

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

**No. OERC-Engg-21/2005-(Vol-IV)/1053
Date : 27.08.2015**

To

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

Sub: Review of Performance of OPTCL for the period from April, 2014 to March, 2015 held on 17.08.2015.

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, 2014 to March, 2015 held on 17.08.2015 in the conference hall of OERC for your information and necessary action.

Yours faithfully,

Encl: As above.

**Sd/-
SECRETARY I/c**

Copy to:

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

Encl: As above.

**Sd/-
SECRETARY I/c**

Record note of the Review Meeting on Performance of OPTCL for the FY 2014-15

Date of Review : 17.08.2015 at 11: 00 AM
Period of Review : April, 2014 to March, 2015
Representative of OPTCL Present : As per list enclosed as Annexure-I.

1. The Performance of OPTCL for the period from April, 2014 to March, 2015 was reviewed by the Commission on 17.08.2015 in the Conference hall of OERC. 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. During the presentation by the licensee, it was observed that 15 nos. of projects has been completed during the FY 2014-15 & FY 2015-16 (till 13.08.15) and some projects has 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 OPTCL has added around 580 MVA transformation capacity in the system through 13 nos. of S/S with an investment of 49.94 Crores. Out of 13 S/S augmented, 4 nos (Chandaka, Kalarangi, Mendhasala & Puri) are in CESU, 4 nos. (Bhadrak, Joda, Karanjia, Rairangpur) in NESCO, 2 nos. (Balimela, Jayanagar) in SOUTHCO and 3 nos. (Barapali, New Bolangir, Patnagarh) are in WESCO area. The performance highlights of OPTCL are given below.

	As on 01.04.2014	Addition during April, 2014 to March,2015	As on 31.03.2015
Transformation Capacity (MVA)	12837	855	13692
EHT Line ckt. KM	11704.48	383.06	12087.54
No. of grid S/S	108	5	113
Energy handled during FY 2014-15	<u>OERC approval(MU)</u> 24990	<u>Actual (MU)</u> 23901	
Human Resource Position	<u>Sanctioned Strength</u> 4477	<u>Men in Position</u> 3123	<u>Vacancy</u> 1354

3. OPTCL submitted the status of 61 nos. of ongoing projects, which includes 2nos. of 400 kV S/S, 17 nos. of 220 kV S/S, 25 nos. of 132 KV S/S and 17 nos. of other projects (mainly transmission lines). Total 29 nos. of 220 kV and 132 kV projects are expected to be completed within the FY 2015-16. The progresses of the projects are delayed due to ROW, court cases, delay in land acquisition and contractual problems. OPTCL submitted that long pending disputes like 400 KV Meramundali-Duburi 400 KV D/C line (delayed for 12 years) has been settled in the meantime and the line is slightly shifted from its original route alignment for ESIC Hospital. OPTCL is now taking all appropriate steps from the beginning of the project to avoid unnecessary delay. The Commission stressed for involvement of local elected representatives and District Administration etc. to resolve the local issues. OPTCL needs to adopt social interface approach to convince local people about the benefit (such as improvement in quality and reliability of supply and consequential financial benefits) of the project and take timely action to avoid cost and time over-run. Commission directed OPTCL accordingly.
4. As submitted, OPTCL has appointed 32 nos of Chartered /Cost Accountant firms to carry out yearly audit of inventory transactions such as material at site accounts and store materials. The auditors will furnish their report by 31.08.2015. Further, the store verification party of OPTCL is carrying out the physical verification of site store materials, they reported.
5. While replying to the queries of the Commission on the benefit after up-rating the ACSR conductor to HTLS, OPTCL submitted that there is an increase of around 30-40% power transfer capability due to such conversion. OPTCL was able to avoid load restriction during last summer due to completion of the said HTLS conversion work for Chandaka-Mancheswar Ckt-I, II and Chandaka-Ranasinghpur 132 kV lines. Further, M/s Power Research Development and Consultants Pvt. Ltd., Bangalore has been entrusted to explore the possibility of conversion of existing 33 kV conductors to HTLS conductors in Bhubaneswar town alongwith the cost benefit analysis. OPTCL submitted that HTLS line has also been planned for 132 kV Joda-Barbil (12 KM) and Mendhasal–Khurda (18 KM) lines to avoid ROW and increased power transfer capability in addition to other system improvement schemes. Additionally, OPTCL is also planning for conversion of 132 KV Jajpur Road-Anandpur (30 K.M.), New Bolangir–Patnagarh (40.2 KM), New Bolangir-Sonepur (53.85 KM), Akhusingh-

