

ODISHA ELECTRICITY REGULATORY COMMISSION
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Case No. 76 of 2018/1794
Dt.31.12.2018

To

The Authorised Officer,
SOUTHCO Utility,
Courtpetta, Berhampur.

Sub: Revenue Requirement and Tariff Application for the year 2019-20.

Sir,

On scrutiny of the above application, it has been noted that information and analysis with regard to a number of items which are very relevant for the purpose of scrutiny of Revenue Requirement and Tariff for the FY 2019-20 have not been furnished. A list indicating items on which information/clarification to be furnished is enclosed.

You are hereby directed to furnish the information on the queries raised in Annexure by 12.01.2019.

The queries raised in this letter along with the replies shall be supplied to all the persons who might have purchased the ARR and Tariff application of your DISCOM.

Encl: As above.

Yours faithfully,

Sd/-

SECRETARY

Query on the ARR Filing by SOUTHCO Utility for FY 2019-20

TECHNICAL

1. In T 1 format slab wise No of Consumers for domestic and general purpose consumer for all three years to be submitted.
2. In T 9 format consumption figure of industries during previous year i.e. 2017-18 to be submitted.
3. The reasons for less realization per unit from LT category of consumer projected for FY 2018-19 and 2019-20 than that of 2017-18 to please be explained.
4. In view of the lower EHT sales projected by all DISCOMs the following format to be filled up and submitted to the Commission on account of open access.

Sl. No.	Name of the Industry	Contract Demand	Total Consumption in during FY 2017-18 (Grid + Open Access)	Open Access availing or likely to avail during FY 2018-19		Open Access likely to avail during FY 2019-20	
				KVA	MU	KVA	MU
		KVA	MU	KVA	MU	KVA	MU

5. The status of clearance by OPTCL on the issues like connectivity of the consumers mentioned in format T-9 to be submitted.
6. Revenue Collected from HT and EHT Consumers towards Reliability Surcharge for FY 2016-17, 2017-18 and 2018-19 up to Nov 2018 should be submitted.
7. Revenue Collected from HT and EHT Consumers towards TOD benefit for FY 2016-17, 2017-18 and 2018-19 up to Nov 2018 should be submitted.
8. The latest T 4 (Consumption and Demand) & T 6 upto December 2018 shall be submitted.

FINANCE

1. The details of component wise actual expenses on Employees cost including Pay, GP, Arrear salary, HR, pension, gratuity, leave and transfer to provident and other funds on monthly for the current year upto the month of November, 2018 to be furnished. Similarly the cash outflow with regards to terminal liabilities item wise for the current year upto the month of November, 2018 to be furnished.
2. SOUTHCO has shown recruitment of 21 non executives during the current year FY 2019-20. The details of such recruitment along with justification, necessity and Board approval shall be furnished.

3. SOUTHCO has projected Rs.33.23 cr. as Additional A&G Expenses for 2019-20. The Commission approves Additional A&G for specific purpose such as customer care, AT &C loss reduction activities including Energy Audit, Automation/IT expenses, Inspection fee and compensation for electrical accidents. Therefore, special A & G projections in other heads to be justified especially special police stations, vigilance and anti theft activities. The justification of projected additional A & G expenses of Rs. 33.23 cr to be submitted comparing to the benefits likely to get by incurring such expenditure. The benefits (item wise) to be quantified.
4. A & G expenses details including energy audit and metering schemes to be furnished.
5. Month-wise expenses towards R & M for the current year up to November, 2018 may be furnished.
6. It is seen from the submission that A&G expenses for 2018-19 is estimated at 47.55 crore as against Rs.29.55 crore of approved ARR. The reason for such wide variance of such expenses may be explained. A month-wise, item-wise statement from April, 2018 to November, 2018 may also be furnished.
7. The amount of capital expenditure and addition to the fixed asset during FY 2018-19 amounts to Rs.1212.00 crore and Rs.427.83 crore respectively (F-2). Scheme wise details are given as under:-

Proposed Capital Expenditure and addition of Fixed Assets FY 2018-19	SOUTHCO	
	Capital Exp.	Addition
Land Building Furniture and Fixtures & others	2.66	2.66
RE/LI/MNP		1.87
PMU		7.72
APDRP		0.55
RAPDRP (A)		
RAPDRP (B)		
S.I. Scheme		
Deposit work & Others	17.40	10.44
RGGVY		
DDUGJY		
NH	2.40	1.49
Biju Gram Jyoti		
Biju Sahar BY		
DESI (GoO)		
RLTAP	13.64	6.82

Capex	39.28	61.93
IPDS	70.00	35.00
ODSSP	368.99	110.70
SCHOOL/ ANGANWADI		
SOUBHAGYA	602.76	120.55
Elephant corridor	9.04	4.52
Other works	88.49	66.24
Total	1214.66	430.49

SOUTHCO is required to furnish the actual expenditure as on date (till end of November 2018 in respect of Capital Expenditure and addition to Gross Fixed Asset during the FY 2018-19.

