5	6=2-3	7=5-4	8=6+7	9
2006-07	333.27	323.01	333.27	355.34	10.26	22.07	32.33	32.33
2007-08	373.73	334.70	373.73	399.76	39.03	26.03	65.06	97.39
2008-09	376.57	308.07	376.57	413.15	68.50	36.58	105.08	202.47
2009-10	394.15	375.68	394.15	438.06	18.47	43.91	62.38	264.85
2010-11	480.93	431.90	480.93	538.08	49.03	57.15	106.18	371.03
2011-12	572.50	541.02	572.50	570.54	31.48	(1.96)	29.52	400.55
2012-13	587.02	506.10	587.02	549.73	80.92	(37.29)	43.63	444.18
2013-14	585.87	568.21	585.87	598.89	17.66	13.02	30.68	474.86
2014-15	624.50	639.73	624.50	634.34	(15.23)	9.84	(5.39)	469.47
2015-16	630.93	613.17	630.93	613.48	17.76	(17.45)	0.31	469.78
2016-17	623.25	551.19	623.25	665.31	72.06	42.06	114.12	583.90
2017-18	639.40	644.99	639.40	625.15	(5.59)	(14.25)	(19.84)	564.06
2017-18	Adjusted amount as per ARR of FY 2015-16						(427.81)	136.25

FY	Trans. Cost approved in the ARR	Actual Trans. Cost (audited) considered for truing-up	Trans. Revenue from LTA approved in ARR	Actual Trans. Revenue from LTA (audited) considered for truing up	Surplus/ (Deficit) in Trans. Cost	Surplus/ (Deficit) in Trans. Revenue from LTA	Total Surplus /(deficit) for the year considered in Truing-up	Cumulative Truing-up Surplus/ (deficit)
2018-19	659.95	688.16	659.95	713.84	(28.21)	53.89	25.68	161.93
2019-20 (Order dated 15.01.2022 in Case No. 125/2021)	706.71	772.81	706.71	621.73	(66.10)	(84.98)	(151.08)	10.85
2020-21 (Order dated 21.04.2023 in Case No. 61/2022)	713.84	741.03	713.84	633.03	(27.19)	(80.81)	(108.00)	(97.15)
2021-22	792.92	669.44	792.92	785.84	123.48	(7.08)	116.40	19.25
2022-23	Adjusted amount in Truing-up Order of FY 2022-23						(103.64)	(84.39)
2022-23	831.95	751.16	831.95	953.15	80.79	121.20	201.99	117.60
2023-24	896.18	910.38	896.18	873.35	(14.20)	(22.83)	(37.03)	80.57
2024-25	913.70	918.61	913.70	896.09	(4.91)	(17.61)	(22.52)	58.05

ARR & Tariff for FY 2026-27:

148. The Commission has scrutinised the application of OPTCL for Aggregate Revenue Requirement (ARR) for FY 2026-27 according to OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. As per Regulation 8.1, the ARR for Transmission Business for each year shall contain the following items.

- i. Operation and Maintenance expenses
- ii. Interest and Financial Charges
- iii. Depreciation
- iv. Return on Equity
- v. Income Tax
- vi. Deposits from Transmission System Users
- vii. Less: Non-Tariff Income
- viii. Less: Income from other business as specified in these Regulations.

Operation and Maintenance Expenses

149. Operation and Maintenance expenses include (1) Salaries, Wages, Pension contributions, and other employee costs. (2) Administrative and General Expenses (3) Repair & Maintenance (4) Expenses related to auxiliary energy consumption in the sub-station for the purpose of air conditioning, lighting, technical consumption etc., and (5) other miscellaneous expenses, statutory levies and taxes.

Employees Cost:

150. OPTCL has proposed employee cost of Rs.531.52 Cr. for FY 2026-27 which includes Basic pay, Dearness Allowance (DA), House Rent Allowance (HRA), Medical Allowance, Conveyance Allowance/Reimbursement, Stipend for New Recruits, Staff Welfare expenses, Ex-gratia, other expenses etc, Terminal benefit liability (Pension, Gratuity and Leave Salary) and employer contribution to NPS.
151. OPTCL has considered the following assumptions while proposing the employee cost for the ensuing FY 2026-27:
- i. **Basic Pay:** The actual cash outflow under this head from April, 2025 to October, 2025 has been extrapolated to arrive at basic pay for FY 2025-26 which is Rs.151.81 Cr. Considering the average no. of employees during the FY 2025-26 (2587 Nos.) and FY 2026-27 (2640 Nos.) and a 3% hike in annual increment, the basic pay will be Rs.159.57 Cr. (i.e., $151.81/2587*2640*1.03$). Accordingly, OPTCL has proposed the basic pay of Rs.159.57 Cr. for FY 2026-27.
 - ii. **Dearness Allowance (DA):** With reference to the Finance Department, Government of Odisha Circular dated 11.11.2025, OPTCL has considered the DA @ 64% for the FY 2026-27 and accordingly proposed Rs.102.12 Cr. towards DA.
 - iii. **House Rent Allowance (HRA):** OPTCL has submitted that the rate of HRA is 18 - 20%, depending on the type of city/town they reside in. Accordingly, OPTCL has estimated HRA of Rs.25.77 Cr. by considering HRA for 85% of the employees at average rate of 19% of the basic pay.
 - iv. **Medical Allowance & Reimbursement of Medical Expenses:** OPTCL has submitted that the employees of OPTCL are entitled to get Medical Allowance @ 5% of basic pay for outdoor medical expenses. Accordingly, OPTCL has projected Rs.8.38 Cr., which includes Rs.0.40 Cr. towards reimbursement of medical expenses.
 - v. **Conveyance allowance/reimbursement:** OPTCL has stated that at present the employees are getting conveyance allowance/reimbursement in the range of Rs.2000/- to Rs.7000/- per month on the basis of eligibility. Accordingly, OPTCL has proposed Rs.6.28 Cr. under this head.
 - vi. **Other Allowance:** OPTCL has proposed Rs.1.81 Cr. towards other allowance such as Night Shift Allowances, Physical Handicap Allowances, ABT Allowances / Metering Allowance, Cash Allowances, Computer Allowances Arrears, Estimator Allowance, Gas Allowances, Green Card Allowances, Non-Recurring Miscellaneous

Allowances, Recurring Miscellaneous Allowances, Shift Allowances, Special Allowances, Training Allowances, Typing Allowance, Washing Allowances, Remote posting allowance, Education Allowances etc.

- vii. **Staff Welfare Expenses:** OPTCL states that it has implemented group health/medical insurance policy for its employees in lieu of actual medical reimbursement, for which OPTCL has proposed Rs.7.40 Cr. towards the premium of the Group Insurance Scheme and Group Personal Accident Insurance Scheme. It has proposed Rs.1.80 Cr. towards financial assistance (@ 10 lakhs) to the family of the deceased employee. Further, towards Uniform & Liveries, Sports, Recreations & Cultural Activity, Hospital expenses & Health check-up etc., OPTCL has proposed Rs.2.82 Cr. Accordingly, OPTCL has proposed Rs.12.02 Cr. towards staff welfare expenses.
- viii. **Engagement of Outsourced Personnel:** OPTCL states that it is functioning with 50% of the manpower against the sanctioned strength. However, for smooth functioning, it has engaged personnel in different streams through outsourcing. Accordingly, Rs.7.01Cr. has been proposed towards payment to outsourced personnel.
- ix. **Stipend for New Recruitment:** OPTCL has submitted that 203 employees (against earlier approvals) have already been recruited during FY 2025-26, and it plans to recruit balance 47 employees against earlier approvals given during FY 2025-26. Further, OPTCL has proposed for new recruitment of 50 Nos. of employees during FY 2026-27. Accordingly, OPTCL has proposed an amount of Rs. 5.70 Cr. towards stipend for the new recruits.
- x. **Stipend to Apprentice:** Under the Apprentice Act, 1961, every employer or establishment having a workforce (regular and contract employees) of 30 or more is mandated to undertake Apprenticeship Programs in the range from 2.5% to 15% of its workforce (including direct contractual employees) every year. Therefore, OPTCL engages apprentices under the National Apprenticeship Promotion Scheme (NAPS) and the National Apprenticeship Training Scheme (NATS). Accordingly, OPTCL has proposed Rs.2.08 Cr. towards the stipend of apprentices for the FY 2026-27.
- xi. **Ex-gratia:** OPTCL has submitted that to boost the morale and to motivate employees, it has proposed before the Commission to consider Rs.7.92 Cr. towards ex-gratia under other employee costs.

- xii. **Othe Employees Cost:** OPTCL has proposed Rs.1.01 Cr. towards other employee-related costs, such as LTC of Rs.0.59 Cr., Honorarium of Rs.0.19 Cr., Bonus of Rs.0.20 Cr. and other costs of Rs. 0.03 Cr.
- xiii. **Capacity Building:** OPTCL has proposed Rs.2.40 Cr. for capacity building of employees to enhance their knowledge and development of skills.
- xiv. **Terminal Benefits:** OPTCL has submitted that, as per Accounting Standard 15 issued by MCA, employee benefit liabilities shall be assessed through actuarial valuation. The actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses. Moreover, the obligations are measured on a discounted basis because they may be settled over many years after the employees render the related service. Accordingly, OPTCL has been doing actuarial valuation by availing the service of qualified Actuary every year.

Further, Para 61 of IND AS-19 states that an enterprise should recognise the net total of the following amounts in the statement of Profit & Loss, except to the extent that another Accounting Standard requires or permits their inclusion in the cost of an asset.

- (a) Current service cost
- (b) Interest cost
- (c) Expected return on any plan assets and on any reimbursement rights
- (d) Actuarial gains and losses
- (e) Past service cost requires an enterprise to recognise it
- (f) Effect of any curtailments or settlements; and
- (g) Effect of the limit, i.e. the extent to which the amount determined

Accordingly, OPTCL has proposed Rs.179.37 Cr. towards terminal liabilities (Pension, Gratuity & Leave Encashment) for the FY 2026-27, which is an annual 3% escalation over the actual terminal liabilities of FY 2024-25.

Further, Rs.26.47 Cr. is proposed towards the employer's matching contribution for employees who have joined under the NPS and Non-Pensioner Category.

- xv. **Capitalisation of Employee cost:** OPTCL has proposed that out of the total employee cost, Rs.16.40 Cr. be capitalised during the FY 2026-27.

152. The Commission has reviewed the submission of OPTCL regarding the employee cost. In the previous Transmission Tariff Orders, the Commission had emphasised that efficient manpower planning is essential for the growth and sustainability of the organisation,

particularly in view of increasing automation and technological advancement, which impact manpower requirements. Accordingly, the Commission had directed OPTCL to seek prior approval before undertaking any additional recruitment, including engagement of outsourced personnel, and OPTCL shall adhere to the said direction.

153. OPTCL has submitted that the services of 59 employees have already been regularised and 118 employees are expected to retire during FY 2025-26. Further, based on earlier approval of the Commission, OPTCL has recruited / proposed to recruit 250 employees during FY 2025-26, who are to be regularised during FY 2026-27. It is submitted that 118 employees are expected to retire during FY 2026-27.
154. Considering the above, the Commission considers the addition of 250 employees during FY 2026-27 against earlier approvals. Accordingly, the Commission has considered the same average number of employees for calculation of Basic Pay as proposed by OPTCL for FY 2026-27. The details are shown in Table-31 below:

Table - 31
Number of Employees of OPTCL

Particulars	Proposed	Approved
No. of employees as on 01.04.2025	2616	2616
Add: Addition during 2025-26	59	59
Less: Retirement/Expired Resignation during 2025-26	118	118
No. of employees expected as on 01.04.2026	2557	2557
Add: New employees to be inducted during FY 2025-26 & regularized during FY 2026-27	250	250
Less: Retirement/Expired/ Resignation during year 2026-27	85	85
No. of employees as on 01.04.2027	2722	2722
Average no. of employees for FY 2025-26	2587	2587
Average no. of employees for FY 2026-27	2640	2640

155. The employees' cost approved by the Commission for FY 2026-27 under different heads are as follows:
- i. **Basic Pay:** The Commissions observe that the actual average cash outflow towards basic pay from April 2025 to December 2025 is Rs.12.61 Cr. per month and the prorated basic pay will be Rs.151.37 Cr. for the FY 2025-26. By considering the above prorated basic pay of Rs.151.37 Cr. for the FY 2025-26, the estimated average number of employees for FY 2025-26 (2587 Nos.) & FY 2026-27 (2640 Nos) and 3% annual increment, the basic pay estimated by the Commission is Rs.159.11 Cr. (i.e., $151.37/2587*2640*1.03$). Accordingly, the Commission approves the basic pay of **Rs.159.11 Cr.** against OPTCL's proposal of Rs.159.57 Cr for FY 2026-27. The details are shown in Table-32 below:

Table – 32
Basic Pay estimated for FY 2026-27

	(Rs. Crore)	
Cash outflow	OPTCL submission in ARR	Considered by OERC
Apr-2025	12.69	12.69
May-2025	12.89	12.89
Jun-2025	12.69	12.69
Jul-2025	12.61	12.61
Aug-2025	12.48	12.48
Sep-2025	12.60	12.60
Oct-2025	12.60	12.60
Nov-2025	-	12.60
Dec-2025	-	12.37
Avg. Basic Pay per month	12.65	12.61
Pro-rated for FY 2025-26	151.82	151.37
Estimated for FY 2026-27	159.57	159.11

- ii. **Dearness Allowance (DA):** OPTCL has proposed the rate of Dearness Allowance @ 64% for FY 2026-27 based on the Circular issued by the Finance Department, Government of Odisha, dated 02.11.2024, for the preparation of the budget proposal for the Administrative Expenditure of the Government of Odisha. Considering the said DA rate, it has proposed DA amounting Rs.102.12 Cr. (64% on the proposed basic pay of Rs.159.57 Cr) for the FY 2026-27. The Commission analyses the same and accordingly approves the Dearness Allowances of **Rs.101.83 Cr.** (i.e., 64% on the approved basic pay of Rs.159.11 Cr.) for FY 2026-27.
- iii. **House Rent Allowance (HRA):** OPTCL has submitted that it is paying HRA @18% and 20% to its employees. It considers paying HRA to 85% employees at an average rate of 19% of the basic pay. The Commission has analysed the proposal and observed that as per the latest audited account of FY 2024-25, the actual average rate of HRA is 16.63% of the Basic Pay. However, for FY 2026-27, it has proposed Rs.25.77 Cr. at an average rate of 16.15% of the proposed basic pay of Rs.159.57 Cr. Considering the proposed rate of HRA, the Commission approves **Rs.25.70 Cr.** under the head HRA (@ 16.15% on approved basic pay of Rs.159.11 Cr.) for FY 2026-27.
- iv. **Medical Allowance & Reimbursement of Medical Expenses:** OPTCL has submitted that its employees are entitled to get Medical Allowance @ 5% on basic pay for outdoor medical expenses. Accordingly, OPTCL has proposed Rs.8.38 Cr. under this head i.e., Rs.7.98Cr (5% of the proposed basic pay of Rs159.57 Cr.) plus additional Rs.0.40 Cr. towards reimbursement of medical expenses. The Commission observes that when the group health insurance policy for the employees of OPTCL is

in force and the employees are getting Medical Allowance @ 5% on basic pay, further claim of reimbursement for medical expenses of Rs.0.40 Cr. is not proper. Accordingly, the Commission approves **Rs.7.96 Cr** (@5% of the approved basic pay of Rs.159.11 Cr.) towards Medical Allowances for the FY 2026-27.

