

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Petition No. 01 of 2018

In the Matter of:

Approval of Capital Investments under Para 11 of the Transmission Licence for laying of OPGW cable under the project "Reliable Communication & Data Acquisition System for 132 kV & above Substations" in PTCUL under PSDF Scheme.

And

In the Matter of:

Power Transmission Corporation of Uttarakhand Limited (PTCUL)Petitioner

Coram

Shri Subhash Kumar Chairman

Date of Order: March 8, 2018

ORDER

This Order relates to the Petition filed by Power Transmission Corporation of Uttarakhand Limited (hereinafter referred to as "PTCUL" or "the Petitioner" or "the licensee") seeking approval of the Commission for Capital Investment for the works covered partially under centrally funded Power System Development Fund (PSDF) of Ministry of Power, Govt. of India as grant and rest through internal resources/loan from Financial Institutions.

Background

2. The Petitioner vide its letter No. 2679/MD/PTCUL/UERC dated 29.12.2017 submitted Petition for approval of Capital investment under the provisions of UERC (Conduct of Business) Regulations, 2014 and under Para 11 of Transmission Licence [Licence No. 1 of 2003].
3. The proposed works involves laying of OPGW cable under the project “Reliable Communication & Data Acquisition System for 132 kV & above Substations” under PSDF scheme.
4. According to the Petitioner, the scope of the project involves only procurement and installation of OPGW and accessories equipments in place of older and obsolete equipments and doesn’t involve any kind of power system expansion.
5. The summary of the project wise Supply and Erection/civil work cost as proposed by the Petitioner is as per the table 1 given below:

Table 1: Summary of Project wise cost proposed by the Petitioner

Sl. No.	Project	Length of line (Km.)	Supply Cost (Rs.)	Erection/Civil Work Cost (Rs.)	Total Cost (Rs.)
1.	132 kV Ranikhet-Almora	25	7346793	3787255	11134043
2.	132 kV Kashipur-Bazpur	16	5080950	2441837	7522787
3.	132 kV Majra-Bindal	9	5039390	1650889	6690279
4.	220 kV Maneri Bhali-II Chamba	38	7616089	5287425	12903514
5.	220 kV Khodri-Chibro	6	3145845	1145797	4291642
6.	132 kV Kichha-CPP (Lalkuan)	19	4689984	2790749	7480733
7.	132 kV Dehradun-Majra	16	5059952	2558117	7618069
8.	132 kV Kulhal-Dehradun	42	7368917	5791156	13160073
9.	132 kV Khodri-Dhakrani	22	4663990	3159176	7823166
10.	132 kV Dhakrai-Dhalipur	7	2870841	1255016	4125857
11.	132 kV Jwalapur-SIDCUL	4	2467793	866204	3333997
12.	132 kV Chilla-Jwalapur	17	4073514	2551056	6624570
13.	132 kV Jaspur-Kalagarh	33	6567683	4701100	11268783
14.	132 kV Kashipur-Kashipur (400)	5	2957373	1112088	4069461
15.	132 kV KVS- Kashipur	5	2018935	987150	3006085
16.	132 kV Kalagarh-Kamangar	69	13014557	9440944	22455501
17.	132 kV Ramnagar-Kashipur	20	6604124	3073248	9677372
18.	132 kV Sitarganj-Khatima	33	8381008	4735300	13116308
19.	132 kV Dhalipur-Kulhal	6	2575619	1125412	3701031
20.	132 kV Roorkee-Laksar	27	5169476	3847096	9016572
21.	220 kV Manari Bhali-I-Manari Bhali-II	25	4877737	3582188	8459925
22.	132 kV Haldwani-Pantnagar	37	6345040	5103236	11448276
23.	132 kV Pithoragarh-Pithoragarh 220 (PG)	15	3687272	2291848	5979120
24.	132 kV Majra-Purkul	23	4675408	3328680	8004088
25.	132 kV Dhalipur-Purkul (2 Km	48	10038249	6899468	16937717

Table 1: Summary of Project wise cost proposed by the Petitioner

Sl. No.	Project	Length of line (Km.)	Supply Cost (Rs.)	Erection/Civil Work Cost (Rs.)	Total Cost (Rs.)
	LILO at Jhajra)				
26.	132 kV Manglore-Roorkee	14	3559596	2162244	5721840
27.	132 kV Pantnagar-Rudrapur	8	2814880	1373220	4188100
28.	220 kV Jhajra-Rishikesh	55	9074345	7556717	16631062
29.	220 kV Uttarkashi-Dharasu	25	4877737	3582188	8459925
30.	132 kV Satpuli-Srinagar	20	4266331	2892897	7159228
31.	132 kV Satpuli -Kotdwar	47	7660896	6432105	14093001
32.	132 kV Kotdwar-Nazibabad	23	4696488	3321609	8018097
33.	132 kV Nazibabad-Chilla	50	8031447	6820917	14852364
34.	132 kV Bhagwanpur-Roorkee (LILO at Chudiyala)	20	6500621	3289424	9790045
35.	220 kV Mahuakheraganj-Kashipur	10	3053835	1642457	4696292
36.	132 kV Bhupatwala-Jwalapur	10	3061914	1632428	4694342
37.	132 kV Eldeco (Sitarganj)-Sitarganj	22	4544118	3187676	7731794
38.	132 kV Chandak-Pithoragarh	8	2803793	1373220	4177013
39.	132 kV Almora-Pithoragarh	115	16153131	15503048	31656179
	Total		217435671	144282585	361718251
	Rs Cr.		21.74	14.43	36.17