Paralakhemundi (76.9 KM) and Paradeep-Jagatsinghpur (56.073 KM) from single circuit to double circuit with an investment of Rs.25.84 Cr.

6. As regards to O&M activity, OPTCL said that many overloaded grid S/Ss has been upgraded and renovated during the period under review. Specifically, augmentation of 13 nos. of grid S/S (4 in CESU, 4 in NESCO, 2 in SOUTHCO, 3 in WESCO) has already been completed with an investment of Rs.49.94 Cr with 580 MVA capacity additions. Up-gradation of another 24 nos. of grid S/S with 670 MVA capacity addition [8 nos.(133 MVA) in CESU, 3 nos.(55 MVA) in NESCO, 6 nos.(153 MVA) in SOUTHCO and 7 nos.(328 MVA) in WESCO] has been programmed by OPTCL, to be executed during 2015-16 with an investment of Rs.62.28 Cr.
7. In addition to the above, OPTCL has commissioned 33 kV Capacitor Banks with aggregate capacity of 235 MVAR at 16 nos of S/S (Balugaon, Bhubaneswar, Cuttack, Khurda, Ranasinghpur, Nimapara, Puri, Balasore, Bhadrak, Polasponga, Junagarh, Berhampur, Kesinga, Khariar, Sambalpur and Bargarh) and balance 40 MVAR capacitor bank will be installed in 4 nos. of S/S in FY 2015-16.
8. As a part of R&M activity, in addition to other works, OPTCL has replaced/repared 4 no of 400 kV breakers, 8 nos. of 220 kV breakers, 79 nos. 132 kV breakers, 85 nos. 33 kV breakers in place of old/ defective circuit breakers and replaced 19 nos 220 kV, 31 nos. 132 kV and 854 nos. 33 kV CTs with new ones. OPTCL has replaced 41 nos of 220 kV, 78 nos of 132 KV and 100 nos of 33 kV Lightning Arrestors and installed 414 nos of numerical relays in place of electro-mechanical relays. OPTCL has installed 12 nos. of event loggers and 9 nos. of bus bar protection in important 220 kV grid S/S. OPTCL has considered Chandaka grid S/S to have digital grid pilot project for 3 nos. 33 KV feeder bays to improve communication, reliability, reduce maintenance cost and improve safety. In order to have a better reliable and efficient transmission system, OPTCL is planning to renovate the old grid s/s with provision of advanced metering/protection/communication system and new/expanded control rooms.
9. As regards to status of unified load despatch and communication (ULDC) project, OPTCL have already integrated 58 nos. of RTU's with its system. Commissioning of RTU alongwith hardware accessories and cables of 35 locations under ULDC expansion scheme has been completed except Jharsuguda s/s due to space constraint in the control room/carrier room.

