



BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW
Date of order : 16.09.2014

PRESENT:

1. Hon'ble Sri Desh Deepak Verma, Chairman
2. Hon'ble Smt. Meenakshi Singh, Member
3. Hon'ble Sri Indu Bhushan Pandey, Member

IN THE MATTER OF: Suo-motu review of performance of UPRVUNL

UP Rajya Vidyut Utpadan Nigam Limited,
(Through its Chairman and Managing Director)
7th floor, Shakti Bhawan,
14, Ashok Marg
Lucknow - 226001

ATTENDEES:

1. Sri Muralidhar Bhagchandani, Director(Technical), UPRVUNL
2. Sri R.B. Pandey, Director(Personnel), UPRVUNL
3. Sri Rakesh Kumar, CGM (Finance), UPRVUNL
4. Sri Subeer Chakravorty, CE (PPMM), UPRVUNL
5. Sri S.P. Chaubey, Chief Engineer(TO), UPRVUNL
6. Sri K.K. Verma, Assistant Engineer(TO), UPRVUNL
7. Sri Bhushan Rastogi, Consultant, UPRVUNL

Order
(date of hearing- 25.08.2014)

1. In continuation of the hearing held on 16.06.2014 to suo motu review the performance of UPRVUNL and subsequent orders passed on 05.08.2014, a hearing was held in the office of the Commission on 25.08.2014 to review the progress made and



also to find reason for the recent failures of Generator Transformers (GTs) at Anpara Project.

2. The hearing started with the review of compliance of earlier orders dated 05.08.2014. At the outset the Hon'ble Chairman warned the Nigam officials of strict action for not submitting various reports within stipulated time as already directed in the previous hearing.
3. The CMD, UPRVUNL made point wise submissions on the directives issued earlier as follow:
 - i. The plant-wise expenditure on O&M and R&M incurred year wise against the approved expenditure for previous three years was furnished. The CMD expressed grave concern on constricted cash flow available, leading to inadequate expenditure in O&M falling short of approved expenditure of last three years. This led to running of Units below capacity.

The Commission observed lack of proper fund management, on its availability, use, generation through scrap disposal, outstanding arrears management as being the lead causes in constricted cash flow. Innovative market solution, GoUP support, disposal of non-performing assets etc. need to be resorted to, leading to better fiscal coordination with stakeholders involved.



The Commission directed to submit station-wise report of actual and billed O&M expenses (with its break-up under various heads i.e. R&M, Establishment and A&G) of stations against approved expenses in every quarter from FY 2014-15 onwards along with the criteria for allocation of funds to various Stations for R&M and reason for under recovery/billing, if any.

The option of closing underperforming Units and using the resources for newer and performing Units may also be considered.

- ii. Excessive expenditure on employee wages against the approved expenditure was attributed to over staffing at non-executive level. The productivity/efficacy of staff are also under par.

The Commission directed to review the man-machine ratio by adjusting the excess employees with the UPPCL and the UPPTCL which are facing shortage in manpower and this will also facilitate the Nigam in diverting the free funds thus available, for its R&M of machines. The Commission is to be apprised of the action initiated in this regard.

- iii. Year-wise plant-wise data for tripping along with details of BTL for previous 3 years was presented. High number of trippings due to Boiler Tube Leakage (BTL) and other reasons were attributed to



lack of proper operation & maintenance practices. It was informed by the CMD, UPRVUNL to counter the problem of high BTL a team from Reliance's Dhanu Power Plant (which is having zero BTL over years), is visiting UNL projects to transfer knowledge to UNL personnel.

The Commission expressed concern over high number of BTL trippings and directed the Nigam to have a time bound, short and long term plans to eliminate BTL. As such, the prevailing practice of break down maintenance must be replaced with preventive/ predictive maintenance / reliability centered maintenance practices and system must be equipped with latest technologies/ tools like vibration monitors/ advance boiler tube leakage detection systems/ IR/ acoustic/ sound level measurement system/ statistical process control system/ predictive maintenance tools etc. for regular monitoring of each and every auxiliary and record of same must be maintained and reviewed regularly to chalk out future course of action. It must also be ensured that action plans are executed/adhered to.

Of late the measures taken by Nigam to transfer and upgrade knowledge of its personnel were appreciated by the Commission and it was recommended that regular training program must be conducted to keep its personnel abreast with the latest developments in the Industry practices. While



planning the training calendars similar to the practices adopted by NTPC/NPTI/BHEL may be adhered to.

iv. On underperformance of newly commissioned Units at Parichha and Harduaganj, a report was submitted by the Nigam. It was also informed that due to shortage of manpower during erection/commissioning stage of plants proper monitoring could not be done from the Nigam side resulting in deficiencies & poor performance. However, now major issues have been addressed and the Units are working satisfactorily.

The Commission directed that, for all future projects, advance manpower planning must be done as per latest industry norms/ practices retaining only IT trained competent graduate engineers (prescribed guidelines of CEA) to use PERT/CPM techniques in erection/commissioning activity. A dedicated cell for monitoring and reviewing online, onsite and at UPRVUNL headquarters need to be in place.

v. The trends for availability and PLF for the period Nov 2013 to Jan 2014 were furnished and further it was explained that in terms of CEA availability is defined as % hours availability of the Unit on bar



whereas in terms of UPERC availability is % capacity available to generate.