8. The physical form of investment of such consumer security deposit since 1999-00 (year wise) in different financial instrument to be furnished.
9. An amount of Rs.43.56 crore has been shown for the ensuing year 2019-20 under contractual and outsource obligation (F-12). Details of such calculation indicating the number of such employees, compensation per employee etc. along with actual expenses month-wise for the current till Nov, 2018 to be furnished. A short note on their responsibilities and effectiveness to be furnished.
10. The availability of fund in Employees Trust Fund as on 31.3.2018 and its pattern of investment to be submitted. Further, the actual month wise cash outflow towards terminal liability during FY 2017-18 and 2018-19 (actual up to November 2018) to be furnished.
11. Month wise cash outflow of terminal liabilities under different heads from April, 2017 to November, 2018 may be furnished. The arrear of terminal liabilities on account of 7th Pay implementation may be furnished.
12. Month wise cash flow considering the revenue items only for FY 2017-18 and 2018-19 (actual upto November 2018) to be submitted.
13. Details of investment made out of the available funds from security deposit, pension trust and gratuity trust as on 31.3.2018 and upto November, 2018.
14. Specific computerization year wise programme with regard to billing, collection, and consumer interface shall be given.
15. What are the ongoing training programmes of the employees at all level in order to enhance their skills to tackle billing, collection and technical difficulties on the ground?
16. Employee engaged in franchisee operated divisions to be furnished along with a note on their roles and responsibilities.

17. The performance of franchisee operated divisions including expenses, revenue realized, MU handled for last two years to be furnished. A note on performance and constraints of franchisee operation for each division to be furnished.
18. As per OERC Tariff Regulation, 2014, the licensees are required to submit the segregated audited accounts from FY 2014-15 onwards for Wheeling and Retail business.
19. In the recent past years many system strengthening programmes have been undertaken under various schemes of the state and central government. The assets are also being added through capital contribution from the consumers and loan. The Fixed Asset Register therefore contains necessary details required to compute depreciation. The commission in the past has also emphasized on the submission of the Fixed Asset Register. The up-to-date Fixed Asset Register to be furnished.
20. In the RST order for FY 2018-19 at para 426 dealing with B & D debt, the Commission directed the DISCOM to submit the procedure to write off losses by 30.06.2018. The Commission has not received any compliance of the same. This may be furnished now. It is also seen that the DISCOMs (WESCO, NESCO & SOUTHCO) are projecting provision for B & D debts much beyond the provisions of OERC (Tariff Determination) Regulations, 2014. Reasons for such huge deviation from the Regulation be explained.

21. Division wise LT performance in following format for FY 2017 -18.

Sl No.	Name of Division	No. of consumers	Energy Input(MU)	Energy Sold(MU)	T&D loss	Billing Efficiency (%)	Billing to consumer (Rs. In Crs.)	Collection Received (Rs. In Crs.)	Collection Efficiency (%)	AT&C Loss (%)	LT realization per LT input(P/U)

22. Cash out go on outsource/contractual engagement from April 2018 to November, 2018 may be furnished.
23. Actual corpus fund available upto 31.3.2018 under Pension Fund and Gratuity fund may be furnished.
24. The actual Capital Expenditure and asset addition scheme wise upto November, 2018 may be furnished.
25. The actual fund availability against Security Deposit as on 31.3.2018 along with mode of investment, pledged and free funds may be furnished.
26. The OERC(Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 provides that Licensee shall file an application each year for truing up separately by 1 st week of October along with the audit report. The Licensee has not filed any truing up petition from FY 2014-15 onwards. The Licensee may accordingly file separate truing up petition. as 'per the said Regulation.

27. The Licensee is required to furnish the month-wise receipts for FY 2017-18 and April, 2018 to November, 2018 separately for ESCROW and non-Escrow receipts. Month-wise escrow relaxation availed in various heads from GRIDCO for the same period may also be furnished.
28. Total outstanding against various heads due to GRIDCO upto 31.3.2018 may also be furnished. Month wise BSP, Transmission and SDLC bills and payments made against such bills may be furnished from April, 2018 to November, 2018. The reconciliation statement with GRIDCO regarding part receivable/payable to be submitted.
