##### http://www.uperc.org/uperclogo.jpgPetition No 841 of 2012

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

**Date of Order : 21.08.2014**

**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:** Seeking approval of revised capital cost of project Pragati.

**AND**

**IN THE MATTER OF**

UP Rajya Vidyut Utpadan Nigam Limited,

14th Floor, Shakti Bhawan Ext.,

14, Ashok Marg, Lucknow.

**---------------Petitioner**

1. The Managing Director, U.P. Power Corporation Ltd., 7th Floor, Shakti Bhawan,14, Ashok Marg, Lucknow
2. The Managing Director, Purvanchal Vidyut Vitran Nigam Ltd.,132KV Substation, Bhikaripur, Vidyut Nagar,Varanasi.
3. The Managing Director, Pachimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
4. The Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., Prag Narain Road, Lucknow.
5. The Managing Director, Dakchinanchal Vidyut Vitran Nigam Ltd., Gailana Road, Agra.
6. The Managing Director, KESCO, Kesa House, Kanpur
7. The Managing Director & CEO, Noida Power Company Limited, H Block, Alpha II, Greater Noida.

**--------------- Respondent**

The following were present:

1. Sri Subir Chakravorty, C.E., UPRVUNL
2. Sri Brijesh Singh Yadav, A.E., UPRVUNL
3. Sri Ravindra Kumar S.E., UPRVUNL
4. Sri K.P. Khan, E.E. MVVNL

**Order**

(Date of Hearing 01.07.2014)

1. The petitioner, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) has filed the petition for approval of revised capital cost of Project ‘PRAGATI’ (Process Re-engineering and Growth Acceleration through Technology Infusion). UPRVUNL has conceived the project to perform comprehensive Business Process Re-engineering followed by implementation of an Integrated Modular Software Solution ('IMSS') and Decision Support Systems, to improve the performance of power stations. UPRVUNL has also taken the expenditures on Intranet Networking with Unified Communication Systems, Plant Data & Mimic Telemetry along with E-governance, TQM, ISO 9001 and 14001 certifications, pilot projects and management of such services for 5 years period after commissioning of the entire setup at all the Thermal Power Plants, Project Office, DC, DR and the Corporate Office, in the petition.
2. The petitioner has submitted revised scope of work under this project and requested to approve the revised capital cost of Rs. 180.30 crores towards PRAGATI project and allow additional capitalization.

## Earlier, the Petitioner had filed a Petition No. 671 of 2010 for Capital Cost approval of project PRAGATI (Process re-engineering and growth acceleration through technology infusion) as per the original cost estimate of Rs. 90.18 crore as per the Table below:

|  |  |
| --- | --- |
| **Particulars** | **Amount in Rs. Crore** |
| Hardware | 30.42 |
| Software | 38.13 |
| Database | 0.81 |
| Training | 12.57 |
| Change Management | 0.68 |
| Consultant Fee | 7.58 |
| **Total Project Cost** | **90.18** |

## The petition was disposed of by the Commission vide order dated 27th August 2010 as follows:

| Particulars | Amount in Rs. Crore |
| --- | --- |
| Hardware | 30.42 |
| Software | 38.13 |
| Database | 0.81 |
| Training | 8.20 |
| Change Management | 0.68 |
| Consultant Fee | 4.10 |
| **Total Project Cost** | **82.34** |

1. During the hearing, Sri Subir Chakravorty, C.E., UPRVUNL stated that they have made the request to the Hon’ble Commission as due to technical reasons and also to cover all the elements necessary for proper implementation of IT, they had to revise the scope of work and therefore, the cost has increased. He requested to the Commission to consider the revised cost of Rs. 180.30 crores for approval.
2. At the outset, the Commission enquired about the progress of the works covered under the scope of work approved by the Commission vide order dated 27.8.2010. UPRVUNL could not reply satisfactorily.
3. Taking this seriously, the Commission reprimanded UPRVUNL stating that benefits of IT are well established in entire power sector and it is used by all the peers of UPRVUNL to make themselves productive and efficient hence it is intolerable that so far no progress is made by state owned generators even after almost two years from the date of approval by the Commission vide order dated 27.8.2010.
4. The Commission directed UPRVUNL to first implement the earlier proposed work for which approval of Rs. 80.34 Crs. has already been accorded vide order dated 27.8.2010. This would be considered as Phase-1 of the Pragati Project. Anything in addition to earlier proposed work shall be taken for consideration in next phase i.e. Phase-2. The Commission further elucidated that UPRVUNL may approach the Commission for approval of cost on Phase-2 along with the escalation on Phase-1, if any, but only through a separate petition after taking up implementation of Phase-1. The Commission expressed the view that for implementation of Phase-1, clear timelines are to be fixed, with intimation to the Commission, which must be adhered to by UPRVUNL. The Commission categorically mentioned that the implementation has to be ensured and closely monitored by the Managing Director.
5. The petition is disposed of.

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

Member Member Chairrman

Place : Lucknow

Dated: 21.08.2014