

Minutes of Review Meeting on Performance of OPTCL

Date of Review : 22.05.2012 at 11.00AM

Period of Review : For the period FY 2011-12

Representative of OPTCL Present : Shri H.K.Sharma , CMD
Shri S.K.Das , Director (Engineering)
Shri B.P.Mohapatra, Director (Finance)
Shri S.K.Rath, Director (HRD)
Shri J.P.Dash, CGM (O & M)
Shri P.K. Dash, Sr. GM (SLDC)
and other officials of SLDC & OPTCL

1. The Performance of OPTCL & SLDC for the period from October, 11 to March,12 and cumulative for FY 2011-12 was reviewed by the Commission on 22.05.2012. During the review the status of ongoing projects, projects completed and projects to be taken up during 11th plan as well as financial performance of OPTCL were discussed. During the presentation by the licensee, it was observed that some projects had been completed during FY 2011-12 and several projects had been delayed for years together.
2. The Commission reviewed the performance of OPTCL with reference to execution of various ongoing transmission projects. It was found that 727.5 MVA capacity addition in 26 nos. of S/S and one 220 kV line construction has been completed with an investment of 143.69 Cr. during the period under review. The performance highlights of OPTCL are given below.

| | As on 01.04.2011 | Addition during 2011-12 | As on 31.03.2012 |
|---|-----------------------------|---|-----------------------------|
| Transformation Capacity (MVA) | 9595 | 727.5 in 26 nos. of S/S | 10322.5 |
| EHT Line ckt. KM | 11152.586 | 143.377 | 11295.963 |
| New CGPs synchronised to OPTCL system (MW) | | 276 (7 nos. of new generating units) | |
| Enhanced Load released to Industries incl. Railway Traction | | 57MW (Industries) & 43.5 MVA (Railway Traction) | |
| New Projects Started | | 4 nos. of S/S | |

3. OPTCL submitted the status of 34 nos. of ongoing projects which includes one 400 kV S/S, 5 nos of 220 kV S/S, 17 nos. of 132 KV S/S and 11 nos. of other projects (mainly transmission lines) with an investment of Rs.778.97 Cr. Out of total 22 nos. of 220 kV

and 132 kV projects, 6 projects are expected to be completed within the FY 2012-13. Most of the projects are delayed mainly due to ROW problems. OPTCL submitted that ROW problem was solved in case of Shamuka Beach Project, IIT Arugul, Meramundali-Duburi and Bidanasi-Cuttack line. OPTCL has encountered severe ROW problem in case of Meramundali-Duburi line and Mendhasal-Bidanasi line near ASBM institute.

4. The Commission expressed its serious displeasure for delay in execution of two important very old projects i.e. one from Meramundali to Duburi 400 kV line and another from Mendhasal to Bidanasi 220 kV line. OPTCL said that the Meramundali-Duburi 400kKV D/C line work handed over to PGCIL and shall be completed within September, 2012. Further, 7 numbers of CGPs having 276 MW capacity are synchronized to the system during the FY 2012-13 so that surplus power from those units can be evacuated through Odisha system. 400/220 kV s/s at Duburi, Meramundali-Duburi line, Mendhasal-Bidanasi 220 kV line Nimapara-Chandaka and Paradeep-Jagatsinghpur 132 kV S/c lines, which has been delayed mainly due to ROW problem/court cases are expected to be completed within next 5 to 6 months.
5. In the mean time, OPTCL has selected sites for 21 nos of new substations in the state to meet the growing demand of electricity by the people of the state. While reviewing the status of ongoing projects, the Commission stressed for early completion of the project in the pipeline by a dedicated team to avoid inordinate delay in execution of projects. OPTCL admitted that delay in execution in some of its projects are mainly due to court cases, severe ROW problems, land disputes etc. OPTCL is now monitoring its ongoing projects regularly and expects that ROW problem/court cases of some of its transmission projects will be solved very soon. OPTCL said that it has developed a frequent monitoring mechanism in order to complete the project within the specified time schedule.
6. The Commission directs OPTCL to see that the investment on S/S should not be left idle due to non-completion of inter-linking transmission lines. OPTCL should take timely action and should ensure the completion of transmission line prior to commissioning of grid S/S. The Commission desires that OPTCL should submit the original estimated cost, revised estimated cost, actual cost on completion, Order No. and date of awarding the work, original date of completion, revised date of completion & the actual date of completion of the project with reasons for such deviation.
7. While replying the queries of the Commission, OPTCL stated that all the on-going projects are being monitored regularly and shall be completed within the revised target

date. Additionally, OPTCL is also planning to execute 80 new projects with an estimated investment of Rs.3024.01 Cr. during 12th plan period. This includes an investment of Rs.834.65 Cr. in 6 nos. of 400 kV projects, Rs.899.38 Cr. in 19 nos. of 220 kV projects and Rs.1289.99 Cr. in 55 nos. of 132 kV projects. OPTCL has got approval of some of the projects from OERC and shall approach OERC for the remaining proposed projects with detailed DPR and cost benefit analysis after BoD's approval & completion of preliminary works.

