

**“Extra expenditure due to delay in finalizing  
power purchase agreements through Open  
Access: West Central Railway”**

**MINISTRY OF RAILWAYS**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

**NINETY-NINTH REPORT**

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**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

PAC NO. - 2329

# REPORT

## PUBLIC ACCOUNTS COMMITTEE (2023-24)

(SEVENTEENTH LOK SABHA)

**“Extra expenditure due to delay in finalizing power purchase agreements through Open Access: West Central Railway”**

### MINISTRY OF RAILWAYS



*Presented to Lok Sabha on:* .....

*Laid in Rajya Sabha on:* .....

LOK SABHA SECRETARIAT  
NEW DELHI

February, 2024 /Magha, 1945 (Saka)

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### \* Minutes

1. Minutes of sitting of the Public Accounts Committee (2023-24) held on 21.11.2023

2. Minutes of sitting of the Public Accounts Committee (2023-24) held on ....02.2024

\* To be appended later.

## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2023-24)

**Shri Adhir Ranjan Chowdhury** - **Chairperson**

### MEMBERS

#### LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

#### RAJYA SABHA

16. Shri Shaktisinh Gohli
17. Dr. K. Laxman
18. Shri Derek O' Brien<sup>1</sup>
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

### **Secretariat**

1. Shri Sanjeev Sharma - Joint Secretary
2. Shri Partha Goswami - Director
3. Dr. Faiz Ahmad - Under Secretary

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<sup>1</sup> Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this 99 Report (Seventeenth Lok Sabha) on “**Extra expenditure due to delay in finalizing power purchase agreements through Open Access: West Central Railway**” based on Para No. 4.2 of C&AG Report number 25 of 2022 relating to the Ministry of Railways (Railway Board).

2. The Report of Comptroller and Auditor General of India was laid in the Parliament on 20 December 2022.

3. The Public Accounts Committee (2023-24) selected the subject for detailed examination and report during their current term i.e. 2023-24. The Committee took oral evidence of the representatives of the Ministry of Railways at their sitting held on 21.11.2023. The Public Accounts Committee (2023-24) considered and adopted this Report at their sitting held on 05.02.2024.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** and form Part-II of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Railways for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

6. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

NEW DELHI:

..... February, 2024

..... Magha, 1945 (*Saka*)

ADHIR RANJAN CHOWDHURY

Chairperson,  
Public Accounts Committee

## PART-I

### Introduction

1. Ministry of Railways issued (March 2015) instructions to all Zonal Railways to get direct power from Generating Companies through Open Access and ensure provision of Availability Based Tariff (ABT) Meters. Despite entering into the Agreement in March 2016 under Open Access, power supply was commenced only from January 2017 mainly due to delay in provisioning of ABT Meters. Delay in shifting to Open Access resulted into extra expenditure on power purchase amounting to Rs.75.10 crore.
2. The C&AG Report No. 25 of 2022 for the year ended March 2021 contains significant results of the compliance audit of the Ministry of Railways of the Union Government.
3. Public Accounts Committee (2023-2024), selected the aforesaid C&AG Report for examination and report.
4. The Public Accounts Committee (2023-2024), considered the subject for detailed examination, took oral evidences of the representatives and other officials of Ministry of Railways on 21 November, 2023 and obtained written replies on the same. Based on the oral evidence and written replies, the Committee examined the subject in detail.

### **PARA 3.4**

#### **5. "Extra expenditure due to delay in finalizing power purchase agreements through Open Access: West Central Railway"**

In order to reduce the traction tariff to optimize unit cost of transportation, Ministry of Railways (MoR) decided (December 2014) that Zonal Railways shall plan for availing cheaper power from conventional/renewable sources on short/medium/long term basis through Railway Energy Management Company Limited (REMCL). Accordingly, MoR issued instructions (March 2015) to all Zonal Railways to plan to get direct power from Generating Companies (GENCOS)/Traders etc. in the States where the cost of power is higher, adopting Medium/Long Term Open Access route. MoR also directed (February 2015) all the Zonal Railways to make suitable arrangements for providing the Availability Based Tariff (ABT) meters at all Traction Sub Stations (TSSs) during 2015-16. Requirement of providing the ABT meters was reiterated in March 2015 and April 2015. REMCL invited and processed the tender for procurement of power through Open Bidding for a period of three years. Quantum of power allocated to West Central Railway (WCR) was kept at 55 MW at the request of WCR. Letter of Award (LOA) was issued in favour of the successful bidder {M/s Jindal India Thermal Power Limited (JITPL)} on 26 February 2016 and Agreement for procurement of Power was entered into between WCR and M/s JITPL on 15 March 2016. Audit however noted that the Power supply through Open Access from JITPL was commenced from 10 January 2017 in four TSSs (Traction Substation) and between 19 January 2017 and 20 April 2017 in remaining eight TSSs. Despite MoR's repeated instructions (February 2015, March 2015 and April 2015) for installation of ABT meters at the TSS points, WCR