- v. **Conveyance allowance/reimbursement:** OPTCL has submitted that due to enhancement of conveyance allowance/reimbursement in the range of Rs.2000/- per month to Rs7000/- per month (based on eligibility), it has proposed Rs.6.28 Cr. towards conveyance allowance/reimbursement for FY 2026-27. On scrutiny of the available materials, the Commission observes that this sharp increase in this allowance is without their approval which should have been sought in view of its adverse impact on the consumers of the State. Considering this aspect, the Commission is not inclined to approve the proposal of OPTCL in this regard and feels it prudent to consider the actual Conveyance allowance of Rs.4.13 Cr. of FY 2024-25 as per the audited data and applying the rule of proportion approves **Rs.4.33 Cr.** under this head for FY 2026-27.
- vi. **Other Allowance:** OPTCL has proposed Rs.1.81 Cr. towards other allowances for the FY 2026-27. The Commission has analysed the actual expenditure (Rs.1.63 Cr.) of FY 2024-25 and approval given (Rs.1.59 Cr.) during FY 2025-26 under this head and accordingly approves an amount of **Rs.1.70 Cr.** for FY 2026-27 towards other allowances such as Night Shift Allowances, Physical Handicap Allowances, ABT Allowances / Metering Allowance, Cash Allowances, Computer Allowances Arrears, Estimator Allowance, Gas Allowances, Green Card Allowances, Non-Recurring Miscellaneous Allowances, Recurring Miscellaneous Allowances, Shift Allowances, Special Allowances, Training Allowances, Typing Allowance, Washing Allowances, Remote posting allowance, Education Allowances, etc.
- vii. **Staff Welfare Expenses:** OPTCL has sought approval of Rs.12.02 Cr. that includes Rs.7.40 Cr. towards premium of Group Insurance Scheme & Group Personal Accident Insurance Scheme, Rs.1.80 Cr. towards financial assistance (@ 10 lakhs) to the family of deceased employee and Rs.2.82 Cr towards Uniform & Liveries, Sports, Recreations & Cultural Activity, Hospital expenses & Health check-up etc. In the previous tariff order for FY 2025-26, the Commission had approved Rs.8.00 Cr. only under the head 'Staff Welfare Expenses' with a direction to restrict these expenses within a reasonable limit. Group Health/Medical Insurance Policy has been implemented by OPTCL for its employees. In such scenario, it becomes essential to control the expenses towards staff welfare as far as possible. On prudent analysis, the

Commission approves **Rs.9.00 Cr.** under Staff Welfare Expenses against OPTCL's proposal and directs OPTCL to restrict these expenses within the approved limit.

viii. **Engagement of Outsourced Personnel:** OPTCL has stated that it is functioning with 50% of manpower against the sanctioned strength. It has proposed Rs.7.01 Cr. towards their wages. The Commission observes that as per audited accounts, the actual expenditure under this head during the FY 2024-25 is Rs.3.78 Cr.. Further, for FY 2025-26, the Commission had approved Rs.3.63 Cr. Considering the above, the Commission approves **Rs.3.99 Cr.** (10% increment over last year's approval) as against OPTCL's proposed Rs.7.01 Cr. under this head and directs OPTCL to restrict the engagement of outsourced personnel and expenses within the approved limit.

ix. **Stipend for New Recruitment:** OPTCL has proposed Rs. 5.70 Cr. towards stipend for newly recruited employees for FY 2026-27 submitting that 203 employees have already been recruited and 47 employees are proposed to be recruited during FY 2025-26 based on approvals accorded by the Commission in earlier Tariff Orders, along with a proposal for new recruitment of 50 employees during FY 2026-27.

OPTCL is presently operating with around 50% of the sanctioned strength. Substation Automation and the State Transmission Asset Management System (STAMS) have been implemented. In such scenario, the Commission feels it appropriate for reassessment of the sanctioned strength based on the actual requirement. The Commission therefore, directs OPTCL to review and rationalise its sanctioned manpower strength. Till such revision is undertaken, no further recruitment shall be made during FY 2026-27. Keeping this in view, the Commission is disinclined to approve the proposal for recruitment of 50 employees during FY 2026-27. Accordingly, the Commission approves **Rs. 4.66 Cr.** (Rs. 5.70 Cr. – Rs. 1.04 Cr. attributable to the proposed recruitment of 50 employees) under this head and directs OPTCL to restrict recruitment in accordance with the approval granted.

x. **Stipend to Apprentice:** OPTCL has proposed an amount of Rs.2.08 Cr. towards stipend to apprentices for FY 2026-27. The Commission allows the same amount of **Rs.2.08 Cr.** for FY 2026-27.

xi. **Ex-gratia:** OPTCL has proposed Rs.7.92 Cr towards ex-gratia for FY 2026-27. In the previous tariff order, the Commission had disallowed the proposal of payment of ex-gratia. In line with the previous decision, the Commission approves nothing towards Ex-gratia for FY 2026-27. However, OPTCL may submit a proposal for

implementation of an incentive and disincentive Scheme to the Commission for consideration.

- xii. **Othe Employees Cost:** OPTCL has proposed Rs.1.01 Cr. towards other employee-related Costs such as LTC of Rs.0.59 Cr., Honorarium of Rs.0.19 Cr, Bonus of Rs.0.20 Cr. and other costs of Rs. 0.03 Cr. Considering the actual expenditure as per audited accounts of FY 2024-25 and amount approved by the Commission for FY 2025-26 under this head, the Commission approves **Rs.0.82 Cr.** (LTC- Rs.0.50 Cr, Honorarium- Rs.0.12 Cr. and Bonus- Rs.0.20 Cr.) towards other employee-related costs for FY 2026-27.
- xiii. **Capacity Building:** To enhance the knowledge and skill development of employees, OPTCL has proposed Rs.2.40 Cr. under the head ‘Capacity Building’. The Commission observes that, as per the audited accounts of FY 2024-25, the actual expenditure under this head is Rs.1.30 Cr. The Commission has approved Rs.2.00 Cr. for FY 2025-26. The Commission is of the view that training for employees is essential to update their knowledge and skills so that they can adapt themselves with the change in technology. Keeping this in view, the Commission approves **Rs.2.00 Cr.** for FY 2026-27. OPTCL is directed to appraise the Commission about the Training Calendar and submit a proposal for the upgradation of the Training Centre to make it aligned with the training needs.
- xiv. **Terminal Benefits including NPS:** While truing-up the account of OPTCL for FY 2024-25 in this petition, the Commission has approved Rs.3509.43 Cr. up to 31.03.2025 towards terminal benefit liabilities of OPTCL. As explained earlier, the Commission provisionally allows Terminal benefits liabilities to meet the statutory obligations in the respective year’s ARR & tariff order. Subsequently, the actual terminal benefit liabilities every year are trued up based on the audited accounts of OPTCL. Till FY 2025-26, the Commission has already approved total terminal benefit of **Rs. 3677.43 Cr.** The details are shown in Table-33 below:

Table -33
Approved Terminal Benefit
(Rs. Crore)

Financial Year	Amounts
upto 31-03-2008	571.02
2008-09	51.34
2009-10	76.94
2010-11	140.20
2011-12	171.03
2012-13	146.19

Financial Year	Amounts
2013-14	83.69
2014-15	195.63
2015-16	138.26
2016-17	188.04
2017-18	623.84
2018-19	168.17
2019-20	163.35
2020-21	153.59
2021-22	99.88
2022-23	201.16
2023-24	168.03
2024-25	169.07
Total up to 31.03.2024	3509.43
Approved in ARR order of FY 2025-26	168.00
Total up to 31.03.2026	3,677.43

No gap is found between the actuarial valuation for corpus requirements and actual corpus investment up to 31.03.2025. After investment in corpus as per the approval of the Commission up to 31.03.2026, the Commission assumes that there may not be any revenue deficit on account of terminal benefit liabilities. Besides, as per the Actuary valuation report, the Commission has observed that since FY 2020-21 onwards, the trend of total pensionary has been reduced gradually till FY 2024-25, which is shown in Table-34 below:

Table-34
Actual Pensionary position during FY 2020-21 to FY 2023-24
(in Nos.)

Financial Year	Employee	Pensioner	Family Pensioner	Total
2020-21	1,017	4,168	3,442	8,627
2021-22	864	3,994	3,310	8,168
2022-23	733	3,965	3,433	8,131
2023-24	594	3,895	3,544	8,033
2024-25	470	3,772	3,600	7,842

Considering the above downward trends of the pensioners, the Commission assumes that the corpus requirement may not increase substantially henceforth. Therefore, the Commission expects OPTCL to ensure prudent Actuary valuation for Terminal benefit liabilities.

Hence, upon prudent analysis of the proposal of Rs179.37 Cr. towards terminal benefits liabilities by OPTCL, the Commission observes that the same is reasonable and accordingly approves **Rs.179.37 Cr** for FY 2026-27. Besides, the Commission approves **Rs.26.47 Cr.** towards the employer's matching contribution for NPS and Non-Pensioner Category, as proposed by OPTCL for FY 2026-27.

xv. **Capitalisation of Employee cost:** OPTCL has proposed that out of the estimated total employee cost of Rs.547.92 Cr., an amount of Rs.16.40 Cr. to be capitalised during FY 2026-27. Accordingly, the Commission provisionally approves **Rs.16.40 Cr.** under this head for the calculation of net employee cost for FY 2026-27.

156. Considering the above observations relating to employees' Costs, the Commission approves Rs.512.62 Cr. (against OPTCL's proposed amount of Rs.531.52 Cr.) for the ensuing FY 2026-27. The details are shown in Table-35 below:

Table – 35
Employees Cost Approved by the Commission for FY 2026-27
(Rs. in Crore)

Sl. No	Particulars	Actual Trued up for FY 2024-25	Approved for FY 2025-26	Proposed for FY 2026-27	Approved for FY 2026-27
A	Salary & Allowance	1	2	3	4
1	Basic Pay and Grade Pay	151.81	160.13	159.57	159.11
2	Dearness Allowance	79.79	97.68	102.12	101.83
3	House Rent Allowance	25.25	23.69	25.77	25.70
4	Medical Allowances (allowance + Reimbursement)	7.65	8.01	8.38	7.96
5	Conveyance Expenses (allowance + Reimbursement)	4.13	3.35	6.28	4.33
6	Other Allowance	1.63	1.59	1.81	1.70
7	Bonus	0.18	0.01	0.20	0.20
8	Stipend for New Recruitment	8.09	4.05	5.70	4.66
9	Stipend to Apprentice	1.46	2.74	2.08	2.08
	Sub-total (A)	279.98	301.25	311.91	307.57
B	Additional Employee Cost				
1	Out Sources Engagement	3.30	3.63	7.01	3.99
2	Sub-total (B)	3.30	3.63	7.01	3.99
C	Other Employee Cost				
1	Leave Travel Concession	0.15	0.50	0.59	0.50
2	Honorarium	0.10	0.12	0.19	0.12
3	Ex-gratia	5.00	-	7.92	-
4	Staff Welfare Expenses	4.48	8.00	12.02	9.00
5	Other Cost	0.03	-	0.03	-
6	Capacity Building Charges	1.46	2.00	2.40	2.00
7	Sub-total (C)	11.22	10.62	23.16	11.62
D	Terminal Benefits				
1	Pension	135.95	140.01	144.22	144.22
2	Gratuity	13.21	12.37	14.03	14.03
3	Leave Salary	19.91	15.62	21.12	21.12
4	Other (including contribution to NPS)	24.45	24.52	26.47	26.47
5	Sub-total (D)	193.52	192.52	205.84	205.84
E	Total Employees Cost (A+B+C+D)	488.02	508.02	547.92	529.02
F	Less: Employees Cost Capitalised	16.40	14.90	16.40	16.40
G	Net Employee Cost (E- F)	471.62	493.12	531.52	512.62

Repair & Maintenance (R&M) Expenses:

157. OPTCL has submitted that 198 Nos. Grid Sub-Stations and 16,7049.462 ckt. Kms of transmission lines are in operation at different voltage levels (132 kV, 220 kV & 400 kV) as on 31.03.2025 and that 6 Nos. and 15 Nos. of Grid Substations are likely to be commissioned during FY 2025-26 and 2026-27 respectively for which the R&M works are to be undertaken in different wings namely O&M, Telecom, Civil Works and Information Technology (IT). It has projected a sum of Rs.259.65 Cr. towards R&M expenses. The summary of proposed R&M expenses under these four heads is shown in Table-36 below:

Table – 36
R&M expenses proposed by OPTCL for FY 2026-27

Particulars	(Rs. in Crore)		
	Actual Trued up for FY 2024-25	OERC Approved for the FY 2025-26	OPTCL Proposed for the FY 2026-27
(i) O&M wing	149.01	160.00	224.07
(ii) Telecom wing			6.91
(iii) Civil Works wing			14.25
(iv) Information Technology & Others			14.42
Total R & M Expenses			259.65

158. Regulations 8.15 and 8.16 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations provide the following with regard to the determination of Repairs and Maintenance (R&M):

‘Repair and Expenses would be allowed at the rate of 2.5% of Gross Fixed Assets (GFA) only on assets owned by the transmission company, for each year of the control period.’

‘In case of STU (OPTCL) the Commission shall allow Repair and maintenance expenses basing on the past trend and requirement of the licensee in this regard after prudence check.’

159. OPTCL was directed to submit the actual expenditure incurred under Repairs and Maintenance (R&M) during FY 2024-25 and the current FY 2025-26 (up to December, 2025). Based on the submission of OPTCL and on scrutiny of the audited accounts, the Commission observes that the actual R&M expenditure for FY 2024-25 is Rs. 149.01 Cr. (excluding Rs. 0.78 Cr. towards SLDC functions). For FY 2025-26 (up to December, 2025), the R&M expenditure is Rs. 140.00 Cr. (actual cash outflow of Rs. 136.96 Cr.).

160. Further, the actual R&M expenditure during the last six financial years and the current FY 2025-26 (up to December, 2025), vis-à-vis the Commission's approval, is presented in Table-37 below:

Table - 37
R&M Cost of OPTCL
(Rs. in Crore)

FY	Proposed	Approved	Actual
2019-20	115.22	115.22	125.53
2020-21	140.59	115.22	103.07
2021-22	151.10	118.61	98.86
2022-23	148.04	110.50	114.15
2023-24	164.34	135.00	130.83
2024-25	169.30	135.00	149.01
2025-26	217.70	160.00	140.00 (Till Dec'2025)

161. While approving the Repairs and Maintenance (R&M) expenditure, the Commission considers the actual R&M expenditure of the previous financial year. Considering the actual expenditure incurred during FY 2025-26 (up to December, 2025), the Commission has extrapolated the R&M expenses to Rs. 186.67 Cr. (Rs.140.00 Cr. / 9 × 12) for FY 2025-26. Keeping this in view and considering the past trend of actual R&M expenditure and the R&M cost approved for the previous year, the Commission approves **Rs.185.00 Cr.** towards R&M expenditure for FY 2026-27, including inspection fees, as against the proposed Rs.259.65 Cr. OPTCL is directed to prepare a detailed R&M expenditure plan for optimal and effective utilisation of R&M funds and to restrict the expenses within the approved limit.

Administration & General (A&G) Expenses

162. OPTCL has proposed an amount of **Rs.46.95 Cr.** under the head 'A&G Expenses' for the ensuing FY 2026-27. The component-wise break-up of expenses is given in Table-38 below:

Table – 38
A&G Expenses Proposed by OPTCL for the FY 2025-26
(Rs. in Crore)

PARTICULARS	(Rs. Cr.)
Property Related Expenses	6.28
Communication	0.92
Professional Charges	3.59
Conveyance & travelling	17.31
Electricity & Water Charges	4.76
Fees & Subscription	0.06
Books & Periodicals	0.06

PARTICULARS	(Rs. Cr.)
Printing & Stationery	0.61
Advertisement	1.07
Entertainment	0.26
Watch & Ward	4.10
Miscellaneous	5.13
Office Maintenance	1.74
SLDC Charges	1.07
TOTAL	46.95

163. As per Regulation 8.14 of the OERC's Transmission Tariff Regulations, 2014, A&G expenses shall be escalated over the previous year considering WPI. It is submitted that due to the growth and expansion of the Transmission network, the number of offices in headquarters as well as in the field has increased over the years, which requires a revision in the base A&G expenses over which the WPI factor has to be applied on the previous financial year to arrive at the A&G expenses for the next financial year. However, it has requested the Commission to escalate the A&G Expenses @7% over the previous year in line with the rate of escalation (i.e. 7%) allowed by the Commission to Distribution Companies. Further, OPTCL has submitted a comparative chart of asset additions and a comparative chart of the number of establishment additions, which are given below.

Table – 39
Comparative chart of Asset addition

Year	No. of Grid Substations	MVA capacity	Ckt. kms. of Line
2012-13	101	11554	11386
2025-26	200	28591	17046

Table – 40
Comparative Chart of Establishments

Financial Year	Subdivisions	Divisions	Circles	Zones (EDs)	CGMs	Directors
2012-13	190	38	11	0	5	4
2025-26	402	64	16	4	9	4

164. The OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, were notified on 04.10.2014. It was initially for the control period from FY 2014-15 to FY 2018-19. Regulations 8.12 of these Regulations provides that the A&G expenses of each subsequent year will be determined by escalating the A&G expenses for the base year, at the escalating factor equal to WPI to arrive at permissible A&G expenses for each year of the control period. Accordingly, the Commission had been considering the actual A&G expenses of FY 2013-14 as the base year for A&G expenses and escalating the same at the WPI rate for each year of the control period from FY 2014-15 to FY 2018-19 and is being extended beyond FY 2019-20 to FY 2024-25

without any revision of the base year A&G Expenses. However, considering the substantial increase in number of establishments and huge expansion of the transmission network, the Commission considered the actual normal A&G expenses of Rs.37.70 Cr. for FY 2023-24 as the base A&G expenses for calculation of normal A&G expenses in the ARR & Transmission Tariff Order for FY 2025-26 and accordingly had approved normal A&G expenses of Rs.38.59 Cr. for that financial year. Considering these facts and the submission of OPTCL, the Commission decides to consider the approved normal A&G expenses for FY 2025-26 as the base A&G expenses to derive the A&G expenses for FY 2026-27.

165. Considering the approved normal A&G expenses of Rs.38.59 Cr. for FY 2025-26 as the base and the WPI escalation rate (@ 1.36%) of FY 2025-26 (up to December 2025), the normal A&G expenses for FY 2026-27 is estimated at Rs.39.11 Cr. Further, considering the Licensee fees of Rs.3.00 Cr., ERPC charges of Rs.0.30 Cr. and SLDC charges of Rs.1.05 Cr., the Commission approves **Rs.43.46 Cr.** towards A&G expenses for FY 2026-27, the details of which are shown in Table-41 below. OPTCL is directed to restrict the A&G expenses within the approved limit.

