

Minutes of Review Meeting on Performance of GRIDCO

Date of review	:	31.07.2008
Period of Review	:	FY- 2007-08 & April 2008 to June 2008
Persons present	:	Shri C J. Veenugopal., CMD, GRIDCO Shri U K Panda, Director (Fin) Shri A.C. Mallick, Director (Com.), GRIDCO, & other officials of GRIDCO.

The CMD GRIDCO at the outset made a presentation on the performance of the GRIDCO for the financial year, 2007-08 & 1st quarter of 2008-09 i.e. April 2008 to June 2008. The details of energy drawl by the DISTCOs are given in the table below. It is observed that all the Distcos have over drawn by 1.17% as compared to OERC revised estimates for the financial year 2007-08. Further for the 1st quarter of 2008-09 all the distribution licensees except NESCO have over drawn by 3.3% as compared to the OERC estimates for the said period

a) Energy Drawl by DISTCOs (MU)

	OERC's revised Estimate for 2007-08	Actual for 2007-08	OERC's Estimate for 2008-09 prorating for 3 months	Actual for 2008-09 (From Apr,08 to June,08)
CESU	5163.3	5203.86	1325.00	1393.75
NESCO	4601.0	4654.93	1165.00	1129.47
WESCO	5300.2	5377.09	1420.00	1499.23
SOUTHCO	1957.4	1975.18	495.00	528.75
TOTAL	17021.9	17211.06	4405.00	4551.20

b) Receipt and Payment of BSP dues (Rs. in crore)

	2007-08			2008-09(April,08 to June,08)		
	Total BSP Bill (GRIDCO Charge)	Total payment receipt	Excess Payment over BSP	Total BSP Bill (GRIDCO Charge)	Total payment receipt	Excess Payment over BSP
CESU	529.13	624.40	95.27	141.47	141.47	0
NESCO	581.86	642.83	60.97	141.18	181.18	40.00
WESCO	845.55	939.71	94.16	235.75	235.75	0
SOUTHCO	138.27	159.09	20.82	37.01	40.85	3.84
TOTAL	2094.81	2366.03	271.22	555.41	599.25	43.84

2. Commission's Observations: -

- (i) As stated by GRIDCO, the DISTCOs are paying 100% of Bulk Supply Bills to GRIDCO and some DISTCOs are also paying towards the outstanding Bulk Supply dues. CMD, GRIDCO stated that NESCO and SOUTHCO had paid of Rs. 40.0 cr and Rs. 3.84 cr respectively over and above the current BSP dues towards arrear BSP dues aggregating to Rs. 43.84 crore as against the target of Rs. 219.83 cr projected as receivable from DISTCOs during 2008-09 in the ARR. For the year 2007-08, the Distcos have paid Rs 271.22 cr extra over and above the BSP dues from which Rs 217.94 cr paid extra due to BSP revision and only Rs.53.28 cr paid towards arrear BSP dues as against the target of Rs.153.33 cr projected as receivables from DISTCOs during the year in the ARR.
- (ii) On a query from the Commission regarding bridging the gap of Rs. 464.86 cr during 2007-08 out of earning from export and UI charges, GRIDCO replied that it had earned revenue of Rs. 1300.19 cr from trading, UI charges and sale to CGPs during the year 2007-08. However, for the year 2008-09 (upto June,08), GRIDCO had earned only Rs 70.18 Cr as against a revenue gap of Rs. 410.05 cr for the said year. CMD, GRIDCO stated that due to poor hydrology and also increase in internal demand there was very little scope for Trading and also GRIDCO might not be able to earn a substantial amount on account of UI. The Commission directed GRIDCO to draw more power during off-peak and high frequency hours and also under draw during Peak hours / low frequency hours to maximize the UI revenue.
- (iii) GRIDCO stated that the reconciliation of outstanding BSP dues, DPS and Opening Balance figures have already jointly signed by GRIDCO and DISTCOs and the commission's approval on the same is awaited.
- (iv) During the review period GRIDCO has made full payment to the Generators towards power purchase dues.
- (v) The details of power purchase and sale for the period under review are shown at Annexure-A & B.
- (vi) GRIDCO reported a surplus of Rs.874.62 cr. during 2007-08 and Rs.16.86 cr. during 1st quarter of 2008-09. The overall cash flow position was comfortable.

- (vii) As on 31.03.2008, the loan amount was Rs.1904.25 cr., interest Rs.175.37 cr. totaling to an outstanding amount of Rs.2079.62 cr. This included govt. loans, institutional loans and GRIDCO bonds.
 - (viii) The Reliance managed Companies availed escrow relaxation to the tune of Rs.260 cr. during 2007-08 which included Rs.21.24 cr. towards O&M. During April-June 2008-09 the three DISTCOs availed Rs.17.67 cr. escrow relaxation for O&M whereas CESU availed Rs.8.97 cr.
 - (ix) GRIDCO reported total receivables of Rs.333.51 cr. and payables of Rs.354.09 cr. to the state govt. as on 31.03.2008. The net receivable was of the order of a negative Rs.20.58 cr.
 - (x) In respect of outstanding dues (excluding DPS), GRIDCO reported an amount of Rs.1649.64 cr. against REL managed companies and Rs.1547.17 cr. against CESU as on 31.03.2008.
 - (xi) The Annual Accounts of GRIDCO for 2006-07 has been submitted to Govt. For the year 2007-08, the Annual Accounts have been authenticated by the Board and the process of adoption of Accounts shall be completed by 30.09.2008.
3. As a Bulk supplier of power, GRIDCO must ensure that there is no power cut or restriction on supply, particularly to the industries as those consumers contribute a substantial amount in terms of revenue to GRIDCO through DISTCOs.