Administration did not procure the necessary equipment (ABT meters). Estimate for provision of ABT meters was prepared only in April 2016 and sanctioned in May 2016. The ABT meters were finally procured and installed between the period 10 January 2017 and 20 April 2017. Thus, there was delay of more than a year in preparation of Estimate as well as procurement of ABT meters. The WCR Administration failed to comply with the MoR's instructions on ensuring availability of ABT meters. WCR Administration approached (March 2016 and April 2016) the Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RVPN)/Jaipur to install ABT meters at Railway's 12 TSSs and to issue 'No Objection Certificate (NOC)' for WCR. The RVPN pointed out certain discrepancies in the WCR's application for NOC and requested (August 2016) the WCR Administration to attend/rectify the discrepancies. WCR Administration took four months for complying with the requirements of RVPN. Finally, RVPN issued NOC to WCR on 29 September 2016 for purchase of 55 MW power in Medium Term Open Access for the period from 01 March 2017 to 31 December 2019. Thus, there was delay on the part of WCR Administration in approaching RVPN for arranging the ABT meters and issue of NOC for power supply through Open Access. Due to delay on the part of WCR, power supply through Open Access from M/s JITPL could be commenced in four TSSs from 10 January 2017 i.e. with a delay of about 10 months (from the date of entering into Agreement with M/s JITPL i.e. 15 March 2016). In the remaining eight TSSs, power supply through Open Access was commenced between 19 January 2017 and 20 April 2017. Thus, delay in observance of MoR's instructions for fulfillment of pre-requisite requirements for purchase of power through Open Access deprived the Railway Administration to achieve savings in traction energy bills. Despite availability of power at lower rate of Rs. 4.09 per kWh, WCR Administration purchased power at higher rate of Rs. 6.50 per kWh<sup>118</sup>. Failure of WCR Administration in availing the lower rate resulted into huge extra expenditure of Rs. 75.10 crore during the period from 15 March 2016 to 10 January 2017. The matter was referred to MoR in May 2022. In their reply (June 2022), MoR stated that the provision of ABT meters and Current Transformer and Potential Transformer (CT/PT) for Open Access could not have been achieved without the consent of State Transmission Utilities (STUs), who initially lingered in the matter for want of eligibility of Railway as 'Open Access' customer as "Deemed Licensee". As soon as confirmation was issued by Central Electricity Regulatory Commission (CERC) on 5 November 2015, WCR made all possible efforts for availing power through open access. And, since STUs were going to lose their valuable customer (i.e., the Indian Railway), they tried to create obstacles to clear open access to the railway. Railway Administration also stated that, after signing of PPA (Power Procurement Agreement) with M/s JITPL on 15 March 2016, the railway took the minimum required time for completing ABT meters and CT/PT work and open access started from January 2017. The reply of MoR was not acceptable. WCR Administration failed to ensure the timely availability of ABT-compliant meters at the TSS points in 2015-16 despite MoR's repeated instructions of February/ March/April 2015. Railway's contention regarding ambiguity about 'Deemed Licensee' status of the railway was also not acceptable because the process for procurement of the much-required ABT meters had not started even after entering into an agreement (15 March 2016) for procurement of power through open access. An estimate for the same was prepared in April 2016 and was sanctioned in May 2016. The railway was aware of its 'Deemed Licensee' status vide

Ministry of Power's letter dated 6 May 2014, even pending CERC confirmation, the railway could have initiated action to procure the ABT meters in compliance with Railway Board's above instructions, but Railway Administration did not initiate procurement of the requisite equipment till after entering into the agreement. Thus, lackadaisical approach of Railway Administration towards procurement of power through open access at a cheaper rate resulted in loss of Rs. 75.10 crore to the railway due to a delay in the flow of power through open access, for about 10 months.