Table – 41
A&G Expenses Approved for FY 2026-27

Particulars	Approved for the FY 2025-26	Proposed for the FY 2026-27	Approved for the FY 2026-27
Base A&G Expenses	37.70	46.95	38.59
WPI Rate up to December of PY	2.37%		1.36%
Escalation as per WPI (Rs. Cr.)	0.89		0.52
Normal A&G Expenses for the FY (Rs. Cr.)	38.59		39.11
Add: Licensee fees to the Commission	2.50		3.00
Add: ERPC Charges	0.30		0.30
Add: SLDC charges	1.07		1.05
Total A&G Expenses approved	42.46		46.95

Interest and financial charges

Interest on loan

166. OPTCL has submitted that it has made capital investment of Rs.2297.47 Cr. up to FY 2024-25 without availing deb. It is submitted that in view of the norms of Regulation 8.13 of the OERC Transmission Tariff Regulations, 2014, its normative loan would be Rs.1608.23 Cr. (70% of Rs.2297.47 Cr.). OPTCL has estimated that its principal loan would be Rs.4193.55 Cr. (including the above Rs.1608.23 Cr. as on 01.04.2026. It has projected to raise additional new loans of Rs.1,328.73 Cr. and propose to repay the

principal loan amounting to Rs.178.53 Cr. during FY 2026-27. Besides, it is projected that an interest amounting to Rs.166.57 Cr. would be capitalised during FY 2026-27. Accordingly, OPTCL has proposed Rs.240.91 Cr. towards interest on loan for FY 2026-27. The details of the loan position as on 01.04.2026 and interest thereon projected by OPTCL are shown in Table-42 below:

Table - 42
Interest on loan proposed by OPTCL for FY 2025-26

(Rs. in Crore)

Sl. No.	Sources	Rate of Interest	Principal as on 01.04.2026	Loan projected to be received during FY 2026-27	Repayment of the loan during FY 2026-27	Interest due for the FY 2026-27	Total payment during FY 2026-27
1	2	3	4	5	6	7	8=6+7
1	JICA	5.00%	400.38	-	42.25	18.96	61.21
2	Union Bank of India-I	8.20%	292.16	-	46.67	22.04	68.71
3	Union Bank of India-II	8.20%	497.50	-	50.59	38.72	89.31
4	UCO Bank	7.90%	411.48	-	39.02	30.97	69.99
5	New Loan	7.75%	983.80	1,328.73		166.57	166.57
6	Normative Loan		1,608.23	-		130.22	-
7	Sub-Total		4,193.55	1,328.73	178.53	407.48	455.79
8	Less: Capitalisation		-	-	-	166.57	-
9	Grand Total		4,193.55	1,328.73	178.53	240.91	455.79

167. The Commission has scrutinised the OPTCL's loan position and interest proposal for FY 2026-27 based on the audited account for FY 2024-25. The Commission observes that as per the audited account of FY 2024-25, the actual outstanding loan position as on 31.03.2025 was Rs.1780.49 Cr. It is further observed that to swap the existing high-cost loan, OPTCL has availed loan amounting to Rs.885.28 Cr. (up to December 2025) during FY 2025-26. OPTCL has proposed Rs.166.57 Cr. towards interest for construction (IDC), against the new loan to be availed during FY 2025-26 & FY 2026-27. The Commission has considered the actual loan availed till December 2025 of FY 2025-26 & loan repayment during FY 2025-26 & FY 2026-27 for the calculation of interest on loan. Since the Commission has not considered the new loan to be availed during FY 2025-26 (after December 2025) and FY 2026-27 for calculating interest on loan, the Commission has not considered the above proposed interest to the tune of Rs.166.57 Cr. for FY 2026-27. However, during truing-up exercise, the same may be considered on an actual basis. Considering the above facts and principles adopted in past tariff orders, the Commission

estimates the average loan position of FY 2026-27 and accordingly approves **Rs.111.75 Cr.** towards interest on loan for FY 2026-27. The details are shown in Table-43 below:

Table - 43
Interest on loan approved by the Commission for FY 2026-27

(Rs. in Crore)

Sl. No	Sources	Rate of Interest (%)	FY 2025-26				FY 2026-27			Average Loan For FY 2026-27	Estimated Interest for FY 2026-27
			OB as on 31.03.2025	Loan Availed	Repayment	CB as on 31.03.2026	Repayment	CB as on 31.03.2027			
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7=4+5-6</i>	<i>8</i>	<i>9=7-8</i>	<i>10=(7+9)/2</i>	<i>11=10*3</i>	
1	Union Bank of India- I	8.20	338.83	-	338.83	-	-	-	-	-	
2	Union Bank of India-II	8.20	548.09	-	548.09	-	-	-	-	-	
3	Uco Bank	7.65	450.85	-	39.02	411.83	39.02	372.81	392.32	30.01	
4	JICA	5.00	442.72	-	42.15	400.57	42.25	358.32	379.44	18.96	
5	NABARD-I	7.74	-	270.91	13.72	257.19	41.15	216.04	236.62	18.30	
6	NABARD-II	7.74	-	514.37	15.83	498.54	47.48	451.06	474.80	36.74	
7	NABARD-III	7.75	-	100.00	-	100.00	-	100.00	100.00	7.74	
8	Sub-total		1,780.49	885.28	997.63	1,668.13	169.90	1,498.23	1,583.18	111.75	
	Less: Interest considered for Capitalisation									-	
	Total									111.75	

Interest on Working Capital

168. OPTCL has estimated its working capital requirement of Rs.344.22 Cr. and the interest on working capital as Rs.46.13 Cr. for FY 2026-27. However, it has not proposed any amount towards interest on working capital but requested the Commission to consider the interest on working capital incurred, if any, for FY 2026-27 during the truing-up exercise.
169. The Commission has analysed the Cash flow statement submitted by OPTCL and observed that OPTCL always had a net positive cash flow. In this scenario, the Commission opines that there is no requirement for working Capital loan for OPTCL. Since OPTCL claims nothing towards interest on working capital, the Commission is not inclined to allow any amount under this head for FY 2026-27.

Depreciation

170. OPTCL has submitted that, as per Regulation 8.38 of OERC (Terms & Conditions for Determination of Transmission Tariff) Regulation 2014, the depreciation shall be calculated for each year of the control period on the original book value of the assets, considering the applicable depreciation rate, as determined by the Commission from time

to time. These Regulations further state that depreciation shall not be allowed on the assets funded by transmission system users and capital subsidies/grants. OPTCL has stated that after excluding the grant, beneficiary & deposit works assets of Rs.2053.95 Cr. and fully depreciated assets value of Rs.1897.58 Cr. (90% of Asset value) from the gross original book value of fixed assets of Rs.9554.14 Cr., its own transmission assets as on 01.04.2024 become Rs.5602.60 Cr. It is further submitted that out of the total up-valued assets of Rs.512.71 Cr., except freehold land of Rs.6.26 Cr., the balance up-valued assets of Rs.506.45 Cr (Rs.512.71 Cr. -Rs.6.26 Cr.) have been fully depreciated and included in the fully depreciated assets. It has thus, requested the Commission not to deduct the same for the calculation of its own assets, as the same has been fully depreciated. It is submitted that after adjustment/deletion of Rs.24.15 Cr., fixed assets of Rs.505.69 Cr. (Rs.529.84 Cr. - Rs.24.15 Cr.) have been added during FY 2024-25, including assets value of Rs.215.57 Cr. towards grant, beneficiary and deposit works. It is stated that during FY 2024-25, fixed assets of Rs.284.13 Cr. have been fully depreciated (90%). Accordingly, OPTCL has calculated its own gross original book value of fixed assets as on 31.03.2025 as Rs.5608.59 Cr. (Rs.5602.60 Cr. + Rs.505.69 Cr. - Rs.215.57 Cr. - Rs.284.13 Cr.) excluding the grant, beneficiary & deposit works and fully depreciated assets. It is further submitted by OPTCL that its own transmission assets (excluding Deposits works & Grant assets etc.) of Rs.603.36 Cr. & Rs.1130.59 Cr. is likely to be added during FY 2025-26 & FY 2026-27 respectively and fixed assets of Rs.209.63 Cr. need to be fully depreciated (90%) during FY 2025-26. Thus, OPTCL has submitted that its original book value of transmission fixed assets will be Rs.6002.32 Cr. (Rs.5608.59 Cr. +Rs.603.36 Cr.-209.63 Cr.) as on 31.03.2026 and Rs.7132.91Cr. (Rs.6002.32Cr. + Rs.1130.59 Cr.) as on 31.03.2027 and based on the above opening (as on 31.03.2026) and closing (as on 31.03.2027) assets of FY 2026-27, it has proposed **Rs.337.09 Cr.** under depreciation for FY 2026-27. The details are shown in Table-44 below:

Table -44
Depreciation Proposed by OPTCL for FY 2026-27

(Rs. in Crore)

Sl No	Particulars	Free Hold Land	Lease Hold Land	Buildings	Electrical Installation	Plant and Machinery (Other Civil Work)	Plant and Machinery	Plant and Machinery (Lines, Cables & Network)	Vehicles	Furniture & Fixture	Office Equipment	Intangible Assets	Total Own Assets
A	Rates of Depreciation	-	3.34%	3.34%	5.28%	3.34%	5.28%	5.28%	9.50%	6.33%	6.33%	15.00%	
B	Book value of Assets as on 01.04.2024	57.50	58.26	223.04	13.95	126.19	5,647.80	3,273.93	2.65	10.53	122.79	17.49	9,554.14
C	Book Value of Fully Depreciated Assets (90%) as on 01.04.2024	-	1.04	0.50	0.52	-	831.77	1,036.81	1.43	1.49	24.04	-	1,897.58

Sl No	Particulars	Free Hold Land	Lease Hold Land	Buildings	Electrical Installation	Plant and Machinery (Other Civil Work)	Plant and Machinery	Plant and Machinery (Lines, Cables & Network)	Vehicles	Furniture & Fixture	Office Equipment	Intangible Assets	Total Own Assets
D	Book Value of Grant, Beneficiary & Deposit Assets as on 01.04.2024	6.29	5.63	12.90	3.95	6.64	1,136.15	873.25	-	0.58	8.56	-	2,053.95
E	Book value of own Assets as on 01.04.2024 (B-C-D)	51.21	51.59	209.65	9.48	119.55	3,679.88	1,363.88	1.23	8.46	90.18	17.49	5,602.60
F	Book Value of FA added in FY 2024-25	1.19	4.23	7.96	0.45	11.52	341.37	156.27	0.01	2.24	3.17	1.43	529.84
G	Assets Deletion/ adjustments in FY 2024-25	-	-	-	(0.16)	-	(20.94)	(2.15)	-	(0.56)	(0.34)	-	(24.15)
H	Book Value of Assets Fully Depreciated (90%) in FY 2024-25	-	0.22	2.22	0.07	0.07	218.27	60.63	0.55	0.25	1.86	-	284.13
I	Book Value of Grant, Beneficiary & Deposit Assets added in FY 2024-25	-	0.45	2.35	-	-	133.51	79.13	-	0.13	-	-	215.57
J	Book value of own Assets as on 01.04.2025 (E+F+G-H-I)	52.40	55.15	213.04	9.70	131.00	3,648.54	1,378.24	0.69	9.76	91.15	18.92	5,608.59
K	Book Value of Own Asset to be added in FY 2025-26	5.66	5.95	23.00	1.05	14.14	393.83	148.77	0.07	1.05	9.84	-	603.36
L	Book Value of Assets Fully Depreciated (90%) in FY 2025-26	0.00	0.00	0.08	0.09	0.11	99.41	101.42	0.09	0.30	8.12	-	209.63
M	Book value of own Assets will be as on 01.04.2026 (J+K-L)	58.05	61.10	235.95	10.66	145.03	3,942.95	1,425.59	0.67	10.51	92.88	18.92	6,002.32
N	Book Value of Own Asset to be added in FY 2026-27	10.97	11.55	44.58	2.01	27.40	745.04	269.37	0.13	1.99	17.55	-	1,130.59
O	Book value of own Assets will be as on 01.04.2027 (J+K-L)	69.02	72.65	280.54	12.67	172.44	4,687.99	1,694.96	0.80	12.50	110.43	18.92	7,132.91
P	Depreciation proposed for the FY 2026-27	-	2.23	8.63	0.62	5.30	227.86	82.38	0.07	0.73	6.43	2.84	337.09

171. The Commission has examined the submission of OPTCL along with the audited accounts for FY 2024-25. In response to the query of the Commission, OPTCL has submitted its Fixed Assets Register. Upon scrutiny, the Commission observes that OPTCL has not complied with the directions issued in the previous tariff orders. In the absence of complete and reliable information, it is not possible to ascertain as to which assets are fully depreciated and which assets are still in physical operation and therefore, the Commission is unable to take a prudent decision on the treatment of the up-valued

assets. The Commission, therefore, is not inclined to accept the proposal of OPTCL in respect of the deduction of the up-valued assets from the gross assets value. However, OPTCL with complete and verifiable information may approach the Commission at the time of truing-up exercise for consideration of the same.

172. While approving the truing-up of the account for FY 2024-25 in this order, the Commission, taking note of the assets of Rs.505.69 Cr. created during the FY 2024-25, considers the historical original book value of transmission fixed assets of Rs.10,058.68 Cr. (Rs.8177.59 Cr. at Deemed Cost) as on 31.03.2025. After deduction of the up-valued assets of Rs.512.71 Cr., assets created out of grant, beneficiary & deposit works of Rs.2331.70 Cr. (i.e., Rs.2116.13 Cr. as on 31.03.2024 + Rs.215.57 Cr. of FY 2024-25) and fully depreciated assets of Rs.2188.76 Cr. (i.e., Rs.1904.63 Cr. as on 31.03.2024 + Rs.284.13 Cr. of FY 2024-25), OPTCL's own asset is found to be Rs.5025.51 Cr. (Rs.10,058.68 Cr. - Rs. 512.71 Cr. - Rs.2331.70 Cr. - Rs.2188.76 Cr.) as on 01.04.2025.

OPTCL has submitted that Rs.603.36 Cr. & Rs.1130.59 Cr. of assets (excluding grant, beneficiary & deposit work) are likely to be added during FY 2025-26 & FY 2026-27 respectively. However, in line with earlier years' approval, the Commission has provisionally considered the proposed asset of Rs.603.36 Cr. to be added during FY 2025-26 only. Considering the above, the original book value transmission fixed assets as on 31.03.2026 would be Rs.5628.87 Cr. Considering the assets value of Rs.5628.87 Cr., the Commission approves depreciation of **Rs.288.27 Cr.** for FY 2026-27, the details of which are shown in Table-45 below:

Table - 45
Depreciation on Transmission Assets approved by the Commission for FY 2026-27
(Rs.in Crore)

Component of Transmission Assets	Depreciation Rate as per OERC Regulation (%)	Original Book Value of Fixed Assets as per audited accounts as on 31-03-2025	Up-valued Assets	Original book value of Grant & Beneficiary /Deposit Assets as on 31-03-2025	Fully (90%) Depreciated Assets as on 31-03-2025	For Calculation of Depreciation Original Book Value of Own Fixed Assets as on 31-03-2025	Own assets to be added during FY 2025-26	For Calculation of Depreciation Original Book Value of Own Fixed Assets as on 31-03-2026	Estimated Depreciation for the FY 2026-27
1	2	3	4	5	6	7=3-(4+5+6)	8	9	10 = 9x2
Free Hold Land	-	58.68	6.26	6.29	-	46.13	5.66	51.79	-
Leasehold Land	3.34	62.78	-	6.08	1.26	55.44	5.95	61.39	2.05
Building	3.34	230.70	15.10	15.27	2.45	197.88	23.00	220.88	7.38
Electrical Installation	5.28	12.92	-	3.95	0.56	8.41	1.05	9.46	0.50
P&M (Other Civil Works)	3.34	137.71	0.91	6.64	0.07	130.09	14.14	144.23	4.82

Component of Transmission Assets	Depreciation Rate as per OERC Regulation (%)	Original Book Value of Fixed Assets as per audited accounts as on 31-03-2025	Up-valued Assets	Original book value of Grant & Beneficiary /Deposit Assets as on 31-03-2025	Fully (90%) Depreciated Assets as on 31-03-2025	For Calculation of Depreciation Original Book Value of Own Fixed Assets as on 31-03-2025	Own assets to be added during FY 2025-26	For Calculation of Depreciation Original Book Value of Own Fixed Assets as on 31-03-2026	Estimated Depreciation for the FY 2026-27
Plant & Machinery	5.28	5,975.61	266.02	1,304.62	1,037.01	3,367.97	393.83	3,761.80	198.62
P&M (Line, Cable & Network)	5.28	3,420.82	221.17	968.89	1,125.45	1,105.32	148.77	1,254.09	66.22
Vehicles	9.50	2.67	-	-	1.98	0.69	0.07	0.76	0.07
Furniture & Fixture	6.33	12.16	0.46	0.71	1.68	9.31	1.05	10.36	0.66
Office Equipments	6.33	125.55	2.79	8.56	18.31	95.89	9.84	105.73	6.69
Intangible Assets	15.00	19.08	-	10.69	-	8.39	-	8.39	1.26
Total		10,058.68	512.71	2,331.70	2,188.76	5,025.51	603.36	5,628.87	288.27

