

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO.4, CHUNOKOLI, SAILASHREE VIHAR,
BHUBANESWAR – 751021**

No. OERC-Engg-21/2005-(Vol-IV)/830

Date : 19.06.2018

To

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

Sub: Review of Performance of OPTCL for the period from FY 2017-18 held on 21.05.2018.

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the record note on review of performance of OPTCL for FY 2017-18, held on 21.05.2018 in OERC for your information and necessary action.

Yours faithfully,

Encl: As above.

**Sd/-
SECRETARY**

Copy to:

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

Encl: As above.

**Sd/-
SECRETARY**

Record note of the Review Meeting on Performance of OPTCL for the FY 2017-18

Date of Review : 21.05.2018 at 03: 00 PM
Period of Review : FY 2017-18
Representative of OPTCL Present : As per list enclosed as Annexure-I.

1. The Performance of OPTCL for the period FY 2017-18 was reviewed by the Commission on 21.05.2018. During the review the status of ongoing/new projects under implementation, projects completed, major R&M activities and steps taken by HRD & IT wing as well as financial performance of OPTCL were discussed.
2. The Commission reviewed the performance of OPTCL with reference to execution of various ongoing transmission projects. The status of the transmission assets of OPTCL submitted by them is as follows:

	As on 31.03.2017	Addition during April, 2017 to April,2018	As on 30.04.2018
No. of grid S/S	132	9	141
EHT Line ckt. KM	13071.46	469.71	13541.17
Transformation Capacity (MVA)	16502.0	1026.5 (516.5 MVA in 14 nos. of O& M S/S+510 MVA in 14 nos. of new S/S)	17528.5

3. OPTCL has submitted the status of 51 nos. of ongoing projects, which includes 2 nos. of 400 kV S/S, 16 nos. of 220 kV S/S, 18 nos. of 132 KV S/S and 15 nos. of other projects (mainly transmission lines). Out of the above, 9 nos. of 220 kV and 15 nos. of 132 kV sub-stations are expected to be completed within FY 2018-19. The progresses of the projects are said to be delayed due to ROW, court cases, delay in land acquisition and contractual problems. Some of the projects are in the final stage of statutory clearances.
4. Further, OPTCL has proposed to execute 17 nos. of projects with an estimated cost of Rs.915.22 crore in future years. Out of those 17 nos. of projects, 10 nos. of projects are under tender evaluation stage and for 4 nos. of projects tenders have been floated. 3 nos. of new projects are under consideration for going into tender process.
5. On O&M activity, OPTCL stated that many overloaded grid S/Ss have been upgraded and renovated during the period under review. During the period of review, OPTCL has augmented 14 nos. of S/S with addition of 516.5 MVA transformation capacities at an investment of Rs.52.64 Crores. The capacity addition of 7 nos. of sub-stations

out of 14 nos. of augmented S/S, are in area of CESU. They are Chandaka, Choudwar, Kesura, Meramundali, Nimapada, Phulnakhara and Ranasinghpur with total capacity addition of 169 MVA. Similarly 4 nos. sub-stations at Balasore, Basta, New Duburi and Bhadrak are in NESCO Utility area with added capacity of 260 MVA. The capacity addition programme has been undertaken in SOUTHCO Utility area in Narendrapur and Purushottampur sub-stations with capacity addition of 60 MVA. Only 1 no. of sub-station i.e. Bolangir in WESCO Utility has been augmented with addition of 27.5 MVA capacity.

6. In addition to the above, OPTCL has maintained 220 MVA spare transformer bank to meet emergency with an investment of Rs.40.45 Cr. Further, after commissioning of 2X100 MVA at Mendhasal, one 100 MVA at Chandaka is now kept as spare transformer. OPTCL has taken up the work for uprating of ACSR conductor to HTLS in 132 kV Joda-Barbil and Mendhasal-Khurda lines with an investment of Rs.10.95 Cr. OPTCL is also in the process of converting 5 nos. of 132 kV S/C line to D/C line with an investment of Rs.25.84 Cr. OPTCL after conducting system studies will take necessary action to up-rate few lines every year.
7. As a part of R&M activity, OPTCL has replaced/repared 8 nos. of 400 kV breakers, 35 nos. of 220 kV breakers, 70 nos. 132 kV breakers, 81 nos. 33 kV breakers in place of old/ defective circuit breakers and replaced 15 nos. 220 kV, 55 nos. 132 kV and 45 nos. 33 kV CTs with new ones. OPTCL has replaced 40 nos. of 220 kV, 50 nos. of 132 KV and 85 nos. of 33 kV Lightning Arrestors and installed 130 nos. of numerical relays in place of electro-mechanical relays. OPTCL has procured 3 nos. of multifunction test kit (Meramundali, Mendhasal, New Duburi sub-station) for comprehensive testing of transformer, PT, CT, CVT, determination of characteristics of overhead lines. OPTCL is also in the process of procuring 3 nos. of off line fault locators for Chandaka, Budhipadar and Therubali. OPTCL has completed the renovation work of Ganjam grid s/s with an investment of Rs.4.41 Cr. As a part of major R&M activity under O&M, OPTCL is having a plan for replacement of conductors/hardware fittings/insulators etc. in 11 nos. of EHT lines during the FY 2018-19.
8. OPTCL has executed Digital Grid Pilot Project for 3 nos of 33 KV feeder bays in 220/132/33 KV s/s Chandaka with an expenditure of Rs.94 lakhs. This will improve communication, reliability, interoperability, standardization, reduce maintenance cost and improve safety. The monitoring and controlling of 220KV substations centrally

can be achieved through Network Control Centre (NCC) after completion of Sub-station Automation System (SAS).