**6. The Ministry in their Background Note have stated as under:**

- a. "In order to reduce the traction tariff to optimize unit cost of transportation, Ministry of Railways (MoR) decided (December 2014) that Zonal Railways shall plan for availing of cheaper power from conventional/renewable sources on short/medium/long term basis through Railway Energy Management Company Ltd (REMCL).
- b. Ministry of Railways issued instructions (March 2015) to all Zonal Railways to plan for availing power directly from the Generating Companies (GENCOS)/Traders etc. in the States where the cost of power is higher, adopting Medium/Long Term Open Access route. MoR also directed (February 2015) all the Zonal Railways to make suitable arrangements for providing the Availability Based Tariff (ABT) meters at all TSSs during 2015-16.
- c. REMCL invited and processed the tender for procurement of power through Open Bidding for period of three years. Quantum of power allocated to West Central Railway (WCR) was kept at 55 MW in Rajasthan state. Letter of Award (LOA) was issued in favor of the successful bidder (M/s Jindal India Thermal Power Limited (JITPL) on 26th February 2016 and *Agreement for Procurement of Power was entered into between WCR and M/s JIPTL on 15th March 2016.*
- d. Although Railway Board had advised for suitable arrangements for providing ABT meters and CT/PT, there was ambiguity about 'Deemed Licensee' status, which was raised by various State Electricity Boards/Transmission Utilities. Railways were defending the 'Deemed Licensee' status, for procurement of power through 'Open Access', in CERC. *It was only* after CERC's order dated 05. 11.2015, in a petition No. 197/MP/2015 filed by Indian Railways, seeking grant of permission for procurement of power through Open Access against various agencies involved for power flow, that Railway was confirmed as 'Deemed Licensee' eligible for procurement of power through 'Open Access'. As soon as confirmation issued by CERC came into notice, WCR made all possible efforts for availing power through 'Open Access'.
- e. After confirmation of Railway as 'Deemed Licensee' eligible for procurement of power through Open Access, Railway made all out efforts for arranging ABT meters and issue of NOC. Railway wrote letters to RVPN on 04.03.2016, 24.03.2016, 12.04.2016 and 25.04.2016 with a request to provide ABT meters & 0.2 S class CT/PT by charging Railway for the same. Physical meetings with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN) officials were also held at different levels by Sr.DEE, CEDE and PCEE/WCR in RVPN office, Jaipur. Thus Railway had made all possible efforts. *Since State utilities were not willing to lose their valuable customer*



*(Indian Railways), having substantial financial implication, they delayed the matter.*

- f. *This activity did not involve Railway network alone. It involved State agencies and their network also, where Railway has no direct access, and without consent and involvement of the State agencies, ABT meters could not have been installed. Procurement of ABT meters and associated equipment could not be initiated without knowing the suitability/compatibility of ABT meters and associated equipment with the State Transmission Utilities (STUs) network, and they continued to delay the matter on these issues.*
- g. There are many States where Railways have still not been able to get Open Access due to the lackadaisical working of various State STUs and permissions not being granted by various State Electricity Regulatory Commissions. Their various orders are being challenged in Hon'ble Appellate Tribunal for Electricity (APTEL), Delhi. Power supply through Open Access from JITPL was commenced from 10th January 2017 in four TSS and between 19th January 2017 and 20th April, 2017 in remaining eight TSSs in Rajasthan state."

7. When the Committee enquired about the steps taken by the Ministry to ensure procurement of direct power from Generating Companies through Open Access and to ensure that provisions of Availability Based Tariff (ABT) Meters were strictly complied with, the Ministry in their written reply stated as under:

"The steps taken by MoR are as follows-

- i. Zonal Railways were advised on 27.05.15 to provide details of ABT meters to REMCL for inviting bid.
- ii. Further, a meeting was held on 10.09.15 with all Zonal Railways, wherein, inter-alia Zonal Railways were instructed to verify the class of CT/PT available at GSS (Grid Sub Station) from STUs and based upon the same only, STUs (State Transmission Utility) be asked to provide CT/PT & ABT meter.
- iii. A review meeting was held on 04.12.15 with all Zonal Railways.
- iv. A D.O. letter was sent to GM/WCR from Railway Board on 16.02.2016 to take up the issue with Chief Secretary of the Rajasthan state.
- v. Further, a D.O. letter was sent to Chief Secretary, Rajasthan from Railway Board on 31.03.16 requesting to expedite the process of granting NOC to Railways to take power as Deemed Licensee. Subsequently, a follow up D.O. letter was also sent on 28.04.16.

