

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

IN THE MATTER OF : An Application compliance to the directives of the Commission under Clause 11 & 12 of the Orissa Distribution and Retail supply license, 2006 conditions for investment proposal of Rs.185.50 crore for FY 2010-11 and 2011-12 as part of CAPEX programme of WESCO for FY 2010-14.

AND

GRIDCO & another ... **Respondents**

IN THE MATTER OF : An Application compliance to the directives of the Commission under Clause 11 & 32 of the Orissa Distribution and Retail supply license, 2006 conditions for investment proposal of Rs.189 crore for FY 2010-11 and 2011-12 as part of CAPEX programme of NESCO for FY 2010-14.

AND

GRIDCO & another ... Respondents

IN THE MATTER OF : **An Application compliance to the directives of the Commission under Clause 11 & 32 of the Orissa**

**Distribution and Retail supply license, 2006
conditions for investment proposal of Rs.184.50
crore for FY 2010-11 and 2011-12 as part of CAPEX
programme of SOUTHCO for FY 2010-14.**

For the petitioners: Shri P.Gopal Ready, Managing Director, WESCO

Shri Sandesh N. Rane, NESCO,

Shri G.B.Swain,GM(Fin.),CSO, WESCO,NESCO & SOUTHCO,

Shri Mahesh Mohapatra, GM, CAPEX,NESCO,

Shri V.Chandrasekhar Rao, GM(SOUTHCO).

For the respondent: Nobody is present on behalf of GRIDCO Ltd. & Dept. of Energy, Govt. of Odisha.

Date of Hearing: 17.8.2012

Date of Order: 15 .09.2012

ORDER

1. WESCO, NESCO and SOUTHCO on 11.12.2011, 16.7.2012 and 07.8.2012 respectively have submitted their revised investment proposals under CAPEX for the financial year 2010-11 & 2011-12 for approval of the Commission. Earlier the Commission vide its Order dated 10.11.2010 passed in Case Nos.109, 110 and 111 of 2010 had approved the investment proposal of WESCO, NESCO & SOUTHCO for the financial year 2010-11 & 2011-12.

The abstract of the previous proposal approved by the commission and the revised proposal submitted by the DISCOMs is depicted in the table below:

WESCO

ABSTRACT OF PROPOSED CAPEX FOR 2010-11 & 2011-12

CODE	Name of Proposed Works	RATE in lakhs	PREVIOUS PROPOSAL		REVISED PROPOSAL	
			SCOPE	AMOUNT in Lakhs	SCOPE	AMOUNT in Lakhs
P-1	HVDS	1.00	1366.00	1366.00	508	508.00
	ASSOCIATED 11KV LINE	2.00	279.98	559.96	136.15	272.30
P-2	NEW 11KV Line	2.50	2.50	6.25	86.7	216.75
	Upgradation of 11KV Line	2.00		0.00	170.5	341.00
P-3	LT XLPE AB Cable 95 Sqmm	3.50	599.71	2098.99	575.23	2013.31
	LT XLPE AB Cable 50 Sq.mm	2.50	542.69	1356.73	408.39	1020.98
P-4	NEW 33KV Line	4.20	2.30	9.66	22.95	96.39
	Upgradation of 33KV Line IN 100 mm ²	3.20	285.80	914.56	304	972.80
	Upgradation of 33KV Line IN 232 mm ²	7.00	144.60	1012.20	84.1	588.70