Return on Equity (RoE):

173. OPTCL has estimated that the book value of its own assets as on 31.03.2026 will be Rs.6002.32 Cr. These assets have been created through equity capital infused by the State Government, debt financing and internal accruals. Considering 30% equity capital of asset values of Rs.6002.32 Cr. and the rate of RoE @15.50%, OPTCL has proposed **Rs.279.11 Cr.** (Rs.6002.32 Cr. X 30% X 15.50%) towards Return on Equity (RoE) for FY 2026-27.
174. The Commission has examined the submission of OPTCL. Regulation 8.29 of the OERC Transmission Tariff Regulation, 2014, stipulates thus:
- “In case of STU (OPTCL), RoE shall be computed in rupee terms, on the equity base as determined by the Commission”.*
- Since the Commission in the past Transmission Tariff orders has been allowing RoE on the equity capital infused by the State Government, the claim of RoE on the normative basis by the Petitioner is not taken into consideration.
175. The Commission observes that the amount of equity capital infused by the State Government till December 2025 is Rs.3375.36 Cr.. The details of such equity capital are shown in Table-46 below:

Table –46
Equity Capital Infused by the State Government up to 31.12.2025
(Rs.in Crore)

Sl. No.	Sanction Order No. and Date	Amount (Rs. Cr.)
1	R&R-I-01/2009-3560 dt.25.03.09	23.04
2	R&R-I-01/2009-2003 dt.24.02.09	0.01
3	R&R-I-01/2009-9464 dt.11.09.09	5.00
4	R&R-I-01/2009-4826 dt.01.06.10	20.00
5	R&R-I/73/2010-2438 dt.23.03.2011	51.95
6	R&R-6/12-685 dt.31.01.2012	1.00
7	R&R-6/12-690 dt.31.01.2012	39.00
8	R&R-6/12-695 dt.31.01.2012	3.00
9	R&R-6/12-629 dt.22.01.2013	25.76
10	R&R-6/12-634 dt.22.01.2013	16.60
11	R&R-6/12-624 dt.22.01.2013	7.64
12	R&R-6/12-5693 dt.18.07.2013	29.19
13	R&R-6/12-5698 dt.18.07.2013	11.97
14	R&R-6/12-5703 dt.18.07.2013	8.84
15	R&R-69/14-10445 dt.29.12.2014	10.50
16	R&R-69/14-10450 dt.29.12.2014	27.50
17	R&R-69/14-10455 dt.29.12.2014	12.00
18	R&R -54/2015/En-5458 dt. 23.06.15	20.00
19	R&R-69/14-6823 dt.06.08.2015	19.68
20	R&R-69/14-6818 dt.06.08.2015	17.22
21	R&R-69/14-6813 dt.06.08.2015	20.03
22	BT(P)-15/15-10291 dt.21.12.2015	0.07
23	R&R -54/2015/En-737 dt. 28.01.16	10.00
24	R&R -54/2015/En-4348 dt. 07.06.16	20.00
25	R&R-69/14-5364 dt.18.7.2016	10.00
26	R&R-69/14-5369 dt.18.7.2016	20.00
27	R&R-69/14-5374 dt.18.7.2016	20.00
28	R&R -54/2015/En-466 dt. 17.01.17	60.00
29	R&R -17/2017/En-2895 dt. 22.04.17	20.00
30	R&R -17/2017/En-10216 dt. 27.12.17	50.00
31	BT(P)-04/2018/En-1786 dt. 26.02.18	15.00
32	BT(P)-04/2018/En-1791 dt. 26.02.18	20.00
33	BT(P)-04/2018/En-1796 dt. 26.02.18	15.00
34	R&R -40/2018/En-3902 dt.28.04.2018	15.00
35	R&R -40/2018/En-4632 dt.24.05.2018	40.00
36	BT(P)-04/2018(pt)-10432/En dt. 19.12.2018	15.00
37	BT(P)-04/2018(pt)-10439/En dt. 19.12.2018	15.00
38	BT(P)-04/2018(pt)-10446/En dt. 19.12.2018	15.00
39	R&R-40/2019-5100/En TD.27.06.2019	3.67
40	R&R-40/2019-6530/En dtd.6.08.2019	11.03
41	S.O. No: 201915819273 dtd.27.02.2020	55.00
42	S.O. No: 202018025467 dtd.13.10.2020	50.00
43	S.O. No: 202019704714 dtd.23.03.2021	9.00
44	S.O. No: 202019752418 dtd.26.03.2021	5.29
45	S.O. No: 202019747311 dtd.26.03.2021	647.00
46	S.O. No: 202121454297dtd.06.09.2021	50.00

Sl. No.	Sanction Order No. and Date	Amount (Rs. Cr.)
47	S.O. No: 202122892459 dtd.18.12.2021	30.00
48	S.O. No: 202122892550 dtd.18.12.2021	30.00
49	S.O. No: 202124034526 dtd.03.03.2022	6.65
50	S.O. No: 202124047110 dtd.04.03.2022	55.00
51	S.O. No: 202124048923 dtd.04.03.2022	4.00
52	S.O. No: 202124049541 dtd.04.03.2022	140.00
53	S.O. No: 202227471951 Dated 18.11.2022	9.69
54	S.O. No: 202227471252 Dated 18.11.2022	22.83
55	S.O. No: 202227471090 Dated 18.11.2022	92.24
56	S.O. No: 202227471290 Dated 18.11.2022	10.00
57	S.O. No: 202227471194 Dated 18.11.2022	50.00
58	S.O. No: 202227470743 Dated 17.11.2022	26.58
59	S.O. No: 202227470711 Dated 17.11.2022	119.12
60	S.O. No.202331276395 Dated 14-09-2023	18.00
61	S.O.No.202331276355 Dated 14-09-2023	5.00
62	S.O.No.202331276284 Dated 14-09-2023	12.10
63	S.O.No.202331297833 Dated 26-09-2023	13.92
64	S.O.No.202333681995 Dated 23-02-2024	36.61
65	S.O.No.202334084744 Dated 12-03-2024	40.00
66	S.O. No.202334195334 Dated 20-03-2024	100.00
67	S.O.No.202458578219 Dated 18-09-2024	13.92
68	S.O. No.202450314958 Dated 03-08-2024	70.00
69	S.O. No.202450386885 Dated 03-08-2024	70.00
70	S.O. No.202459219075 Dated 23-09-2024	50.00
71	S.O. No.202465741314 Dated 28-10-2024	70.00
72	S.O. No.202465764845 Dated 28-10-2024	70.00
73	S.O. No.202464565396 Dated 17-10-2024	20.00
74	S.O. No.202469507869 Dated 27-02-2025	8.70
75	S.O. No.202469589248 Dated 28-02-2025	80.00
76	Sub-total up to FY 2024-25	2,835.32
77	S.O. No.202574100951 Dated 30-12-2025	216.93
78	S.O. No.202574124081 Dated 30-12-2025	250.00
79	S.O. No.202571793673 Dated 22-07-2025	5.91
80	S.O. No.202573174992 Dated 13-10-2025	67.20
	Sub-total during FY 2025-26 (up to Dec' 2025)	540.04
	Total Equity Capital as on 31.12.2025	3,375.36

176. OPTCL was asked to submit the detailed information about the capital work-in-progress of the State Government's equity-funded project. Based on its submission, the Commission observes that out of the above equity capital received from the State Government, equity capital of Rs.1415.65 Cr. is still under Capital Work-in-Progress (CWIP) by the end of FY 2026-27, the details of which are shown in Table-47 below:

Table – 47
Equity infused by the State Government but under CWIP up to 31.03.2027
(Rs.in Crore)

Sl. No.	Name of Project	Scheme	Received up to 31.03.2025	Received during FY 2025-26 (up to Dec'2025)	Total Equity under CWIP as on 31-03-2027
1	2x20MVA, 220/33kV S/S at Baliguda and associated line	Rs. 300 Cr GoO Equity	37.43	-	37.43
2	2x20MVA, 132/33kV R.Udyagiri S/S and associated line	Rs. 300 Cr GoO Equity	16.79	-	16.79
3	2x500MVA, 400/220/33kV GIS at Paradeep and associated line	30% GoO Equity	191.24	-	191.24
4	132kV DC line from 220/132/33kV S/S Baner (Jaipatna) to 132/33kV S/S at Junagarh	SSP-30% GoO Equity	10.94	-	10.94
5	3 Nos of Projects under Scheme RRCP-II	RRCP-II-30% GoO Equity Support	23.89	-	23.89
6	3 Nos of Projects under LVMS Scheme	30% GoO Equity	55.10	-	55.10
7	220/132/33 KV GRID S/S, Kiakata	30% Equity Support (SASCI)for JICA Scheme	37.52	-	37.52
8	8 Nos of AIS Project Under OTSSP Ph-I	100% GoO Equity	320.00	216.93	536.93
9	20 Nos of Project Under OTSSP Ph-II	30% GoO Equity	196.09	245.11	441.20
10	Green Energy Evacuation Trans. Corridor (GEETC) Scheme-2Nos of Projects	100% GoO Equity	26.50	-	26.50
11	Green Energy Evacuation Trans. Corridor (GEETC) Scheme-5Nos of Projects	30% GoO Equity	23.50	-	23.50
12	TTPS -440/220/33 kV GIS at Meramunduli- B	30% GoO Equity	8.70	5.91	14.61
	Total		947.70	467.95	1415.65

177. As per Regulations 8.28 & 8.29 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, return on equity shall be computed at the rate of @15.50% per annum (post-tax) on the equity base as determined by the Commission.

The Government of Odisha *vide* Letter No.3333 dated 24.03.2021 and Letter No. 3941 dated 21.03.2025 had informed the Commission that no return on equity shall be paid on the equity of Rs.647.00 Cr., which relates to the sanction of the Government towards the conversion of bond into equity. Excluding the aforesaid amount of Rs.1415.65 Cr. towards equity-funded projects under CWIP up to 31.03.2027 & Rs.647.00 Cr. from the total equity capital of Rs.3375.36 Cr. infused by the State Government, the Commission considers the equity capital of Rs.1312.72 Cr. (i.e., Rs.3375.36 Cr. - Rs.1415.65 Cr.- Rs.647.00 Cr.) as on 31.03.2027. The Commission further observes that Projects worth Rs.89.81 Cr. (Bhundabahal- Rs.58.12 Cr. & Tarabha -Rs.31.69 Cr.) have been executed through 100% equity support from the State Government and the same will be capitalised by OPTCL before FY 2026-27. It is pertinent to note that as per Regulation 4.11(b) of said Regulations, in the event of the actual equity in excess of 30% of the fund deployed, the excess equity shall be treated as a normative loan Therefore, the Commission has considered Rs.26.94 Cr. (30% of Rs.89.81 Cr.) as equity capital and the balance Rs.62.87 Cr. (70% of Rs.89.91 Cr.) as a normative loan as per the provision of these Regulations and determined the Equity capital as Rs.1249.85Cr (i.e., Rs.1312.72 Cr – Rs.62.87Cr.) for calculation of RoE @15.50% and return on normative loan of Rs.62.87 Cr. @7.06% (i.e. estimated weighted average rate of interest for the FY 2026-27). Accordingly, the Commission approves **Rs.198.16 Cr.** (Rs.1249.85 Cr X 15.50% + Rs.62.87 Cr. X 7.06%) towards RoE for FY 2026-27 as against OPTCL’s the proposed Rs.279.11 Cr.

Income Tax:

178. As per Regulation 8.43 of the OERC Regulations, 2014, the income tax of the Transmission Licensee shall be recovered from the beneficiaries. OPTCL has proposed an amount of Rs.28.56 Cr. towards income tax for FY 2026-27 based on the actual tax (MAT) paid and income tax return filed for FY 2024-25 (AY 2025-26). The Commission has examined the income tax return filed by OPTCL for FY 2024-25 and allowed **Rs.28.56 Cr.** provisionally for FY 2026-27 in anticipation of payment made under the head income tax, subject to actual payment, which will be verified during the truing-up exercise of that year.

Grid Co-ordination Committee (GCC) Expenses:

179. OPTCL proposed an amount of Rs.0.35 Cr. under the head ‘GCC Expenses’ for FY 2026-27. Even though OPTCL has not spent any amount during FY 2024-25 under this head in line with last year’s approval in ARR & tariff order, the Commission allows an amount of **Rs.0.35 Cr.** towards GCC expenses for FY 2026-27. OPTCL should convene

the GCC meeting on regular basis and discharge its responsibilities as stipulated in the Odisha Grid Code-2015.

Incentive for system availability:

180. OPTCL has submitted that the transmission system availability factor (TAFY) for FY 2024-25 was 99.98%, which is more than the Normative Annual Transmission System Availability Factor (NATAF) of 98.50%. Claiming that the system availability of 99.98% has been duly verified & certified by SLDC, OPTCL has proposed an incentive of Rs.13.73 Cr. to be considered in the ARR of FY 2026-27.
181. The Commission has examined the relevant provision of the Act & Regulations on payment of incentives to OPTCL. SLDC has verified the System Availability of 99.98% during FY 2024-25. OPTCL is expected to maintain NATAF at more than 98.50% during FY 2025-26. The Commission, while appreciating the system availability of 99.98% during FY 2024-25, approves an amount of **Rs.5.00 Cr.** as an incentive in the ARR of OPTCL for FY 2026-27 with a clear advice that this approved incentive amount should be spent on solarisation of grids/system improvement and capacity building/efficiency improvement of its employees. The Commission directs the OPTCL to submit the detailed breakup of the amount spent under system improvement & capacity building.

Rebate:

182. Long & Medium-Term Open Access Customers other than DISCOMs are governed under OERC (Terms and Conditions of Intra state Open Access) Regulations, 2020. As per Regulation 32(2)(b) of Intra state Open Access Regulations 2020, the transmission charges shall be paid within seven (07) days from the date of receipt of the bill. There is no provision of rebate for early payment in these Regulations. Hence, the Commission is not inclined to allow rebate to the open-access customers, governed by the OERC (Terms and Conditions of Intra state Open Access) Regulations 2020.
183. Regulation 8.49 of the OERC's Transmission Tariff Regulation, 2014, allows a rebate of 2% by the transmission licensee in case the payment is received within 2 working days. As per Regulation 8.50, a rebate of 1% is allowable by the transmission licensee in case the payment is received after 2 working days and within a period of 30 days. Accordingly, OPTCL has proposed an amount of Rs.27.53 Cr. towards rebate (@ 2%) for FY 2026-27 on projected ARR of Rs.1376.61 Cr. (38663.46 MU x 35.61 Paise/Unit). However, based on the approved quantum of energy (39336.00 MU) likely to be transmitted to the Distribution Companies, the Commission approves an amount of

Rs.18.88 Cr. (39336.00 MU x 24.00 Paise/ Unit x 2%) under the head of the rebate in the ARR of FY 2026-27 and the same will be trued-up on actual basis.

Exemption as per Odisha Renewable Energy Policy-2022:

184. The Renewable Energy Policy, 2022, has been formulated by the Government of Odisha, which envisages large-scale integration of Renewable Energy (RE) Generation in the State. Sub-Clause 10.4 of Clause No. 10 of the Policy provides as follows:

“Exemption of twenty (20) paise per unit on STU charges shall be provided to captive /open access consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. In case a project is commissioned before 31.03.2026, the exemption shall be extended for five (5) more years, i.e., twenty (20) years in total. The OERC shall issue necessary order in this regard.”

Further, Clause 10 of the Policy empowers the State Government to extend the above incentive to promote the development of RE projects in the State. Considering the above provisions of the Odisha Renewable Energy Policy-2022, the Commission directs OPTCL to provide exemption of twenty (20) paise per unit on STU charges to captive/open access consumers on consumption of energy from RE projects commissioned in the State during the policy period for fifteen (15) years. In case a project is commissioned before 31.03.2026, the exemption shall be extended for five (5) more years, i.e., twenty (20) years in total. Accordingly, the Commission directs OPTCL to take suitable steps as per the provisions of the Odisha Renewable Energy Policy-2022.

185. The Commission observes that the exemptions on STU charges extended to captive and open access consumers on consumption of energy from Renewable Energy (RE) projects commissioned in the State during the policy period are in the nature of a *subsidy*. In terms of the provisions of Section 65 of the Act, this subsidy is required to be paid in advance by the State Government to the concerned utility. Accordingly, the Commission directs for strict compliance of the provisions of Section 65 of the Act, with an observation that in the absence of advance payment of subsidy by the State Government, such exemptions shall not be allowed and the corresponding charges shall be recovered in accordance with the applicable tariff.

Miscellaneous Receipts:

186. OPTCL has proposed Rs.275.35 Cr. towards miscellaneous receipts for FY 2026-27 from sources such as Inter-State Transmission charges, Short-Term Open Access (STOA) charges, bank interest, scrap sale, lease rent from optical fibre, supervision charges and other miscellaneous income.

