

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO. 4, CHUNOKOLI
SAILASHREE VIHAR, BHUBANESWAR - 751 021**

No.DIR (T)-371/09/13

Dated- .06.2017

To

The Authorised Officer ,
SOUTHCO Utility, At/P.O. Courtpeta,
Berhampur, Dist. Ganjam.

Sub: **Review of Performance of SOUTHCO Utility**

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the aforesaid report for your information and necessary action.

Yours faithfully,

Encl: As above.

Secretary

Copy to:

- i) The Principal Secretary, Department of Energy, Govt. of Odisha along with copy of the enclosure for favour of information.
- ii) The CMD, GRIDCO/OPTCL, Janpath, Bhubaneswar along with copy of the enclosure for favour of information.

Encl: As above.

Secretary

Record Note of Performance Review of SOUTHCO Utility held on 24.05.2017 at 10.30AM in the Conference Hall of the Chairman, OERC in the presence of the Commission

Date of Review : 24th May, 2017

Period of Review : April- March, 2016-17

Representatives of SOUTHCO Utility: List enclosed as Annexure-I.

The performance of SOUTHCO Utility for the FY 2016-17 was reviewed by the Commission on 24th May, 2017 at 10.30 AM in the presence of senior officials of SOUTHCO Utility.

The Commission reviewed the billing and collection position of the SOUTHCO Utility for the year 2016-17.

The details of performance of SOUTHCO Utility as indicated in its presentation with regard to the key performance indicators are as follows:-

REVENUE PERFORMANCE OF SOUTHCO Utility			
	Actual for FY 15-16	Actual for FY 16-17 (April- March)	Approval for 2016-17
Energy input (MU)	3282.78	3266.68	3470
SALE TO CONSUMERS (MU)			
EHT	349.49	335.84	356.10
HT	174.73	174.70	211.99
LT	1553.64	1630.60	2017.06
TOTAL	2077.87	2141.15	2585.15
DISTRIBUTION LOSS (%)			
LT	38.44%	35.34%	23.66%
OVERALL	36.70%	34.45%	25.50%
BILLING EFFECIENCY (%)			
LT	61.60%	64.70%	76.04%
OVERALL	63.30%	65.5%	74.50%
COLLECTION EFFICIENCY			
LT	84.00%	86.00%	99.00%
OVERALL	88.60%	89.90%	99.00%
AT & C LOSS (%)			
LT	48.46%	44.43%	24.73%
OVERALL	43.92%	41.07%	26.25%

Commission's Observations:

The Commission compared the figures relating to business operation of SOUTHCO Utility of FY 2016-17 to that of FY 2015-16. The key observations are as follows:-

1. The total number of consumers rose to 15.71 lakhs as on 31.03.2017 with 0.95 lakhs addition from 31st March, 2016.

2. Out of 15,66,859 nos. of meters of SOUTHCO Utility, 1284234 nos. are working. 1,02,720 nos. of new 1Ømeters and 32,469 nos. of new 3Ø meters were installed during this period.
3. EHT sales has reduced from 349MU in 2015-16 to 336MU in FY 2016-17 indicating a fall of 13MU, whereas HT sale has remained constant. SOUTHCO Utility attributed reduction of EHT sales to power procurement by M/S Grasim Industries through Open Access. On the other hand LT sales has gone up by about 77 MU from 1554 MU to 1631 MU during FY 2016-17 indicating a rise of 0.05%.
4. LT billing efficiency has increased from 62% during FY 2015-16 to 65% in FY 2016-17. The billing efficiency is less than 50% in certain divisions such as Aska-I & II, Bhanjanagar, Koraput, etc. The Commission opined that SOUTHCO Utility should focus on improving the LT billing efficiency in these divisions.
5. The overall collection efficiency has increased from 89% in FY 2015-16 to 90% in FY 2016-17. There was increase in LT collection efficiency from 84% in FY 2015-16 to 86% in FY 2016-17.
6. The overall distribution loss decreased from 37% in FY 2015-16 to 34% in the relevant period FY 2016-17.
7. The overall AT & C loss decreased from 44.00% in FY 2015-16 to 41.00% in FY 2016-17.
8. On Energy Audit, SOUTHCO Utility submitted that out of 86 nos. of 33 KV feeders 77 nos. have been metered and only 17 nos. are audited. Out of 612 nos. of 11 KV feeders 297 nos. of feeders have been metered and 166 nos. are audited. There are 40,944 nos. of DTRs , out of which 124 nos. are metered and audited
9. The HT arrear is higher due to non payment by Mangalam Timber, SMIT Educational Institution, Toshali Cement and Essar pipeline industries etc.
10. The Commission observed that the Brahmapur city circle has AT&C loss of around 10% in which BED-I is having the least AT&C loss of 8%. This level of loss is lowest observed anywhere in the State. This needs to be sustained.

Directives of the Commission:

1. The Commission expressed its satisfaction over the performance of SOUTHCO Utility on loss control in Brahmapur City circle. Similar practice should be followed in all divisions and circles of SOUTHCO Utility to improve the performance with replication of best practice.

2. The Commission directed SOUTHCO Utility that the LT AT&C loss should come down to 32% in FY 2017-18.
3. Billing efficiency of SOUTHCO is 65.5%, which is very low. They should improve it to 95%.
4. Efforts may be made to collect the HT arrears.
5. Women SHGs and Mirco-franchisees may be engaged for better MBC performance.
6. Regarding arrears of Government Departments, SOUTHCO Utility may request Energy Department to take it up with the concerned Departments and Finance Department for settlement of any arrear dues through appropriate budget provision. Pre-paid meters may be encouraged for avoiding such arrears.
7. All 11 kV feeders should be metered by mid August and all consumer meters be replaced by March, 2018.
8. All consumers may be enrolled under Urjmitra by the end of July, 2017.
