

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

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**Present :     Shri B.C. Jena, Member  
                     Shri S.K. Jena, Member**

**Dated Bhubaneswar the 5<sup>th</sup> August 2006**

**Case No.1 of 2006**

M/s OPTCL  
Janpath,  
Bhubaneswar.

**Petitioner**

South Eastern Railway,  
Kolkata

...     **Respondent**

M/s NESCO,  
Januganj,  
Balasore

...     **Porforma Respondent**

For the petitioner     :                     Mr. N. N. Mohapatra, Sr. G.M.

For the respondent     :                     Mr. R. S. Bhidonia, DYCEE

For the Porforma Respondent :     Mr. B. K. Nayak, Advocate.

**ORDER**

Orissa Power Transmission Corporation Limited (OPTCL) have filed an application under section 21 of the OER Act, 1995 and section 17 of the Electricity Act, 2003 read with clause 8 of General Conditions of Transmission License (Appendix-4B) under Regulation 31 of OERC (Conduct of Business) Regulations, 2004 soliciting permission of the Commission for transfer of 132/25

KV traction s/s at Barjamda (Nalda) from the control of OPTCL to the control of S.E. Railway, Kolkata.

2. According to OPTCL, Barjamda (Nalda) 132/25 KV traction s/s was commissioned with two 12.5 MVA transformers during 1960 for supply of power to the railways at 25 KV. Most of the traction substations in the state are owned and maintained by railways except the above s/s.

3. OPTCL has been encountering difficulties in maintaining traction s/s. In addition, it has been incurring expenditure towards operation and maintenance without any cost benefit to OPTCL.

4. OPTCL has signed a MOU with S.E. Railways for transfer of this s/s on consideration of Rs.1.064 crore by S.E. Railway. The value of the assets to be transferred to S.E. Railway is based on the valuation done by M/s. Mackena and Company, duly approved by the Government of Orissa in 1995. The break up of the cost is as under:

a) A net replacement cost and equipment etc. :	Rs.82.72 lacs
b) Cost of switch gear land including building etc.:	Rs.23.68 lacs
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	Rs.106.40 lacs

5. This grid s/s is fed through LILO (Loop in Loop out) arrangement of Joda-Rourkela 132 KV line. The railways have agreed to abide by the instructions of OPTCL authorities and to follow Grid Code for operation and maintenance of this s/s.

6. Under the aforesaid circumstances, OPTCL with due approval of their Board has moved the Commission to give consent to transfer of assets of 132/25 KV traction s/s at Nalda to S.E. Railway at a price of Rs.1.064 crore.

7. The Commission decided to implead NESCO, the distribution licensee of the area as a respondent in addition to S.E. Railway being an interested party.

8. S.E. Railways, the respondent submitted on 22 March, 2006 that there are two traction s/s owned by OPTCL one at Barjamda and the other at Rourkela which are maintained by OPTCL.

Further, it submitted that no other category of consumers are availing power supply from Nalda s/s except the railways.

9. The S.E. Railways will pay Rs.1.064 crore (Rs.82.72 lacs for equipment/assets and Rs.23.68 lacs for land and building) towards cost of Nalda (Barjamda) s/s as per the MOU signed between OPTCL and S.E. Railways and approved by the Board of Directors OPTCL in their 10<sup>th</sup> Meeting.

10. Billing for traction supply should be done at 132 KV from the day of transfer/handing over of this s/s to S.E. Railway.

11. In case, metering arrangement could not be provided at EHT at the time of transfer, energy bill shall be prepared on the basis of HT reading with requisite corrections as per OERC regulation. S.E. Railway has approached the Commission to approve this arrangement without imposing any extra burden on it.

12. NESCO, the porforma respondent, submitted that the objections were filed on their behalf under clause 11.1 of the Orissa Transmission and Bulk Supply License, 1997 that the licensee is not supposed to dispose of or relinquish operational control over any asset with replacement cost in excess of 30 lacs without written consent of the Commission. In violation of the same, the petitioner has already signed a MOU on 28.10.05 with the railway authorities for handing over the s/s at a price of Rs.1.064 crore.

13. The petitioner, instead of protracted pleadings made by NESCO is not setting up a grid s/s at Barbil area for catering to the upcoming industrial loads. There are apparently no plan on the anvil for up-gradation of the existing capacity of Joda grid s/s. The load centre of Joda has already been shifted to Barbil located at a distance of more than 20 KM from this grid s/s. Either a grid s/s at Barbil or connectivity from Nalda could have resolved the nagging problem of NESCO for providing the required power to the upcoming industries.

