

Minutes of Review Meeting on Performance of OPTCL

Date of Review : 13.12.2010 at 4.00PM

Period of Review : for the period from April, 10 to September,10

Representative of OPTCL Present : Shri H.K.Sharma , M.D
Shri K.K.Nath , Director (Engineering)
Shri S.K.Rath, Director (HRD)
Shri J.P.Dash, CGM (O & M)
Shri D.Saha, CGM (Finance)
Shri P.K. Behura, Sr. GM (SLDC)
Shri R.K.Mohapatra, GM (Telecom)
and other officials of SLDC & OPTCL

1. The Performance of OPTCL for the period from April, 10 to September,10 was reviewed by the Commission on 13.12.2010. 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 several projects had been delayed for years together.
2. The Commission reviewed the performance of OPTCL with reference to the implementation of various transmission projects. It was found that 11 projects (including the partly pending works of earlier completed projects) have been completed during the period under review (i.e. from April, 2010 to September, 2010). The Commission observed that to non-completion of projects in time is a matter of serious concern and stressed on creation of a dedicated Project Management Group for effective execution of the projects, with a continuous monitoring by an officer in the level of General Manager at the corporate level. M.D., OPTCL stated that some of the projects including the grid S/S at Anandpur has been completed within the specified time. The delay in execution in some of its projects is due to court cases, ROW problems, land disputes and contractual problems etc. After winding up of Project Management Unit (functioning to monitor World Bank Funded Projects), now projects are being monitored by the CE(TP) of OPTCL. M.D.,OPTCL said that as Govt. is planning to have 30 new S/S in the state in the coming years to meet the future expected demand growth, for effective monitoring, OPTCL is planning to create one project monitoring cell headed by the Director (Projects) and post 4 GMs in the field level for effective co-ordination with DISCOMs. OPTCL admitted that in most of the cases, S/S are being completed within time but charging of the S/S are abnormally delayed due to ROW problem in the construction of

inter-linking in the transmission lines. OPTCL is now monitoring its ongoing projects regularly and taking up the matter with District Administration, wherever required, to extend necessary support to solve ROW problems land disputes etc. OPTCL expects that ROW problem/court cases of some of its transmission projects will be solved very soon.

3. 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.
4. The Commission expressed its serious displeasure for delay in execution of two important 400 KV lines i.e. one from Ib to Meramundali and another from Meramundali to Duburi. OPTCL admitted that the Meramundali-Duburi 400 KV D/C line work, although handed over to PGCIL, shall not be completed within March, 2011 for execution and may take some more time due to some land disputes. As regards to Ib-Meramundali 400 KV line, OPTCL said that M/s.Sterlite Energy Ltd. has given its consent for execution of the project under Public Private Partnership (PPP) mode. The IPP (4 x 600 MW) of M/s SEL is proposed to have connectivity with Ib- Meramundali 400KV System of OPTCL through the proposed 400/220 KV S/s at Lapanga While discussing about the connectivity 400 KV Ib-Meramundali to Sterilite at 400 KV (through Lapanga 400/220 KV S/s) , the Commission asked OPTCL to clarify the necessity of the proposal for installation of 2X 315 MVA, 400/220 KV Auto Transformer at Sterilite.IPP and how the Auto Transformer will be loaded ?
5. OPTCL stated that 24 on-going projects, during FY 2010-11, are being monitored regularly and should be completed within the specified time. Additionally, OPTCL is also planning to execute 34 new projects with an estimated investment of Rs.1643.53 Cr. during 11th plan period. OPTCL has got approval of 10 nos of the aforesaid 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. OPTCL has taken the help of NTPC-ESCL (Electric Supply Company Ltd.) for pre-award contract management services for 13 projects. As submitted NTPC-ESCL has completed techno commercial and price bid evaluation of some of the projects, however, 21 projects out of above 34 are in the nascent stage.
6. OPTCL said that BoD has approved in principle the transmission schemes 2X315 MVA, 400/220 kV S/S at Bolangir (with LILO arrangement on both existing Meramundali-Jeypore and Indravati- Rengali 400 kV lines.), Keonjhar (with LILO arrangement on both

proposed Jamshedpur-Baripada-Mendhasal 400 kV S/C line and existing Rengali-Kolaghat 400 kV S/C line), 2X315 MVA, 400/220/33 kV at Uttara with 25 KMs, 400 kV D/c line from Mendhasal and 400kV LILO of Baripada-Mendhasal feeder at existing 400 kV S/S at Duburi for execution by PGCIL under Regional Scheme with cost sharing among Eastern Region constituents. The above schemes have been approved in a special meeting of ERPC held on 30.12.08.