187. The Commission has examined the submission of OPTCL with reference to the actual miscellaneous receipts as per the audited account for FY 2024-25 and the actual receipts as per the cash flow statement for the first nine months of FY 2025-26 (up to December, 2025). Upon scrutiny, the Commission observes that for FY 2026-27 OPTCL has proposed Rs. 203.87 Cr. under STOA & Rs. 20.00 Cr. under Inter-state wheeling charges and Rs.10.00 Cr. towards the interest from bank deposits and other miscellaneous income. However, the actual receipts under these heads were Rs.208.39 Cr. from STOA & Inter-state wheeling, Rs.74.83 Cr. from interest from bank deposits and Rs. 32.36 Cr. from other miscellaneous income during FY 2024-25. Further, it is observed that the actual receipts under these heads are Rs.227.43 Cr. from STOA & Inter-state wheeling, Rs.76.89 Cr. from interest from bank deposits and Rs.30.31 Cr. from other miscellaneous income during first nine months (up to December 2025) of the current FY 2025-26. Thus, the projections made by OPTCL under these heads are found to be on the lower side in comparison to the actuals of FY 2024-25 and FY 2025-26 (up to December 2025).
188. Considering the above, the Commission has projected Rs.250.14 Cr. towards STOA & Inter-state wheeling charges, Rs.50.00 Cr. towards interest from bank deposits and Rs.31.00 Cr. towards other miscellaneous income for FY 2026-27. Further, the Commission considers the same amount, as proposed by OPTCL towards supervision charges, lease rent (optical fibre) and scrap sales. Accordingly, the Commission approves total miscellaneous receipts of **Rs.372.62 Cr.** for FY 2026-27 as against Rs.275.35 Cr. proposed by OPTCL. The details are shown in Table-48 below:

Table –48
Miscellaneous Receipts Approved by the Commission for FY 2026-27
(Rs. in Crore)

Sl No	Particulars	Actual for FY 2024-25	Approved for FY 2025-26	Actual for FY 2025-26 (Up to Dec-2025)	Proposed for FY 2026-27	Approved for FY 2026-27
1	Short-term Open Access Charges (STOA)	208.39	176.28	221.07	195.73	242.00
2	Medium-term Open Access (Inter-State)		12.00	-	-	-
3	Inter-state Wheeling Charges		8.14	6.36	8.14	8.14
4	Supervision Charges	31.42	20.00	5.89	20.00	20.00
5	Interest from Bank deposits	74.83	50.00	76.89	20.00	50.00
6	Lease Rent (Optical Fibre)	-	15.00	13.26	16.48	16.48
7	Scrap Sales	0.51	5.00	5.29	5.00	5.00
8	Other miscellaneous income	32.36	20.00	30.31	10.00	31.00
	Sub-total (1+2+...+8)	347.51	306.42	359.07	275.35	372.62

Transmission Cost:

189. OPTCL has submitted that it has taken the recent realistic demand projection of all four DISCOMs to be 39103.46 MU (4463.87 MW) for FY 2026-27. Further, it has been projected that the energy of 440 MU (50.23 MW) is to be transacted in the 33kV & 11kV network of DISCOMs for which OPTCL is not entitled to get any transmission charge as per the Commission's order. Hence, excluding 440.00 MU, the petitioner has estimated that net 38663.46 MU (i.e., 39103.46 MU – 440.00 MU) is to be transmitted in the OPTCL network for DISCOMs. Further, OPTCL has projected 3185.82 MU (3105.82 MU + 80 MU) for transmission of power through open access to Industries from CGPs Emergency/Backup sales to CGPs/Industries. Accordingly, the projected energy transaction over its network would be about 41849.28 MU (i.e., 38663.46 MU + 3185.82 MU).
190. The Commission has scrutinized the above proposal of OPTCL along with the proposals submitted by the distribution licensees and estimated **42,541.82 MU** of energy to be transmitted over OPTCL's transmission network during FY 2026-27. The details of the same are given in Table-49 below:

Table – 49
Energy likely to be transmitted over OPTCL Transmission Network during FY 2026-27 (MU)

Particulars	Proposed by OPTCL	Approved by OERC
(A) Demand of DISCOM	39,103.46	39,776.00
(B) Less: Energy transmitted in 33 kV & 11 kV Network	440.00	440.00
(C) Net Energy Transmitted for DISCOM (A-B)	38,663.46	39,336.00
(D) Wheeling to industries from CGPs	3,105.82	3,105.82
(E) Emergency Sale by GRIDCO to CGPs.	80.00	100.00
Total (C+D+E)	41,849.28	42,541.82

Summary of ARR & Transmission Tariff Approved for FY 2026-27:

191. The summary of ARR proposed by OPTCL and approved by the Commission for the ensuing FY 2026-27 are shown in Table-50 below:

Table –50
ARR Proposed by OPTCL and Approved by the Commission for FY 2026-27 (Rs. in Crore)

Sl No	Particulars	OERC's approval for FY 2025-26	OPTCL's Proposal for FY 2026-27	OERC's approval for FY 2026-27
1	Employee Cost Including Terminal Benefits	493.12	531.52	512.62

Sl No	Particulars	OERC's approval for FY 2025-26	OPTCL's Proposal for FY 2026-27	OERC's approval for FY 2026-27
2	R & M Cost	160.00	259.65	185.00
3	A & G Cost	42.46	46.95	43.46
4	Depreciation	284.33	337.09	288.27
5	Interest & Financial Charges	120.37	240.91	111.75
6	Return on Equity	194.45	279.11	198.16
7	Incentives for System Availability	5.00	13.73	5.00
8	GCC Expenses, statutory levies & taxes	0.35	0.35	0.35
9	Rebate	20.17	27.53	18.88
10	Income Tax	10.77	28.56	28.56
11	Total Annual Revenue Requirements (ARR) (1+2+...+10)	1,331.02	1,765.40	1,392.05
12	Less: Misc Receipts (Including STOA)	306.42	275.35	372.62
13	Annual Revenue Requirement to be recovered from LTA Consumers (i.e. DISCOMs & CGPs) (11-12)	1,024.60	1,490.05	1,019.43
14	No. of Units to be handled (MU)	40,228.89	41,849.28	42,541.82
15	Transmission Charges (Paise/kWh)	25.50	25.50	24.00
16	Expected Revenue from LTA Customers	1,025.84	1,067.15	1,021.00
17	Gap: Surplus/(Deficit) (17-14)	1.24	(422.90)	1.57

TARIFF DESIGN

Transmission Tariff:

192. OERC Transmission Tariff Regulation 2014 stipulates that the Transmission Tariff payable by the Beneficiaries of the Transmission System shall be designed to recover the Aggregate Revenue Requirement approved by the Commission for each year of the Control Period. The transmission Tariff shall be computed as follows:

ARR/ Total Energy handled in the Transmission System of the Licensee:

193. The Commission has followed the same principle of the Postage Stamp Method as in earlier years for the determination of Transmission Charges of the OPTCL system. Accordingly, the Transmission Charges have been worked out as **24.00 paise/kWh**, which shall be applicable for transmission of power over OPTCL's EHT Transmission network (Transmission Lines and Sub-stations at 400kV/220kV/132kV level) and shall be payable by the DISCOMs.
194. The Commission approves the net transmission cost as indicated in Table-50 as **Rs.1019.43 Cr.** for FY 2026-27. This transmission cost will be recovered from the

estimated energy transaction in OPTCL's transmission system, which is **42,541.82 MU** with an average demand of **4856.37 MW**. The Open Access charges work out to a rounded sum of **Rs.5760.00/MW/day or Rs.240.00/MWh**. Accordingly, the open access customers (LTOA, MTOA and STOA) other than DISCOMs availing Open Access under OERC (Terms and Conditions of Intra State Open Access) Regulations, 2020 shall pay **Rs.5760.00/MW/day or Rs.240.00/MWh** towards transmission charges.

195. The Open Access charges shall be applicable as determined by the Commission in its Order passed in Case No. 137, 138, 126, 127, 130, 131, 134 & 135 of 2025 for Open Access consumers.

Transmission Loss for Wheeling:

196. OPTCL had proposed that out of the energy supplied to the transmission licensee, 3.05% shall be deducted towards transmission loss and the balance is liable to be delivered at the delivery point (at 400kV/220kV/132kV level). The Commission approves the transmission loss of **3.00%** in the OPTCL's network for FY 2026-27.

Reactive Energy Charges:

197. The Commission *vide* Order dated 05.02.2019, passed in Case No. 50/2017, had approved provisional Reactive Energy Charges of 3 paise/kVARh till a final justification is submitted by OPTCL in consultation with the stakeholders. Accordingly, OPTCL has proposed provisional approval of Reactive Energy Charges at the rate of 3 paise/kVARh for FY 2026-27.
198. The Commission provisionally approves Reactive Energy Charges at 3 paise/kVARh for FY 2026-27. However, the Commission notes that despite approval of such charges for the last six years, OPTCL has not submitted any justification for the Reactive Energy Charges in consultation with the stakeholders. In view of the above, the Commission directs OPTCL to comply with the Order dated 05.02.2019 in Case No. 50/2017 and submit a detailed report after deliberation in the Grid Coordination Committee by **31.08.2026**.

Transmission Charge Payment Mechanism:

199. The Letter of Credit (LC) arrangement is introduced as a payment security mechanism, which has been agreed upon by OPTCL and DISCOMs for securing payment of transmission charges.

Exemption under Odisha Renewable Energy Policy, 2022:

200. OPTCL shall provide exemption of **twenty (20) paise per unit** on STU charges to captive/open access consumers on consumption of energy from RE projects commissioned within the State during the policy period of fifteen (15) years. This exemption shall be extended for five (5) more years in case of projects commissioned before 31.03.2026.

Rebate:

201. For payment of bills through a Letter of Credit (LC) or NEFT/RTGS or by payment in cash within two working days (except holidays under N.I. Act) from the presentation of the bill, a rebate of 2% on the current bill shall be allowed to the Distribution Licensee (DISCOMs). If the payments are made by the mode other than through a Letter of Credit but within a period of 30 days of the presentation of bills by the DISCOMs, a rebate of 1% shall be allowed.

Late Payment Surcharge:

202. As per Regulation 8.48 of OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014, in case the payment of bills by the Distribution licensees is delayed beyond a period of 30 days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied by OPTCL on the unpaid amount.
203. Further, as per Regulation 33 of OERC (Terms and conditions of Intra state open access) Regulations, 2020, in case the payment of bills by Long- & Medium-Term Open Access Customers other than DISCOMs is delayed beyond a period of 7 days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied by OPTCL on the unpaid amount.

**COMPLIANCE WITH THE DIRECTIONS OF THE PREVIOUS FY 2025-26:
(PARA 204)**

204. OPTCL has submitted its compliance report on the directions issued by the Commission in the Transmission Tariff Order for FY 2025-26. The status of compliance, as examined by the Commission, is given below:

Table-51

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	Para 113:	OPTCL has submitted that	The Commission takes

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
1	<p>The Commission directed OPTCL to expedite the SAMAST project work for timely completion by October 2025 and, in consultation with SLDC, to submit the transmission loss on an element-wise basis at different voltage levels along with necessary remedial measures planned / taken to reduce the same. The Commission further directed that energy account details (weekly /monthly settlements) of all transmission system users, along with month-wise transmission system availability and transmission loss certified by SLDC, shall be placed on OPTCL's website by the end of the following month.</p>	<p>Around 580 no. of energy meters have been installed at different metering points of the OPTCL system by M/s Secure Meters Ltd as part of the hardware portion of SAMAST. The software portion is in progress. As of now, open access & outage modules are live. Further, it is anticipated that other modules will be operational within the next month.</p>	<p>note of the submission. OPTCL & SLDC are directed to expedite the implementation of the SAMAST project and to submit the transmission system availability and transmission loss as directed earlier.</p>
2	<p>Para 115 & 116: The Commission directed that transmission planning should align with generation adequacy to ensure smooth power flow from generating stations to load centres. The study should identify overloaded lines (132/220/400 kV), substations with overloaded transformers, requirements for additional lines and substations, reactive compensation needs and technical losses. OPTCL should undertake long-term transmission planning (minimum 10 years), considering large-scale renewable integration, projected load growth, and SLDC operational feedback to avoid under-utilisation of assets, ensure optimal loading, minimize losses, and reduce overall transmission costs and tariff burden on consumers.</p>	<p>OPTCL has initiated the process of 15th Intra-state Transmission planning for the state of Odisha, ranging 10 years' time frame, which will be submitted to the Commission shortly.</p>	<p>The Commission takes note of the submission.</p>

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
3	<p>Para 118: The Commission directed OPTCL to submit the status of the simulation lab at the Power Training Centre</p>	<p>OPTCL has submitted that PRDC has been nominated for the supply of MI-Power software for the simulation lab. The simulation lab is being set up at the Power Training Centre (PTC), Chandaka and is expected to be functional during August 2026.</p>	<p>The Commission takes note of the submission. OPTCL is directed to ensure that the simulation laboratory at the Power Training Centre is made fully operational within the timeline indicated.</p>
4	<p>Para 120: The Commission directed OPTCL to regularly coordinate with CTU and DISCOMs for the development of the intra-state transmission system so that upstream and downstream infrastructure is created within matching timelines, ensuring smooth power flow and avoiding stranding or underutilization of assets. Transmission and distribution development should be carried out in a coordinated manner for optimal asset utilisation, addressing low voltage issues, and meeting load growth. The Commission further directed that transmission assets should not remain idle due to the absence of downstream network development by DISCOMs. OPTCL shall hold monthly coordination meetings with DISCOMs to ensure smooth sectoral operations and optimum utilisation of transmission assets and submit the minutes of such meetings to the Commission.</p>	<p>OPTCL has submitted that it regularly conducts coordination meetings with DISCOMs and CTU to address system concerns and transmission planning. In addition to the above, proposals for new Grid Substations are discussed prior to finalization. Planning aligns with ISTS expansion and load growth. Coordination occurs through CMETS-ER, CEA, OCC, GCC, and Transmission– Distribution meetings, which OPTCL will further strengthen.</p>	<p>The Commission takes note of the submission.</p>
	<p>Para 121: The Commission directed that all transmission system strengthening and expansion projects be undertaken only with prior approval of the Commission. It was also clarified that projects implemented under 100% grant funding shall also require</p>	<p>OPTCL has submitted that it follows all norms prescribed by the Commission for transmission capital investment. Currently, 39 projects worth Rs.5,381.39 crore are awaiting approval. The maximum demand recorded was 7069.89 MW (12 August 2025) and the</p>	<p>The Commission takes note of the submission. However, the information submitted by the OPTCL is incomplete and information sought by the Commission, such as (a) the actual load on each existing Grid Sub-station and the expected load</p>

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
5	<p>approval, as such projects have implications on the ARR due to associated O&M expenses. Further, considering the underutilisation of certain transmission assets, the Commission directed OPTCL to furnish detailed information, including: (a) the actual load on each existing Grid Substation along with projected load growth for the next ten years; (b) a list of 132/33 kV or 220/33 kV substations where downstream load is not connected due to absence of distribution infrastructure; and (c) the number of transmission lines at different voltage levels (400 kV, 220 kV and 132 kV) along with their loading levels as a percentage of rated capacity.</p>	<p>loading of all transmission lines, ICT and power transformers corresponding to the aforementioned maximum demand have been submitted. Long-term demand forecasts from DISCOMs will be incorporated in the 15th Intra-State Transmission Plan.</p>	<p>growth over the next 10-year period, and (b) the list of 132/33 kV or 220/33 kV Grid Sub-stations where downstream load is not connected due to absence of distribution infrastructure (c) the number of transmission lines at different voltage levels (400 kV, 220 kV and 132 kV) along with their loading levels as a percentage of rated capacity, has not been furnished by OPTCL. Therefore, the Commission directs OPTCL to submit the complete information as directed by the Commission, on or before 30.06.2026.</p>
6	<p>Para 123: The Commission directed OPTCL to submit details of cost overruns arising due to delays in project execution. The Commission observed that time and cost overruns reflect inefficiencies in project management, monitoring, and expenditure control, and therefore directed OPTCL to take necessary measures to curb such inefficiencies.</p>	<p>OPTCL has submitted that it acknowledges delays in commissioning projects in remote areas affecting voltage improvement. It has strengthened project management and monitoring to ensure timely execution. Financial and physical progress is regularly reviewed to address bottlenecks, minimize delays and cost overruns, and ensure future projects are completed efficiently within schedule and budget.</p>	<p>The Commission takes note of the submission of OPTCL.</p>
7	<p>The Commission directed OPTCL to prepare manuals covering all areas of site construction activities to ensure that uniform approaches in various site activities are followed by site staff and contractors. These manuals should be well coordinated with the provisions of the</p>	<p>OPTCL has initiated the preparation of comprehensive construction manuals aligned with specifications and quality plans to ensure uniform practices and quality across project sites. Operation and Maintenance manuals are already in place. Additionally, the “OPTCL Pathsala” web</p>	<p>The Commission, taking note of the submission, appreciates the initiative taken by OPTCL in developing “OPTCL Pathshala”.</p>

