

**Record note of the Review Meeting on Performance of OPTCL for the period
April, 2013 to September, 2013 of FY 2013-14**

Date of Review : 18.02.2013 at 3:30 PM

Period of Review : April, 2013 to September, 2013

Representative of OPTCL Present : Shri Hemant Sharma, CMD, OPTCL
Shri B.P.Mohapatra, Director (Finance)
Shri S.K.Rath, Director (HRD)
Shri RC.Mishra, CGM(F), OPTCL
Shri S.K.Hota, CGM (Construction)
Shri P.C.Tripathy, C.G.M (O&M)
Shri U.N.Mishra, Sr.G.M., SLDC
Shri M.R.Mohanty, G.M. EHT(O&M)
Shri N.R.Pradhan, G.M.
and other officials of SLDC & OPTCL.

1. The Performance of OPTCL & SLDC for the period from April, 2013 to September, 2013 was reviewed by the Commission on 18.12.2013 in the Conference hall of OERC. During the review the status of ongoing projects, projects completed, and projects to be taken up by JV with PGCIL & MCL (tentative) 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 the first half of 2013-14 and several projects had been delayed primarily due to contractual & RoW problems and court cases.
2. The Commission reviewed the performance of OPTCL with reference to execution of various ongoing transmission projects. It was found that 700 MVA capacity addition in 13 nos. of S/S (9 nos of s/s capacity augmentations and 4 new s/s) and one 132 KV line has been completed with an investment of 85.56 Cr. during the period under review. Out of 9 s/s augmented, 4 nos are in CESU, 2 nos in NESCO, 1 nos in SOUTHCO and 2 nos in WESCO licensed area. The performance highlights of OPTCL are given below.

| | As on 01.04.2013 | Addition during April, 2013 to Sep,2013 | As on 31.11.2013 |
|-------------------------------|--|--|---|
| Transformation Capacity (MVA) | 11554 | 700 in 13 nos. of S/S | 12254 |
| EHT Line ckt. KM | 11386.078 | 141.649 | 11527.727 |
| Energy handled | <u>OERC approval(MU)</u> (Pro-rata six months) 11524 | | <u>Actual (MU)</u> 11787 |
| Equity Infusion | <u>By State Govt.(Cr.)</u> 50 | | <u>By F.I.(Cr.)</u> REC-NIL; PFC-NIL |
| Human Resource Position | <u>Sanctioned Strength</u> 5565 | <u>Men in Position</u> 3138 | <u>Vacancy</u> 2427 |

3. OPTCL submitted the status of 45 nos. of ongoing projects which includes one 400 kV S/S, 10 nos of 220 kV S/S, 22 nos. of 132 KV S/S and 12 nos. of other projects (mainly transmission lines) with an investment of Rs.1448.42 Cr. Total 11 nos. of 220 kV and 132 kV projects are expected to be completed within the FY 2013-14. The progress of the projects are delayed due to ROW, court cases, delay in land acquisition and contractual problems. OPTCL submitted that many long pending disputes have been settled in the meantime and now OPTCL is taking all appropriate steps from the initiation of the project to avoid unnecessary delay. Henceforth, the projects are likely to be completed within the scheduled time period. The Commission stressed for proper monitoring and completion of projects in time. Slow progress by the contractors is not the sufficient reason for delay in execution of the projects. OPTCL should take timely action in this regard to avoid cost and time over-run.
4. OPTCL submitted that transaction Advisory Services for PPP projects have been placed to PWC for Package A and M/s. Earnest & Young for Package B. Package-A includes 6 nos of projects (2 nos of 400 kV s/s and 4 nos of 400 kV line) with an appropriate investment of Rs.744.00 Cr. and Package–B includes 3 nos of projects (1 no of 400 kV s/s and 2 nos of 400 kV line) with an approximate investment of Rs.781.00 Cr. Bidder selection and signing of contract agreement is expected to be completed by June,2014.
5. While reviewing the status of on-going and proposed projects, the Commission asked about the reason of further additional requirement of transformation capacity over the existing 12254 MVA when the peak demand of the State is around 3600 MVA. OPTCL said that 12254 MVA includes the capacity of transformer at 400 kV, 220 kV and 132 kV voltage level. The transformation capacity at 132/33 kV S/S are primarily meeting the demand of consumers, which is within the normative range to meet the contingency conditions. However, in reply to Commission’s queries as regards to low voltage in some of the licensees areas, OPTCL stated that some of the grid s/s are still under overloading condition and some are in under loading condition despite the capacity additions. Further, OPTCL will address this issue in detail in its business plan likely to be filed shortly.
6. While replying the queries of the Commission as regards to system constraints, OPTCL submitted that HTLS line has been planned in the city area to avoid ROW and increase power transfer capability in addition to other system improvement schemes. Additionally, OPTCL is also planning to execute 45 nos. of new projects with an estimated investment of Rs.1807.04 Cr. during the future years. OPTCL is planning to execute 10 nos of projects by Joint Venture with PGCIL (Kalinga Vidyut Prasarana Nigam Ltd) with an approximate investment of 600 Cr. in phase-I and 10 nos of projects in Phase-II with an approximate investment of Rs.1890 Cr. Further, OPTCL has submitted that it will take up 18 nos. of projects thorough JV with MCL with an approximate investment of Rs.1059.83 Cr., however, the MCL’s response in this regard is not so much encouraging.

