

# **ODISHA ELECTRICITY REGULATORY COMMISSION**

**BIDYUT NIYAMAK BHAWAN  
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR  
BHUBANESWAR - 751 021**

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**Present: Shri U. N. Behera, Chairperson  
Shri A. K. Das, Member  
Shri S. K. Parhi, Member**

**Case No. 55/2017**

NESCO Utility	.....	Petitioner
Vrs.		
DoE, GoO & Others	.....	Respondents

**In the matter of: An application under Clause 11 & 32 of the Odisha Distribution & Retail Supply License, 2006 seeking approval of DPR for utilization of balance unspent materials of CAPEX programme.**

For Petitioner: Shri Surendra Prasad Mallick, Sr. GM, NESCO Utility

For Respondents: Shri Sandeep Kumar Puri, Sr. GM (Elect.), OPTCL  
Ms. Niharika Pattnayak, ALO, DoE, GoO.  
Nobody is present on behalf of GRIDCO Ltd.

## **ORDER**

**Date of hearing: 15.05.2018**

**Date of order: 19.06.2018**

In the present Petition, NESCO utility has sought the approval of supplementary DPR amounting to Rs.20.59 Cr. for utilisation of balance unutilised materials procured under CAPEX. Subsequently on 09.05.2018, due to the decision taken during the meeting held on 23.04.2018, NESCO utility has requested the Commission to approve the works already executed by utilising the unutilised CAPEX materials amounting to Rs.2.909 Cr. in place of the supplementary DPR amounting to Rs.20.59 Cr.

- Initially, NESCO Utility had approached the Commission for approval of investment plan of Rs.189 Cr, which was approved in Case No.110 of 2010. The amounts to be spent along with source of funding are depicted in the following table:

(Rs. in Crs.)

Financial Year	Total amount to be spent in four DISCOMs by Govt.	Share allocation to NESCO out of column 2	Support by Govt.		Counterpart funding by DISCOM	Total amount to be spent as per the present proposal
			Loan with 0% interest	Soft loan with 4% interest		
(1)	(2)	(3)	(4)	(5)	(6)	(7) (4+5+6)
2010-11	300.00	63.00	-	63.00	12.3775	75.3775
2011-12	600.00	126.00	56.00	28.00	29.6225	113.6225
<b>Total</b>	<b>900.00</b>	<b>189.00</b>	<b>56.00</b>	<b>91.00</b>	<b>42.00</b>	<b>189.00</b>

3. The Commission vide its order dt.10.11.2010 has given in-principle approval of the investment proposal and the DPR submitted by NESCO. The investment approved for NESCO for the year 2010-11 and 2011-12 works out to be Rs.75.38 cr. and Rs.113.62 cr. respectively totalling to Rs.189.00 Cr.
4. NESCO utility had submitted the DPR basing on the technical data of the year 2008. Subsequently, the loading and requirement of network had undergone massive changes. Therefore, NESCO had filed a revised DPR after a detailed field study, in which though their scope of work under CAPEX changed, but the amount approved by the Commission earlier remains unchanged as Rs.189.00 Cr. The Commission had given approval to the revised DPR basing on the changed scope vide its order dated 15.09.2012 in Case No. 59 of 2012. The above CAPEX works has been carried out by the NESCO Utility as per the approved final DPR.
5. As per the submission of NESCO Utility, CAPEX was delayed due to various factors and finally monitoring committee of CAPEX programme, chaired by the Principal Secretary, DoE, GoO on 03.09.2016 had decided to close the programme by 31st December, 2016. As per the decision, if the DISCOMs wants to use the surplus material under any bona fide Govt. Schemes they are required to prepare revised DPR in line with the decision of monitoring committee and file the same with OERC for approval. Further, it was decided during the meeting on 19.06.2017 to prepare and file the DPR for utilisation of balance CAPEX material before 31st August, 2017.

6. NESCO utility, for this purpose has prepared the supplementary DPR amounting to Rs.20.59 Cr. for utilisation of balance unutilised materials procured under CAPEX. The break-up of such information is placed in the table below:

**SUMMARY OF SUPPLEMENTARY DPR FOR UTILISATION OF UNSPENT MATERIALS UNDER CAPEX (GOO SOPONSED) FY 2017-18**

Sl.No.	Name of the work	Scope	CAPEX Materials cost (in Rs. Lakhs)	CAPEX Erection cost (in Rs. Lakhs)	NESCO Materials cost (in Rs. Lakhs)	Total (in Rs. lakhs)
1	33KV UPG-232 sq. mm AAAC	14 km	54.93	14.90	36.03	105.86
2	33KV UPG-100 sq. mm AAAC	160 km	391.87	112.74	156.14	660.75
3	11KV UPG-232 sq. mm AAAC	186.35 km	354.84	101.61	148.43	604.88
4	11KV UPG-80 sq. mm AAAC	119.5 km	223.36	64.01	49.94	337.31
5	AB cable 3x50 sq. mm	129.31 km	268.94	56.82	24.96	350.72
<b>Total</b>			<b>1293.94</b>	<b>350.08</b>	<b>415.49</b>	<b>2059.52</b>

7. Subsequently, on 09.05.2018, NESCO utility has submitted that during the meeting chaired by the Commissioner-cum-Secretary, DoE, GoO on 23.04.2018 to review the progress of households electrification under SAUBHAGYA scheme, has directed that the materials/funds available under CAPEX and BGJY are to be utilised under SAUBHAGYA scheme.
8. NESCO utility therefore has now approached the Commission to approve the works already executed by utilising the unutilised CAPEX materials amounting to Rs.2.909 Cr. in place of the supplementary DPR amounting to Rs.20.59 Cr. earlier filed on 18.08.2017 since rest of the material would be utilised under SAUBHAGYA Scheme.

	CAPEX Materials cost (Rs. In Cr.)	CAPEX Erection cost (Rs. In Cr.)	NESCO cost (Rs. In Cr.)	Total cost (Rs. In Cr.)
Supplementary DPR filed by NESCO earlier	12.94	3.5	4.15	20.59
Works executed in the meantime	2.21	0.51	0.189	2.909

9. GRIDCO and other respondents to the case have not submitted any objection to the proposal of NESCO utility on the works already executed for development of electricity distribution network.
10. The Commission has heard the petition and has gone through the written note of NESCO utility. Since, some of the balance materials of CAPEX along with the materials procured by NESCO utility has been utilised for strengthening of distributions system, to extend quality of power supply to the consumers, the investment made in our opinion merits consideration and we accord approval of the investment of Rs.2.909 cr. under CAPEX programme.
11. Accordingly, the case is disposed of.

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

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

Sd/-  
**(U. N. Behera)**  
**Chairperson**