P-5a	Metering Units	2.00	64.00	128.00	64	128.00
	Meters	0.10	64.00	6.40	64	6.40
P-5b	33KV BREAKERS ALONG WITH CT / PT/METER	6.00	87.00	522.00	11	66.00
	11KV BREAKERS ALONG WITH CT / PT/METER	4.00	235.00	940.00	357	1428.00
	11KV PT	1.50	87.00	130.50		
P-5c	Metering Units	1.00	636.00	636.00	30	30.00
	Meters	0.10	17099.000	1709.90	3760	376.00
P-6	Consumer Metering SINGLE PHASE	0.015	125634.00	1884.51	125632	1884.48
	Consumer Metering THREE PHASE	0.08	7800.00	624.00	7800	624.00
P-7	Boundary Wall 33/11 KV SS	5.00		0.00	1	5.00
	Boundary Wall DISTRIBUTION SS	0.50		0.00	200	100.00
P-8	Replacement of old LT Line IN 95 mm ²	3.50	135.54	474.39	135.04	472.64
	Replacement of old LT Line IN 50 mm ²	2.50	138.89	347.23	123.34	308.35
P-9	New Primary S/S 2X8 MVA	375.00	1.00	375.00		
	New Primary S/S 2X5 MVA	350.00			1	350.00
	New Primary S/S 2X3.15 MVA	300.00				
	Power Transformers UP-RATING TO 8 MVA	40.00		0.00	17	680.00
	Power Transformers UP-RATING TO 5 MVA			0.00	17	0.00
	11KV 36KVAR CAPACITOR BANK	0.53	100.00	53.00		
	IT Implementation	1.00	1662.00	1662.00	1662	1662.00
	MRT testing kit & Equipments			226.69		226.69
	Distribution sub-station with line	3.00		0.00	899	2697.00
ACA	Upgradation of 11KV Line		20.00	65.35	20.00	65.36
	Upgradation of 33KV Line IN 100 mm ²		20.00	50.39	20.00	50.39
	Upgradation of 33KV Line IN 232 mm ²		24.00	111.09	24.00	111.09
	NEW 33/11KV Sub-station		2X3.15 MVA	279.25	2 x 8 MVA	248.45
	33KV line			0.00	2.00	
	11KV line			0.00	3.00	
	Upgradation of 11KV Line			0.00	5.00	
REC	500 KVA TRANSFORMER	5.48	30.00	164.52	30	164.52
	315 KVA TRANSFORMER	4.50	75.00	337.50	75	337.50
	100 KVA TRANSFORMER	1.50	332.00	498.00	332	498.00
	TOTAL COST			18550.06		18550.09

Investment Pattern for WESCO

YEAR	Loan with 0% interest	Soft loan with 4% interest	Counterpart by DISCOM	TOTAL
2010-11	-	58.50	10.00	68.50
2011-12	52.00	26.00	39.00	117.00
TOTAL	52.00	84.50	49.00	185.50

NESCO

Variation of Scope Old V/s Revised DPR under CAPEX 2010-11 & 2011-12

Sl. No	Name of Proposal Works	Unit	Old Rate	Old DPR Total Quantity	Old Total Cost	New Rate	Revised DPR Total Quantity	Revised Total Cost
1	Construction of new 33/11KV sub-station (including 2x5 MVA PTR, line, land, Boundry wall, Control room etc. in complete shape).	No.	300.00	2	600.00	300	2	600.00
	a) Transformer 5 MVA 2 nos.	No.		4	0.00		4	0.00
	b) Construction of 33 KV new line with 100Sq. mm	No.		30	0.00	4.2	30	
	c) Construction of 11 KV new line with 80Sq. mm			7	0.00	3	7	
	New 33/11 KV S/S Balanace work of left over PMU & RGGVY.	No.		8	0.00		8	0.00

	a)LS (boundry wall, earthing etc.)				157.41			176.10
	b)33 KV line with 100 Sq. mm	Km	5.00	65.8	329.00	4.2	65.8	276.36
2	Uprating of 33KV line.				0.00			
	a) With 100mm²	Km	3.20	366.45	1172.64	3.20	366.95	1174.24
	b) With 232mm²	Km	7.00	161.6	1131.20	7.00	149	1043.00
3	New 33KV line.				0.00			
	a) With 100mm²	Km	4.20	26	109.20	4.20	26	109.20
	b) With 232mm²	Km	6.00	6	36.00	6.00	2	12.00
4	Requirement of VCB / CT/PT.				0.00			
	33KV VCB	No.	6.00	61	366.00	6.00	60	360.00
	11KV VCB	No.	4.00	95	380.00	4.00	102	408.00
	33KV PT	No.	1.00	98	98.00	1.00	63	63.00
	11KV PT	No.	0.50	131	65.50	0.50	92	46.00
5	Up-gradation of Power Transformer.				0.00			
	a)3.15 MVA	No.			0.00			
	b)5MVA	No.	30.00	12	360.00	40.00	12	480.00
	c)8MVA	No.			0.00			
	d)10MVA	No.	50.00	7	350.00		0	
	d)12.5MVA	No.	80.00	0	0.00	80.00	4	320.00
6	11KV Line				0.00			
	a)New line with 100mm2	Km	3.2		0.00	3.2	8.5	27.20
	b)Uprating of 11KV line	Km	2	1318.01	2636.02	2	1376.51	2753.02
7	Provision of HVDS				0.00			
	No. of sub-station	No.	1.00	1248	1248.00	1.00	1251	1251.00
	HVDS Line	Km	2.00	233.47	466.94	2.00	274.57	549.14
8	Consumer metering				0.00			
	a) 1-Ph Meter	No.	0.015	202000	3030.00	0.015	175061	2625.92
	b) 3-Ph Meter	No.	0.08	4000	320.00	0.08	4000	320.00
9	Replacement of bare conductor with AB Cable.	Km	2.50	1103.157	2757.89	2.50	1227.17	3067.93
10	Replacement of damaged Pole			0	0.00		0	
	a) 9Mtr PSC Pole	No.	0.045	2900	130.50	0.045	2900	130.50
	b) 8Mtr PSC Pole	No.	0.03	5800	174.00	0.03	5800	174.00
11	Feeder Metering				0.00			
	a) 33KV Feeder Metering	No.	0.07	60	4.20	0.07	60	4.20
	b) 11KV Feeder Metering	No.	0.07	356	24.92	0.07	356	24.92
12	DTR Metering	No.	0.10	8000	800.00	0.10	8000	800.00
13	Installation of Capacitor Bank	No.	25.00	5	125.00	25.00	3	75.00
14	Earthing of the sub-station	No.	0.20	908	181.60	0.20	918	183.60
15	Procurement of Accu-ckee/ & instrumentation.	LS			195.00			195.00
16	IT Implimentation(Computers, Lap Top. MRI, etc.)	LS			1650.98			1650.98
					18900.00			18900.30

