
2. The Petitioner-OPTCL has made the following prayers in the instant petition:
- a) Pending finalization of modalities of handover, OPTCL will take over O&M of TTPS Switchyard only from NTPC.
 - b) For complete taking over of TTPS Switchyard from NTPC on as is wherever basis and resolve the pending issues thereafter.
3. The brief facts of the case are as stated below:-
- a) The Petitioner-OPTCL is a deemed Transmission Licensee under the fifth proviso to Section 14 of the Electricity Act, 2003 and as per the 'Transfer Scheme' notified by the Government of Odisha in Department of Energy Notification No.6892 dated 09.06.2005. OPTCL is mandated to undertake the activities of transmission of electricity in the State of Odisha. As per the said Transfer Scheme, OPTCL has also been notified as the State Transmission Utility.
 - b) This Commission, vide order dated 27.10.2006 passed in Case No.22 of 2006, approved the License Conditions of OPTCL, the deemed Transmission Licensee, which came into force from 1st November, 2006 and as mentioned under 7.1 of aforesaid License Condition and as per provisions contained in Section 40 of the Electricity Act, 2003, OPTCL as a Transmission Licensee, is duty bound to make investment to build, maintain and operate an efficient, co-ordinated and economical intra-State transmission system.
 - c) In accordance with the License Condition 7.3, the Petitioner-Licensee, without prior approval of the Commission, shall not indulge in the following activities:
 - i. Undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee;
 - ii. Merge his utility with the utility of any other licensee
 - iii. Acquire any beneficial interest in any Generating Company of Generating Station; or
 - iv. Transmit electricity to any person in the State of Orissa, not authorized to by the Commission.
 - d) The License Condition 10 speaks elaborately about the investments and License Condition 10.1 in particular, explains explicitly about the prior approval of the Commission for making such investments in the licensed business.

- e) In the above backdrop and in compliance of the requirement under License Conditions 7 & 10, OPTCL has filed this proposal before the Commission for approval towards taking over of 220/132 kV TTPS switchyard from NTPC on “as is where is basis”.
- f) The Salient Features of the present proposal are given as under:
- (i) That, the AGM (MTP-O&M I/C), NTPC vide letter dated 24.11.2021 informed OPTCL that operation of NTPC Talcher Thermal Power Station, comprising of four units of 60 MW each and two units of 110 MW each with total installed capacity of 460 MW, has been permanently discontinued w.e.f. 01.04.2021 and requested OPTCL to initiate necessary actions for taking over the 220/132 kV TTPS switchyard including all associated equipments along with switchyard control room by completing all the necessary formalities at the earliest.
 - (ii) In response to the aforementioned letter, OPTCL vide letter dated 01.12.2021 requested NTPC to furnish the modalities for handing over/transfer of assets with detail list after getting permission from Government of Odisha, as the above assets of erstwhile TTPS were handed over to NTPC by Government of Odisha.
 - (iii) Since the generation from TTPS has been permanently discontinued, NTPC is continuously pursuing OPTCL for taking over of TTPS switchyard on “as is where is basis”. The operation and maintenance works of the TTPS switchyard is not being attended to properly by the NTPC personnel due to shortage of manpower and they are reluctant to incur any additional expenditure towards O&M. As the total generation of TTPS is zero, the switchyard is no more used for TTPS except 4 numbers Station Transformers from which NTPC draws power for its auxiliary consumption and colony supply. Presently, 220/132 kV TTPS switchyard is live and is being used by OPTCL for transmission and distribution of power. But total maintenance and operation of the existing switchyard is being done by NTPC.

(iv) A joint meeting was held during 25/4/2022 to 26/4/2022 between OPTCL and TTPS (NTPC) officials regarding handing over of TTPS switchyard control room and associated equipments by TTPS and minutes of the aforesaid meeting was prepared. The relevant minutes of the aforesaid meeting are as follows:

- OPTCL team visited the TTPS switchyard for assessing 220/132 kV TTPS switchyard and the associated equipments along with switchyard, control room, civil structures and land matters and their status prior to finalizing the modalities for handing over the same by NTPC.
- The details of the switchyard are as follows:

Switchyard

The TTPS switchyard is having 27 no. Bays at present. Out of these, 13 nos. are 220 kV Bays and 14 nos. are 132 kV Bays. The details of the Bays are as follows:

220 kV Feeders (13 nos.)