8. As regards to quality of power supply, OPTCL said that many overloaded grid S/Ss has been upgraded during the FY 2011-12. Specifically, augmentation of 26 nos. of grid S/s (12 in CESU, 3 in NESCO, 5 in SOUTHCO, 6 in WESCO) has already been completed with an investment of 73.25 Cr with 727.5 MVA capacity addition. Up-gradation of another 20 nos. of grid S/s has been programmed by OPTCL to be executed during 2012-13 with an investment of 50.88 Cr with 1076 MVA capacity addition. OPTCL has decided to procure 63 MVA transformers henceforth to replace the overloaded 40 MVA transformers at different S/S. The Commission stressed that while augmenting the s/s with upgraded transformers all the technicalities such as impedance matching etc. should be taken care. OPTCL has decided to upgrade 4 nos. s/s from 40 MVA to 63 MVA during the FY 2012-13 at an estimated cost of Rs.50.82 cr. and placed purchase orders for procurement of 14 nos. of 63 MVA transformers. OPTCL has planned for up-gradation of 10 nos. of critically overloaded lines (1 no of 220 kV and 9 nos. of 132 kV) from existing ACSR conductors to higher current carrying AAAC/HTLS (High temperature low sag) conductors at an estimated cost of Rs.114 Cr.
9. In addition to the above, OPTCL has placed orders for installation of 33 kV capacitor banks with an aggregate capacity of 275 MVAR at 20 nos. of grid S/S with maintenance contact for next 10 years, which is expected to be completed during FY 2012-13. In order to increase the reliability in power supply, OPTCL has planned for conversion of 3 nos. of S/C line to D/C line with on estimated cost of Rs.26.85 Cr. OPTCL has also planned for renovation of 2X12.5 MVA, 132/33 kV Ganjam grid S/S (commissioned during 1967) with an estimated cost of Rs.4.412 Cr.
10. As a part of R&M activity, in addition to other works, OPTCL has installed 8 nos. of 220 kV breakers, 89 nos. 132 kV breakers, 95 nos. 33 kV breakers in place of old/ defective circuit breakers and installed 30 nos. of numerical relays in place of electro-mechanical relays. OPTCL has replaced 8 nos. 220 kV, 124 nos. 132 kV and 152 nos. 33 kV CTs and placed purchase orders for procurement of 15 nos. 315 KVA, 33/0.4 kV station transformers. During April, 2011 to March, 2012 , OPTCL has replaced the old/damaged

insulator strings in 8 nos. of EHT lines and also planned for such replacement in 4 nos. of lines during FY 2012-13. During the period under review, OPTCL has installed GPS clocks in all 400 kV & 220 kV grids.

11. For energy auditing and billing purpose, OPTCL has procured 1200 nos. of ABT compliant open protocol energy meters for energy audit and billing purpose. OPTCL has identified 600 points for energy audit purpose, out of which 170 meters has already been installed. OPTCL has deployed emergency restoration gangs under different O&M circles on hire basis for attending exigencies. OPTCL has submitted that due to effective R&M activities, quality of supply has been substantially improved and shall further improve in the year 2012-13.
12. As regards to status of unified load dispatch and communication project, OPTCL have already integrated 60 locations with OPTCL system. Integration of another 30 nos. of grid S/S under ULDC expansion scheme with an estimated cost of Rs.36 Crore is under progress and expected to be completed by September, 2013. As regards to provision of SCADA interface points in all 220 kV & above S/S, initial survey completed and the contract is awarded to M/s LS cables and systems ltd. With an estimated cost of Rs.67.54 Cr.
13. OPTCL also presented about the IT initiatives and stated that WAN work which includes the commissioning of datacom network covering 169 locations (zonal IT centre-8, DDOs-52, Grid S/S-86, LILO-11, Gen Stations-12), 125 locations (IT centre- 8, DDO-50, Grid S/S-67) has been completed and the balance pending works shall be completed by August, 2012.
14. OPTCL submitted the initiatives taken by civil wing for completion of boundary wall, control room & quarter repair etc. The Commission stressed for proper maintenance of the S/S, control rooms, staff quarters, Guest House etc., which has already been pointed out by the expert team and even by the Commission on various occasions earlier. It is a fact that poor/no maintenance by civil wing at the time of requirement has eroded the condition of control room, staff quarters etc. to this extent. The Commission directed OPTCL to take appropriate steps to spend the amount approved on the tariff Order and the Head of Civil Wing to monitor the works on monthly basis.