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	specification and the field quality plans.	portal is being developed as a centralized platform for knowledge sharing, training, and technical learning.	
8	<p>Para 125 & 260 (a): The Commission directed OPTCL to submit an action taken report on the execution of new transmission projects under TBCB or the cost-plus basis.</p>	<p>OPTCL has submitted that earlier construction of 400/220kV AIS S/S at Remuli and 2x160 MVA, 220kV GIS S/S at the existing Barbil GSS, along with associated 400kV & 220kV lines, have been planned to execute through TBCB mode. However, the Department of Energy, GoO has communicated that the above project will be executed on a cost-plus method. In pursuance of the above decision and availability of land at Basudevpur, BoD in its 151st meeting held on dated 10.06.2025 decided to construct 400/220kV GSS at Basudevpur to serve the upcoming industrial loads in its command area. Geographically, the location of proposed Basudevpur Grid S/S, is closer to 400kV Kaniha-Bisra D/C & 220kV LILO in D/C from TTPS-Joda line, which proves to be an added advantage for the execution of the project. As of now, there is no proposal to be executed under TBCB.</p>	<p>The Commission takes note of the submission.</p>
9	<p>Para 126: The Commission directed OPTCL to prepare the DPR based on the Standardisation of the maximum MVA capacity of the sub-station, rating of the Power Transformer including the foundation of the transformer, (N-1) contingency criteria for lines and transformers, maximum line length & the power flow per circuit in the lines under different configuration, span</p>	<p>OPTCL has standardized technical specifications for transmission line towers/steel poles, power transformers, switchgear, surge arresters, CTs, PTs/CVTs, conductors, insulators, firefighting systems, lighting systems, AC/DC systems, etc., and continues to incorporate improvements as identified for further refinement. In line with this, OPTCL ensures that Detailed Project Reports</p>	<p>The Commission taking note of the submission directs OPTCL to prepare all DPRs strictly based on standardized technical parameters, ensuring consistency, adherence to (N-1) contingency, and optimized, robust project design for investment approval.</p>

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	length overhead lines, size of the conductor, Rating of Switchgears, rating of Shunt Reactor, etc. while submitting the same for investment approval of the transmission projects.	(DPRs) for investment approval of transmission projects are prepared based on standardized parameters. These include the maximum MVA capacity of substations, power transformer ratings (including foundation design), (N-1) contingency criteria for lines and transformers, maximum line length, power flow per circuit under different configurations, span length of overhead lines, conductor sizing, switchgear ratings, and shunt reactor ratings. This approach ensures consistency, technical robustness, and optimized project design while aligning with regulatory expectations.	
10	Para 127: The Commission directed OPTCL to complete the balance mapping of transmission assets within a specified timeline and submit a report on the effective utilisation of the assets mapped on the GIS portal for day-to-day monitoring and maintenance of the assets.	LOA has been issued to M/s ORSAC on 03.09.2025 for GIS survey and mapping of remaining transmission assets, including 47 substations, 6,408 EHT towers and 2,041 route km, with one year AMC. The O-LAMP mobile application is used for GIS-based patrolling and monitoring. Further, digital initiatives such as the Interactive Odisha Transmission Map (IOTM) and AI-based drone survey with analytics are being developed to support asset monitoring, predictive maintenance, and efficient network management.	The Commission directs OPTCL to complete GIS mapping of all transmission assets within the specified timeline and submit quarterly report on their effective utilisation for monitoring, maintenance, and optimized network management.
11	Para 128: The Commission had directed OPTCL to prepare a comprehensive condition-based maintenance schedule for all the equipment provided in the switchyard to assess the condition of the equipment & carry out maintenance as	OPTCL has submitted that LOA was issued to M/s ORSAC on 03.09.2025 for GIS survey and mapping of the remaining transmission assets, including 47 substations, 6,408 EHT towers and 2,041 route km of transmission lines, along with	The Commission takes note of the submission.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	required and integrate the same with their ERP/SAP system for monitoring the scheduled tests to be carried out for each equipment.	one year AMC. OPTCL further informed that the O-LAMP mobile application is being used for GIS-based patrolling and monitoring, and digital initiatives such as the Interactive Odisha Transmission Map (IOTM) and AI-based drone survey with analytics are being developed to strengthen asset monitoring, predictive maintenance, and efficient network management.	
12	Para 129: The Commission directed OPTCL to establish independent testing laboratories accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) for testing of relays, meters, transformer oil, and other equipment to meet its internal requirements as well as those of other organizations.	OPTCL has submitted that it maintains an in-house oil testing laboratory for analysis of oil breakdown voltage, dissolved gas analysis, and PPM measurements. OPTCL further informed that a relay testing laboratory is also being planned, and the organization will approach the Government of Odisha for funding to obtain National Accreditation Board for Testing and Calibration Laboratories accreditation for both laboratories.	The Commission takes note of the submission.
13	Para 130: The Commission directed OPTCL to submit a detailed document on their Cyclone Mitigation Plan along with the provision of adequate spares and mobile sub-station for faster restoration of the system and to meet the contingency situation during cyclone.	In compliance with the direction of the Commission on adequate spares, Emergency Restoration System (ERS), mobile substations, and faster restoration following cyclones, OPTCL has outlined its step-by-step Cyclone Mitigation Plan for Odisha's transmission & distribution network, such as: <ul style="list-style-type: none"> • Governance & Activation • Pre-season Preparedness • Pre-impact Measures • During the Cyclone • Immediate Restoration (First 72 Hours) • Medium-Term Recovery (Up 	The Commission, taking note of the submission, directs OPTCL to upgrade the Cyclone Mitigation Plan as per the latest meteorological developments.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
		to 14 Days) • Long-Term Mitigation • Capacity Building and Oversight	
14	Para 131: The Commission had directed OPTCL to carry out RLA study of major equipment and plan accordingly for the replacement of such equipment. Further, to extend the life of a unit of the transmission system beyond its useful life, OPTCL should pursue Renovation and Modernization (R&M) instead of piecemeal repairs and replacements. Further, the Renovation and Modernization (R&M) works should be done as per the provisions of the Regulations	OPTCL has submitted that it is continuously replacing old transmission line conductors with HTLS or new ACSR conductors to enhance capacity and extend asset life. Further, ageing transformers are being replaced with new units. OPTCL approaches the Commission with investment proposals for such upgradation works under the Renovation and Modernization (R&M) scheme.	The Commission, taking note of the submission, directs OPTCL to conduct RLA studies, plan systematic equipment replacement, and implement Renovation & Modernization (R&M) in line with regulations to extend asset life and avoid piecemeal repairs.
15	Para 132 & 260(h): The Commission directed OPTCL to complete the balance works and undertake regular cybersecurity audits along with other proactive measures to prevent cyber intrusion attempts and ensure the security of the transmission system.	OPTCL has submitted that the Vulnerability Assessment and Penetration Testing (VAPT) audit, Internal ISMS Audit and Stage-1 Certification Audit were completed on 1st August 2025, and the Stage-2 Certification Audit of IT & OT infrastructure was scheduled from 8th to 10th September 2025. However, the VAPT audit of the grid infrastructure is pending due to the non-availability of GE personnel. OPTCL further informed that regular cybersecurity audits are being undertaken in compliance with the guidelines of CERT-In, CERT-GO and Cyber Swachhata Kendra to prevent cyber intrusion and ensure system security.	The Commission directs OPTCL to complete all pending cybersecurity works, conduct regular audits, and implement proactive measures to fully safeguard the transmission system against cyber threats.
	Para 133: The Commission directed OPTCL to expedite the process, complete the third-party audit and a copy of the report to be	OPTCL has submitted that a Third-Party Protection Audit team comprising ERPC, ERLDC and M/s PRDC personnel visited the 400 kV	The Commission directs OPTCL to complete the condition assessment of earthing systems at all substations and

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
16	submitted to the Commission on the deficiencies observed by the protection audit and the corrective measures taken by OPTCL based on the recommendation of the audit team. Further, in line with the above, the Commission directs OPTCL to submit the action taken report for the condition assessment of the earthing system of grid substations and transmission line towers.	Lapanga Substation and 400 kV Meramundali Substation as per the decisions of the 147th and 148th PCC meetings. The report of the Third-Party Protection Audit team has also been submitted before the Commission.	transmission towers and submit a comprehensive action taken report upon issuance of this order, incorporating third-party audit findings and corrective measures.
17	Para 134: The Commission had directed OPTCL to seek prior approval from the Commission through an Investment Proposal before incurring any expenses, once the source of funding is finalized. The proposal must include its benefits in terms of ease of operation and reduction of manpower and other costs. OPTCL is further directed to submit a report on manpower planning of STU consequential to the implementation of STAMS.	OPTCL has submitted that it has undertaken the STAMS (State Transmission Asset Management System) Project, in collaboration with POWERGRID, in compliance with the advice of the Commission. Further, OPTCL has submitted that after the implementation of the STAMS Project, OPTCL shall run the Grid Substations & Control Centres of STAMS in parallel mode and assess the shortcomings in operation in order to rectify the same on a priority basis. After the successful operation of STAMS in all respects, OPTCL shall submit the manpower planning to the Commission.	The Commission takes note of the submission.
18	Para 138: The Commission directed OPTCL to chalk out a detailed schedule of patrolling for each line by various levels (from workman to Executive). The person carrying out patrolling has to check various items as per the standard checklist and indicate the same in the format. These checks, the next level person verifies, when he goes patrolling.	OPTCL has submitted that it has analysed the root causes of outages, such as conductor, jumper and earth-wire snapping and insulator failures, using data from the last three years of forced outage reports and the GIS-based asset database. OPTCL has launched Odisha Line Asset Management & Patrolling (OLAMP) scheme. Through OLAMP, OPTCL now has a documented	The Commission takes note of the submission.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
		<p>patrolling protocol and a line-wise schedule that fully meets the Commission's direction. Geo-fencing, drone integration and multi-tier verification guarantee that every EHT line is inspected on time and that abnormalities are rectified within prescribed limits, thereby reducing conductor/jumper snapping incidents, enhancing reliability and providing records of each patrol and maintenance action.</p>	
19	<p>Para 139: OPTCL should explore the installation of power quality meter to collect proper data as per the mandate of CEA regulation in consultation with DISCOMs and all Bulk Consumers connected with the Transmission system. Further, OPTCL is advised to take suitable steps to keep the OLTC of the power transformers in healthy condition and should be operated to maintain the voltage within the permissible limits. Further, OPTCL should conduct reactive compensation studies and take necessary steps for the replacement of reactive compensation devices (like line reactors, bus reactors, STATCOM etc.) at suitable locations for better voltage control and reliable operation of its transmission system. The reactive load of DISCOMs is to be monitored regularly and OPTCL should take up the matter with DISCOMs to provide adequate compensation in the distribution system as remedial measures and required system studies may also be carried out for advising DISCOMs to resolve such</p>	<p>OPTCL has submitted that field engineers are trained in the operation of OLTC during peak and off-peak periods, and regular training programmes are conducted for newly inducted engineers. OPTCL further noted the Commission's observations and stated that it will take necessary steps to monitor the reactive load drawal of DISCOMs and take up the matter with the respective DISCOMs. Further, OPTCL has submitted that the direction of Commission is duly noted and accordingly, OPTCL will explore the installation of power quality meter to collect proper data as per the mandate of CEA regulation in consultation with DISCOMs and all Bulk Consumers connected with the Transmission system.</p>	<p>The Commission takes note of the submission.</p>

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	issues.		
20	<p>Para 140: The Commission directed OPTCL to report all major incidents affecting any part of the transmission system in the approved formats within the stipulated timeline.</p>	OPTCL has submitted that SLDC publishes monthly, quarterly and annual reports on its website containing details of system interruptions. Further, OPTCL has informed the Commission regarding major incidents involving tower collapses.	The Commission takes note of the submission.
21	<p>Para 141: The Commission directed OPTCL to submit reports to SLDC/CEA/ERPC on failures of major equipment and tower collapses, along with failure analysis and corrective measures. OPTCL may constitute expert committees, including representatives from CEA and manufacturers, and implement and circulate the accepted recommendations within the organisation to prevent recurrence.</p>	OPTCL has submitted that SLDC regularly publishes monthly, quarterly and annual reports on its website, which include details of equipment failures, including transformers. However, copies of quarterly reports on failure of major equipment like CT, PT, CB, LA and transformers, etc. have been submitted as for FY 2024-25 and 1st quarter of FY 2025-26.	The Commission takes note of the submission.
22	<p>Para 142: The Commission observed that although OPTCL reported no statewide blackout during FY 2023-24, incidents of total failure of certain grid substations due to cascade tripping had resulted in blackout of major portions of the feeding system. Accordingly, the Commission directed OPTCL to analyse the causes of such incidents, coordinate with SLDC for quick restoration, and report the corrective measures taken to prevent recurrence</p>	OPTCL has submitted that a draft operating procedure in accordance with the OERC OGC Regulations, 2015, has been available on the SLDC website since 2016.	The Commission takes note of the submission.
23	<p>Para 143: The Commission had directed OPTCL to adopt Reliability Centred Maintenance (RCM) to improve maintenance and reliability and to minimise equipment life-cycle costs and risks. This will improve the reliability and availability of the</p>	OPTCL has noted the Commission's observations and stated that adoption of Reliability Centred Maintenance (RCM) will be feasible after implementation of the STAMS project, which is expected to enhance system reliability and minimize	The Commission directs OPTCL to expedite RCM implementation post-STAMS to enhance reliability and minimize life-cycle costs, with quarterly progress reports.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	system.	equipment life-cycle costs and operational risks.	
24	<p>Para 146: The Commission directed OPTCL to report the tangible benefits derived from this collaboration. Furthermore, regarding the proposed Centre of Excellence (CoE) at its Training Centre, OPTCL must clearly articulate its vision, specific strategies, and a summary of actions taken to date toward its establishment.</p>	OPTCL has submitted that, its collaboration with IIT Bhubaneswar has yielded impactful initiatives in technical expertise, system improvements, and innovation within the power transmission sector. OPTCL has submitted the report OPTCL Chair Professor. With regard to the proposed Centre of Excellence (CoE), OPTCL has outlined a clear vision to establish a nationally recognized facility for advanced research, testing, and training in power transmission. The proposed centre will host facilities for testing of transformers, switchgear, and measuring equipment such as CTs/PTs.	The Commission takes note of the submission.
25	<p>Para 152: The Commission directed OPTCL to invest the said gap amount of Rs.44.42 Cr. in the trust accounts.</p>	OPTCL submitted that against the approved Rs.168.03 Cr. for terminal benefits in FY 2024-25, it disbursed Rs.190.00 Cr. to the Trusts. The excess payment of Rs.21.97 Cr. shall be remitted to Trusts during the FY 2025-26.	The Commission takes note of the submission.
26	<p>Para 194: The Commission directed OPTCL to obtain prior approval before hiring any additional staff, including outsourced personnel, and to strictly adhere to this requirement.</p>	OPTCL has submitted that for direct recruitment in any financial year, it seeks prior approval from the Commission on the number of posts and associated expenditure as part of the ARR submission, and recruitments are carried out only after obtaining approval from the competent authority.	The Commission takes note of the submission.
27	<p>Para 196: The Commission directed OPTCL to appraise the Commission on training modalities and the benefits achieved</p>	OPTCL has submitted that it conducts comprehensive training through in-house, external, on-site, safety, cyber, AI, managerial, and gender-sensitization programs, delivered physically or virtually. All the training	The Commission takes note of the submission.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
		initiatives aim to enhance technical proficiency, ensure workforce safety, and build capacity to manage evolving grid technologies.	
28	<p>Para 207: The Commission observed that capital items such as CTs, PTs, CBs, LAs, isolators, and station transformers were proposed under the R&M head of O&M, while similar items had already been recorded as fixed assets in FY 2023-24. Scrutiny of OPTCL's fixed asset register revealed that decapitalisation was not properly done in some cases, and certain items were being replaced under R&M without decapitalisation.</p>	OPTCL has submitted that no such discrepancies were reported by its auditors, including CAG, in the accounts for FY 2023-24. However, due care has been exercised while preparing the accounts for FY 2024-25.	The Commission directs OPTCL to ensure proper decapitalisation of existing assets before booking replacements under R&M and maintain accurate fixed asset records.
29	<p>Para 209: For the extension of life beyond the useful life of a unit of the transmission system, OPTCL should go for Renovation and Modernization (R&M). For such investment proposal of Renovation and Modernization (R&M), the OPTCL shall make an application (separately) before the Commission for approval of the same with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component if any, record of consultation with beneficiaries and any other information considered to be relevant by the OPTCL.</p>	OPTCL has submitted that, on a priority basis, it has identified replacement of old Panther conductors on 16 lines commissioned during 1958–59, totalling 503.96 ckt km in the Western Zone. Accordingly, OPTCL has filed an investment proposal under Case No. 86/2025, with the work classified as Renovation and Modernization of existing assets.	The Commission takes note of the submission.
	<p>Para 210: The Commission directed OPTCL to focus on GPS-based patrolling system rather than</p>	OPTCL has submitted that, under its ongoing GIS survey of transmission assets, the latitude and longitude of	The Commission, taking note of the submission, directs OPTCL to optimise the expenses on security

