

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

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

Case No. 70/2017

| | | |
|----------------------|-------|-------------|
| M/s. SOUTHCO 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 revised DPR for execution of six packages thereby utilization of balance materials under CAPEX programme.**

For Petitioner: Shri P.Arun Kumar, COO, & Shri Malay Kumar Sethi, AEE,
 SOUTHCO Utility

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

ORDER

Date of hearing: 15.05.2018

Date of order: 05.06.2018

SOUTHCO Utility has submitted an application for approval of CAPEX expenditure amounting to Rs. 5713.26 lakh before the Commission under clause 11 & 32 of the Odisha Distribution & Retail Supply License, 2006, which was registered as case no. 70 of 2017. SOUTHCO Utility has prepared the revised DPR for 6 nos. of packages under CAPEX programme and submitted before the Commission for approval of the revised DPR amounting to Rs. 5713.26 lakh as against Rs. 4482.21 approved earlier. As per their submission, the revisions were framed as per the decision taken in the CAPEX Monitoring Committee meeting held on 17.01.2015. The details of CAPEX approved earlier and now proposed are as follows:

| Sl.No. | Name of the package | DPR cost per package as approved by OERC vide Case No.61 of 2012 dated 15.09.2012. (Rs. in lakh) | Revised DPR cost per package now proposed for approval (Rs. in lakh) |
|--------|---------------------|--|--|
| 1 | MED, Malkangiri | 316.81 | 364.68 |
| 2 | KED, Koraput | 465.12 | 593.58 |
| 3 | BoED, boud | 309.65 | 352.54 |
| 4 | GSED, Digapahandi | 1583.94 | 2016.87 |
| 5 | GED, Gunupur | 1076.59 | 1321.08 |
| 6 | PKED, Parlakhemundi | 730.10 | 1064.51 |
| Total | | 4482.21 | 5713.26 |

2. Initially, SOUTHCO Utility had approached the Commission for investment plan of Rs.190.25 Cr. for execution within a span of four years from 2010-11 to 2013-14, which was admitted in Case No.111 of 2010. The amounts to be spent alongwith the source of funding are depicted in the following table:

| Financial Year | Total amount to be spent in four DISCOMs | Share allocation to SOUTHCO out of column 2 | Support by Govt. | | Counterpart 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 | 61.50 | - | 61.44 | 5.81 | 67.25 |
| 2011-12 | 600.00 | 123.00 | 53.32 | 26.70 | 42.98 | 123.00 |
| Total | 900.00 | 184.50 | 53.32 | 88.14 | 48.79 | 190.25 |

3. The Commission vide its order dt.10.11.2010 has given in-principle approval of the investment proposal and the DPR submitted by SOUTHCO Utility. The investment approved for SOUTHCO Utility works out to be Rs.67.25 Cr. and Rs.123.00 cr. totaling to Rs.190.25 Cr.
4. SOUTHCO Utility had submitted the DPR basing on the data of the year 2008. Subsequently, the loading and requirement of network had undergone massive changes. Therefore, SOUTHCO 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.190.25 Cr. The Commission had given approval to the revised DPR vide its order dt.15.09.2012 in Case No.61 of

2012. Thereafter, the CAPEX programme has been carried out by SOUTHCO Utility as per the approved DPR.

5. Since there is no substantial progress by the executing agencies to complete the packages, SOUTHCO has approached the monitoring committee on CAPEX, GoO and submitted the proposal for pre-closure of the projects. SOUTHCO has also approached the committee to allow them to complete their left out packages by awarding some such packages to the agencies who have completed their packages at their package rate by inviting short tender/limited tender.
6. As per the submission of SOUTHCO utility, it has been decided in the CAPEX monitoring committee meeting held on 19.06.2017 under the chairmanship of Commissioner-cum-Secretary, DoE, GoO to execute the 6 nos of left out packages. As per the decision of the monitoring committee, the work shall be completed within the stipulated time period of CAPEX closure and the financial limits as assigned to them. Further, it has been decided to consider 12 nos. of interposing poles per KM for replacement of LT bare conductor to AB cable instead of 2 nos. and inclusion of 6 nos. of poles in up-gradation works in case of 11 kV & 33 kV lines. While allowing the proposal of SOUTHCO, the monitoring committee directed DISCOMs to reframe the DPR and file it before OERC for approval. In the above backdrop, SOUTHCO Utility in line with the decision of the committee, has reframed the DPR of 6 nos. of left out packages as per the approved rates of OERC and approached the Commission for approval.
7. SOUTHCO Utility, for the purpose has reframed the scope of work of these packages, which are mentioned in the following table :

| Sl.No. | Name of the package | Scope for the six packages to be executed | | | | | | |
|--------------|---------------------|---|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| | | 16 KVA S/s | 11 KV new line | 33 KV new line | 11 KV line U/G | 33 KV line U/G | A.B.Cable 50 MM ² | A.B.Cable 95 MM ² |
| | | NO | KM | KM | KM | KM | KM | KM |
| 1 | MED | 25 | 8 | 0 | 0 | 0 | 25 | 2 |
| 2 | KED | 35 | 7 | 4 | 52.34 | 27.8 | 1.5 | 1 |
| 3 | BoED | 30 | 9 | 0 | 0 | 0 | 21 | 2 |
| 4 | GSED | 30 | 5.073 | 3.911 | 133 | 12 | 153 | 7 |
| 5 | GED | 50 | 19.74 | 45.03 | 91.77 | 0 | 106.5 | 2 |
| 6 | PKED | 0 | 0 | 0 | 0 | 80.4 | 95.5 | 3 |
| Total | | 170 | 48.81 | 52.94 | 277.11 | 120.2 | 402.5 | 17 |

8. GRIDCO and other respondents have not submitted any objection to the proposal of SOUTHCO to carry out the 6 nos. of left out projects required for development of electricity distribution network as per the revised DPR but the total expenditure of SOUTHCO utility should be within the overall CAPEX ceiling of Rs.190.25 Cr.
9. The Commission has gone through the petition of SOUTHCO Utility and also heard the petitioner for approval of revised DPR of CAPEX. The Commission is concerned about the completion of left out projects under CAPEX scheme for strengthening of distribution system to extend quality power to the consumers. Therefore, the revised investment proposal for six packages for utilization of balance materials under CAPEX programme in our opinion merits consideration and we accord in-principle approval of the revised DPR of Rs.5713.26 lakh for execution. However, the total expenditure should be within the overall CAPEX ceiling of Rs.190.25 Cr.
10. All other directions/observations given in our orders while approving earlier proposals of SOUTHCO in Case No.111 of 2010 and Case No.61 of 2012 shall remain unchanged.
11. Accordingly, the case is disposed of.

Sd/-
(S. K. Parhi)
Member

Sd/-
(A. K. Das)
Member

Sd/-
(U. N. Behera)
Chairperson