Further, a meeting was conducted with Principal Secretary (Energy) & CMD, RVPNL on 12.05.2016 for issue of NOC by RVPNL and to discuss the issues regarding provision of ABT meters and CT/PT."

8. When asked to provide a detailed explanation for the delay in commencing power supply through Open Access from M/s Jindal India Thermal Power Limited (JITPL) in four Traction Sub Stations (TSSs) from January 10, 2017, despite the agreement being entered into on March 15, 2016, the Ministry in their written reply stated as under:

"The delay in commencing power through Open Access can be attributed to following:-

- (1) Legal issue involved due to challenges made to 'Deemed Licensee' status of Railways by various agencies involved in transmission of electricity.
- (2) RVPNL took a lot of time to clear the case as it was revenue loss by losing their valuable customer (i.e. Railway). They tried to create obstacles in the path of clearance of Open Access to Railway. This activity not only involved Railway network but also involved State agencies and their network, where Railway has no direct access and without the consent and involvement of state agencies, ABT meters could not have been installed.
- (3) Procurement of ABT meters and associated equipments could not have been initiated without knowing the suitability of ABT meter and associated equipments with State STU network, for which they chose to linger on the matter.

Despite various correspondences with Rajasthan State and various meetings with RVPNL officials at the level of Sr.DEE, CEDE and PCEE, matter was lingered on by the State Government."

9. On being asked about the specific reasons that led to the delay in the procurement and installation of Availability Based Tariff (ABT) meters at the TSS points, as highlighted by the audit, and how may have this impacted the overall process of power procurement through Open Access, the Ministry in their written reply stated as under:

"Although Railway Board had advised for suitable arrangement for providing ABT meters and CT/PT, certain ambiguities about 'Deemed Licensee' status, were raised by various State Electricity Boards/Transmission Utilities. Railways were defending the 'Deemed Licensee' status for procurement of power through 'open Access' in CERC. It was only after CERC's order dated 05.11.2015 in a petition No. 197/MP/2015 filled by Indian Railway, seeking grant of permission for procurement of power through open access, against various agencies involved in power flow, Railway was confirmed as 'Deemed Licensee' eligible for procurement of power through 'open access'. As soon as the confirmation was issued by CERC, WCR made all possible efforts for availing power through Open Access."

10. When the Committee enquired about the reasons proffered by the concerned State Governments for the delay in facilitating timely procurement of ABT meters and associated equipments by the West Central Railway, the Ministry in their written reply stated as under:

"Initially West Central Railway requested Rajasthan State Transmission Utility i.e. Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) to install ABT meters at desired locations for which Railway shall bear the expenditure

(as was done in Madhya Pradesh state of WCR's jurisdiction) as Railway had no prior experience of such activities. Moreover, this activity was requiring accessibility to RVPNL's transmission network. RVPNL vide their reply dated 26.04.2016 informed that supply of ABT meters through their tender will take 6-7 months. Therefore, WCR had to initiate the process of procurement and installation of ABT meters and associated equipments."

11. When asked as to why despite knowing that instructions were issued on March 2015 to all Zonal Railways regarding procurement of direct power from Generating Companies through Open Access and to ensure compliance regarding the Availability Based Tariff (ABT) Meters, timely procurement of ABT meters and associated equipments by the West Central Railway was not done well in time, the Ministry in their written reply stated as under:

"The 'Deemed Licensee' status of Railway for procurement of power through open Access, was challenged by various agencies involved with power flow. Hence West Central Railway had to withhold the activity for availing power through Open Access. Further, installation of ABT meters could not have been done without the consent of State Authorities. It was only after CERC's order dated 05.11.2015, in a petition No. 197/MP/2015 filed by Indian Railway seeking grant of permission for procurement of power through open access against various agencies involved in power flow, Railway was confirmed as 'Deemed Licensee' eligible for procurement of power through 'Open Access'. As soon as the confirmation was issued by CERC, WCR made all possible efforts for availing power through Open Access."