7. As regards to O&M activity, OPTCL said that many overloaded grid S/Ss has been upgraded during the period under review. Specifically, augmentation of 9 nos. of grid S/s (4 in CESU, 2 in NESCO, 1 in SOUTHCO, 2 in WESCO) has already been completed with an investment of 15.34 Cr with 295 MVA capacity addition. Up-gradation of another 16 nos. of grid S/s has been programmed by OPTCL to be executed during 2013-14 with an investment of 54.11 Cr with 808 MVA capacity addition.
8. In addition to the above, OPTCL has commissioned 33 KV Capacitor Banks with aggregate capacity of 155 MVAR at 9 nos of s/s (BBSR, Khurda, Ranasinghpur, Nimapara and Puri, Balasore, Bhadrak, Sambalpur and Bargarh) and balance 120 MVAR capacitor bank will be installed in 11 nos of s/s in FY 2013-14.
9. In order to increase the power transfer capability, OPTCL has awarded the work for up-rating of ACSR conductor to HTLS for 132 KV Chandaka -Mancheswar Ckt-I & II and Chandaka-Ranasinghpur having total line length of 35.63 ckt with an investment of Rs.13 Cr. and is likely to be completed by March, 2014. OPTCL has also floated the tender for up-rating the 132 KV Joda-Barabil and Mendhashal-Khurda line to HTLS. Further, OPTCL is planning to convert 132 KV Jajpur Road-Anandpur, Akhusinghi-Paralakhemundi, New Bolangir-Patnagarh, New Bolangir-Sonepur from S/c to D/c.
10. As a part of R&M activity, in addition to other works, OPTCL has installed 18 nos. of 220 kV breakers, 71 nos. 132 kV breakers, 90 nos. 33 kV breakers in place of old/ defective circuit breakers and replaced 11 nos. 220 kV, 88 nos. 132 kV and 85 nos. 33 kV CTs with new ones. OPTCL has procured Event Loggers and Bus Bar Protection System for 12 nos of 220 KV grid s/s. As a part of renovation of existing grid s/s and lines, OPTCL is carrying out the earthing and tower footing strengthening works alongwith replacement of conductor and insulator etc.
11. 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 June, 2014. As regards to provision of SCADA interface points in all 220 kV & above S/S, the contract is awarded to M/s LS cables and systems ltd. With an estimated cost of Rs.67.54 Cr., for which an amount of Rs.18.53 Cr has been paid to the said firm and work is expected to be completed by June-2014.
12. OPTCL also presented about the ERP implementation status and stated that H.R.(Core) and HR(ESS), payroll, inventory, projects (Project progress), procurement, GL(COA), payables, receivables cash requisition & cash management, pension billing, meter data management etc. are completed and other modules are expected to be completed by the end of FY 2013-14. About OPTCL-GRIDCO-SLDC Wide Area Network (WAN), OPTCL has submitted that

out of 157 locations, 136 are completed and decided to provide V-SAT links to the balance 21 units.