1. Joda I & II – 2 nos.
2. Kaniha – 1 no.
3. Nalco/Rengali – 1 no.
4. Meramundali I & II – 2 nos.
5. Auto TRF I & II – 2 nos.
6. GT 5 & 6 – 2 nos.
7. Station TRF III & IV – 2 nos.
8. Bus Coupler – 1 no.

132 kV Feeders (14 nos.)

1. OPCL & Station 12 – 1 no.
2. Chainpal 3 (Defunct) – 1 no.
3. Duburi – 1 no.
4. Chainpal I & II – 2 nos.
5. GT I, II, III, IV – 4 nos.
6. Auto I & II – 2 nos.
7. Angul – 1 no.

8. Bus coupler – 1 no.
9. Station Trf. 34 – 1 no.

Existing Transformers Details

SI No.	Voltage Rating	Capacity	Make	YOM	Type
Auto – 1	220/132 kV	160 MVA	TELK	1992	Auto
Auto – 2	220/132 kV	160 MVA	TELK	1992	Auto
STTN – IIA	220/6.6 kV	20 MVA	NGEF	1981	PT
STTN - IIB	220/6.6 kV	20 MVA	NGEF	1981	PT
STTN – 12	132/3.5 kV	20 MVA	Andrew Yule & Co	2003	PT
STTN – 34	132/3.5 kV	20 MVA	Andrew Yule & Co	2003	PT
STTN–AUX-1	3.3/.415 kV	0.63 MVA	kirloskar	2007	PT
STTN–AUX-2	3.3/.415 kV	0.63 MVA	kirloskar	2007	PT

- (v) It is pertinent to mention here that the old switchyard of TTPS including Land was handed over to NTPC TTPS by Grid Corporation of Orissa Ltd. (GRIDCO) on 10.09.2000 at net book value as on that date.
- (vi) NTPC shared the valuation report of 220/132 kV TTPS switchyard as on 31.03.2022. As per the aforesaid valuation report, Net Asset value of the existing 220/132 kV switchyard of TTPS as on 31.03.2022 is Rs.4,82,87,913.24/-excluding book value of switchyard land area (7.2 Acre)
- (vii) TTPS switchyard measuring an area 7.2 acre which was handed over to NTPC is to be demarcated properly. NTPC informed that the land of switchyard would be handed over to OPTCL on lease/sale basis after discussion with OPTCL.
- (viii) Board of Director of the Petitioner-OPTCL in its meeting held on 16.11.2022, advised OPTCL to seek necessary approval from OERC for taking over of 220/132 kV TTPS switchyard from NTPC on “as is where is basis”.
- (ix) The TTPS switchyard is having connectivity with OPTCL transmission network in both 220 kV and 132 kV system namely Joda, NALCO,

Rengali, Meramundali, Chainpal, Angul & Duburi and it is of prime importance for OPTCL for maintaining steady supply of power. Odisha state share of power from NTPC and Rengali Hydro Power Station are also drawn through 220 kV feeders connected to TTPS switchyard.

- (x) Accordingly, the petitioner, through this petition pleads to accord necessary approval for taking over of 220/132 kV TTPS switchyard from NTPC on “as is where is basis”.

4. The Respondent-GRIDCO in its reply has submitted as under:

- (a) OPTCL has filed the present application for taking over the 220/132 kV TTPS switchyard from NTPC on “as is where is basis” under Conditions 7.1, 7.3 & 10 of License Conditions of Odisha Power Transmission Corporation Limited (OPTCL), approved by OERC vide order dated 27.10.2016 in Case No.22 of 2006.
- (b) The generation from TTPS has been permanently discontinued with effect from 31.03.2021.
- (c) NTPC vide its letter dated 31.03.2021 addressed to GRIDCO communicated that the obsolescence of electrical system, higher heat rate, lack of provision for special allowance to TTPS in CERC tariff Regulations put constraints on NTPC to achieve reliable operation of the units of TTPS. Hence, operation of the Generating Station was permanently discontinued with effect from 31.03.2021
- (d) The 220/132 kV switchyard inside TTPS is no more useful for NTPC except 4 nos. of Station Transformers from which NTPC draws power for its auxiliary consumption. However, being of its strategic location and connectivity to various important feeders such as Meramundali I & II, Kaniha-I, NALCO /Rengali, Joda-I & II, Chainpal-I & II, Angul, Duburi and OPCL, the said switchyard is very much useful for OPTCL Transmission system.
- (e) As far as GRIDCO’s concern, the small hydro project of OPCL is injecting power to GRIDCO’s pool through 132 kV feeder connected to the said switchyard. OPTCL should ensure that, after taking over the switchyard, the same will be continued. Also, billing (for auxiliary consumption and colony supply) to the concerned DISCOM is to be continued as per the present practice till alternative arrangement is made by NTPC.