SOUTHCO

SOUTHCO's Proposed & Approved Capex 2010-11

SL No.	Name of Proposed Works	UNIT	Proposed	Approved
			Amount (Rs. In Cr.)	Amount (Rs. In Cr.)
1	HVDS with 16 KVA & 25 KVA	No.	2.53	4.33
2	NEW 11KV Line	Km	1.02	0.00
3	Upgradation of 11KV Line	Km	6.41	5.83
4	LT XLPE AB Cable 95 Sqmm	Km	17.03	12.50
5	Parallel LT Line excluding AB Cable	Km	0.52	0.00
6	NEW 33KV Line	Km	6.65	6.78
7	Upgradation of 33KV Line	Km	1.10	2.03
8	33KV BREAKERS	No.	2.10	4.80
9	11KV BREAKERS	No.	0.72	0.96

10	11 KV Feeder Metering	No.	2.39	0.00
11	33 kv Feeder Metering	No.	0.00	1.23
12	DT Metering	No.	0.00	1.76
13	Consumer Metering	No.	7.15	6.75
14	Smart Metering	L.S	0.40	0.00
15	New Primary Sub-Station	No.	10.78	13.93
16	IT Implementation	L.S	1.88	3.88
17	MRT testing kit & Equipments	L.S	0.40	0.40
18	Replacement of damaged Pole & provision of Intermittent pole on the existing line	No.	0.34	0.36
19	Strengthening of Distribution S/S	L.S	0.08	0.00
20	Conversion of 33/0.4 to 11/.4kv trf	L.S	0.00	0.29
21	Shifting of 11kv Line	L.S	0.00	1.39
	Grand Total for SOUTHCO		61.50	67.25

SOUTHCO's Proposed & Approved Capex 2011-12				
SL. No.	Name of Proposed Works	UNIT	Proposed	Approved
			Amount (Rs. In Cr.)	Amount (Rs. In Cr.)
1.a	HVDS with 16 KVA & 25 KVA	No.	7.32	5.23
2.a	NEW 11KV Line	Km	1.03	0.00
b	Upgradation of 11KV Line	Km	11.13	13.33
3.a	LT XLPE AB Cable	Km	15.92	17.96
b	Service Distribution Box	No.	1.95	0.00
5	Parallel LT Line excluding AB Cable	Km	0.96	0.00
6.a	NEW 33KV Line	Km	2.27	0.70
d	Upgradation of 33KV Line	Km	7.08	8.76
7.a	33KV BREAKERS	No.	0.48	0.45
b	11KV BREAKERS	No.	2.16	3.13
8.a	11 KV Feeder Metering	No.	1.64	0.72
f	DT Metering	No.	0.00	1.07
9.a	Consumer Metering	No.	40.26	39.46
d	Smart Metering	L.S	0.60	0.00
10.a	New Primary Sub-Station	No.	9.50	15.04
11	IT Implementation	L.S	11.49	11.18
12.a	MRT & T & P Materials	L.S	3.10	1.10
13	Replacement of damaged Pole & provision of Intermittent pole on the existing line	No.	0.52	0.79
14	Replacement of damaged service Wire with 4 mm sq PVC Wire	Km	0.20	0.00
15	Earthing of S/S	L.S	0.63	0.61
16	Civil work	L.S	0.98	0.00
17	Renovation of lines & S/S	L.S	1.31	1.00
18	Strengthening of Distribution S/S	L.S	1.10	1.16
20	Shifting of 11kv Line	L.S	1.39	0.00
21	Construction of Project Building	L.S	0.00	1.00
22	Improvement of Store Site	L.S	0.00	0.30
	Grand Total for SOUTHCO		123.00	123.00