10. The status of projects as submitted by OPTCL during the review on 17.08.2015 are mentioned below:

Sl.No.	Items	Details of Projects	Cost (Rs.in Cr.)
1	Projects completed	Sub-station - 13 Nos (220 KV S/S - 1 No. & 132 KV S/S 12 Nos.)	431.98
		220 kV line - 01 No	18.81
		132 KV System at Mendhasa - 01 No	32.59
2	Capacity Augmentation of S/S completed	13 nos of S/S (579.5 MVA addition)	49.94
3	Ongoing Projects	400 KV S/S - 2 Nos	2051.66
		220 KV S/S - 17 Nos	
		132 KV S/S - 25 Nos.	
		Others - 17 Nos	
4	Future Projects	Tenders under Evaluation - 5 Nos (4 nos of S/S and 1 line)	283.44
		Tenders floated - 02 Nos (1 no of S/S and one line)	
		Tenders to be floated - 3 Nos (2 nos of S/S & 1 line)	
O & M ACTIVITIES			
5	Augmentation of S/S capacity proposal (planned for 2015-16)	8 S/S in CESU - 132.5 MVA	13.02
		3 S/S in NESCO - 53 MVA	8.66
		6 S/S in SOUTHCO - 152.5 MVA	14.00
		7 S/S in WESCO - 327.5 MVA	26.6
		Total	62.28
6	Spare Transformers(commissioned on 29.09.2014)	Chandaka	8.45
7	Spare Transformers work order placed	Balasore, Lapanga	16.90
		R.S.Pur, Jajpur Road, Narendrapur, Katapalli, Kesinga	18.35
		Kendrapara, Jayanagar	5.20
		Total	48.90
8	Uprating from ACSR to HTLS (Completed)	ICCL-Choudwar	By ICCL
		Chandaka-Mancheswar ckt I	2.01
		Chandaka-Mancheswar ckt II	2.14
		Chandaka-Ranasinghpur	8.85
		Total	13.00
9	Uprating from ACSR to HTLS (work order placed)	Joda-Barbil	4.38
		Mendhasal-Khurda	6.57
		Total	10.95
10	Conversion from S/C to D/C line (work in progress)	Jajpur Road-Anandpur	3.70
		New Bolangir-Patnagarh	4.64
		Bolangir-Sonepur	6.27
		Akchasingh-Paralakhemundi	6.93
		Paradeep-Jagatsinghpur	4.30
		Total	25.84
11	ULDC Expansion Project (expected date of completion-Aug, 2015)	Integration of 30 nos of S/S (22.96 Cr. Released as initial advance)	36
12	SCADA Expected D.O.C. Aug, 2015	Provision of SCADA interface point at all 220 KV s/s (34.33 cr. Already released)	67.54
		Provision of SCADA at vital 132 S/S by laying OPGW cable	48
		Provision of digital protection coupler in all 220 KV lines through SDH equipments	2.09

11. Director (HRD) submitted that OPTCL has implemented the revised organization restructure, in which 2 zones, 6 circles, 26 divisions and 128 sub-divisions were additionally created under O&M wing for better maintenance. Similarly, 2 zones, 4 circles, 10 divisions and 30 sub-divisions were created under project wing for better monitoring and execution of projects. Commission directed for sustained manpower development and capacity building programmes to bring in efficiency compared to best system in Country.
12. While discussing about the progress of individual projects, the Commission expressed its serious concern about the inordinate delay of execution of projects namely Meramundali-Duburi, Dhamra, Lapanga and Padmapur S/S etc. The Commission directed CMD, OPTCL to involve the local elected representatives and District Administration to settle local issues on ROW. CMD, OPTCL submitted that the Collector, Jajpur has helped much to sort out the ROW problem of Meramundali-Duburi line. The line will be completed very soon. The Commission further directed CMD, OPTCL to look personally into the quality of power supply in the border areas of the state, where it is far below the desired level, primarily because of deficiency in OPTCL transmission system.
13. As submitted, OPTCL has handled 23901.37 MU of energy as against OERC approval of 23448 MU during the year FY 2014-15. During the period, OPTCL earned revenue of Rs.597.54 crore as against OERC approval of Rs.624.75 crore. CMD, OPTCL pointed out that, there was a revenue shortfall of Rs.27.21 crore because of less transmission of power of 1088.63 MU during the period. The detailed comparative statement are presented in table below:

