

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

**Present :      Shri S. P. Nanda, Chairperson  
                     Shri S. P. Swain, Member  
                     Shri A. K. Das, Member**

**Case No. 39/2014**

OPTCL	.....	Petitioner
Vrs.		
GRIDCO & Others	.....	Respondent

**In the matter of:**      **An application as per letter No. 3277 dated 07.05.2012 of the OERC for approval of Business Plan for the 3<sup>rd</sup> control Period (FY 2013-14 to 2017-18).**

**For Petitioner:**      **Shri B.P.Mohapatra, Director(Finance), OPTCL  
                             Shri S.K.Rath, Director(HR), OPTCL**

**For Respondents:**      **Shri Subrat Kumar Routray, DMF(Com. & RA), SOUTHCO  
                             Ms. Niharika Pattnaik, ALO, DoE, GoO.**

No body is present on behalf of GRIDCO Ltd., WESCO, NESCO and CESU.

**ORDER**

**Date of Hearing: 30.09.2014**

**Date of Order.11.05.2015**

Odisha Power Transmission Corporation Limited, Bhubaneswar (in short OPTCL) is a wholly owned Govt. Company registered on 29th March, 2004 under the Companies Act, 1956 carrying on business on transmission of electricity within the State of Odisha.

2. After the enactment of Electricity Act, 2003 (hereinafter referred to as the Act) GRIDCO which was the holder of Transmission and Bulk supply license under the Orissa Electricity Reforms Act, 1995 could no longer carry on both supply and transmission businesses by virtue of 1st proviso of section 39 of the said Act. In pursuance of the Transfer Scheme entitled 'Orissa Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005' notified by the State Govt. under Section 39, 131,133 and 134 of the Electricity Act, 2003 read with Schedule 23 and 24 of the Orissa Electricity Reform Act, 1995, the erstwhile transmission business of

GRIDCO with all the assets and liabilities of such business was transferred to and vested with OPTCL with effect from 1.4.2005.

3. As per Clause 10 of the Govt. Notification No.6892 dated. 09.06.2005, the OPTCL was notified as the State Transmission Utility (STU) under Section 39 of the Act with effect from 01.04.2005 (i.e., the date on which the said notification came into force). By virtue of the 2nd Proviso to Section 14 of the Act, OPTCL has been a deemed Transmission Licensee. OPTCL is now governed by License Conditions set forth in OERC (Conditions of Business) Regulations, 2004, issued under Section 16 of the Act, as modified by Commission's order dated 27th October, 2006.
4. As per direction of the Commission vide letter No.3277 dt.07.05.12, OPTCL has submitted the Business Plan for the 3<sup>rd</sup> 5-year, control period starting from FY 2013-14 to FY 2017-18 with an objective of improving the long term financial viability of the power sector in Odisha and also fulfilling aims and objective set out in different Policies for supplying adequate, quality and reliable power to all. The same was filed by OPTCL on 24.05.2014 for consideration by the Commission. The Commission has taken up the matter for hearing on 30.09.2014.
5. Heard the parties at length. Apart from the directions made during hearing and in the order dated 09.10.2014, the Commission has observed the following issues to be addressed by OPTCL in their Business Plan.
  - The Commission in Case No 79 of 2012 dated 04.06.2014 has accorded in-principle approval of some transmission projects to put well defined Intra State Transmission system in place. OPTCL has now filed the Business Plan with the requirement of many additional transmission projects without any techno-financial analysis and justifications thereto.
  - OERC (Terms & Conditions of Transmission Tariff) Regulation, 2014 has been published in Extraordinary Odisha Gazette on dt.04.12.2014 and is effective from the date of publication in Gazette. So, OPTCL should take the said Regulation into account & amend the Business Plan accordingly.
  - OPTCL in its Business Plan has submitted different ARR figures for FY 2014-15 and FY 2015-16. The said figures should tally with the Commission approval for the FY 2014-15 & OPTCL submission for FY 2015-16 before the Commission. OPTCL should revise the same accordingly and resubmit it.

- OPTCL in its Business Plan has considered the demand of the state based on the Long Term Demand Forecast approved by OERC dt.14.12.2012. However, in the mean time the actual demand of OPTCL system for 2013-14 & 2014-15 (upto January, 15) is available with OPTCL. Further, GRIDCO in its ARR application for FY 2015-16 has filed different demand figure which is not matching with the figures as projected by OPTCL in Business Plan. So, OPTCL should consider all these factors into account and consider a realistic demand projection in the Business Plan of OPTCL.
- There is no significant reduction in transmission loss proposed by OPTCL in the Business Plan although huge investment is planned for up-gradation of system. The study/Energy Audit undertaken by OPTCL and future projections in this respect may be submitted.
- Necessity of the additional proposed projects and feasibility (both technical and financial) required for IPP evacuation, connectivity to projects proposed under ODSSP and conversion of switching station to substation etc. are not available in the Business Plan.
- OPTCL should submit the power system studies [Load Flow Studies (LFS), Short Circuit Studies (SCS) and Transient Stability Studies (TSS)] in Maximum Hydro Generation and Maximum Thermal Generation considering the peak load expected in the coming years.
- Reason of proposing for addition of large number of 132 KV s/s when 220 KV ring transmission system is available. OPTCL should find out the latest technical methods for effective utilization of existing/proposed higher level transmission system by upgrading the existing substations/transmission lines etc. to increase power transfer capacity and avoid ROW problem. Strengthening of the existing network introducing multi voltage level and multi circuit transmission lines may also be considered for the purpose. CEA may be consulted in this regard for introduction of latest technology for improvement in available transmission infrastructure.
- Power Maps (Geographical Map) for the existing system and for different years with the proposed projects under the control period are not available with the plan.
- A report on the voltage profile (per unit) of the existing and proposed substations should be furnished.

- A report on percentage loading of existing transformers, transmission lines after and before addition of proposed projects in different years of study should be furnished.
6. Further, the Commission is of the opinion that while preparing the Business Plan, the CGS/CTU authorities, generating companies, ERPC, Govt. of Odisha and DISCOMs should also be intimated /involved as the plan contains a substantial addition to the existing transmission system.
  7. Considering the above, the Commission is not inclined to accord approval of the Business Plan submitted by OPTCL and direct OPTCL to resubmit the revised amended plan addressing all the issues raised by the Commission on or before 31.07.2015.
  8. Accordingly, the case is disposed of.

**Sd/-**  
**(A.K. Das)**  
**Member**

**Sd/-**  
**(S.P.Swain)**  
**Member**

**Sd/-**  
**(S.P.Nanda)**  
**Chairperson**