13. SLDC has made a separate presentation on its activities and performances for the period from April, 2013 to September, 2013. SLDC stated that SLDC Development Fund has already been created and amount available as on end of September, 2013 is Rs.1575.105 lakhs. Data centre at SLDC is functional and receiving energy meter data from field, required for energy accounting and UI charge billing. Further, SLDC stated that during the period of review, SLDC has allowed 379 nos. of Short Term Open access (STOA) application out of 407 nos. of allocation received and 28 nos of application were rejected. SLDC is using the existing Energy Billing Centre (EBC) of GRIDCO for performing Energy Accounting and Settlement Service (EASS) work of SLDC. Electrification and procurement of hardware are under process for Energy Accounting and Settlement Service Centre (EASSC) at SLDC.
14. OPTCL submitted that 93 nos. of towers, 49 nos. (4073 Ckt-Km) of lines and 25 Nos. of Grid Substations were damaged due to impact of Cyclonic storm “PHAILIN” on 12.10.2013 . Power supplies to 15 nos of Grid S/s were restored on 13.10.2013 & balance 10 nos. by 17.10.2013. Except 3 lines i.e. 220 kV Theruvali- Narendrapur, Narendrapur-Mendhasal (under restoration)& 132 KV Chartapur- IRE(charged through ERS), normalcy has been restored in all other lines.
15. OPTCL has submitted that, it has handled 12014.06 MU including 227.17 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 2013-14 (upto Sept,2013) are presented in Table below.

Revenue Approved vis-à-vis Provisional Status for FY 2013-14 (upto Sept,2013)

| Source | ESTIMATE BY OERC FOR 2013-14 | | | ACTUAL FOR 2013-14 (Upto Sept,2013) | | | | |
|----------------------|------------------------------|--------------|-----------------------|-------------------------------------|--------------|-----------------------|--|------------------------------------|
| | 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 | 7,937.00 | 25.00 | 198.43 | 4,329.86 | 25.00 | 108.25 | 108.25 | 0.00 |
| NESCO | 5,269.00 | 25.00 | 131.73 | 2,676.68 | 25.00 | 66.92 | 66.92 | 0.00 |
| WESCO | 6,655.00 | 25.00 | 166.38 | 3,247.69 | 25.00 | 81.19 | 81.19 | 0.00 |
| SOUTHCO | 3,187.00 | 25.00 | 79.68 | 1,532.66 | 25.00 | 38.32 | 38.32 | 0.00 |
| TOTAL DISTCOs | 23,048.00 | 25.00 | 576.20 | 11,786.89 | 25.00 | 294.67 | 294.67 | 0.00 |
| CGPs Wheeling | 300.00 | 25.00 | 7.50 | 223.24 | 25.0 | 5.58 | | |
| Sale to CPP | 100.00 | 25.00 | 2.50 | 3.93 | 25.0 | 0.10 | | |
| SUB TOTAL | 400.00 | | 10.00 | 227.17 | 25.0 | 5.68 | | |
| GRAND TOTAL | 23,448.00 | | 586.20 | 12,014.06 | 25.00 | 300.35 | | |