OERC Approval Vis-à-vis Actual (Prov.) FY 2014-15

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						
	WESCO	6,820.00	170.50	6,900.68	172.52	80.68	2.02
	NESCO	5,330.00	133.25	5,015.36	125.38	(314.64)	(7.87)
	SOUTHCO	3,340.00	83.50	3,203.10	80.08	(136.90)	(3.42)
	CESU	9,040.00	226.00	8,293.92	207.35	(746.08)	(18.65)
	Sub-total	24,530.00	613.25	23,413.06	585.33	(1,116.94)	(27.92)
B	Wheeling to NALCO& IMFA	450.00	11.25	486.11	12.15	36.11	0.90
C	Sale to CPP by GRIDCO	10.00	0.25	2.20	0.06	(7.80)	(0.19)
D	Total (A+B+C)	24,990.00	624.75	23,901.37	597.54	(1,088.63)	(27.21)

14. OPTCL reported cash inflow of Rs.942.30 crore and a cash outflow of Rs.948.64 crore during the FY 2014-15. The above includes cash inflow towards capital receipts as well as cash outflow towards repayments loans and capital works. Breakup of the above amount is given below:-

Particulars	Revenue	Capital	Total
Receipts (Cr.)	619.16	323.14	942.30
Expenditure(Cr.)	439.95	508.69	948.64

15. OPTCL stated that it has spent excess amounts of Rs.29.92crore towards R&M expenses over and above OERC approval in the ARR for the period FY 2014-15. It has reported that an amount of Rs.122.92 crore had been spent as against OERC approval of Rs.93.00 crore for FY 2014-15. The Commission desired that repair and maintenance should be given top 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 so that escalation of cost is avoided.
16. Regarding the status of accounts, OPTCL stated that the annual accounts for the FY 2013-14 had been submitted. Further for the FY 2014-15 statutory audit, supplementary audit and adoption of accounts in AGM shall be completed by 30.11.2015, 31.01.2016 and 29.02.2016 respectively.
17. **Directions of the Commission:**
- (i) OPTCL should have a proper, monitoring and execution mechanism in place and 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 cost and time over-run. OPTCL should submit the detail calculation of time and cost overrun for the projects not yet completed after the expiry of revised date of completion.
 - (ii) OPTCL should take steps to inform the people about the benefit of the project in terms of improvement in quality and reliability in supply and other indirect financial gains.
 - (iii) OPTCL should take the required steps urgently particularly for completion of the important projects like 400 KV Ib-Meramundali, Meramundali-Duburi and 220 KV Bidanasi-Cuttack lines. Further, including others, OPTCL should take

immediate appropriate steps for early completion of Bonai, Kalunga, Lapanga, Padmapur S/S. It is reiterated that preventive maintenance of the transmission system should be a routine feature and is required to be monitored by the zonal heads in each quarter.

- (iv) During the presentation, the Commission noticed that the transmission projects such as 132/33 KV S/S at Tusura, Ghens, Tangi, Agarpada, Biramaharajpur, GI S/S at Rasulgarh, Mancheswar & Unit-8 and 220/33 KV S/S at Baliguda and Kalimela etc. alongwith some transmission lines has been initiated by OPTCL without prior approval of the Commission. As per license conditions 10 read with Condition 23.1 of OPTCL, approval of the Commission is required for investment above Rs.10 Cr. The Commission expressed its displeasure for such action and desires to know the compelling reasons for OPTCL to initiate the proposals without the approval of the Commission. OPTCL is, therefore, directed to furnish the list of such projects alongwith the DPRs and techno-feasibility study for consideration of the Commission.
- (v) OPTCL is directed to furnish a report on improvement in voltage profile and loading of transformers & lines of the areas consequent upon implementation of new transmission schemes during FY 2014-15.
- (vi) OPTCL should identify the low voltage pockets in the State particularly in the border areas and should take steps for strengthening transmission system and downstream distribution system associated with it.
- (vii) OPTCL is directed to take appropriate steps to spend the amount approved in the tariff order for civil works for maintenance of staff quarter, guest houses and control rooms etc. with proper supervision/monitoring.