- (f) OPTCL vide various meetings with NTPC affirmed its consent to take over the 220/132 kV TTPS switchyard along with associated structures, equipments, control room and switchyard land area of 7.2 acres.
- (g) As per the submission of OPTCL, as on 31.03.2022, the considered Net Asset value of the existing 220/132 kV TTPS switchyard excluding 7.2 acres of land area is Rs.4,82,87,913.24. However, fresh evaluation for the same is needed while taking over the switchyard along with associated structures and machineries in view of depreciation after 31.03.2022.
- (h) Regarding taking over of 7.2 acres of land, NTPC and OPTCL should clarify jointly to the Commission as to whether the same should be done on lease or sale basis in order to avoid future legal complications. Further, they should clarify whether the said land was acquired from erstwhile OSEB through sale or on lease basis.
- (i) Subject to finalization of the issues as mentioned above along with other outstanding issues, if any, Commission may accord necessary approval in favour of OPTCL for taking over the 220/132 kV TTPS switchyard from NTPC on “as is where is basis” and handing over of the O&M of TTPS switchyard to OPTCL from NTPC.

5. The Respondent-TPCODL in its reply submits as follows:

- (a) The 220/132 kV TTPS switchyard including all associated equipments along with switchyard control room and land was handed over by Grid Corporation of Odisha Ltd. to NTPC on 10.09.2000 at net book value of Rs.14.02 crore.
- (b) The NTPC-TTPS projects consist of four units of 60 MW each and two units of 110 MW each with total installed capacity of 460 MW which has been permanently discontinued w.e.f. 01.04.2021 and hence has requested OPTCL to initiate necessary action for taking over the 220/132 kV switchyard including all associated equipments along with switchyard control room.
- (c) NTPC has shared valuation report of the said asset as on 31.03.2022 which has been valued at 4.83 crore. However, the land will be handed over to OPTCL on lease/sale basis.

- (d) The petitioner has submitted that the TTPS switchyard is presently live and is being used by OPTCL for transmission and distribution of power, but total maintenance and operation of the switchyard is being done by TTPS.
 - (e) While the net book value of the switchyard asset has been determined by a Chartered Accountant Firm as on 31.03.2022, the Commission may direct for a residual life assessment of the switchyard assets corresponding to the net book value as on 31.03.2023. Further, it is worthwhile to point out that net book value of Rs.4.83 crore as on 31.03.2022 does not include cost/value of the land whole cost/lease rent would also need to be ascertained.
 - (f) Till now the asset is being maintained by NTPC-TTPS and hence the cost pertaining to its operation and maintenance is not borne by OPTCL. However, after take over, the O&M cost will be borne by OPTCL on which further clarity is required.
 - (g) The Commission may review the determination of O&M cost along with the cost of land.
6. Respondent-NTPC has not filed any written reply, though participated during hearing of the proceeding through their Counsel.
7. In its rejoinder, the Petitioner-OPTCL has submitted as follows:
- (a) As agreed between OPTCL & NTPC, the TTPS switchyard will be handed over by NTPC to OPTCL on net asset value basis of the switchyard as on 31.03.2022 which is Rs.4,82,87,913.24/- excluding book value of switchyard land area (7.2 acres). During the hearing on 25.04.2023, the Commission has allowed six weeks' time to NTPC as per its request for finalization of modalities regarding handing over of the TTPS switchyard land to OPTCL. Further, as per the MoM held on 09.05.2023 between OPTCL & NTPC, OPTCL intimated to take over the land of TTPS switchyard on sale basis. However, NTPC informed that they would hand over the land of TTPS switchyard in favour of OPTCL on lease/sale basis subject to approval from their Competent Authorities and upon completion of procedures regarding land records.
 - (b) Till date TTPS switchyard is being maintained by NTPC & the cost pertaining to its Operation & Maintenance is being borne by NTPC. After taking over of the TTPS

switchyard, entire O&M cost will be borne by OPTCL and cost thereof will be included in ARR of OPTCL as per the norms.