9. As regards expansion of unified load despatch and communication (ULDC) project, OPTCL have already integrated 30 nos. of substations with establishment of main and back-up control centre with its system. It has taken up the work for SCADA interface point at vital 132 KV S/S by laying 1745 KMs of OPGW cables with an estimated cost of Rs.48 Cr. The work is expected to be completed by December, 2018. OPTCL has prepared DPR for provision of OPGW for balance 132 kV & above voltage lines of 2289 KMs covering 56 S/S with an estimated cost of Rs.80.62 Cr. The project has been approved by PSDF and an amount of Rs.25.61 cr. has already been sanctioned for the purpose.
10. OPTCL has been entrusted by GOI to implement of Bharat Net Phase-II project in Odisha. Under these projects, High Speed Internet Connectivity will be extended to G.P. level with laying of around 13511 KMs of aerial fiber link on electric poles covering around 2564 GPS in 15 districts. OPTCL has received an amount of Rs.30.13 Cr. as mobilization advance for this project and the schedule date of completion is 31.03.2019.
11. The status of projects and its cost of completion as submitted by OPTCL during the review are mentioned below:

Sl.No.	Items	Details of Projects	Cost (Rs.in Cr.)
1	Projects completed	Sub-station - 9 Nos.	276.22
		Lines (4 Nos.)	65.80
2	Capacity Augmentation of S/S completed	14 Nos. of S/S (516.5 MVA addition)	52.64
3	Ongoing Projects	400 KV S/S - 2 Nos	2181.28
		220 KV S/S - 16 Nos	
		132 KV S/S - 18 Nos.	
		Others - 15 Nos.	
4	Future Projects	Tenders Evaluation completed/under process - 10 Nos.	642.83
		Tenders floated - 4 Nos.	182.28
		Other new projects - 03 Nos.	90.11
O & M ACTIVITIES			
5	Augmentation of S/S capacity (Completed during April' 17 to April' 18)	7 S/S in CESU - 169 MVA	17.90
		4 S/S in NESCO Utility - 260 MVA	24.01
		2 S/S in SOUTHCO Utility - 60 MVA	7.26
		1 S/S in WESCO Utility - 27.5 MVA	3.47
		Total	52.64
6	Spare Transformers	Balasore, New Bolangir, Khurda, Jajpur Road, Narendrapur, Sambalpur, Chandpur, Jayanagar	40.45
7	Uprating from ACSR to HTLS	Joda-Barbil (12 KM)	4.38
		Mendhasal-Khurda (18 KM)	6.57
		Total	10.95

8	Conversion from 132 KV S/C to D/C line	Jajpur Road-Anandpur (30 KM)	3.70
		New Bolangir-Patnagarh (40.20 KM)	4.64
		New Bolangir-Sonepur(53.85 KM)	6.27
		Akchasingh-Paralakhemundi(76.90 KM)	6.93
		Paradeep-Jagatsinghpur(56.073 KM)	4.30
		Total	25.84
9	ULDC Expansion Project	Integration of 30 nos of S/S	36
10	SCADA	Provision of SCADA interface point at all 220 KV s/s	67.54
		Provision of SCADA at vital 132 S/S by laying OPGW cable (Expected completion – December, 2018)	48
		Provision of digital Tele-protection coupler in all 220 KV lines through SDH equipments (Expected completion – June, 2018, expenditure till 31.03.2018 – Rs.1.3 Cr.)	2.09
11	Provision of RTU	Supply, commissioning & comprehensive AMC of 78 nos of RTUs both for old RTUs replacement and new s/s of OPTCL	25.05
12	Provision of OPGW	Provision OPGW for balance line sections of OPTCL with PSDF support.(2289 KW of lines covering 56 sub-stations)	80.62
13	Provision of battery set & charger	Provision of battery set & battery charger for different telecom sections (D.O.C.31.03.2019)	2.25
14	Implementation of Bharat Net phase-II project	High speed internet connectivity to GP level. Laying of aerial fibre (13,511 KMs on electric poles) to 2564 nos of GP's in 15 districts (D.O.C.31.03.2019)	351.60

