

Minutes of the Review Meeting on Performance of OPTCL

Date of review	:	27.12.2006
Period of Review	:	August, 2006 to September, 2006
Persons present	:	Shri U.P. Singh, IAS, MD, OPTCL Shri A.C. Mallick, Director (Com.), GRIDCO, & other officials of OPTCL.

The performance review of OPTCL was taken up by the Commission on 27.12.2006. During the review, the matters relating to ongoing projects of OPTCL and financial performance of the licensee were discussed.

It was found that compared to the last review taken on 23.9.06, there has been very little progress in the implementation of the projects.

A) Lines S/S

- i) 400 KV Ib-Meramundali DC line - OPTCL submitted that some of its works were completed anticipating the coming up of OPGC's units 3 & 4. But since they did not come up that time, the work was slowed down. It led to theft of conductors/ materials. Arbitration cropped up with the contractor. The Commission felt that the line should be completed as substantial amount is already locked up in the unfinished project.

Further, delay in completion of the work may lead to theft of conductor and tower material which as reported by OPTCL has been the cause of duplicating of expenditure for several lines. OPTCL should complete this line to serve the upcoming IPPs besides strengthening the back bone of the State's power system.

- ii) Budhipadar-Burla-Bargarh-Bolangir 220 KVDC line - OPTCL submitted that Burla-Bargarh stretch is complete thus enabling flow of extra 30-35 MW to Bolangir. It, in turn is giving relief to Theruvali-Kesingra line. Budhipadar-Burla-stretch was promised by OPTCL to be completed by Feb' 07.

For Bargarh-Bolangir stretch, the work was held up due to large scale theft of already erected line materials. However, Board approval has been made for giving contract to RPG. It was promised to be completed by July' 07. It will enable Theruvali- Kesingra line to concentrate on Patnagarh load etc rather than Bolangir area.

- iii) 220 KV Indravati- Theruvali DC line – work is completed and is on anti-theft charging.
- iv) Mendhasal-LILO Bhanjanagar/ Chandaka line- it is expected to be completed by January'07. Problem in it lies with lack of contractor's project license. Similar is the case with Mendhasal-Narendrapur/ Chandaka line.

- v) 132 KV Bidanasi-Cuttack- Tendering with revised alignment completed. Work is expected to be complete by Dec'07.
 - vi) 132 KV Mancheswar-Badgad, Badgad-Uttara and Uttara-Sijua lines- EMC was doing this job. It has been off-loaded. Tender for new contract has been opened. Work order has not been given yet. The work is to be completed by June' 07.
 - vii) 220 KV Burla, Bolangir S/S are ready and 400 KV Mendhasal S/S is more or less complete. 400 KV Duburi S/S is already charged. 132 KV Badagad and Phulnakhara S/S are ready.
 - viii) 220 KV Duburi-Paradeep DC line and 220 KV Paradeep S/S – Small works are left. HIW was doing the job. After its privatization, the new owner of the company is not investing any thing for completing balance work. However, OPTCL assured that it shall take steps to complete it by March'07. Similar is the case with 220 KV Mendhasal- Bidanasi line.
 - ix) 400 KV DC Meramundali-Mendhasal is expected to be completed by Feb'07.
 - x) 220 KV Kuchei- Kailash Chandrapur- Padmanavpur-Balasore DC line. Kuchei-Kailash Chandrapur line is complete and is on anti-theft charging, for other two stretches, the contractor has just started the work and they are expected to be completed by June'07.
- The Commission stressed that review of progress of projects should be done at CGM / Sr. GM level and at best at MD level. The Commission should not be forced upon to review the progress of the projects.

B) Progress of ULDC Project

It is a World Bank project with a fixed tenure. Out of proposed / identified 60 RTU stations, 48 have been completed, out of around 8 are not working in stable manner. As per World Bank norm, commercial operation has been declared since September 2005. The guarantee period is scheduled to end by March' 07. However, ULDC project of OPTCL is in working condition now. SCADA interface for DISTCOs has to be carried out by the distribution licensees.

Repair & Maintenance Expenditure

The Commission for FY 2006-07 had approved a sum of Rs.36 crore towards R&M expenditure. In reply to the query of the Commission as to how much has been spent under this head, OPTCL replied that a sum of Rs. 9.1 crore had already been spent up to November, 2006. OPTCL had initiated plans for procurement of equipments such as breakers, CTs, PTs and LAs of different voltage class, batteries, transformer oil, hardware fitting, power transformers, ground ware etc with financial involvement of Rs. 21.50 crore. Painting of auto-transformers and power transformers at an expenditure of Re.1 crore, procurement of lighting materials of Rs. 0.3 crore, cleaning of sub-stations etc with an expense of Rs 0.15 crore, miscellaneous expenditure of Rs 4.55 crore have also been planned. The

total R & M expenses were expected to be of the order of Rs. 36.60 crore during 2006-07.

The Commission also expressed that OPTCL should prepare a master maintenance plan for its assets keeping in view that the transmission network is the life line of the power system in Orissa, large portion of which are pretty old and had to be maintained for quality and continuity of supply. This may be covered under the business plan if required.

Depreciation & AAD

The Commission enquired whether there existed any financial gap between revenue recovery allowed through permitted Depreciation and Advance against Depreciation and the quantum of loan repayment. MD, OPTCL in his reply stated that revenue recovery under this head was insufficient to meet the financial requirements pertaining to loan repayment. He pleaded for higher Depreciation through higher rates beyond those envisaged in the pre-92 regime. The Commission directed OPTCL to prepare a comparative chart of loan repayment and permitted depreciation figure for information of the Commission pertaining to the period FY 06-07.

Acturial Valuation

OPTCL in their reply had stated that the preliminary data have been submitted to the actuary appointed by the Commission. The report is awaited.

Audited Accounts

Regarding compilation of annual accounts for the year 2005-06, the CMD stated that the annual accounts along with the statutory audit report shall be submitted within January, 2007.
