

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Petition No. 13 of 2023

In the Matter of:

Approval of revised DPR for Construction of Separate Building for SLDC at 132 KV Sub-station, Majra Campus, Dehradun.

And

In the Matter of:

Power Transmission Corporation of Uttarakhand Limited (PTCUL)

...Petitioner

CORAM

Shri D.P. Gairola, Member (Law)-Chairman (I/C)

Shri M. K. Jain, Member (Technical)

Date of Order: April 03, 2023

ORDER

This Order relates to the Application filed by Power Transmission Corporation of Uttarakhand Ltd. (hereinafter referred to as “PTCUL” or “the Petitioner”) vide letter Nos. 354/MD/PTCUL/UERC dated 01.02.2023 seeking approval of the Commission for the revised DPR for construction of separate building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun under Para 11 of Transmission Licence. [Licence No. 1 of 2003]

1. Background of the case

- 1.1. Earlier the Commission vide its Order dated 01.05.2017 had granted in-principal approval for the capital expenditure of Rs. 13.85 Cr only (including contingency, centage charge, service tax, price escalation and IDC) for Construction of Separate Building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun.
- 1.2. The Commission while giving in-principal approval for construction of separate building of SLDC at Dehradun had taken cognizance of PTCUL's submission that, State Load Despatch Centre is located on the top floor of PTCUL HQ building. Since future expansion of SLDC is in the offing for accommodating upcoming projects of URTDSM (Unified Real Time Decision Support Management), OPGW (Optical Fiber Ground Wire) under Unified Load Despatch Scheme Phase-II, RTU project under ULDC Phase-II and establishment of ABT meter data acquisition system require separate servers & Data Centre for development and implementation of State Energy Accounting System. As the space is inadequate to accommodate the upcoming projects of SLDC in the present setup, a separate green building having 3000 sqm (approx.) of plinth area shall be required for SLDC control room, computer room, battery room, office rooms, meeting rooms etc. within the premises of 132 kV S/s Majra, Dehradun. The requirement of space for control room and other offices of SLDC/SCADA etc. shall be as under:

Table:1

Sl. No.	Description of scope of area	No. of rooms required	Approximate total area required for these officials (Sqm.)
1.	Control Room	01	485.00
2.	Conference Hall	01	130.00
3.	Telecom/N.M.S & Telecom/E.M.S. Rooms	02	105.00
4.	Battery room, SLDC/AMR/Telecom spare rooms, UPS room, battery charger room & telecom Lab etc.	07	350.00
5.	SLDC Server room	01	100.00
6.	S.E.(SCADA), S.E. (SLDC), E.E., A.E., J.E & rest rooms	20	800.00
7.	Entrance lobby, Library, Corridors, Pantries, security, Veranda & Common utilities etc.	As required	1030.00
	Total		3000.00

- 1.3. The Commission in its Order dated 01.05.2017 observed that:

“13. The Commission is aware that the spirit of the Act is to ensure functional autonomy for Power System operation. One of the ways for ensuring functional autonomy of SLDC is to attain its own independent infrastructure for which it is imperative that SLDC should have a separate building in which all the necessary equipments for Power System operation including hardware and software along with its dedicated managerial/operation staff can be accommodated. This shall facilitate SLDC in carrying out its functions enshrined in the Act including proper scheduling and despatch of electricity within the State, monitoring grid operations, implementation of State Energy Accounting System etc.”

1.4. The Petitioner in the instant Petition has stated that the in the previous proposal approximately 3000 Sqm. plinth area was taken for SLDC control room, computer room, battery room, office rooms, meeting rooms etc. which has now increased to 4600 Sqm due to construction of proposed basement of 1000 Sqm for car parking and dormitory for drivers and staff and a guest house of 600 Sqm on the topmost floor. There shall be ground floor alongwith three floors in the proposed building. Further, according to the Petitioner in addition to the above works, following additional works shall also be carried out necessitating in the revision of DPR:

- a) Rainwater harvesting,
- b) Solar photovoltaic power generation system,
- c) Solar water heating system and
- d) Power transformer system of suitable capacity
- e) One additional lift

1.5. The Petitioner has submitted the revised cost of Construction of Separate Building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun as follows:

Table:2

Particulars	Revised project cost submitted by the Petitioner (including contingency, centage charge, service tax, price escalation, GST and IDC) (Rs. Crore)
Construction of Separate Building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun.	32.04

1.6. The Petitioner has submitted a copy of extract of 81st Minutes of BoD held on 13.10.2022, wherein the Petitioner’s Board had approved the total cost of Rs. 20.71

Crore (including cost variation, GST and IDC etc.) for SLDC Building and decided that LDCD fund of Rs. 10.00 Crore will be utilized against equity requirement of Rs. 6.21 Crore in the project and that the remaining LDCD fund of Rs. 3.79 Crore shall be utilized against the debt requirement of the project. Further, in the 82nd Minutes of BoD meeting of PTCUL held on 25.11.2022, the Petitioner's Board has revised the DPR cost to Rs. 32.04 Crore for the work of Construction of Separate Building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun. The Petitioner has submitted that equity funding of 10.00 Crore shall be from LDCD fund and rest 20.04 Crore as a loan shall be financed from the Financial Institutions.

- 1.7. PTCUL has submitted the sanction letter from REC for a loan of Rs 22.04 Crore (68.79% of the Project cost). The interest charged on the loan shall be @9.25% per annum with interest rest option after one year. With interest rest option after 3 years the interest charged shall be 25 bps higher than the rates of term loan with reset after 01 year. PTCUL has also submitted the sanction letter from HUDCO for a loan of Rs. 22.04 Crore. The rate of interest quoted by HUDCO is 9.42% (one year fixed with quarterly rest as per applicable financing pattern) or any other rates as per the prevailing financing pattern of HUDCO as applicable from time to time.