14. The extant demand at 33 KV of Joda grid s/s aggregates 50 MVA, which may be subsequently enhanced to 65 MVA if the 132/33 KV 20 MVA transfer no.3 was commissioned by OPTCL at Joda. Of this load, 40 MVA load caters to Barbil area alone.

15. The area around Nalda is close to the neighboring state of Jharkhand with huge potentials for industrial growth. With availability of infrastructure, the growth of mineral based industries around that area would be accelerated leading to increase revenue both for NESCO and OPTCL.

16. Handing over of this grid s/s to a non-licensee would adversely affect the load growth in that locality and the prospective consumers may choose to migrate to the state of Jharkhand which is contiguous to Nalda grid s/s. With provision of spare bay at Nalda grid, EHT consumer could have been given power supply if the control of this s/s is retained either under OPTCL or a distribution licensee.

17. In case, OPTCL finds it difficult to maintain this s/s and desires to handover it over to S.E. Railway, they could have followed a transparent competitive bidding process where NESCO could have participated as a bidder. OPTCL proposes to retain the control of transmission line linking to Nalda grid but intends to handover the control of the grid s/s with LILO arrangement to S.E. Railway which will retain the control of operation of these transmission lines. In

fact, NESCO is expressing their willingness to take over the grid s/s along with transition line for operation and maintenance, keeping in view the larger interest of the consumers, if such a proposal is approved by the Commission.

18. NESCO further, proposes that the operation and control of this s/s may be continued to be retained by OPTCL and in case OPTCL desires to relinquish its operational control the same may be handed over to NESCO.

19. In response to NESCO's above objections OPTCL has filed a rejoinder petition on 29.07.2006 in which it has averred that OPTCL has already initiated steps for augmentation of the sub-station capacity of Joda Grid sub station from the existing 2 X 100 MVA, 220/132 KV to 3 X 100 MVA and 220/132 KV respectively to cater to the upcoming industrial loads in and around Joda command area including that of Barbil area.

20. OPTCL has also taken measures for commissioning 3<sup>rd</sup> 20 MVA 132/33 KV transformers at Joda grid substation which is expected to be commissioned by the end of August 2006 to accommodate the upcoming industrial loads at 33 KV.

21. The Commission, however, expressed apprehension that as the 132 KV Joda-Rourkela single circuit line is having LILO arrangement at Nalda Traction sub-station, transfer of the said sub-station to S.E. Railways may pose operational problem to OPTCL in the event of any sort of operational requirement arising out of contingencies. To this, OPTCL responds that para 6(d) of the agreement executed between S.E. Railway and OPTCL on 27.3.06 address adequately the query raised by the Commission. The extract of the relevant para is reproduced as under:-

*“However, since the power supply to the above traction substation is fed by Loop-In-Loop-Out (LILO) arrangement of the 132 KV*

*Joda-Rourkela Single Circuit line, due care shall be taken by S.E. Railway authorities to abide by the instructions of OPTCL authorities for operation of the incoming and outgoing feeders and bus couplers, as and when required”.*

22. In view of the facts stated by OPTCL, the Commission permits GRIDCO to handover Nalda 132/25 KV Railway traction substation, at a cost of 1.064 crore to the Control of South Eastern Railway. Metering for billing will be at 132 KV side of the incoming feeder feeding the power supply to the said substation.

23. The present Joda-Rourkela Single Circuit line is LILO in the Nalda substation. For the present breakers, controlling incoming and outgoing feeders will be under the control of SE Railway, operating the same under instructions of OPTCL. However, the Commission feels that this may not be a sound arrangement. OPTCL should take immediate steps to construct a switching station in the Joda- Rourkela Single Circuit line to have independent and autonomous control. This switching substation can be subsequently converted into a grid substation by installing 132/33 KV power transformers so that demands for nearby loads would be met. Route kilometer of the line from Joda to Rourkels is 60 KM and the 33 KV line emanating from Joda grid substation are about 100 KM each in length. Joda grid substation has become very vulnerable due to aging factors, congestion and number of voltage controls. It is imperative to have another substation close to Barbil area so that new growth of loads of minerals industries can be met without any technical hiccups.

This disposes of the petition.

**Sd/-  
(S.K.Jena)  
Member**

**Sd/-  
(B.C.Jena)  
Member**