

Minutes of Review Meeting on Performance of GRIDCO

Date of review : 03.05.2007

Period of Review : October, 2006 to March, 2007 and 2006-07
(April to March)

Persons present : Shri Gagan K. Dhal, CMD, GRIDCO
Shri U K Panda, Director (Fin)
Shri A.C. Mallick, Director (Com.), GRIDCO,
& other officials of GRIDCO.

a) Demand & Energy Drawl by DISTCOs

Name of the DISTCOs	Average SMD (MVA)		Energy Drawl (MU)	
	OERC's Estimate for 2006-07	Actual for 2006-07	OERC's Estimate for 2006-07	Actual for 2006-07
CESU	719.20	775.96	4164.00	4624.87
NESCO	554.85	562.62	4169.00	3981.12
WESCO	663.76	698.55	4600.00	4670.63
SOUTHCO	288.95	298.87	1750.00	1832.20
All Orissa	2226.76	2336.00	14683.00	15108.83

b) Receipt and Payment of BSP for 2006-07 (April – March)

(Rs. in crore)

	CESU	NESCO	WESCO	SOUTHCO	TOTAL
Total BST Bill (GRIDCO Charge)	551.60	431.76	590.46	188.92	1762.73
Total payment receipt	534.224	431.76	590.46	188.92	1745.36
Gap against current billing	17.37	0.00	0.00	0.00	17.37

c) Commission's Observations: -

- (i) Regarding non-payment of Rs.8.06 crore towards generator dues during 2006-07, the CMD, GRIDCO stated that there were disputes with CGPs and OHPC. Payment shall be made after such disputes are resolved.
- (ii) As stated by GRIDCO, the DISTCOs are paying 100% of Bulk Supply Bill to GRIDCO and some DISTCOs are also paying towards the outstanding Bulk Supply dues. The Director (Finance) of GRIDCO

stated that the DISTCOs were to clear the arrear BSP dues to the tune of Rs. 110 crore during FY 2006-07 as per the direction of the Commission in its Tariff Order against which some of the DISTCOs namely, WESCO and NESCO had paid an amount of Rs 52 crore and Rs.59.82 crore respectively towards the arrear BSP aggregating to Rs 111.84 crore. However, SOUTHCO has not paid any thing towards arrear BSP dues. The Commission has directed GRIDCO to reconcile the arrear BSP dues with DISTCOs immediately and furnish the joint reconciliation statement.

- (iii) The Commission wanted to know about the utilization of surplus funds of GRIDCO made out of trading of power. Replying to the query raised by the Commission, Director (Finance) of GRIDCO stated that they had liquidated an amount of Rs. 601 crore towards repayment of principals during 2006-07. The Commission further enquired about the reduction of actual loan liability of GRIDCO in comparison to the approval given by the Commission and directed GRIDCO to give a summary report of actual interest and loan repayment vis-à-vis the approved figures of the Commission for the FY 2006-07.
- (iv) On the Rs.400 crore bonds issued by three DISTCOs viz. WESCO, NESCO and SOUTHCO in favour of GRIDCO, the Commission directed that this issue should be settled between both the parties and the matter be reported to OERC at the earliest.
- (v) Regarding compilation of annual accounts for the year 2005-06, GRIDCO stated that the Statutory Auditors had audited the Annual Accounts of GRIDCO for FY 2005-06 and submitted their Report. The Supplementary Audit by C & AG U/S 619(4) has been completed. Audit Report of C & AG is awaited. After receipt of the Report from C&AG, the Annual Audited Accounts along with Directors' Report will be placed before AGM for adoption by July 2007. The Annual Accounts for the FY 2006-07 is under finalization which is expected to be placed before the Board of Directors' for authentication in July 2007.
- (vi) On receivables from other States, the Director (Finance) of GRIDCO stated that during FY 2006-07 the licensee had received Rs.25 crore towards arrear as against Rs.20 crore approved by the Commission. The Commission directed the licensee to furnish an action plan for liquidations of arrears outstanding against various States/Agencies.

Annexure

	2004-05	2005-06	2006-07 (Oct-Mar)	2006-07 (Apr-Mar)
Power purchase dues of Generator	1916.52	1974.72	1012.79	2064.43
Amount paid to Generator	1883.80	1984.74	1010.05	2056.37
% of Payment	98.29%	100.51%	99.73%	99.61%
Balance Payable	(32.72)	(10.02)	2.74	8.06
Billing and collection				
DISTCOs				
Billed	1625.54	1710.96	866.45	1762.73
Receipt	1579.10	1810.09	866.45	1745.36
Balance Receivable	46.45	(99.13)	0.00	17.37
% Received	97.14%	105.79%	100.00%	99.01%
Power Trading & UI				
Billed	1138.68	776.79	701.92	1348.92
Receipt	1219.93	776.79	659.44	1306.44
Balance Receivable	(81.25)	0.00	42.48	42.48
% Received	107.14%	100%	93.95%	96.85%
Wheeling & Sale to CPPs*				
Billed	31.61	53.33	4.92	5.32
Received	19.93	53.33	4.92	5.32
Balance Receivable	11.68	0.00	0.00	0.00
% Received	63.05%	100%	100.00%	100.00%
Total GRIDCO				
Billed	2795.83	2541.08	1573.29	3116.97
Received	2818.96	2640.21	1530.81	3057.12
Balance Receivable	-23.12	-99.13	42.48	59.85
% Received	100.83%	103.90%	97.30%	98.08%

*** For 2005-06 and 2006-07, figures relate to CPP Sale only. For other years, the figures relate to wheeling only.**

Directives issued to GRIDCO during the last review taken up in May, 2007

- (i) The Commission directs GRIDCO to reconcile the arrears of BSP dues with DISTCOs immediately and furnish the joint reconciliation statement.
- (ii) The Commission further directs GRIDCO to give a summary report of actual interest and loan repayment vis-à-vis the approved figures of the Commission for the FY 2006-07.
- (iii) On the Rs.400 crore bonds issued by three DISTCOs viz. WESCO, NESCO and SOUTHCO in favour of GRIDCO, the Commission directs that this issue should be settled between both the parties and the matter be reported to OERC at the earliest.
- (iv) The Commission directs the licensees to furnish an action plan for liquidations of arrears outstanding against various States/Agencies.