- 1.8. The revised requirement of space as proposed by the petitioner is as under:

Table:3

Sl. No.	Description of scope of area	No. of rooms required	Approximate total area required for these officials (Sq.m.)
1.	Basement	01	1000.00
2.	Control Room	01	485.00
3.	Conference Hall	01	130.00
4.	Telecom/N.M.S & Telecom/E.M.S. Rooms	02	105.00
5.	Battery room, SLDC/AMR/Telecom spare rooms, UPS room, battery charger room & telecom Lab etc.	07	350.00
6.	SLDC Server room	01	100.00
7.	S.E.(SCADA), S.E. (SLDC), E.E., A.E., J.E & rest rooms	20	800.00
8.	Entrance lobby, Library, Corridors, Pantries, security, Veranda & Common utilities etc.	As required	1030.00
9.	Guest House	As required	600.00
	Total		4600.00

- 1.9. The Commission on preliminary examination of the revised DPR sent following deficiencies vide its letter dated 09.03.2023 to PTCUL for its comments:

- "1. For financing of the Project, PTCUL in its Petition has mentioned 70% of Project cost as a loan from Financial Institution. PTCUL to submit the status of approval/copy of the approval of loan from a Financial Institution.*
- 2. PTCUL has assumed Centage @ 15% for the preparation of the estimates. PTCUL to justify the reasons for considering the Centage @ 15% with the supporting document.*
- 3. PTCUL in its revised Petition has proposed additional 1600 Sqm. w.r.t. the previously submitted Petition for SLDC building, where 1000 Sqm. is proposed for the basement and 600 Sqm. is proposed for the Guest House. PTCUL is to submit the reasons for the construction of the Guest House in the office building.*
- 4. PTCUL has submitted the details of estimate for SLDC building. PTCUL need to check the calculations at point 1.3.2 (Page No 14 & 15 of the Petition) and submit the revised estimate if required.*
- 5. For the estimate of E&M works submitted at page no. 16 of the Petition, PTCUL is required to submit the detailed calculation with proper justification for consideration of 200 TR central AC Plant for the SLDC building.*
- 6. PTCUL is required to submit the justification for consideration of 3000 liters of Solar Water Heating System for the office building.*
- 7. PTCUL is required to submit the reasons for consideration of SPV System for the building at this stage without considering the subsidy available for the system.*
- 8. PTCUL in its submission submitted the cost of office furniture as Rs. 80 lakhs in its Petition. In this regard, PTCUL is required to submit the item wise list of all furniture required with the cost details.*
- 9. PTCUL in its Petition submitted the estimate for installation of 02 nos. of lifts for SLDC building in this regard, PTCUL is required to justify the need of 02 lifts for 03 floor building."*

1.10. PTCUL vide its letter dated 10.03.2023 submitted the reply to the queries.
With regard to the necessity of a guest house on the top floor of the SLDC

building PTCUL stated that need for the guest house is being felt to accommodate various officials of NRLDC, PGCIL, ADB & POSOCO who visit Dehradun for various meetings with SLDC/PTCUL.

2. Commission's Views and Decision

- 2.1 With regard to construction of guest house at the top floor of SLDC building, the Commission is not satisfied with the reply of PTCUL. The Commission feels that officials coming from outside Dehradun to attend the meetings of SLDC/PTCUL can be accommodated in Government State guest house and/or various hotels in the city, the cost of which can be claimed by PTCUL in its ARR. The cost of construction of guest house shall put an additional annual expense on the Petitioner and shall be passed on to the consumers of the State in their retail tariffs. Hence, such uneconomical option is not justified, and Commission rejects the proposal of PTCUL to build a guest house on the top floor of the SLDC building.
- 2.2 On examination of the Petition the Commission has observed that provision for rooms of S.E.(SCADA), S.E. (SLDC), E.E., A.E., J.E have been made in the proposed SLDC building however, there is no provision for the rooms for Director, Chief Engineer(s). As per Section 31(2) of Electricity Act, 2003 SLDC has to ultimately function as a separate Corporation, therefore it is imperative that provision of additional office rooms for 01 post of Director and Chief Engineer(s) shall have to be made.
- 2.3 In light of the Commission declining the proposal of the Petitioner to construct a guest house on top floor of the SLDC building and instead directing the Petitioner to make additional provisions for office rooms for 01 post of Director and Chief Engineer(s), the Commission puts a cap on 4600 Sqm. Plinth area and cost of Rs. 32.04 Crore proposed by the Petitioner for the SLDC building, however, the same would be examined for prudence based on actuals.
- 2.4 The Commission hereby grants in-principle approval to the revised DPR for construction of separate building for SLDC at 132 kV Sub-Station Majra Campus, Dehradun under following terms and conditions:

- (i) The SLDC building should be State-of-Art ECBC compliant building.
- (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. However, the Petitioner is directed to explore the possibility of swapping this loan with cheaper debt option available in the market.
- (iv) After completion of the aforesaid scheme, the Petitioner shall submit the completed cost as well as DPR and financing of the scheme.
- (v) The cost of servicing the project cost shall be allowed in the Annual Revenue Requirement of the petitioner after the assets are capitalized subject to prudence check of the cost incurred.

Ordered accordingly.

**(M. K. Jain) Member
(Technical)**

**(D.P. Gairola)
Member (Law)-Chairman-(I/c)**