2. The DISCOMs in their submission have stated that the original DPR as approved by the Commission were prepared basing on the old data of the year 2008. In the meantime in the last four years the loading and requirement of network have undergone massive changes. This has also been ascertained from detailed field study. Thus it was very much required to change the scope of the approved work for 2010-11 & 2011-12 in view of the present and future need of the organization with respect to reduction of AT&C loss.

To substantiate the point, NESCO submitted that a new division under its jurisdiction has been created at Kuakhia which requires redistribution of scope of work under CAPEX of JRED and the newly created division. Due to heavy industrialization in Badbil, Bhadrak and Balasore areas etc., the power transformers capacities earlier planned needs to be further augmented.

However, NESCO and WESCO submitted that though their scope of work under CAPEX has changed but the amount approved by the Commission earlier for 2010-11 and 2011-12 remains unchanged which was Rs.189 crore and Rs.185.50 crore respectively for WESCO & NESCO.

But in case of SOUTHCO, the revised investment proposal for the financial year 2010-11 & 2011-12 amounts to Rs.61.50 crore and Rs.123.00 crore whereas the approved amount for FY 2010-11 & 2011-12 are Rs.67.25 crore and Rs.123.00 crore respectively.

3. **Commission's Observation and Directions**

As the above three cases are similar in nature, the Commission clubbed together these three cases for analogous hearing. After hearing the representatives of the WESCO, NESCO & SOUTHCO at length, the Commission wanted to know the progress of 1st Phase of CAPEX i.e. 2010-11 & 2011-12. From the reply, the Commission observed the following for all the three DISCOMs as a whole.

Tender Floated till date	Rs.435.00 crore
Purchase order placed till date	Rs. 91.90 crore
Material Inspected	Rs. 28.00 crore
Material Received	Rs. 2.00 crore

The Commission further observed that no work under CAPEX has yet been started although the financial year 2011-12 is already over. However, in view of exigency nature of the work and so also its important contribution to loss control measures and quality of supply the Commission accords in principle approval to revised proposal of the WESCO, NESCO & SOUTHCO under CAPEX programme for FY 2010-11 & 2011-12. The revised approval for CAPEX of WESCO, NESCO & SOUTHCO shall be Rs.185.50 crore, Rs.189.00 crore and Rs.184.50 crore respectively for combined year FY 2010-11 & 2011-12.

4. Commission directs that DISCOMs may furnish a write up on the plan of their implementation of the work programme Division wise with target date of completion on the following, but not limited to points maintained herein.
- A. New primary 33/11 KV substation along with associated new incoming 33 KV lines and outgoing 11 KV lines – Commission desires that proper coordination be taken, preferably a single work contract be made so that lines and substations are energized simultaneously.
 - B. Augmentation of existing 33/11 KV substation along with augmentation of incoming 33 KV lines and outgoing 11 KV feeders, if any - The action plan for use of replaced transformers and substations and line equipment may be informed.
 - C. The energy auditing of 33 KV lines, 11 KV lines and DT metering and IT/SCADA implementation.
 - D. Installation of Capacitor Banks.
 - E. Use of HVDS / ABC (Aerial Bunched Conductor) for loss reduction programme.
 - F. Consumer metering with tamper proof electronic meter.
5. All other direction given in our Order while approving earlier proposals of DISCOMs in Case Nos.109. 110 & 111 of 2010 shall remain unchanged. Accordingly the above three cases are disposed of.

Sd/-
(S.P. Swain)
Member

Sd/-
(B.K. Misra)
Member

Sd/-
(S.P. Nanda)
Chairperson