

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BUDYUT NIYAMAK BHAWAN  
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR  
BHUBANESWAR - 751021  
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**Present: Shri S C Mahapatra, Chairperson  
Shri G Mohapatra, Member  
Shri S K Ray Mohapatra, Member**

**Case No. 49/2023**

OPTCL ..... Petitioner  
Vrs.  
GRIDCO Ltd. & Others ..... Respondents

**In the matter of: Application under Condition 10 of License Conditions of Odisha Power Transmission Corporation Limited (OPTCL) approved by Odisha Electricity Regulatory Commission vide Order dated 27.10.2006 passed in Case No. 22 of 2006.**

**For Petitioner:** Shri Ajaya Kumar Moharana, S.E (Civil) & Shri Biswanath Das, TA to S.E, OPTCL

**For Respondents:** Shri Lalit Mishra, DGM (Fin.), GRIDCO Ltd.; Non-appears on behalf of DoE, GoO.

**ORDER**

**Date of Hearing: 11.07.2023**

**Date of Order: 03.08.2023**

1. The petitioner- OPTCL has filed the present petition under Condition 10 of License Conditions of Odisha Power Transmission Corporation Limited (OPTCL) approved by Odisha Electricity Regulatory Commission vide Order dated 27.10.2006 passed in Case No. 22 of 2006.
2. The Petitioner has prayed before this Commission to approve the Investment Proposal of Rs.68.52 Cr. for construction of Multistoried Quarter Complex consisting of 92 Nos. of quarters for OPTCL at Bhoinagar, Bhubaneswar.
3. The Petitioner-OPTCL has submitted the following:
  - (a) In terms of the Licence Conditions (Condition 10.1) of OPTCL, unless otherwise directed by the Commission, the licensee shall obtain prior approval of the Commission for making investment in the licensed business, if such investment is above the limits laid down at licence condition 23.1. At license

condition 23.1, the Commission has specified the term “Major Investment” as any planned investment in or acquisition of transmission facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds Rs.10.00 Cr. Further, as per condition 7.1 and the provisions contained in section 40 of the Act, OPTCL is duty bound to make investment to build, maintain and operate an efficient, coordinated and economical intra-state transmission system.

- (b) In the above backdrop and in compliance of the requirement under licence condition 10, OPTCL has filed this investment proposal for approval towards construction of Multistoried Quarter Complex consisting of 92 Nos. of quarters at Bhoinagar, Bhubaneswar with utilization of funds from own source.
- (c) The existing quarters of OPTCL at Bhoinagar, Bhubaneswar were constructed during erstwhile OSEB period which are more than 50 years old and most of the quarters are in dilapidated condition and the repair is not economically viable. The Board of Directors (BoD) of OPTCL in its 122<sup>nd</sup> meeting held on 29.09.2021 observed that due to ageing of most of the quarters, OPTCL should come-up with a proposal for construction of multi-Storied residential buildings by demolishing the existing old quarters in order to provide better accommodation to employees in this prime location.
- (d) Subsequently, BoD of OPTCL in its 131<sup>st</sup> meeting held on 16.11.2022 approved for engagement of M/s NBCC (National Building Construction Corporation) for construction of Multi-Storied buildings comprising of 100 residential quarters by demolishing 224 Nos. old quarters at Bhoinagar at an estimated cost of Rs.69.30 Cr. It was further decided that M/s NBCC shall be executing the project on deposit work basis and payment will be made on the basis of actual cost of the project including architectural design, engineering services for planning, designing, project management, supervision charges etc.
- (e) Accordingly, NBCC has prepared the Detailed Project Report (DPR) and the same has been submitted in this filing in compliance to licence condition 10.4. This quarter complex includes 36 Nos. of 2 BHK (S+6), 28 Nos. of 3 BHK (S+7) and 28 Nos. of 3.5 BHK (S+7). The estimated cost for construction of the aforementioned Multistoried Quarter Complex is Rs.6852.27 Lakhs that includes Project Management Consultancy (PMC) fee of NBCC.