6. The total estimated cost proposed for reliable communication and data acquisition system for 132 kV sub-stations & above by the Petitioner is as follows:

Table 2: Total Project cost proposed by the Petitioner

S. No.	Description	Amount (Cr.)
1.	Supply	21.74
2.	Erection Testing and commissioning	14.43
3.	Training Charges	0.01
4.	Inland Freight and Insurance @4% (Sl. No. 1&2)	0.87
5.	Taxes and Duties	1.32
	Sub Total	38.37
6.	Overheads (Engg. & Administration Etc.) @ 10.75%)	4.12
7.	Contingency @3%	1.15
8.	IDC	3.07
	Grand Total	46.72

7. The Petitioner has submitted copy of extract of the Minutes of Board Meeting of PTCUL held on 19.07.2017 wherein the Petitioner's Board has approved the estimated cost of Rs 47.14 Cr. with a funding plan of 70% through loan assistance by financial institutions and balance 30% funding from PSDF. However, in letter No. NLDC-PSDF/CERC/PTCUL/2017-18/106 of Power System Operation Corporation Ltd. dated 31.07.2017 it has been stated that on the recommendations of the Appraisal Committee constituted by Ministry of Power, Government of India for the purpose of scrutiny (techno-economic appraisal) and prioritization of

various project proposals for funding from PSDF the Monitoring Committee in its 11th Meeting held on 01.05.2017 approved 50% PSDF grant for establishing reliable communication system in the State.

8. The Appraisal Committee accepted the project cost amounting to Rs. 37.46 Cr. against the estimate of Rs. 47.14 Cr. submitted by the Petitioner. 50% of the accepted project cost i.e. Rs 18.73 Cr. will be the total grant which PTCUL shall receive through PSDF.
9. The funding pattern proposed by the Petitioner is as follows:
 - i. 25% of the Approved fund at 1st stage (issuance of Letter of Award).
 - ii. 50% of the approved Fund at second Stage (after utilisation of the grant disbursed in 1st installment and consumption of self contribution of the entity).
 - iii. 25% of the Approved Fund at Final Stage (on completion of the scheme).
10. The Petitioner has proposed to arrange the balance fund through borrowing from Financial Institutions. However, the Petitioner has not submitted any documentary evidence regarding the same.
11. According to the Petitioner the duration of completion of the Project shall be 30 months from the receipt of approval of PSDF funding and is likely to be completed by June 2021.
12. PTCUL has submitted that Power System in the State is expanding very fast with increased number of interconnections between Regions. In addition State Grid usually experiences wide variation of power flow due to variation in demand/generation during day/season, further expectations of today's consumers for quality and reliable power system is increasing with the result need for robust/reliable communication is being felt. PTCUL further submitted that reliable communication system is also required for new technological requirements of power system operation such as Special Protection Scheme, Grid Security Expert System, Load Management, Advance Protection System and Substation Automation System.
13. The Petitioner further submitted that with new evolving technologies and constantly expanding transmission network, the old PLCC based communication

system due to its limitations has become outdated and further implementation of ABT based metering shall be strengthened by OPGW based communication. The Petitioner further stated that it is in the process of automating its substations and also envisages remote controlling which is not possible without OPGW based communication network.

Commission's observations, Views & directions

14. On examination of the proposal it has been observed that the total DPR cost submitted by the Petitioner amounts to Rs. 46.72 Cr. The Appraisal Committee, constituted by MoP, GoI has approved the project cost amounting to Rs. 37.46 Cr. Taking cognizance of the same the Commission has considered Rs. 37.46 Cr. as the project cost as of now, however, the same would be subject to prudence check based on the actual executed cost.
15. The Commission is of the view that the work proposed by the Petitioner is an initiative to bring reliable communication & data acquisition system for 132 kV & above Substations which would help in providing reliable and quality power supply in an efficient and sustainable manner to the consumers of the State. Moreover, since 50% of the estimated cost approved by the Appraisal Committee shall be available to the Petitioner in the form of a grant from PSDF scheme. Hence, the Commission hereby grants in principle approval to the Petitioner for going ahead with the work proposed for the amount of Rs. 37.46 Cr. out of which Rs. 18.73 Cr. shall be in the form of grant from GoI under PSDF scheme and the rest from internal resources/Financial Institutions subject to fulfillment of the following conditions:
 - (i) The Petitioner should strictly comply with all the terms and conditions mentioned in the guidelines of PSDF approved by Ministry of Power vide order dated 18.9.2014.
 - (ii) The Petitioner should go for the competitive bidding for obtaining most economical prices from the bidders.
 - (iii) All the loan conditions as may be laid down by the funding agency in their detailed sanction letter are strictly complied with.

- (iv) After completion of the aforesaid schemes, the Petitioner shall submit the completed cost and financing of the schemes.
- (v) The cost of servicing the project cost shall be allowed in the Annual Revenue Requirement of the petitioner after the assets are capitalized and subject to prudence check of cost incurred.

Ordered accordingly.

(Subhash Kumar)
Chairman