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
30	relying on security personnel. Accordingly, the Commission directed OPTCL to optimise the expenses on security personnel and provide norms for the deployment of the security personnel in the Grid Substation as well as the transmission lines	33,046 towers have been recorded. As on 9th December, 2025, a total of 26,767 towers have been surveyed through the O-LAMP (OPTCL Line Asset Monitoring & Patrolling) software. Further, OPTCL has initiated drone-based line patrolling on two transmission lines covering all 400 kV towers and strategically important 220 kV and 132 kV towers. OPTCL has further submitted that despite adoption of such technological tools for monitoring and patrolling of transmission assets, the role of security personnel remains essential. The security personnel help protect transmission lines from theft and vandalism and ensure security of grid substations, particularly during contingencies such as power outages or public unrest.	personnel
31	Para 224: The Commission observed that executing projects before its approval violates licence conditions and is improper. OPTCL is directed to discontinue such practices to ensure statutory compliance. For unviable projects, OPTCL should seek grant funding from the Government to minimise the tariff impact on consumers.	OPTCL has submitted that, in accordance with its STU licence conditions, it consistently submits Investment Proposals to the Commission for approval. For unviable projects, OPTCL approaches the Government of Odisha for full grant funding to support project implementation.	The Commission takes note of the submission.
	Para 225 & 226: The Commission observed that OPTCL's Fixed Assets Register lacked key details, including asset locations, assets without physical verification, operational conditions, and separate classification of assets created through Own	OPTCL has submitted that the complete Fixed Assets Register and CWIP position as on 31.03.2025 is submitted to the Commission on 12.01.2026 in compliance with OERC queries on its ARR application for FY 2026-27.	The Commission directs OPTCL to maintain a complete Fixed Assets Register and CWIP details with asset locations, verification status, operational condition, and classification by funding source.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
32	Investment, Grants, and Beneficiary Deposits. Detailed CWIP position in the prescribed format was also not provided. The Commission directed OPTCL to submit the complete Fixed Assets Register with original book value as on 31.03.2025, including FY 2024-25 additions classified by funding source, and the CWIP position similarly classified, in the prescribed format, by 30.09.2025.		
33	Para 227: The Commission directed OPTCL to submit quarterly details of scheme-wise asset capitalization in the prescribed Fixed Asset Register format, along with receipts of Electrical Inspector certificates wherever applicable, in accordance with Regulation 4.15 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014.	OPTCL submitted that the Commission's observation is duly noted and it will submit the requisite information accordingly.	The Commission, taking note of the submission, directs OPTCL to comply with the above direction within the stipulated time.
34	Para 237: The Commission directed OPTCL to submit a detailed breakup of the expenditure incurred under system improvement and capacity building.	OPTCL has submitted that, as per the Commission's directive, Rs.5.00 Cr. was remitted to OREDA for solarisation of 19 grid substations. OPTCL has also appealed before the Commission to allow utilisation of this amount for other activities such as employee motivation, capacity building, and R&D initiatives.	The Commission takes note of the submission.
35	Para 255: The Commission provisionally approved reactive energy charges at 3 paise/kVARh for FY 2025-26. However, OPTCL has not submitted any justification for these charges in consultation with stakeholders over the past five years. The Commission directed OPTCL to comply with its order dated	OPTCL submitted that, as per Para 16 (page 5) of the Commission's order dated 05.02.2019 in Case No. 50/2017, the provisional reactive energy charges of 3 paise/kVARh allowed in the ARR 2018-19 order continue temporarily until OPTCL submits a final justification in consultation with stakeholders.	The Commission directs OPTCL to submit a final justification for reactive energy charges in consultation with stakeholders, as per its order dated 05.02.2019 (Case No. 50/2017).

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
	05.02.2019 in Case No. 50/2017.		
36	<p>Para 256: The Commission directed OPTCL to inform the availability of details of all transmission assets—including those created under own Capex and Government grant/ equity—in the SAP module, and if not yet available, to provide the timeline for making all details available in the SAP module.</p>	OPTCL has submitted that the SAP-FA (Fixed Asset) module, intended to maintain details of all transmission assets (own Capex and Government grant/equity), is under data preparation as per the SAP template and is expected to go live by 31.01.2026.	The Commission takes note of the submission.
37	<p>Para 260(c): The Commission directed OPTCL to study and create effective transmission network rings at 132 kV, 220 kV, and 400 kV to improve power supply reliability and availability. OPTCL is also directed to support and encourage DISCOMs to interconnect their PSSs to form rings, even if uneconomical for OPTCL, to enhance supply reliability for consumers.</p>	OPTCL has submitted that it has already established network rings at 400 kV, 220 kV, and 132 kV levels, with details of major 400 kV rings provided in Annexure-06. OPTCL is also ready to assist DISCOMs in establishing ring networks to implement the N-1 contingency criterion.	The Commission, taking note of the submission, directs the creation of more network rings at 400 kV, 220 kV, and 132 kV levels.
38	<p>Para 260(d): The Commission directed OPTCL to declare the availability of spare bays in GSS for connectivity of RE generators at 33 kV/132 kV/220 kV level in order to facilitate RE generators for evacuation of their power and support the policy of Govt. Of Odisha for RE development in the State.</p>	The Odisha Grid Insights (OGRI) portal has been developed to declare the availability of spare bays in GSS for the connectivity of RE generators at 33 kV / 132 kV / 220 kV levels, in order to facilitate the evacuation of power by RE generators and to support the Government of Odisha's policy for RE development in the State. The portal is live, and the intended data has been regularly updated by all grid substations since April 2025. The portal is accessible to the public at: https://ogri.optcl.co.in	The Commission takes note of the submission.
	<p>Para 260(e): The Commission directed OPTCL to increase the frequency of GCC-level meetings.</p>	OPTCL has submitted that, as per Chapter 11(2)(1) of the Orissa Grid Code (OGC) Regulations 2006, a Grid Coordination Committee	The Commission taking note of the submission directs OPTCL to share the MoM of such meetings and the progress of the

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
39		(GCC) has been formed to address matters specified in Chapter 11(2)(2). The first GCC meeting for FY 2025-26 was held in September 2025, and two more meetings are expected to be conducted within the fiscal year.	actionable items on quarterly basis before the Commission.
40	Para 260(f): The Commission directed OPTCL to inform about new initiatives for adopting emergency technologies such as fast erection methods, use of high-ampacity conductors like AL59 as a cost-effective alternative to HTLS, for efficient transmission operation and cost optimization—and the status of fully unmanned grid substations.	High ampacity conductors, such as AL59, although considered in the past, are not being widely adopted due to their tendency to sag under high temperatures and load conditions, which impacts operational reliability. Therefore, OPTCL is focusing on other technically viable and cost-effective alternatives to HTLS conductors for enhancing transmission capacity. Further, OPTCL has submitted that the operation of fully unmanned grid substations is being progressively implemented, with several sites already commissioned for remote monitoring and control. OPTCL will continue to explore and adopt innovative technologies for efficient transmission system operation.	The Commission takes note of the submission.
41	Para 260(g): The Commission observed that interruptions due to “other incidents” and snapping of jumper/conductor/earth wire accounted for about 70% and 10% of total interruptions, respectively, in FY 2023-24. OPTCL was directed to submit a brief note explaining the nature of these other incidents (causing ~290 hours of interruption) and the reasons for conductor/earth-wire snapping.	OPTCL has submitted that the 222:37 hours of interruptions under “other faults” were caused by transient events such as lightning, high winds, and momentary contact with tree branches. The primary reasons for snapping of conductors or earth wires were lightning, overcurrent, and earth faults.	The Commission, taking note of the submission, directs OPTCL to take lessons from the earlier experience and take appropriate measures to prevent recurrence of such incidents in future.
	Para 260(i): The Commission directed OPTCL to implement auto-	OPTCL has submitted that, for better voltage regulation at 33 kV outgoing feeders, OLTCs	The Commission takes note of the submission.

Sl. No.	Direction of the Commission given in Tariff Order for FY 2025-26	Compliance submitted by OPTCL	Status/Observation of the Commission
42	operation of OLTC for transformers, especially those connected to the 33 kV distribution system.	of all power transformers are kept in auto mode wherever feasible, with regular maintenance carried out to ensure smooth operation.	
43	Para 260(j): The Commission directed OPTCL to explore the use of Potential Voltage Transformers (PVT) up to 500 kVA as a pilot project to supply power to remote rural areas lacking nearby OPTCL GSS or DISCOM PSS. PVTs can step down 132kV/ 220kV/ 400kV directly to 415V, offering a cost-effective and reliable alternative to extending the distribution network.	OPTCL submitted that it has noted the Commission's suggestion and will examine supplier availability, safety aspects, solution viability, and the success of similar projects across India.	The Commission takes note of the submission.

ADDITIONAL DIRECTIONS /OBSERVATIONS OF THE COMMISSION:

205. The Commission observes that only about Rs.500 Cr. to Rs.600 Cr. of transmission assets are being put to use year on year basis although the approval sought for investment under capex is much higher (about Rs.1200 Cr. to Rs.1500 Cr) and many of the projects are delayed leading to time & cost overrun and many projects are being executed without approval of the Commission, which are matter of serious concern. In view of the above concern and with the objective of optimum use of transmission system assets, well planned and timely executed transmission system is essential to provide reliable power supply to the ultimate consumer. The following directives of the Commission are to achieve above objectives.
206. The Commission reiterates that at the time of planning a new substation, it is important to consider the expected load growth in and around the GSS in consultation with DISCOMs and accordingly, the appropriate voltage level needs to be decided to handle the expected quantum of power. The new substations need to have (N-1) contingency for interconnecting lines & transformers at GSS and should have enough space to accommodate future expansion, i.e. addition of bays, transformation capacity and reactive compensation, etc., to prevent the need for another substation in the nearby area.

Augmentation of switching stations & 220/33 kV GSSs:

207. The Commission observes that several 132 kV switching stations (about 26 Nos.) are presently in operation in the State. To improve the voltage profile and meet the growing demand of the downstream distribution network, such switching stations may be converted into 132/33 kV Grid Sub-stations (GSSs) by augmenting them with suitable transformation capacity, wherever technically feasible, instead of creating new GSS/PSS in nearby areas.
208. In case of the existing 220/33 kV GSSs (about 18 nos.), OPTCL may consider introducing the 132kV level by augmenting such substations with 220/132 kV transformers of suitable capacity, depending on the industrial load growth in the area, instead of establishing new substations to meet the demand of such industries. Augmentation of the existing transmission infrastructure would reduce capex investment and would help in optimum use of the transmission system and avoid the creation of additional substations and transmission lines, thereby reducing the burden on consumers. OPTCL shall consider the above approach while preparing Detailed Project Reports (DPRs) for future transmission projects and while submitting capital investment proposals before the Commission.

Residential Life Assessment (RLA):

209. The Commission observes that 61 Grid Sub-stations (GSSs) and 100 transmission lines in the State are more than 25 years and 35 years old, respectively. Therefore, the Commission expects that OPTCL shall undertake Residual Life Assessment (RLA) of such ageing assets and plan for refurbishment, renovation or replacement in a phased manner. The long-term planning of the transmission system shall also consider the ageing profile of such assets to ensure reliable and efficient operation of the State transmission system.
210. The results of the Residual Life Assessment and the proposed asset replacement plan shall be submitted before the Commission, which shall form the basis for the prudence check of capital investment proposals related to the replacement of ageing transmission assets.

Repair & Maintenance (R&M):

211. OPTCL is directed to prepare a detailed R&M expenditure plan for optimal and effective utilisation of R&M funds and to submit quarterly reports to the Commission indicating the R&M works planned, actual expenditure incurred and progress in both physical and

- financial terms. The Commission further directs that R&M expenditure shall be linked to improvement in asset performance, reduction in equipment failures and outages, and overall enhancement of system reliability, and the outcomes of R&M activities shall be clearly reflected in the quarterly reports.
212. OPTCL shall also progressively adopt condition-based maintenance practices based on Residual Life Assessment (RLA) of transmission assets to ensure prioritisation of R&M works based on asset health, criticality and failure risk, thereby enabling optimal utilisation of resources and improvement in system reliability.
 213. The Commission further observes that OPTCL has been claiming depreciation on assets capitalised as per the Depreciation Schedule (Appendix-A) of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. Upon scrutiny, it is observed that certain capital items such as CTs, PTs, circuit breakers, lightning arresters, isolators and station transformers have been proposed under the R&M head, while similar assets have already been capitalised under fixed assets during FY 2024-25. Scrutiny of the Fixed Assets Register indicates that in some cases, decapitalisation has not been carried out properly and capital items are being replaced under the R&M head without appropriate decapitalisation. Hence, the Commission directs OPTCL to ensure that expenditure of capital nature is not booked under the R&M head, as such practice would distort the transmission tariff. The Commission further emphasises that R&M expenditure should be utilised exclusively for maintenance activities, particularly condition-based maintenance/Reliability Centred Maintenance to improve the reliability, availability and operational efficiency of transmission assets.
 214. For extension of life beyond the useful life of transmission assets, OPTCL shall undertake Renovation and Modernisation (R&M). OPTCL shall file a separate application before the Commission, along with a Detailed Project Report (DPR) containing scope, justification, cost-benefit analysis, estimated life extension, financial package, phasing of expenditure, implementation schedule, reference price level, estimated completion cost (including foreign exchange component, if any), the details of stakeholder consultation and any other relevant information.
 215. The Commission observes that OPTCL has proposed Rs. 54.94 Cr. under R&M for FY 2026-27 towards engagement of security personnel, which appears to be on the higher side. The Commission notes that OPTCL has already implemented GPS-based line patrolling on a pilot basis for certain 400 kV transmission lines and such systems can be extended to other lines. Hence, the Commission directs OPTCL to optimise expenditure

on security personnel and progressively adopt technology-based monitoring systems. OPTCL shall also develop appropriate norms for the deployment of security personnel at Grid Sub-stations and along transmission lines, ensuring cost optimisation and operational efficiency.

216. The Commission directs OPTCL to undertake third-party verification and audit of major R&M works, particularly for high-value and critical transmission assets, to ensure quality of maintenance, adherence to technical standards and proper utilisation of funds. The findings of the audit shall be submitted before the Commission and may be considered during prudence check in future tariff proceedings.

Participation of OPTCL in intra-state TBCB of other States:

217. The Commission observes that OPTCL has developed significant technical expertise in the transmission sector. In view of the increasing implementation of transmission projects through Tariff-Based Competitive Bidding (TBCB) across various States, OPTCL may consider participating in intra-State TBCB projects of other States, wherever feasible. Such participation would enable optimum use of OPTCL's technical manpower and would provide opportunities to enhance technical capability and revenue generation. OPTCL may also consider establishing a suitable institutional mechanism or dedicated cell to examine opportunities for participation in such TBCB projects.

Pumped Storage Plants (PSP) and Battery Energy Storage Systems (BESS):

218. The Commission observes that various initiatives are being taken for the development of Pumped Storage Plants (PSP) and Battery Energy Storage Systems (BESS), which can utilise excess generation during the off-peak or solar hours for charging of the battery and pumping of water and support the grid during peak demand hours. The Commission directs OPTCL to evaluate the adequacy and availability of the existing and planned transmission system for the evacuation of power from the proposed PSP and BESS projects expected to be implemented in the State in future.
219. OPTCL shall also explore the feasibility of installation of BESS at suitable Grid Sub-stations (GSSs) for optimum use of the transmission system, improvement of grid flexibility, peak load management, in consultation with the State Nodal Agency (GRIDCO). A detailed report in this regard shall be submitted before the Commission.
220. The Commission further observes that transmission system planning and associated load flow studies are generally carried out based on peak demand, which occurs only for a limited number of hours in a year. In such cases, deployment of energy storage systems

such as BESS can help manage peak demand effectively and optimise the requirement for additional generation capacity and transmission infrastructure.

Odisha Grid Insights (OGRI) portal:

221. Regarding the information on the availability of spare bays in Grid Sub-stations (GSSs) at 33 kV, 132 kV and 220 kV levels, OPTCL has submitted that the Odisha Grid Insights (OGRI) portal has been developed to declare the availability of spare bays in GSSs for providing connectivity to Renewable Energy (RE) generators. The portal has been developed to facilitate the evacuation of power from RE generators and support the State's policy for the development of renewable energy in the State. OPTCL has further submitted that the portal is live and the required data is being regularly updated by all Grid Sub-stations since April, 2025. The Commission appreciates the initiative taken by OPTCL for sharing information regarding the availability of spare bays and transmission capacity through the said portal. OPTCL is advised to ensure that the information hosted in the portal is updated on regular basis and made accessible to the stakeholders and may also be expanded, wherever required, to include other relevant information relating to available transmission capacity and network constraints to facilitate transparent and efficient integration of renewable energy in the State.

GCC-level meetings:

222. The Grid Coordination Committee (GCC) has several responsibilities under the Odisha Grid Code Regulations, 2015. The Commission observes that GCC meetings are not being conducted as per the requirement. The Commission takes note that several important matters such as levy of Grid Support Charges (GSC), Reactive Energy Charges, and technical issues including optimal utilization of transmission assets, adoption of advanced technologies, automated operation of On-Load Tap Changers (OLTC) for voltage control, protection audit, over-voltage conditions in the transmission system, low-voltage issues in the distribution system, requirement of dynamic compensation using STATCOM, implementation of Dynamic Line Rating (DLR) on pilot basis, and cyber security preparedness need to be deliberated in the GCC forum. The Committee shall also review transmission system constraints, renewable energy integration, grid reliability and reactive power management.