The Commission expressed displeasure over underutilization of available capacity (since PLF was always lower than the availability). The PLF of UPRVUNL in previous 3 years against central sector PLF and the all India average PLF is as given below.

Sl.no.	Organization/ Sector	PLF (%)		
		2011-12	2012-13	2013014
1.	UPRVUNL	57.1	52.7	59.4
2.	Central sector	82.1	79.2	76.1
3.	All India average	73.3	70.8	65.5

Since under performance is the combined effect of uncontrollable and controllable factors, the Commission directs immediate corrective measures be taken to monitor the controllable factors effectively to improve generation/PLF and inform the Commission about the steps taken.

4. Regarding failures of GTs at Anpara, it was brought to the notice of the Commission that 6 GTs have completed their useful life so anticipating failure, 2 GTs were already ordered and now order



for further 4 more GTs have been placed and are expected to be available at site by March 2015. However, a team under Director, CEA has been constituted to assess the reasons for failure of GTs. Further, instructions to all stations have been issued for taking corrective actions to ensure healthiness of their GTs.

The Commission directs that regular material/ inventory management and monitoring plan for all the important auxiliaries be put in place. Simultaneously, the future arrangement is made after Remaining Life Assessment (RLA) including inventory of spares for timely replacement using IT tools. The steps for carrying out DGA of all GTs/STs once every 6 months to avoid recurrence of failure of GTs/STs need to be immediately put in place.

5. To ensure availability of key insurance spares for future, a detailed list is prepared by the Nigam and to arrange for the necessary funds (of about Rs. 970 Cr.) over and above regular payment received from UPPCL, a request has been sent by the CMD, UPRVUNL to Principal Secretary, Energy GoUP with its copy to the Chief Secretary and the Chairman UPPCL. A copy of the letter was made available to the Commission for its record. The list of proposed spares primarily included turbine modules, generator spares and transformers. The plant wise monetary requirements to purchase above are given below-



Sl. No.	Name of Project	Financial year			Total
		2014-15		2015-16	
		Till 31.09.14	Till March'15	Till July'15	
		10%	70%	20%	
1.	Anpara	40.40	282.77	80.78	403.95
2.	Obra	15.70	109.88	31.40	156.98
3.	Parichha	24.55	171.86	49.10	245.51
4.	Panki	5.14	35.99	10.28	51.41
5.	Harduaganj	11.11	77.80	22.22	111.13
	Total	96.90	678.30	193.78	968.98

all figures in Rs. Crores.

The Commission needs to be apprised of the development on above.

6. The CMD, UPRVUNL informed that regular daily monitoring review meeting of officials at all the power stations are done and proceedings/reports are recorded in set formats and reviewed next day. These meetings are being monitored by the top management from HQ through video-conferencing.



The above was appreciated by the Commission and further it was directed to conduct review monitoring meeting in the evening too and that the Managing Director should review each power station meeting at least once in a week himself.

7. On the issue of hiring retired personnel of NTPC/BHEL, it was informed that the CMD UPRVUNL met the CMDs of NTPC and BHEL to get the list of their retired personnel for engagement with the Nigam.

The Commission needs to be apprised of the decisions taken in above meeting in next hearing.

8. For upcoming Anpara-D Units it was brought to the notice of the Commission that start-up power has been made available on 22.08.2014. Earlier, on 14.08.2014 the CMD UPRVUNL met with the CMD, BHEL for expediting the progress of work. In the same context, the Chief Secretary GoUP is scheduled to meet the CMD, BHEL on 29.08.2014.

The Commission needs to be apprised of the decisions taken in above meeting in next hearing.

9. In regard to Harduaganj 1X660 MW plant, it was informed that techno commercial part of tender is scheduled to be opened on 01.09.2014 and that to expedite environmental clearance for



above Unit the option to shift the coal linkage of non-performing Units to referred Unit is under consideration of the Nigam.

The Commission needs to be apprised of the decisions taken in above meeting in next hearing.

10. Further capacity additions plans in pipelines were informed as following-

- i. Obra C – 2X660 MW
- ii. Panki- 1X660 MW
- iii. Ghatampur- 2X660 MW
- iv. Karchana- 2X660 MW
- v. Jawaharpur- 2X660 MW

11. It is decided by the Nigam that each power station shall be treated as profit center and reports as per approved formats shall be prepared accordingly for each stations and shall be placed before the Board of Directors for review on quarterly basis.

The Commission directed to furnish the same report before it.

12. It was informed that owing to poor financial condition of the DISCOMs, they are not in positions to open escrow account for UPRVUNL.

The Commission viewed that like other generating companies in the State, it is pertinent for the UPRVUNL to have escrow



like mechanism of payment with UPPCL else, cash starvation shall continue to affect its performance adversely. A formal request may be made by UPRVUNL to UPPCL in this regard. They could also bring a petition before the Commission if they so desire.

- 13.** The Nigam expressed its problem in selling power in open market owing to acute power crisis in the State and owing to its commitment to first meet the power requirement of the State. However, the Commission desired that in order to professionalize its working and to utilize and augment its generation capacity, it is absolutely pertinent for the UPRVUNL to realize its outstanding dues immediately from UPPCL.

(Indu Bhushan Pandey) (Meenakshi Singh) (Desh Deepak Verma)
Member Member Chairman

**Place : Lucknow
Dated: 16.09.2014**