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

Present : **Shri S.P Nanda, Chairperson**
Shri B.K. Misra, Member
Shri S.P.Swain, Member

Case No.22 of 2012

M/s OHPC Limited ……...Petitioner

Vrs.

GRIDCO & Another .....Respondents

In the matter of: **An application u/S. 33 (4) of the Electricity Act, 2003 for approval of extension of time for renovation and modernization work of unit No #1, Rengali Hydro Electric Project according the Order of the Commission passed in Case No. 65/2010.**

For the Petitioner: Shri Manoj Kumar Mishra, Director (Operation), OHPC Ltd.

For the Respondents: Shri Laxmidhar Mohapatra, GRIDCO, Shri Prasant Kumar Das, SLDC.

Date of hearing: 14.05.2012 **Date of Order: 17.05.2012**

ORDER

The representative of OHPC stated that they have taken up renovation & modernisation of Unit-I at Rengali Power Station after due approval of the Commission vide Order dtd 18.01.2010 passed in Case No. 125 of 2009. The Commission in the said Order had accorded in principle approval to take up the R&M work with an estimated capital cost of Rs, 47.5 Cr. and the completion period is 2 years from the zero date of contract i.e. 25.11.2009. But due to late delivery of generator spares and other equipments by the Original Equipment Manufacturer M/s BHEL on account of shifting of its production unit from Hardwar to Bhopal, the completion of R&M work could not be materialized within the approved time period. Now the R&M work has almost been completed and Unit-1 is expected to be commissioned by 30.05.2012. Therefore, OHPC prayed the

Commission for approval of extended period of R&M works of Unit-I at RHEP from 26.11.2011 to 30.05.2012 (188 days) and allow OHPC for completing the plant availability factor with corresponding reduction in installed capacity for the said period.

2. The representative of GRIDCO Ltd. stated that as per the Detail Project Report (DPR) of R&M work of Unit-I at Rengali Hydro Electric Project, the R&M work was to be completed within a time frame of about 21 months. However, the Commission in its Order has allowed 24 months considering the zero date as 25.11.2009 i.e. the date of release of advance payment to M/s BHEL. Hence further extension of time for such R&M work of the Unit-I of RHEP at Rengali is not justified. Furthermore, as per the PPA signed between OHPC & GRIDCO *" The period of renovation and modernisation of unit (s) shall be as per the time schedule fixed in the detail project report and is mutually agreed by both parties and approved by OERC for which reduction in installed capacity will be considered. For the period beyond the time agreed buy both parties and approved by OERC for R&M there shall be no reduction in the installed capacity."*.

3. The representative of GRIDCO further stated that OHPC was able to recover the approved capacity charge during FY 2010-11 in respect of RHEP though the Unit-I was under R&M works. It was also contended by GRIDCO that because of the earlier order of the Commission the installed capacity was virtually reduced as a result of which OHPC could get incentive even though no power was available from Unit-1 which was under renovation. Further extension of time by reducing the installed capacity will confer unjustified incentive on OHPC and as this incentive is not shared with the consumers, it would amount to unjust enrichment of OHPC.

4. After going through the records and after hearing the parties the Commission is of the opinion that two years time allowed in our earlier order was sufficient for completing R&M work of Unit-1. The delay is a matter between OHPC and BHEL for which GRIDCO should not suffer. OHPC should have taken prompt and pro active steps for supply of material by BHEL and could have recovered liquidated damages from its contractor. During the approved time period of two years, OHPC has already enjoyed advantage of lowering its installed capacity for getting incentive. There is no justifiable reason for extending the time period further.

5. In view of this the petition of OHPC is rejected.

Sd/-	Sd/-	Sd/-
(S.P.Swain)	**(B.K.Misra)**	**(S. P. Nanda)**
Member	**Member**	**Chairperson**