4. Another Respondent GRIDCO has submitted the following:
- (a) The residential quarters situated within the OPTCL colony premises were constructed during early sixties and mid-sixties after erstwhile OSEB came into operation from 01.04.1962 and have outlived their useful tenure. Some of the quarters are in dilapidated conditions and have become unsafe for the employee occupants and their family members thereby carrying risks of human lives and properties. There are constant complaints from the employees/officers received over the years regarding the unsafeness & leaking of roof, seepage of water through walls, drainage and other problems. OPTCL incurs huge R&M expenses for maintaining the above-mentioned dilapidated quarters and for upkeep of the quarters in habitable conditions. Many employees/ Officers have preferred to relocate their families to rented house due to bad living conditions. Few blocks of quarters have been vacated by the OPTCL management apprehending collapse of the building to avoid loss of human lives & properties.
  - (b) It is expected that the proposed building will be reasonably spacious, well-ventilated and equipped with modern fixtures & fittings to meet all requirements of modern living. On completion of the above multi-storied colony building, officials and employees of GRIDCO/OPTCL would prefer to shift to the new premises which would involve in saving in HRA being paid @20% of basic salary along with consequential reduction in substantial cash outflow of OPTCL towards routine/emergency maintenance of the dilapidated quarters of OPTCL.
  - (c) GRIDCO expects that the principal & interest burden of loan, if any, for the above project will be offset by the savings resulted on account of reduced HRA and maintenance cost, expecting no burden to the consumers of the state.
  - (d) GRIDCO appreciate the proposal in the better interest of the employees at large and is keen to agree to the very proposal of OPTCL & prays before the Commission for approval of the investment proposal through prudence check.
5. In response to queries of the Commission, the Petitioner, further submitted that:
- (a) Presently, 300 out of 550 nos. of quarters in the colony are occupied. The remaining are either non-habitable or not suitable for existing employees due to eligibility criteria. This project is envisaged as a pilot project and based on its success, this model of construction of new quarters will not only be replicated in Bhoinagar, but also across Odisha for accommodating all employees.

- (b) In the 1<sup>st</sup> phase, the project involves the demolition of 224 old and non-habitable quarters in OPTCL Colony with subsequent construction of 92 new housing units. Out of the 224 nos of Quarters proposed to be demolished, almost 80% belong to 1R & 2R type quarters. As per the present eligibility norms, staffs falling under the category of Semi-Skilled –A/B and Unskilled are eligible for 1R & 2R quarters. In the existing manning norms, there are no such employees proposed to be posted in the above-mentioned category thereby making these quarters unsuitable for future requirement. The proposed new quarters will have three different towers i.e. 2BHK (36), 3BHK (28) and 3.5BHK (28) to cater to needs and eligibility of prospective residents as per existing manning norms.
- (c) The proposed land area originating out of demolition of quarters measures around 8 acres. In addition to the proposed 92 nos. of new quarters, there is also proposal for construction of a Hospital, Club House, Open seating area, gym, Children Park and jogging tracks in phased manner. Further, there is also proposal for construction of an additional tower within the area. The underlying idea of development being construction of a self-sustainable and self-reliant model of mini-township with all amenities. However, the proposal for the above has not been frozen and shall be dependent on the success of phase-1.
- (d) The 92 new quarters will (a) improve living conditions of OPTCL employees and their families; (b) enhance comfort and convenience of occupants by maximizing space utilization, ensuring optimal natural lighting and ventilation; (c) increase energy efficiency by incorporating energy-efficient features such as LED lighting, energy-saving appliances and insulation, (d) enhance quality of life by equipping modern amenities including well-designed kitchens, modern bathrooms, recreational areas and green spaces; (e) provide opportunities for social interactions and fostering a supportive neighborhood environment; and (f) contribute to increasing the overall property value of OPTCL Colony.
- (e) The entire project has been planned in adherence to PWD standards and local building codes for ensuring the construction of structurally sound and secure housing units. Further, the estimate has been framed based on Schedule of Rates – 2022 published by Works Department, Govt. of Odisha.
- (f) The project will be constructed by OPTCL Funding. The funding pattern will be as per the approved norms of 30:70 (Equity: Debt). Its impact on various components of ARR such as Interest on loan, RoE, Depreciation and Repair &

Maintenance will be as per the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014. The R&M expenses will be on the lower side considering the present trend on existing quarters.