In view of the above, the Commission directs OPTCL to convene GCC meetings at least once every quarter in accordance with the provisions of the Odisha Grid Code Regulations, 2015. The minutes of the meetings and the action taken report shall be shared with the Commission for information and record.

Timely execution of upstream and downstream network:

223. The Commission observes that proper coordination between OPTCL, the Central Transmission Utility (CTU) and the DISCOMs is essential for the timely development of the intra-State transmission system and the corresponding upstream and downstream infrastructure. Such coordinated development would ensure the smooth flow of power and avoid stranding or underutilization of the transmission assets created by OPTCL. The Commission emphasizes that development of the transmission and distribution systems should be undertaken in a coordinated manner with matching timelines to ensure optimal utilization of the transmission and distribution assets, address low-voltage issues and meet the growing load demand. In no case should the transmission assets remain idle due to lack of corresponding development of the downstream network by DISCOMs.

In view of the above, the Commission directs OPTCL to prepare a “Take or Pay Agreement” in consultation with the DISCOMs and submit the same to the Commission on or before **30.05.2026** for approval/consideration. The proposed agreement shall include an appropriate penalty mechanism in case of default in adherence to the timelines for execution of the projects. Such an agreement shall be mandatorily executed prior to the implementation of transmission projects involving connectivity with the DISCOM network.

224. The Commission further directs OPTCL to hold monthly coordination meetings with the DISCOMs to review the progress of transmission and distribution system projects to ensure smooth operation of the power system. The minutes of the meetings shall be submitted to the Commission for information and record.

Execution of the project, Cost Overrun and Time Overrun:

225. The Commission reiterates that no project involving capital expenditure exceeding Rs.10 crore shall be executed without prior approval of the Commission. In case any project is executed without such approval, the cost incurred for such an unapproved project shall not be considered in tariff determination. Further, OPTCL shall adhere to the approved project cost and timeline for completion of the projects. Any deviation from the approved timeline or any additional expenditure leading to cost escalation shall require prior approval of the Commission and may be considered only in cases of force majeure or other uncontrollable factors.
226. The Commission had earlier directed OPTCL to submit list of projects with cost overrun due to the delay in the execution of projects. The same has not been submitted. Therefore, the Commission directs OPTCL to furnish the details of cost overrun on account of delay

in project execution and other related factors, along with project-wise justification indicating the reasons for delay, the extent of cost overrun and the measures taken to avoid delay in future. The Commission shall examine the admissibility of such cost overrun during the prudence check in future tariff proceedings. Any cost overrun arising out of controllable factors may not be considered for approval in the tariff. In case of the unviable project, the Commission directs OPTCL to take up the matter with the Government to finance such projects through grants to minimise the tariff burden on consumers.

Further, the Commission directs OPTCL to ensure that issues related to Right of Way (RoW), associated compensation, and land acquisition for substations are resolved prior to the floating of tenders, so as to avoid time and cost overruns in project execution.

Unauthorised construction below the EHV transmission lines:

227. The Commission observes that unauthorised construction/encroachment below Extra High Voltage (EHV) transmission lines poses a serious threat to public safety, reliability of the transmission system and maintenance activities. Such encroachments may lead to electrical hazards, interruption in power supply and constraints in operation and maintenance of transmission assets. Accordingly, the Commission directs OPTCL to take necessary measures to prevent and remove unauthorised constructions within the Right of Way (RoW) of transmission lines, in coordination with local administration and concerned authorities. OPTCL shall also carry out regular patrolling and monitoring of transmission corridors, including through technology-based solutions such as GIS mapping and drone surveillance, to identify and address encroachments in a timely manner.

Reporting of failure of towers of transmission lines and major equipment of the substation:

228. As an important function of the licensee, all major incidents affecting any part of the transmission system shall be reported to the Commission in accordance with the provisions of Condition 9.3 of the Transmission License Conditions and the Commission's instruction dated 03.01.2007. Accordingly, the Commission directs OPTCL to report all the major incidents of failure of transmission line towers and major substation equipment for which any part of the transmission system is affected in the approved formats within the timeline. OPTCL shall make analysis of the causes of such failures and undertake Root Cause Analysis (RCA). A report containing corrective and preventive measures taken to avoid recurrence of such incidents and the benefits derived

from implementation of such measures shall be submitted to the Commission. OPTCL shall further indicate the timeline for implementation of the corrective measures so that appropriate future course of action for improving the reliability of the transmission system can be planned accordingly.

Commitment Fees:

229. The Commission observes that substantial investments are being made for the development of the intra-State transmission system to cater to the anticipated growth in industrial load in the State. However, in certain cases, the assets created for such expected load remain underutilized or stranded when the projected industrial growth does not materialise in line with the execution timeline of the transmission system. The creation of such stranded or underutilized assets leads to inefficient utilization of transmission infrastructure and contributes to higher transmission losses, increased fault levels and additional operation and maintenance expenses, which ultimately burden the consumers of the State.

In view of the above, the Commission directs OPTCL to approach the State Government and explore the formulation of an appropriate mechanism, such as the introduction of “Commitment Fees” or similar arrangements for upcoming industries to ensure optimal utilization of the transmission system and avoid creation of stranded transmission assets. OPTCL shall submit a detailed report on the proposed mechanism, including consultation with the State Government and other stakeholders, before the Commission on or before **30.09.2026**.

Autonomy of STU:

230. As per the provisions of Section 39 of the Act, the functions of the State Transmission Utility (STU) are distinct from those of a transmission licensee. The STU is required to undertake planning and coordination functions for the development of an efficient, coordinated and economical intra-State transmission system by coordinating with all Distribution Licensees, including deemed distribution licensees, all transmission licensees and all generating stations, including renewable energy generators operating in the State.

The Commission observes that at the Central level, the Central Transmission Utility (CTU) has been functionally separated from Power Grid Corporation of India Limited (PGCIL) to ensure independent and neutral transmission planning and to facilitate non-discriminatory access to the transmission network. In view of the evolving power sector scenario and emerging challenges such as resource adequacy planning, long-term

transmission planning considering large-scale renewable energy integration, implementation of Intra-state General Network Access (GNA) and participation of private transmission licensees through Tariff-Based Competitive Bidding (TBCB), a similar functional and administrative segregation of the STU at the State level is felt necessary.

231. The Commission is of the view that independent and unbiased functioning of the STU requires adequate functional, operational and financial autonomy. Although a planning wing presently exists within OPTCL, the Commission considers that the STU should function with clear institutional separation from the transmission licensee so that transmission planning and system development decisions remain neutral, transparent and non-discriminatory. Such institutional strengthening of the STU would also facilitate better coordination with the CTU, effective transmission planning for renewable energy integration and long-term grid development in the State.

In view of the above, the Commission directs OPTCL to approach the Government of Odisha for the separation of the STU functions from OPTCL and for notifying a separate Government entity as the State Transmission Utility with appropriate functional and financial autonomy. The STU may also prepare itself for filing a separate application before the Commission for the determination of the Aggregate Revenue Requirement (ARR) and the Fees and Charges of STU from FY 2027-28 onwards. The Commission is presently in the process of notifying the Regulations relating to the determination of the Fees and Charges of STU.

232. OPTCL shall submit a status report on the progress made towards separation of the STU from OPTCL before the Commission on or before **30.06.2026**.

Testing and Research Centre:

233. As per the report of the OPTCL Chair, IIT Bhubaneswar, OPTCL is planning to establish a Testing and Research Centre under OPTCL. The Commission observes that the establishment of such a facility would enhance the technical capability of the State Transmission Utility in the areas of testing, condition assessment, asset health monitoring and research related to transmission system equipment, which would contribute to improved reliability of the transmission network and better asset management. The facility should also cater to the requirements of other organisations in addition to OPTCL's own needs.
234. In this regard, the Commission directs OPTCL to submit a detailed status report on the progress made towards the establishment of the said Testing and Research Centre. The

report shall, inter-alia, include the proposed scope of testing with modern diagnostic tools for transmission system equipment & material such as power transformers, Reactors, circuit breakers, Isolators, CT/PTs, Surge Arrestor(SA), protection relays, insulators, conductors, cables and other substation equipment, including facilities for transformer oil testing and Dissolved Gas Analysis (DGA), SF₆ gas testing, Sweep Frequency Response Analysis (SFRA), Leakage Current Monitoring (LCM) for SA, partial discharge testing, relay testing and calibration, and condition monitoring of transmission assets.

235. The report shall also cover the proposed Research and Development (R&D) activities, including asset health indexing, dynamic line rating, insulation ageing studies, reliability assessment of transmission assets, and testing of protection, control and communication system equipment being used in modern grid operations. The testing laboratories should be accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). Further, OPTCL shall (a) indicate the testing standards to be followed (IEC/IS), (b) proposed infrastructure and laboratory facilities to be created, (c) estimated capital cost, (d) manpower requirement and (e) implementation timeline for the establishment of the centre. OPTCL shall submit the report before the Commission by **31.07.2026**.

Fixed Assets Register:

236. Since OPTCL is an asset-based utility, maintenance of an accurate and comprehensive Fixed Assets Register (FAR) is of paramount importance. Accordingly, the Commission directs OPTCL to submit the complete Fixed Assets Register, indicating the original book value of fixed assets as on 31.03.2026 and additions during FY 2025-26, with separate disclosure of assets created through own investment, grants and beneficiary/deposit works, in the prescribed format. OPTCL shall also submit the Capital Work-in-Progress (CWIP) position as on 31.03.2026, with separate details of own investment, grants and beneficiary/deposit works, in the prescribed format. The above information shall be submitted to the Commission on or before **30.09.2026**.
237. The Commission further directs OPTCL to submit, on quarterly basis, scheme-wise details of asset capitalization (in the prescribed FAR format), along with Electrical Inspector certificates (wherever applicable), in accordance with Regulation 4.15 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014.
238. The Commission directs OPTCL to develop and maintain a GIS-integrated Fixed Assets Register through its SAP-based asset management system, which is presently under

implementation to ensure proper asset identification, tracking and monitoring of transmission infrastructure. The system shall incorporate unique asset identification numbers, asset tagging, geo-referencing of towers/poles of transmission lines and grid sub-stations, and linkage with asset life-cycle management and maintenance records to facilitate effective monitoring, planning and verification of assets. This will also enable robust prudence check of capitalization in future tariff proceedings.

239. The Commission further directs OPTCL to undertake periodic physical verification of its transmission assets, including transmission lines, towers, conductors, grid sub-station equipment and associated infrastructure and to reconcile the same with the Fixed Assets Register. In case of any discrepancy, OPTCL shall take necessary corrective action and update the asset records accordingly.
240. The Commission further directs OPTCL to undertake third-party verification of major transmission assets, wherever considered necessary to ensure accuracy, authenticity and reliability of the asset database. The findings of such verification, along with action taken thereon, shall be submitted before the Commission.
241. The Commission emphasizes that maintenance of an accurate and verified asset database is essential for proper prudence check of capitalization, decapitalization, depreciation and other related claims in future tariff proceedings and OPTCL shall ensure strict compliance in this regard

Revision of sanctioned strength:

242. The Commission observes that OPTCL is presently operating with around 50% of the sanctioned strength, which indicates that the sanctioned strength may be overstated or has not been revised over a period in line with technological advancements. Further, OPTCL has undertaken significant capital investment in substation automation and the State Transmission Asset Management System (STAMS) for the development of unmanned substations. The Commission is of the opinion that the sanctioned manpower strength requires reassessment and rationalization in line with the evolving technological framework and actual operational requirements. Accordingly, the Commission directs OPTCL to review and rationalize its sanctioned manpower strength, taking into account the impact of automation and digitalization initiatives. Till such revision is undertaken, no further recruitment shall be carried out during FY 2026-27. OPTCL shall submit a detailed proposal for revision of sanctioned strength along with justification, functional requirement and productivity considerations to the Commission. The proposal shall also include benchmarking of manpower deployment, such as the number of employees per

Grid Sub-station, per circuit kilometer of transmission line and other relevant performance indicators, along with comparison with other State Transmission Utilities, to ensure efficient and optimal utilization of manpower resources.

243. The Commission directs OPTCL to comply with the directions contained in this Tariff Order within the stipulated time. Further, OPTCL shall submit a consolidated compliance report before the Commission on or before **31.10.2026**. Any non-compliance with the directions of the Commission shall be viewed seriously and may invite appropriate action under the provisions of the Electricity Act, 2003. The timelines for compliance of the directions of the Commission are compiled for immediate reference in the following Table:

Table-52

Timelines for Compliance of the Directions/Suggestions of the Commission:

Sl. No.	Direction of the Commission (ARR & TT Order for FY 2026-27)	Para No.	Page No.	Timeline for Compliance
1	Detailed report indicating the steps taken towards conducting the energy audit of the transmission system	103	43	On or before 30.06.2026
2	Transmission losses in Grid Sub-stations and transmission lines at different voltage levels (132 kV, 220 kV and 400 kV)	104	43	On or before 31.09.2026
3	Submission of cost overrun due to the delay in the execution of projects	111	47	On or before 31.10.2026
4	Training Calendar and proposal for the upgradation of the Training Centre	155(xiii)	75	On or before 31.10.2026
5	Submission of the detailed breakup of the amount spent under system improvement & capacity building	181	92	On or before 31.10.2026
6	Detailed report regarding Reactive Energy Charges after consultation with the Grid Coordination Committee (GCC)	198	97	On or before 31.08.2026
7	Simulation lab at the Power Training Centre	204 (3)	100	On or before 31.10.2026
8	Detailed information, including: (a) the actual load on each existing Grid Substation along with projected load growth for the next ten years; (b) a list of 132/33 kV or 220/33 kV substations where downstream load is not connected due to absence of distribution infrastructure; and (c) the number of transmission lines at different voltage levels (400 kV, 220 kV and 132 kV) along with their	204 (5)	100-101	On or before 30.06.2026

Sl. No.	Direction of the Commission (ARR & TT Order for FY 2026-27)	Para No.	Page No.	Timeline for Compliance
	loading levels as a percentage of rated capacity			
9	Quarterly report on the utilisation of GIS mapping of all transmission assets for monitoring, maintenance, and optimized network management.	204 (10)	103	Quarterly report and consolidated report on or before 31.10.2026
10	Condition assessment of earthing systems at all substations and transmission towers	204 (16)	105-106	On or before 31.10.2026
11	RCM implementation post-STAMS	204 (23)	108-109	On or before 31.10.2026
12	Quarterly details of scheme-wise asset capitalization in the prescribed Fixed Asset Register format, along with receipts of Electrical Inspector certificates.	204 (33)	112	Quarterly report
13	Submission of findings of the audit on the Undertaking of third-party verification and audit of major R&M works.	216	118	On or before 31.10.2026
14	Submission of reports on the feasibility of the installation of BESS at suitable Grid Sub-stations (GSSs)	219	118	On or before 31.10.2026
15	Submission of minutes of the meetings of GCC and the action taken report.	222	119	On or before 31.10.2026
16	“Take or Pay Agreement” in consultation with the DISCOMs.	223	120	On or before 30.05.2026
17	Minutes of monthly coordination meetings of OPTCL and DISCOMs to review the progress of the transmission and distribution system	224	120	Monthly
18	Submission of details of cost overrun on account of the delay in project execution	226	120-121	On or before 31.10.2026
19	Submission of the report for all the major incidents	228	121-122	On or before 31.10.2026
20	“Commitment Fees” or similar arrangements for upcoming industries to ensure optimal utilization of the transmission system	229	122	On or before 30.09.2026
21	Submission of status report on the progress made towards the separation of the STU from OPTCL.	230-232	122-123	On or before 30.06.2026
22	Submission of detailed status report on the progress made towards the establishment of the Testing and Research Centre	233-235	123-124	On or before 31.07.2026
23	Submission of complete Fixed Assets	236	124	On or before

Sl. No.	Direction of the Commission (ARR & TT Order for FY 2026-27)	Para No.	Page No.	Timeline for Compliance
	Register, indicating the original book value of fixed assets as on 31.03.2026			30.09.2026
24	Submission of scheme-wise details of asset capitalisation on quarterly basis.	237	124	Quarterly report
25	Submission of the third-party verification report of major transmission assets.	240	125	On or before 30.10.2026
26	Detailed proposal for revision of sanctioned strength along with justification, functional requirement and productivity	242	125-126	On or before 30.10.2026

244. The transmission tariff approved as above in respect of OPTCL will become effective from 01.04.2026 and shall continue to remain in force until further orders.
245. The Application of OPTCL in respect of ARR & Transmission Tariff for the FY 2026-27 and Truing-up of accounts for the FY 2024-25 in Case No. 121 of 2025 is disposed of accordingly.

sd/-
(Shri B. Mohanty)
Member

sd/-
(S. K. Ray Mohapatra)
Member

sd/-
(P.K Jena)
Chairperson