16. OPTCL reported cash inflow of Rs.408.42 crore and a cash outflow of Rs.370.51 crore during the period April, 13 to Sept,13. The closing balance was reported to be a positive figure at Rs.50.82 crore against opening balance of Rs.12.91 crore.
17. OPTCL reported that an amount of Rs.36.90 crore had been spent in the financial year, 2013-14 upto Sept, 2013 on account of R&M as against OERC approval of Rs. 60.0 crore for FY 2013-14. OPTCL stated that it has spent more amount than approved by the Commission in the ARR of OPTCL towards R&M during the period under review. 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.
18. Regarding the status of accounts, OPTCL stated that the annual accounts for the year 2011-12 had been submitted. Further for the year 2012-13, the compilation of annual accounts, completion of statutory audit has been completed and the supplementary audit of the said accounts by the C & AG of India are expected to be completed by 01.02.2014. The audited accounts are expected to be adopted in AGM by 28.02.2014.
19. **Directions of the Commission:**
 - (i) OPTCL should regularly monitor the progress of all its on-going projects to avoid inordinate delay. Projects should be completed within the time schedule to avoid cost and time over-run and overloading of existing system due to growth in demand.
 - (ii) Proposed intra-state transmission projects should be viewed in a holistic manner. OPTCL should prioritize the projects in terms of requirement and draw a phase wise project implantation schedule with specific time-line.
 - (iii) The Commission has observed that there is a substantial loss to the OPTCL transmission system due to severe cyclone 'PHAILIN' during October, 2013. The Commission opined that the amount spent by OPTCL for restoration of damaged transmission system may add additional burden to the consumers, if passed through tariff. Since, it is a Force Majeure condition, the amount may be availed from the State Govt. as a grant from Disaster Mitigation Fund. Hence, OPTCL may approach the State Govt for release of some funds to OPTCL as a grant for repair/restoration work. OPTCL is also directed to constitute an in-house investigation team to enquire and report on the possible reasons of large scale tower failure in a particular corridor. The team may also recommend the actions required to avoid such type of failures in future.
 - (iv) It is reiterated that preventive maintenance of the transmission system should be a routine feature and is required to be monitored by the circle heads in each quarter.
 - (v) OPTCL should submit a detailed report on increase in power transfer capability of the 132 kV lines after the proposed up-rating of 132 KV Chandaka-Mancheswar and Chandaka-Ranasinghpur line from ACSR conductor to HTLS conductor.

- (vi) OPTCL is directed to submit a report examining the Capacitive MVAR vis-a-vis the lagging MVAR demand at individual Grid Substations where Capacitor Banks have been installed, in the backdrop of changed supply scenario due to closure of some industrial units as well as load diversion to adjacent Grids. Further, the report should at least contain the graphical representation of MW, MVAR, 33 KV voltage and PF profile on Post and Pre Capacitor Bank installed conditions alongwith interpretation of each graph. OPTCL should also mention the principle of operation of Capacitor Banks and standard operational instructions, if any, to its field people. The Capacitor Banks should operate in steps so that it will be more effective to achieve the ultimate objective of quality supply to the end consumer of the supply system. OPTCL may also take steps for up-gradation of the existing scheme from Fixed to Variable to optimise the use of Capacitor Bank against different MVAR demands.
- (vii) Necessity of the projects and its feasibility (both technical & financial) of the investments expected to be executed through Joint Venture by OPTCL and PPP should be scrutinized in a prudent manner before submission to OERC for according approval.
- (viii) The Commission stressed for early completion of provision of SCADA interface points in all 220 KV & above s/s, otherwise monitoring of user(s) will be difficult for SLDC and in turn detrimental to the efficient functioning of the power system. EASSC should be fully functional at SLDC at the earliest.
- (ix) The Commission vide its Order dated 07.02.2012 in Case No. 2 of 2012 has fixed the date of implementation of Intra-State ABT (Phase-I) in real time mode with commercial implication in the State of Odisha w.e.f 01.04.2012. The Intra-State ABT(Phase-I) is in operation since 01.04.2012. The Commission now desires to implement the Intra-State ABT (Phase-II) including Generators & Captive & Co-generation plants in the State of Odisha shortly. In this connection the Commission directs that SLDC should prepare a concept paper for implementation of Intra-State ABT (Phase-II) including Generators & Captive & Co-generation plants in the State in consultation with GRIDCO with regard to their preparedness and other operational parameters and submit before the Commission at the earliest. For such operation, SLDC should be fully equipped to do the calculation of energy drawal / unscheduled interchange and scheduling etc. for the stake holders in the power sector.
- (x) The Commission directs that the SLDC should bill the Cross subsidy surcharge to the Open Access customer on the total quantum of energy they have drawn from the outside source irrespective of their contract demand.

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

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Date : 31.12.2013

To

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

Sub: Review of Performance of OPTCL for the period from April, 2013 to September, 2013 held on 18.12.2013.

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the record note on review of performance for the period from April, 2013 to September, 2013 held on 18.12.2013 in the conference hall of OERC for your information and necessary action.

Yours faithfully,

Sd/-

Encl: As above.

SECRETARY

Copy to:

The Commissioner-cum-Secretary, Department of Energy, Govt. of Odisha, Bhubaneswar for information.

Sd/-

SECRETARY