6. Heard the Petitioner and Respondents through hybrid mode, i.e., through video conferencing and physical mode and considered their arguments & written submissions. The Commission observes that:

- a) OPTCL is proposing a multistoried quarter complex in Bhoinagar, Bhubaneswar for its employees.
- b) The multi-storied quarter complex shall include 36 nos of 2 BHK (856.5 sq.ft), 28 nos of 3 BHK (1011 sq. ft) and 28 nos of 3.5 BHK (1263 sq. ft) on three different towers.
- c) OPTCL has submitted that the existing 224 nos of quarters are unsafe and not in habitable condition with leaking roof, seepage of water through walls, drainage & other problems and there is no proposal for posting of staffs eligible for such quarters in future.
- d) The estimated cost of the above multi-storied quarter project of OPTCL is Rs 6852.27 Lakhs including PMC fee of NBCC and it will be built on a land area of 8 acres which includes quarters and other facilities like hospital, club house, gym, children park etc. The site layout and the DPR prepared by NBCC has also been submitted by OPTCL.
- e) Under Phase-1, 92 nos. of quarters have been proposed and the subsequent phase is expected to have certain amenities and new residential tower within the same land area.
- f) OPTCL has stated that the project shall be constructed by the funding of OPTCL with Debt: Equity ratio of 70:30 and its impact on various components of ARR, i.e., interest on loan, RoE, Depreciation and R&M will be as per relevant Regulations.
- g) The project shall be constructed in adherence to PWD standards and other relevant guidelines.
- h) M/s NBCC shall be executing the project on deposit work basis and payment will be made on basis of actual cost of the project including architectural design, engineering services for planning, designing, project management, supervision charges etc. The BoD of OPTCL in its 131<sup>st</sup> meeting held on 16.11.2022 have approved for the engagement of M/s. NBCC for construction of the project.

i) GRIDCO the respondent, has supported the investment proposal of OPTCL.

7. We are of the opinion that since the 224 nos of residential quarters situated in the OPTCL's colony premises are in dilapidated condition, they may be demolished and new 92 nos quarters may be constructed to cater to the requirement of accommodation for the current employees who are eligible as per the manning norms. The project is being constructed & designed confirming to PWD standards and other relevant guidelines like National Building Code, Indian Green Building Council and Odisha Fire Prevention & Fire Safety Rules and the funding for the project shall be provided by OPTCL.
8. In view of the above observations and considering the written submission of OPTCL (Petitioner) & GRIDCO (Respondent), the Commission hereby accords in-principle approval for construction of Multistoried Quarter Complex consisting of 92 Nos. of quarters (under Phase-1) with energy efficient features & modern amenities for OPTCL employees at Bhoinagar, Bhubaneswar as per the details provided in the DPR. The facility will improve the living condition and provide comfort & convenience to employees of OPTCL. However, the Commission directs OPTCL to properly scrutinize the proposed cost before awarding the project for execution. Further, after allotment of the proposed residential quarters to its employees, OPTCL is directed to include the reduced HRA while proposing its ARR & Tariff. It is also directed that OPTCL will construct the quarters entirely from its own source for which only depreciation and R&M for the project shall be allowed after capitalization in the ARR of OPTCL.
9. The case is accordingly disposed of.

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

Sd/-  
**(G. Mohapatra)**  
Member

Sd/-  
**(S. C. Mahapatra)**  
Chairperson