

**JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES
GURGAON**

Quorum
Smt. Neerja Mathur, Member
Petition No. 219/2016
Date of hearing: 17.01.2017
Date of Order: 13.02.2017

In the matter of:

Petition for seeking Approval of Capital Expenditure of Rs 28.58 Crores for Smart Grid Project under National Smart Grid Mission.

And in the matter of:

Electricity Department, Chandigarh

.... **Petitioner**

Present

For the Petitioner

1. Shri Subhash Chand Saini, Additional Superintending Engineer
2. Shri Raj Verma, Sr. Manager, Consultant
3. Shri Sanchit Gupta, A.E.E.

ORDER

The Petitioner through this Petition has sought approval of capital expenditure of Rs 28.58 Crores for the Smart Grid Project under the National Smart Grid Mission for the area at Sub Division 5, Chandigarh.

The Petitioner explained the features of the said Smart Grid Project.

The Petitioner apprised the Commission that the DPR of the Smart Grid Project with a Project cost of Rs 49.52 crores for the said area comprising of mixed load of industry as well as domestic / commercial and having around 30,000 consumers was initially prepared by M/s Power Grid Corporation of India Limited (PGCIL), appointed by the Ministry of Power, Government of India. The said DPR was recommended by the Distribution Reform Committee under the Chairmanship (s) of the Advisor to the Administrator of UT of Chandigarh, and the District Electricity Committee under the Chairmanship of Hon'ble Member of Parliament for further approval by the Ministry of Power. Subsequently, the Ministry of Power has accorded its approval to the Smart Grid Project at Chandigarh under the National Smart Grid Mission (NSGM) at an estimated cost of Rs 28.58 crores with 30% grant from NSGM and 70% to be borne by the Government of Chandigarh.

The brief scope of work covered under the said scheme is as under:-

NO.	PARTICULARS	ESTIMATED COST (IN CRORES)
1.	Advance Metering Infrastructure (AMI), Distribution Transformer Monitoring Unit (DTMU) & Remote Terminal Unit (RTU) for SCADA	20.29
2.	IT System	3.13
3.	Annual Maintenance Charges (For one year on 1&2)	1.64
4.	Project Management and Consultancy Charges (15% as per benchmark)(includes consumer awareness and capacity building charges)	3.51
	TOTAL	28.58

The Petitioner further submitted that the Smart Grid Project would facilitate the following:-

- i) Efficient, accurate and effective online recording and monitoring of the Energy Exchange in distribution system.
- ii) T&D losses would be substantially reduced from present value of 14.64% to 8%.
- iii) Timely raising of bills.
- iv) Accurate empowerment of consumers to participate in the energy management process.
- v) Efficient System Operation by better load management.
- vi) Tamper and alarm monitoring.
- vii) Online energy audit to overcome theft problem.
- viii) High level of customer satisfaction and increased awareness etc.
- ix) Reduce operational errors viz. reading error, bias error, typographical errors etc. caused by involvement of human element.
- x) If required disconnection/connection of the defaulting consumers to be done remotely.
- xi) The load factor would be improved.
- xii) Failure of Distribution Transformer would be minimized due to constant monitoring of the same.

In response to the specific queries of the Commission, the Petitioner reiterated that the cost of the Project duly approved by the appropriate authority is Rs 28.58 crores against the estimated DPR cost of Rs 49.52 crores. However, the actual cost would be known once the bids are invited by the Project Management Agency (PMA) and the actual execution thereof. Further, there is no change in the scope of work as initially envisaged as also the Project time lines of 18 months from November, 2016.

The Petitioner further submitted that till date no separate expenditure has been incurred on installation of the Smart Meters etc. which are part of this scheme and hence there is no duplication of this expenditure vis-à-vis the Capex approved in the Business Plan Order dated 28.12.2015.

The Project envisages the capitalization period and AT&C loss reduction trajectory for the area from 14.64% to 8% as follows:-

YEAR	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Rs Crs	3.00	17.00	7.00	1.58
AT&C Losses	14.64%	12.64%	8%	8%
AMI-Connection /Disconnection	Nil	Nil	100%	100%

In response to the specific query of the Commission regarding the revised Project Pay- Back Period and revised execution schedule, the Petitioner submitted that the Revised Project Pay - Back Period is 36 months after implementation of AMI.

The Petitioner further submitted that request for proposal was invited by the Electricity Department, Chandigarh and the Power Grid Corporation of India Limited (PGCIL). The Tender Evaluation Committee recommended M/s REC Power Distribution Company Limited, New Delhi in consortium with the TPDDL for an amount of Rs 1,98,90,012/- towards Service / Consultancy Charges including all the taxes except Service Tax on QCBS basis.

Subsequently, the Letter of Intent has been issued to M/s REC Power Distribution Company Limited as a Project Management Agency for turnkey execution including Supply, Erection, Commissioning, Project Management, Business, Engineering, Inspection and Submission of Smart Grid Project under Sub Division V, Chandigarh as per NSGM guidelines.

Based on the submissions made by the Petitioner, the relevant information placed on record, and the importance of Smart Grid Mission as well as the benefits that will accrue to the consumers and the Petitioner, the Commission approves this scheme in principal.

Ordered accordingly.

Sd/-
(NEERJA MATHUR)
MEMBER