12. On being asked about the efforts made by the Ministry and the Zonal Railway to establish better co-ordination with the concerned State Governments, the Ministry in their written reply stated as under:

"WCR's jurisdiction involved mainly two states namely Madhya Pradesh and Rajasthan. WCR could manage to persuade Madhya Pradesh State to allow Open Access in time as well as necessary coordination in installation of ABT meters and associated equipments by State Government itself as they have more expertise in this field and Railways were new to Open Access. However, despite various correspondence with Rajasthan State and various meetings with RVPNL officials at the level of Sr.DEE, CEDE and PCEE, the State Government chose to linger on the matter."

13. When enquired about the steps taken by the Department to ensure that debit entry in the electronic credit ledger and cash ledger is invariably verified before granting refund, the Ministry in their written reply stated as under:

"Payments to Power Generating and Power Distribution companies are made on the basis of terms and condition agreed with them. It is noted that neither any claim for refund has been made nor any refund has been issued to any such provider so far. As per contract terms, Performance Guarantee is

submitted in the form of Bank Guarantee by the companies MMPTCL, JINDAL and NVVN which is released as and when contract is completed.”

14. On being asked whether all railway zones have now been procuring power from power generating companies through Open Access and the steps being taken by the Ministry and the concerned zonal railways towards this end, the Ministry in their written reply stated as under:

“There are 7 States which are yet to grant NOC- Andhra Pradesh, Chhattisgarh, Kerala, Odisha, Tamil Nadu, Telangana & West Bengal. In these States, power could not be procured from generating companies through Open Access due to non-availability of NOC. Various D.O. letters have been written from Apex level of MoR. Litigation between IR and SERCs/State Utilities at APTEL, wherein final hearings have been completed in June, 2023 and Order is awaited.”

15. On being asked to explain the delay in shifting to Open Access system which resulted into extra expenditure on power purchase amounting to Rs.75.10 crores, the Ministry in their written reply stated as under:

“The delay in shifting to Open Access can be attributed to following:-

- (1) Legal issues arising on account of challenges made to ‘Deemed Licensee’ status of Railways by various agencies involved in transmission of electricity.
- (2) RVPNL took a lot of time to clear the case as it was going to suffer revenue loss by losing their valuable customer (i.e. Railway). They tried to create obstacles in path of clearance of Open Access to Railway.
- (3) Procurement of ABT meters and associated equipment could not have been initiated without knowing the suitability of ABT meter and associated equipment with state STU network, for which they chose to linger on the matter.”

16. When asked as to what measures are the Railway Administration implementing to ensure timely compliance with Ministry instructions and pre-requisite requirements for future power procurement through Open Access to avoid similar delays and extra expenditures, the Ministry in their written reply stated as under:

“West Central Railway has already started to procure the entire traction power requirement through Open Access. Further, it is to mention that provision of ABT meters can be ensured only after getting NOC from STU and clearance from the state authorities-regarding specification of ABT meters. Zonal Railways take appropriate action accordingly.”

17. On being asked to provide details on the efforts made to assess and rectify the lapses identified in the audit report, particularly concerning the delayed implementation of ABT meters and the resulting financial implications, the Ministry in their written reply stated as under:

"West Central Railway has already started to procure the entire traction power requirement through Open Access. Hence, the entire process of purchasing power through open access has already been complied with. Delay in installation of ABT meters occurred due to the following reasons:

- 1) There was the matter of deemed licensee pending which was confirmed by Hon'ble CERC's order dated 05.11.2015 in a petition No. 197/MP/2015.
- 2) State Government delayed the matter as RVPNL was losing a valuable customer.
- 3) Correspondence was done with the state bodies for installation of ABT meter but they later gave the letter to railway mentioning that "supply of ABT meters through their tender will take 6-7 months". Thereafter, Railway took necessary action immediately for purchase and installation of ABT meters and associated equipments."
- 4) Here it is once again reiterated that procurement of ABT meters and associated equipment could not have been initiated by the Railway without knowing the suitability of ABT meter and associated equipment with State STU network, for which the State agency chose to linger on the matter.