7. In reply to the queries of the Commission as regards to quality of power supply, OPTCL said that many overloaded grid S/S have been upgraded during the FY 2010-11. Specifically 3 nos of 40 MVA transformers have been installed at Kesinga, Nuapatna and Nimapara to improve the supply voltage in those areas. In the mean time during October and November, 2010, 5 nos of 40 MVA transformers at Angul, Balugaon, Baripada, Bhanjanagar & Chainpal and 2 nos of 20 MVA transformers at Janagarh & Salipur have also been installed for improvement of power supply system. OPTCL is also planning to install 13 nos. of 40 MVA transformers, 3 nos of 20 MVA transformers and 4 nos of 12.5 MVA transformers in different grid S/S before March, 2011. Construction work of 27 nos additional transformer bays at 25 nos of grid S/S are under progress and shall be completed by May, 2011. As per earlier directives, OPTCL has procured 6 nos of thermo vision cameras for identification of hot spots in switchyards and lines. As a part of R&M activity, in addition to other works, OPTCL has installed 9 nos of 220 KV SF₆ breakers, 79 nos 132 KV SF₆ breakers, 84 nos 33 KV VCBs in place of BOCBs, MOCBs and defective circuit breakers during FY 09-10 and FY10-11(till date) and installed 164 nos of numerical relays in place of electro-magnetic relays. OPTCL submitted that due to effective R&M activities, quality of supply in KBK districts (Kalahandi, Junagarh etc) has been substantially improved and shall further improve in the year 2010-11 after completion of some ongoing transmission projects on those areas. OPTCL has completed most of the short term recommendations of the independent technical expert terms and some of the pending recommendations shall be completed before March, 2011.
8. As regards the status of unified load dispatch and communication project, out of 60 RTU locations, OPTCL have already integrated 56 locations with SLDC Bhubaneswar. The Communication link from Jeypore PG to Jayanagar grid, Jayanagar to Theruvali and then Narendrapur and Mendhasal to Chandaka grid are being operated through Optic Fibre (OPGW) cables. Apart from point to point communication between the grids, trunk dialing facility has been extended to most of the grid S/S from SLDC for better management of grid network. Provision of SCADA interface point at all 220 KV grid S/S

and integration of another 30 nos of grid S/S under ULDC expansion scheme is under process and the work is expected to be completed by the year 2013. The Commission directs OPTCL to send a senior officer from Telecom Department of OPTCL to the Commission for clarification in the matters related to PLCC/SCADA. OPTCL also presented about the IT initiatives and stated that Facility Management Services(FMS) shall be made operational for SLDC & GRIDCO by the end of January, 2011.

9. SLDC has made a separate presentation on its activities and performances during April to September, 10.G.M., SLDC stated that SLDC Development Fund has already been created under heads of accounts 57.10 with effect from 01.04.2010 with an opening balance of Rs.585.92 Lakh i.e. unspent amount of the revenue collected during FY 2009-10. The Construction of building including required Civil infrastructure has been completed. The Energy Accounting (EASC) and Settlement cell is likely to be operational during FY
10. 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 2010-11 (upto September,2010) are presented in Table below.

Revenue Approved for FY 2010-11 vis-à-vis Provisional Status upto Sept,2010

Source	ESTIMATE BY OERC FOR 2010-11			ACTUAL FOR 2010-11(upto Sept,2010)			
	Energy handled (MU)	Rate P/U	Amount Billed (Rs Cr)	Energy (MU)	Rate P/U	Amount Billed excl. rebate (Rs Cr)	Payment Received incl. rebate (Rs. In Cr.)
CESU	6,420.00	23.50	150.87	3,630.75	23.50	85.32	85.32
NESCO	5,122.00	23.50	120.37	2,519.76	23.50	59.21	59.21
WESCO	6,244.00	23.50	146.73	3,143.43	23.50	73.87	73.87
SOUTHCO	2,368.00	23.50	55.65	1,260.51	23.50	29.62	29.62
TOTAL DISTCOs	20,154.00	23.50	473.62	10,554.45	23.50	248.02	248.02
CPPs Wheeling	300.00	23.50	7.05	170.78	23.5	4.01	4.01
Sale to CPP	10.00	23.50	0.24	114.46	23.5	2.69	2.69
Inter State Wheeling & Supervision Cgr.			48.30	615.81	17.5	10.78	10.97
SUB TOTAL	310.00		55.59	901.05	19.40	17.48	17.67
GRAND TOTAL	20,464.00		529.2	11,455.50		265.50	265.69

11. OPTCL reported cash inflow of Rs.359.56 crore and a cash outflow of Rs.300.67 crore during the period April,10 to September,10. The closing balance was reported to be a positive figure at Rs.58.89 crore against opening balance of Rs.65.73 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.
12. As on 30.09.2010 OPTCL reported a loan amount of Rs.905.33 crore and an interest outstanding of Rs.286.47 crore. These loan components included Govt. loans, institutional loans, OPTCL bonds, security deposit and employee housing loan.
13. Actual interest paid out by OPTCL towards Govt. loans, institutional loan, secured loan and GRIDCO bonds was of the order of Rs.20.60 crore as against approved figure of Rs.53.39 crore for FY 2010-11. 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. This is stated to be due to variation in the interest rate.
14. OPTCL reported that an amount of Rs.16.16 crore had been spent in the financial year, 2010-11 (upto Sept,2010) on account of R&M as against OERC approval of Rs. 60.00 crore for FY 2010-11. 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.
15. Regarding the status of accounts, OPTCL stated that the annual accounts for the year 2008-09 had been audited and audited accounts have been adopted in the AGM on 26.06.2010. Further for the year 2009-10, the compilation of annual accounts has been completed and the 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 31.12.2010 & 28.02.2011 respectively and audited accounts are expected to be adopted in AGM by 28.04.2011.
16. **Directions of the Commission:**
 - (i) OPTCL should develop a system of annual inspection by its higher officials to the field to ascertain the exact situation and requirement of maintenance of its grid S/Ss in particular and transmission system as a whole.

- (ii) OPTCL should submit the original estimated cost, schedule date of completion with date of original order vis-à-vis actual expenditure and expected completion date along with the reason of delay of its transmission projects. No additional payment should be made over and the above the amount for which tender has been accepted.
- (iii) OPTCL should create a Project Monitoring Cell headed by an officer not below the rank of General Manager to monitor the progress and final execution of all the on-going transmission projects. OPTCL authorities should take up the matter with the concerned District Administration to solve the ROW problems and land disputes etc. Timely intervention by OPTCL is required to see that no investment should be left idle because of some ROW/land dispute etc. Augmentation and completion of transmission projects in time are necessary in the backdrop of load growth expected due to rapid industrialization and implementation of RGGVY and BGJY in the state in addition to normal growth. DISCOMs are also to be intimated beforehand so that they should be prepared for receiving power from new/augmented grid S/S and accordingly build their downstream distribution lines for evacuation of power.
- (iv) OPTCL should justify the necessity of installation of 2X315 MVA, 400/220 KV auto transformer in the generating S/s of M/s. Sterlite Energy Limited IPP.
- (v) OPTCL should take expeditions steps to comply the recommendations of the independent technical teams still pending, for improvement of power supply system in the state.
- (vi) It is reiterated once again that pending finalization of the NPC report on delegation of power, the administrative and financial powers of different level of officers should be enhanced in line with the officers of other similar organizations (OGCIL/other STUs/ State Govt./PSUs) to avoid delay in executing the works. Preventive, breakdown & other maintenance works should not hamper on account of this. The powers so delegated with proper accountability should be reviewed and monitored by Director (Engg.) and Director (Finance) at least once in every six months. Other than capital works, field officials may be delegated with proper authority to carry out O&M works.
- (vii) SLDC should take steps for functioning of Energy Accounting and Settlement Centre (EASC) at the earliest and spend the amount allowed in its ARR and Tariff Order for functioning as a System Operator effectively.