- (c) The Commission may kindly consider the rejoinder of OPTCL in respect of the reply/views of TPCODL while approving investment proposal of OPTCL.
8. The Commission heard the petitioner & respondents in hybrid mode (physical & virtual mode) and has carefully considered the submissions made by the Learned Counsels for the Petitioner and the Respondent. The Commission has following observations:
- (a) The operation of 460 MW (4x60 MW + 2x110 MW) Talcher Thermal Power Station of NTPC has been permanently discontinued w.e.f. 01.04.2021. The 220/132 kV TTPS switchyard is no more used for TTPS except 4 nos. of station transformers from which NTPC draws power for its auxiliary consumption and colony supply. Because of its strategic location, the switchyard is of prime importance for transmission system of OPTCL for maintaining steady power supply to Joda, NALCO, Rengali, Meramundali, Chainpal, Angul, Kaniha, OPCL and Duburi having connectivity at 220 kV or 132 kV level.
 - (b) At present O&M of existing TTPS switchyard is being done by NTPC.
 - (c) OPTCL has filed the present application for taking over the 220/132 kV TTPS switchyard from NTPC on “as is where is basis” and has requested NTPC to furnish the modalities for handing over/transfer of assets (Land, equipment, control room building, other civil structures etc.).
 - (d) The net asset value of existing 220/132 kV switchyard of TTPS is about 4.83 Cr. (as on 31.03.2022) excluding book value of switchyard land area (7.2 Acres). The land of switchyard would be handed over to OPTCL on lease/sale basis to avoid future legal complications subject to approval from Competent Authority of NTPC.
 - (e) Auto transformers (220/132 kV, 160 MVA) in operation have already crossed their useful life and many such equipment/asset might have also crossed their useful life. After taking over of the TTPS switchyard entire O&M will be the responsibility of OPTCL & cost thereof shall be included in ARR of OPTCL as per norms.
9. Undisputedly, the Respondent-NTPC is the owner of the land & switchyard. The said land was acquired by the Respondent-NTPC from erstwhile OSEB at the cost of Rs.28.80 lakhs. However, in course of the proceeding, we have heard the Learned Counsel for

NTPC. The Petitioner-OPTCL has placed before the Commission the minutes of the meeting held on 09.05.2023 between OPTCL and NTPC regarding taking over of TTPS switchyard by OPTCL from NTPC. The relevant part of the said memorandum of meeting dated 09.05.2023 is extracted here below:

“Members Present:

OPTCL

1. Sri J.K. Senapati, ED, Central Zone
2. Sri S.M.S. Sahoo, DGM (Electrical)

NTPC

1. Sri Kousik Mandal, GM (Dismantling)
2. Sri Anjan Kumar Sahoo, AGM(EMD)
3. Sri Samit Deb, DGM (HR)

Deliberation:

1. The meeting was convened by OPTCL to discuss regarding handing over of TTPS switchyard land by NTPC to OPTCL on lease/sale basis as per the MoM held earlier on 12.07.2022 between both the utilities and hearing in OERC Case No.09/2023 on 25.04.2023.
2. OPTCL intimated to take over the land of TTPS switchyard from NTPC on sale basis. However, NTPC informed that they will hand over the land of TTPS switchyard to OPTCL on lease/sale basis subject to approval from their competent authorities and completion of the procedures regarding land records.
3. NTPC requested OPTCL to expedite the process of taking over of O&M activities and asset transfer of TTPS switchyard pending the transfer of land on lease/sale basis, as the processing/approval of the same may take some time.
4. OPTCL informed NTPC that deployment of manpower at TTPS switchyard is in process and after few days, OPTCL manpower will be posted in parallel to NTPC manpower at TTPS Switchyard to make them acquainted with the O&M activities prior to taking over of the switchyard. NTPC agreed to the proposal of deployment of OPTCL manpower parallel to NTPC manpower for two weeks prior to O&M take over by OPTCL. The meeting was held in a cordial atmosphere.”

10. Admittedly, the Respondent-NTPC and the Petitioner-OPTCL have already entered into Memorandum of Understanding in the matter of transfer and taking over of TTPS switchyard including deployment of manpower by OPTCL for O&M and handing over of the land to OPTCL on lease/sale basis. The terms and conditions have also been specified in the said Memorandum of Understanding. In view of above and considering the provision under Clause 7.3(a) of the License Conditions of the Petitioner-OPTCL (approved by this Commission vide order dated 27.10.2006 in Case No.22/2006), the Commission hereby accords approval for taking over of 220/132 kV TTPS switchyard on “as is where is basis” along with land 7.2 acres by the Petitioner-OPTCL.
11. Accordingly, the petition is allowed resulting in disposal of the case.

Sd/-
(S. K. Ray Mohapatra)
Member

Sd/-
(G. Mohapatra)
Member

Sd/-
(S. C. Mahapatra)
Chairperson