12. OPTCL submitted that the revised organization restructure has been implemented in their organization. There are around 662 and 1200 nos. of vacancies exists (as on 31.03.2018) in the level of executives & non-executives respectively. The Commission expressed concern on rising employee cost and sought rationality on such expenses with stagnant business volume i.e. Rs.304.50 Cr. out of Rs.638.63 Cr. ARR approved. OPTCL submitted that the employee cost is around 15%, considering the execution of projects worth of about Rs.2000 Cr.[1000 Cr. approx. for OPTCL and 1000 Cr. for DISCOMs] during the financial year. Commission observed cost of external projects should include the cost of employees too. The employee cost also includes the terminal benefits allowed to the retired employees of erstwhile OSEB. OPTCL further submitted that the salary of their employees is lesser in comparison to other similar industries and the transmission utilities of neighboring states and that the present expenditure on salary is well within the norm. The Commission directed to submit a report on the expenditure on salary considering the actual business volume of the organization and comparing the same with any standards/best practices, if any, in other similar utilities in this regard and also to exercise prudence in these costs.
13. While discussing about the progress of individual projects, CMD, OPTCL stated that many of the transmission projects are not optimally loaded due to absence of downstream evacuation arrangement by DISCOMs. The Commission directed that

OPTCL should take proactive actions with concerned DISCOMs well before the commissioning of the project so that the transmission project will not remain underutilized because of absence of downward evacuation system.

14. As submitted, OPTCL has handled 24940.52 MU of energy against OERC approval of 25545.00 MU during the year FY 2017-18. During the period, OPTCL earned revenue of Rs.624.92 crore out of OERC approval of Rs.638.63 crore. CMD, OPTCL pointed out that, there was a revenue shortfall of Rs.13.71 crore due to less transmission of power of 604.48 MU during the period. The detailed comparative statement are presented in table below:

OERC Approval Vis-à-vis Actual (Prov.) FY 2017-18

Sl. No.	Particulars	Tariff Approval		Actual (Prov)		Variance	
		MU	Rs.Cr.	MU	Rs.Cr.	MU	Rs.Cr.
1	2	3	4	5	6	7=5-3	8=6-4
A	Sales to DISCOMs						
	CESU	8840	221.00	8462.86	211.67	(377.14)	(9.33)
	NESCO	5680	142.00	5438.63	136.68	(241.37)	(5.32)
	WESCO	6950	173.75	7038.21	176.51	88.21	2.76
	SOUTHCO	3520	88.00	3488.07	87.24	(31.93)	(0.76)
	Sub-total	24,990.00	624.75	24,427.77	612.10	(562.23)	(12.65)
B	Wheeling to NALCO& IMFA	550.00	13.75	494.90	12.37	(55.10)	(1.38)
C	Sale to CPP by GRIDCO	5.00	0.13	17.85	0.45	12.85	0.32
D	Total (A+B+C)	25,545.00	638.63	24940.52	624.92	(604.48)	(13.71)

15. OPTCL reported cash inflow of Rs.1307.56 crore and a cash outflow of Rs.1323.13 crore during the FY 2017-18. The above cash inflow and outflow includes both revenue and capital receipts and expenditure incurred during the FY 2017-18. Breakup of the above amount is given below:-

Particulars	Revenue	Capital	Total
FY 2017-18			
Receipts (Cr.)	685.08	622.48	1307.56
Expenditure(Cr.)	519.36	803.77	1323.13

16. OPTCL stated that it has spent excess amounts of Rs.1.14 crore towards R&M expenses over and above OERC approval in the ARR for the period FY 2017-18. It has reported that an amount of Rs.126.11 crore had been spent out of OERC approval of Rs.124.97 crore for FY 2017-18.
17. OPTCL stated that the annual accounts for FY 2016-17 has been adopted in AGM on 30.04.2018. Regarding the status of accounts for FY 2017-18, it has stated that the authentication of annual accounts in Board, completion of statutory audit, completion of supplementary audit and adoption of accounts in AGM shall be completed by 30.06.2018, 21.07.2018, 15.09.2018 and 29.09.2018 respectively.
18. **Action points:**
- (i) OPTCL shall have proper monitoring mechanisms to avoid delays in execution of the projects.
 - (ii) OPTCL shall initiate actions with the concerned DISCOMs for downward evacuation system arrangement to avoid underutilization of transmission capacity.
 - (iii) OPTCL shall submit report on the expenditure on salary component considering the actual business volume of the organization and comparing the same with the norms/best practices, if any, (fixed by CEA/CERC/other similar utilities) and economize on such expenses.
 - (iv) OPTCL should finalize the annual accounts of FY 2017-18 within the statutory time limit and submit the same to the Commission along with the next tariff application for FY 2019-20.

Representative of OPTCL

1. Sri Hemant Sharma, CMD, GRIDCO & OPTCL
2. Sri B. P. Mohapatra, Director (Finance)
3. Sri U. K. Samal, Director (Operation)
4. Sri R. R. Panda, Director (Projects)
5. Sri R. K. Senapati, Director (HRD)
6. Sri R. C. Mishra, CGM (F)
7. Sri N. R. Pradhan, CGM (Elect)
8. Sri S. K. Puri, Sr. GM
9. Ms. Sanjukta Behera, Sr. G.M.(HRD)
10. Sri A. K. Giri, D.G.M. (Telecom)
11. Ms. Punam Jojo, A.G.M.(HRD)
12. Sri B. K. Mallick, A.G.M.(Telecom)
13. Sri F. U. Khan, S.E.(Civil)
14. Sri A. K. Mohapatra, E.E.(Civil)