15. SLDC has made a separate presentation on its activities and performances for the period 2011-12. Sr. G.M. SLDC stated that SLDC Development Fund has already been created and amount available as on end of March,2012 is Rs.929.33 crore. The Construction of building including required civil infrastructure has been completed. The entire required infrastructure for functioning of Energy Accounting and Settlement cell (EASSC) has been completed. Existing Energy Billing centre (EBC) of GRIDCO facilities are used for performing EASS work of SLDC. Software developed by IMFOSYS is temporarily loaded in the hardware of EBC Handing over of EASSC to SLDC is under progress. Mock run of billed data for 2011-12 has been conducted for testing of authentication of software. Two EASS workshops organized for Distribution Companies & other stake holders before EASS went live with effect from 01.04.2012.
16. Further, GM SLDC stated that during the period of review SLDC has allowed 104 nos of Short Term Open access (STOA) application out of 127 nos. of allocation received and 23 nos of application were rejected. Schedule based energy accounting and Un-scheduled interchange charges billing are being prepared by SLDC with effect from 01.04.2012. With the available resources, SLDC has successfully implemented the following activities:
- Intra State ABT-Mock exercise upto 31.03.2012 and on commercial operation from 01.04.2012
 - Development of SLDC web Portal and displaying of required information/data
 - Dispatch instruction to all generating stations including CGPs
 - Drawal Entitlement / schedule to Discoms and subsequent revision on real time basis.
 - Short Term Inter State Open Access transaction
17. The Commission has gone through the UI statement and stressed for functional autonomy of SLDC. The commission has also directed SLDC to submit the analysis of the different graphs submitted by SLDC during presentation.
18. OPTCL has submitted that, it has handled 21837 MU including 580 MU wheeling/sale by GRIDCO to NALCO & IMFA. The details of the energy handled, the billed amount and the payment received by OPTCL and also revenue approved by OERC Vis-à-vis actual for the period FY 2011-12 are presented in Table below.

Revenue Approved vis-à-vis Provisional Status for FY 2011-12

| Source | ESTIMATE BY OERC FOR 2011-12 | | | ACTUAL FOR 2011-12 | | | | |
|----------------------|------------------------------|--------------|-----------------------|--------------------|--------------|-----------------------|--|------------------------------------|
| | Energy handled (MU) | Rate P/U | Amount Billed (Rs Cr) | Energy (MU) | Rate P/U | Amount Billed (Rs Cr) | Payment Received incl. rebate & TDS (Rs. In Cr.) | Balance to be Received (Rs in Cr.) |
| CESU | 7,791.00 | 25.00 | 194.78 | 7,229.90 | 25.00 | 180.75 | 176.21 | 4.54 |
| NESCO | 5,323.00 | 25.00 | 133.08 | 5,026.35 | 25.00 | 125.66 | 124.18 | 1.48 |
| WESCO | 6,630.00 | 25.00 | 165.75 | 6,177.21 | 25.00 | 154.43 | 135.14 | 19.29 |
| SOUTHCO | 2,733.00 | 25.00 | 68.33 | 2,823.96 | 25.00 | 70.60 | 67.37 | 3.23 |
| TOTAL DISTCOs | 22,477.00 | 25.00 | 561.93 | 21,257.42 | 25.00 | 531.44 | 502.90 | 28.54 |
| CPPs Wheeling | 300.00 | 25.00 | 7.50 | 385.39 | 25.0 | 9.63 | | |
| Sale to CPP | 100.00 | 25.00 | 2.50 | 194.53 | 25.0 | 4.86 | | |
| SUB TOTAL | 400.00 | | 10.00 | 579.92 | 25.0 | 14.49 | | |
| GRAND TOTAL | 22,877.00 | | 571.9 | 21,837.34 | 25.00 | 545.93 | | |

19. OPTCL reported cash inflow of Rs.753.75 crore and a cash outflow of Rs.790.10 crore during the period April,11 to March,12. The closing balance was reported to be a positive figure at Rs.14.68 crore against opening balance of Rs.51.04 crore which shows that OPTCL is consuming the past surpluses instead of increasing the cash surplus. This is not a desirable state of affairs for the financial health of OPTCL.OPTCL stated that due to less drawal of energy by the DISCOMs the revenue earning of OPTCL is reduced.
20. As on 31.03.2012 OPTCL reported a loan amount of Rs.819.65 crore and an interest outstanding of Rs.63.36 crore. These loan components included Govt. loans, institutional loans, OPTCL bonds, security deposit and employee housing loan.
21. Actual interest paid out by OPTCL towards Govt. loans, institutional loan, secured loan and GRIDCO bonds was of the order of Rs.47.30 crore as against approved figure of Rs.61.33 crore for FY 2011-12. This means as per OPTCL the actual interest payments were in the lower side as compared to the approved figures during the period under review.

22. OPTCL reported that an amount of Rs.42.86 crore had been spent in the financial year, 2011-12 on account of R&M as against OERC approval of Rs. 75.00 crore for FY 2011-12. The Commission desired that repair and maintenance should be given priority and money allowed should be fully and effectively utilized and so also the project construction activities should be regularly monitored for their timely completion. It is not understood why OPTCL is not able to spend on R & M particularly in a situation of cash surplus and when OERC approval is very much there. The CMD, OPTCL stated that due to delay in placing the work order the amount approved by OERC could not be spent in time and he assured the Commission that they would achieve the target as set by OERC for FY 2012-13.
23. OPTCL stated that out of total strength of 5551 nos of employees, man in position is only 3451 nos & there are 2100 nos. of vacancies.
24. Regarding the status of accounts, OPTCL stated that the annual accounts for the year 2010-11 had been audited and audited accounts have been adopted in the AGM on 19.04.2012. Further for the year 2011-12, the compilation of annual accounts, statutory audit & supplementary audit u/s 619(4) of the Companies Act, 1956 of the said accounts by the C & AG of India are expected to be completed by 30.06.2012, 31.07.12 & 30.09.2012 respectively. The audited accounts are expected to be adopted in AGM by 30.11.2012 subject to receipt of supplementary audit report by 01.11.2012.
25. **Directions of the Commission:**
- (i) OPTCL should regularly monitor the progress of all its on-going projects to avoid in-ordinate delay. Projects should be completed within the time schedule to avoid overloading of existing system due to growth in demand and also to cater the demand of RGGVY consumers. Commission specifically exposed its concern of Row issue of Mendhasal-Bidanasi near ASBM institute. It was reported by OPTCL authorities that, in spite of clear High Court order, they are unable to construct the tower due to extra-constitutional tactics adopted by the Institute, a consumer of CESU. As this line is very vital for the interest of general public. Commission wants a detailed report regarding status of construction of line from OPTCL along with difficulties being faced by OPTCL/ CESU to maintain quality power supply to the consumer for positive intervention by the Commission, if required.
- (ii) OPTCL should line-up the procurement procedure in order to have sufficient spares in its stores to attend the break down.

- (iii) There should be a regular maintenance philosophy rather than attending the breakdowns only. Preventive maintenance of the transmission system should be a routine feature and is required to be monitored by the circle heads in each quarter.
- (iv) OPTCL should submit the list of projects those are completed during 2011-12 against the projects planned to be completed during the said year. OPTCL, in future, during performance review is also required to present the status of completed/ongoing projects accordingly along with the reason of cost and time overrun.
- (v) OPTCL authorities should take up the matter of ROW problems, land disputes etc. with the local District Administration. Timely intervention by OPTCL is required to see that no investment should be left idle because of ROW problems/land disputes etc.
- (vi) The Commission, while expressing its displeasure on overall issue of cost and time overrun, stressed to devise a standard document on contracts/agreements etc. to bring sanity and transparency in the system so that break of contracts/agreements etc. at any point of time can be handled in a prudent manner. OPTCL may also go for global tendering on experimental basis to avoid possibility of cartel among the equipment manufacturers, contractors and suppliers etc.
- (vii) Assets of OPTCL should be utilized properly. Un-occupied staffs quarters may be given on hire to other agencies instead of keeping it under lock and key for a longer period, which may invite other problems in future.
- (viii) OPTCL should take appropriate steps for proper maintenance of control rooms, staff quarters and guest houses etc. OPTCL to take appropriate steps to spend the amount approved on the tariff Order for civil works and the Head of Civil Wing to monitor the works on monthly basis.
- (ix) OPTCL should complete the installations the capacitor banks in its grids and then approach the Commission in the issue of reactive charges.
- (x) Augmentation/up gradation should be completed in a time bound manner in order to meet the accelerated demand growth of electricity consumers in the state.

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT - VIII, BHUBANESWAR - 751 012**

**No. DIR (T)- 367/09/
Dt. .06.2012**

To

The Chairman-Cum-Managing Director,
OPTCL,
Janpath, Bhubaneswar

Sub: Review of Performance of OPTCL for the period from April, 2012 to March, 2012 held on 22.05.2012.

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the aforesaid report for your information and necessary action.

Yours faithfully,

Encl: As above.

SECRETARY

Copy to :

The Commissioner-cum-Secretary, Department of Energy, Govt. of Orissa along with a copy of the enclosure for favour of information.

A draft on minutes of the review meeting on performance of OPTCL for the period from April, 12 to March, 12 held on 22.05.2012 is placed for kind perusal and necessary approval of the Commission.

Jt. Director(T-Eng)

Director(Tariff) I/c

Secretary

Member (S)

Member (M)

Chairperson