

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub: In the matter for approval of Capex scheme for development and system strengthening of sub-transmission system with the ADB loan assistance in MP Poorva Kshetra VVCL, Jabalpur.

(Date of motion hearing 22.04.2014)

Date of order: 25.04.2014

M.P. Poorv Kshetra V.V. Co. Ltd., Jabalpur : **Petitioner**

Shri S.K. Agrawal, GM and Shri Nitin Khatri, Manager appeared on behalf of the Petitioner.

2. The petition has been filed to seek approval for the Capex scheme worth Rs.240.48 Crore. This scheme is envisaged to be completed in 3 years commencing from FY 2013-14. Funding is proposed through ADB loan with counterpart funding by the GoMP. The Petitioner has stated that the works proposed under this scheme are required to strengthen existing sub-transmission network for reduction in technical losses and catering to expected load growth on account of implementation of RGGVY and feeder segregation schemes. Brief details of the scheme are given below:-

(Rs Crore)

Sr. No.	Works proposed under the scheme	Project cost
1	Inter-connection of 33 kV lines from proposed 132 kV and 220 kV Sub-Stations (IC 33 KV lines) and construction of additional 33 kV bay at existing 33/11 kV S/s for Line In and Line Out (LILO).	73.01
2	Bifurcation of heavily loaded 33 kV Feeders	57.25
3	Construction of new 33/11 kV Sub-Stations.	34.39
4	Augmentation and additional power transformer (PTR) in existing 33/11 kV sub-stations and new 11 kV lines associated with PTR capacity addition.	75.82
	Total project cost	240.48

3. On perusal of the scheme documents, it is observed that the Petitioner has not furnished relevant documents such as sanction letter / agreement for ADB loan and State Government's approval for counterpart funding. It is further observed that detailed analysis of physical and financial benefits e.g. reduction in loss level and pay-back period etc. has also not been furnished.

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4. The Commission had approved 5 year Capex plan for the period from FY 2011-12 to FY 2015-16 amounting to Rs. 5048.19 Crore, vide order dated 31.05.2012. During the hearing, the Commission enquired about the status of implementation of the approved Capex plan. The Petitioner informed that works amounting to about Rs.3000 Crore are yet to be completed. So far they have been able to complete works of around Rs.900 Crore each year during FY 2012 and FY 2013.

5. The Commission observed that in spite of being allowed huge Capex, the petitioner has been unable to achieve tangible reduction in distribution losses. Moreover, the expenditure so far against the approved Capex has been far below expectations. The Petitioner has not been able to demonstrate its capacity to complete the approved Capex plan in time. The Commission, therefore, is not convinced that the Petitioner would now be in a position to execute further Capex schemes.

6. Summarizing, the Petitioner is required to :-

- i. Demonstrate its capacity for execution of the pending Capex works within specified time limits. Status of the schemes which are pending, with regard to funds, physical and financial provisions vis-à-vis actual achievement and likely date of completion, needs to be analyzed.
- ii. Examine the details of actual pay back in terms of physical and financial achievements of completed Capex vis-à-vis provisions in the schemes. Whether the payback period and the physical/financial achievements have been commensurate as envisaged in the schemes?
- iii. To gather and submit requisite documents relating to approval/sanction from the funding agency as well as GoMP.
- iv. Justify the need for the proposed scheme as the Petitioner claims 24 hours supply to entire area of the Company with the existing network.

7. The petition stands disposed of with these observations.

(Alok Gupta)
Member

(A. B. Bajpai)
Member

(Rakesh Sahni)
Chairman