**PART II**  
**OBSERVATIONS AND RECOMMENDATIONS**

**Introduction**

1. In order to reduce the traction tariff to optimize the unit cost of transportation, MoR (Ministry of Railways) issued (March 2015) instructions to all Zonal Railways to get direct power from Generating Companies through Open Access and ensure provision of Availability Based Tariff (ABT) Meters. Despite entering into the Agreement in March 2016 under Open Access, power supply was commenced only from January 2017 mainly due to delay in provisioning of ABT Meters. Delay in shifting to Open Access resulted in extra expenditure on power purchase amounting to Rs. 75.10 crore. Some of the issues contained in the Audit Report have been examined by the Committee and commented upon suitably in the succeeding paragraphs.

**Delay by WCR Administration in approaching Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RVPN) for Installation of Availability Based Tariff' (ABT) compliant meters and issue of NOC**

2. The Committee note from audit observation that despite MoR's instructions/repeated instructions of February/ March/April 2015 to ensure timely procurement of 'Availability Based Tariff' (ABT) compliant meters at the TSS points in 2015-16, the WCR Administration did not promptly do the needful to secure and install the necessary equipment (ABT meters). The ABT meters were finally procured and installed between the period 10 January 2017 and 20 April 2017. Thus, there was delay of more than a year in the procurement of ABT meters as well as in preparation of estimates resulting into huge extra expenditure of Rs. 75.10 crore during the period from 15 March 2016 to 10 January 2017. From the submission of the Ministry, the Committee note that this activity did not involve Railway network alone. It involved State agencies and their network also, where Railway has no direct access, and without consent and involvement of the State agencies, ABT meters could not have been installed. Procurement of ABT meters and associated equipment could not be initiated without knowing the suitability/compatibility of ABT meters and associated

equipment with the State Transmission Utilities (STUs) network and they continued to delay the matter on these issues. The Committee observe that it was only four months after CERC's order dated 05.11.2015 confirming the Railway as 'Deemed Licensee eligible for procurement of power through 'Open Access', that the Railway wrote letters on 04.03.2016, 24.03.2016, 12.04.2016 and 25.04.2016 to RVPN with a request to provide ABT meters & 0.2 S class CT/PT. This resulted in wastage of four precious months. Further, from the submission made by the Ministry, the Committee note that Zonal Railways were advised on 27.05.15 to provide details of ABT meters to REMCL for inviting bids. Besides, a meeting was held on 10.09.15 with all Zonal Railways, wherein, inter-alia Zonal Railways were instructed to verify the class of CT/PT available at GSS (Grid Sub Station) from STUs and based upon the same only, STUs (State Transmission Utility) were to be asked to provide CT/PT & ABT meters. The Committee are of the view that after MoR's repeated instructions of March/April 2015 to obtain ABT compliant meters, the Railway Administration should have straight away initiated the process for completing the procurement and installation of ABT meters without delays. The Committee, therefore, recommend that the Ministry need to streamline and fast track the procedures for procurement of all items that are relevant to the Railways' operational network.

### Non-implementation of Letter of Award (LOA) in a timely manner

3. The Committee note from audit observation that the Power supply through Open Access was commenced from 10 January 2017 in four TSSs (Traction Substation) and between 19 January 2017 and 20 April 2017 in remaining eight TSSs despite issuance of Letter of Award (LOA) in favour of the successful bidder *i. e.* M/s Jindal India Thermal Power Limited (JITPL) on 26 February 2016 and Agreement for procurement of Power between WCR and M/s JITPL on 15 March 2016. The Committee further note that delay in observance of MoR's instructions for fulfillment of pre-requisite requirements for purchase of power through Open Access deprived the Railway Administration of the savings in traction energy bills. Despite availability of power at lower rate of Rs. 4.09 per kWh, WCR Administration purchased power at higher rate of Rs. 6.50 per kWh. From the submission of the Ministry, the Committee note that

although Railway Board had advised for suitable arrangements for obtaining power through 'Open Access', there was ambiguity about 'Deemed Licensee' status, which was raised by various State Electricity Boards/Transmission Utilities. Railways were defending the 'Deemed Licensee' status, for procurement of power through 'Open Access', in CERC. The Committee are of the view that in the first place, spending as many as four months in clearing the discrepancies at the application stage, which contributed to the delays and wasteful expenditure should have been avoided. The Committee are also of the view that after CERC issued orders dated 05.11.2015 confirming the Railway as 'Deemed Licensee', obtaining power through open access should have been ensured promptly. The Committee desire to be apprised of the status in this regard.

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NEW DELHI:  
..... February, 2024  
..... Magha, 1945 (*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee