

**ORISSA ELECTRICITY REGULATORY COMMISSION**  
**BIDYUT NIYAMAK BHAWAN,**  
**UNIT – VIII, BHUBANESWAR – 751 012**  
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**Present : Shri B. K. Das, Chairperson**  
**Shri K. C. Badu, Member**  
**Shri B. K. Misra, Member**

**Case No.66 of 2011**

CESU . .... Petitioner

Vrs.

GRIDCO & Ors. .... Respondents

**In the matter of : Application under condition 11 of License Conditions of CESU approved by OERC & approval of revised investment proposal for infrastructure development and loss control activities for the FY 2010-11 to 2013-14.**

**Persons present:**

For Petitioner : Mr. Dillip Kumar Chowdhury, CPIO, Mr. Saroj Kumar Mishra, Sr.GM(F), Pravakar Pattnaik, Sr. GM (PI) on behalf of CESU

For OPTCL : Mr. Ajay Kumar Mohanty, GM (Elec)

**ORDER**

**Date of hearing: 13.09.2011**

**Date of Order : 16.09.2011**

1. The Commission vide order dtd.06.10.2010 in Case No.134 of 2010 had given in-principle approval of the investment proposal of CESU for Rs.1092.72 cr. The year-wise investment from different heads is outlined in the following table:

Financial year	2010-11	2010-12	2012-13	2013-14	TOTAL
State Govt.	117.00	156.00	97.50	97.50	468.00
CESU (Matching contribution)	0.00	78.00	156.00	234.00	468.00
CESU (self financing)	87.12	18.64	21.85	29.11	156.72
Total Capex	204.12	252.64	275.35	360.61	1092.72

2. For the FY 2010-11 and 2011-12 CESU had prepared DPR of Rs.368.46 cr. against the project funding of Rs.351 cr. for the above two years. Since no work could be executed during 2010-11 due to want of fund and finalization of guidelines CESU in its filing proposed to execute the work of 2010-11 and 2011-12 in the year 2011-12. The petitioner CESU has come to the Commission with a revised estimate of Rs.406.49 cr. for the year 2010-11 and 2011-12 to get the approval. CESU in its submission stated that few technological improvement besides additional quantities of few items have been considered over the original DPR in the revised DPR which has led to a rise of 10.32% in the estimated amount and accordingly revised project cost is estimated at Rs.406.49 cr. CESU further stated that the revised estimate is well within the approved limit of Rs.456.76 cr. for the above two years (Rs.204.12 Cr for 2010-11 + Rs.252.64 cr for 2011-12).
3. The Commission heard the petitioner and observed that since the work programme for 2010-11 and 2011-12 are to be executed simultaneously, the Licensee should furnish separately the date of commencement, the completion of each project and the period from which the benefit would flow, both in terms of loss reduction and improvement in quality of supply. The Commission further clarified that in certain cases the investment is badly necessary to remove the low voltage, frequent interruptions and avoid recurring expenditure but such benefit can not be always measured in terms of loss reduction or financial gain. The Commission observed that in the revised DPR, apart from the 3 nos. unmanned sub-station in the urban belt in the existing and augmented 33/11 KV sub-stations also the scope of work covers installation of breakers along with communication enabled numerical relays in all the incoming, outgoing feeders and transformers bays. This is a welcome feature, accordingly the Commission observed that CESU may consider to make the sub-station as remote monitored and controlled station also. The other stipulations/observations and directions contained in our order dtd.06.10.2010 in case No.134 of 2010 would mutatis mutandis continue to apply.
4. With these observations and directions we accord in-principle approval of the revised investment proposal of CESU for Rs.406.49 crore.

Sd/-  
**(B.K. Misra)**  
Member

Sd/-  
**(K.C. Badu)**  
Member

Sd/-  
**(B.K. Das)**  
Chairperson