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**No.DIR (T)-370/09/13/49  
Dated- 06.01.2014**

To

The Managing Director,  
WESCO, At/P.O. Burla,  
Dist. Sambalpur

Sub: **Review of Performance of WESCO for April-September, 2013 held in OERC on 19.12.2013**

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.

Sd/-

**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, Janpath, Bhubaneswar along with copy of the enclosure for favour of information.
- iii) The CMD, OPTCL, Janpath, Bhubaneswar along with copy of the enclosure for favour of information.

## Record Note of Performance Review of WESCO for April-Sept. 2013-14

Date of Review : 19<sup>h</sup> Dec, 2013

Period of Review : April-Sept. 2013-14

Representatives of WESCO, GRIDCO and OPTCL:

The performance of WESCO for the period April-September, 2013 was reviewed by the Commission on 19<sup>th</sup> December, 2013 at 3.30 PM in the presence of senior officials of WESCO, GRIDCO and OPTCL. The key performance indicators of WESCO are as given below:

<b>REVENUE PERFORMANCE OF WESCO</b>			
	<b>Actual for 2012-13</b>	<b>Actual for Apr-Sept- 2013</b>	<b>Approval for Apr-Sept 2013 (Prorated)</b>
Energy input (MU)	6391.00	3312.05	3327.50
<b>SALE TO CONSUMERS (MU)</b>			
EHT	1468.66	814.42	750.26
HT	1230.48	588.55	634.00
LT	1246.20	716.75	1291.05
<b>TOTAL</b>	<b>3945.34</b>	<b>2119.72</b>	<b>2675.31</b>
<b>LOSS (%)</b>			
LT	62.21%	58.07%	25.68%
HT & LT	49.68%	47.74%	25.31%
<b>OVERALL</b>	<b>38.27%</b>	<b>36.00%</b>	<b>19.60%</b>
<b>BILLING EFFECIENCY (%)</b>			
HT	92.00%	92.00%	92.00%
LT	37.79%	41.93%	74.32%
HT & LT	50.32%	52.26%	74.69%
<b>OVERALL</b>	<b>61.73%</b>	<b>64.00%</b>	<b>80.40%</b>
<b>COLLECTION EFFICIENCY</b>			
EHT	81.68%	68.62%	99.00%
HT	91.54%	84.16%	99.00%
LT	94.75%	92.08%	99.00%
<b>TOTAL</b>	<b>94.04%</b>	<b>92.40%</b>	<b>99.00%</b>
<b>AT &amp; C LOSS (%)</b>			
LT	69.14%	71.22%	26.42%
HT & LT	53.94%	56.01%	26.05%
<b>OVERALL</b>	<b>41.51%</b>	<b>41.07%</b>	<b>20.40%</b>

## **Commission's observations:**

The key observations are as follows:-

1. There has been growth of the number of consumers in the LT & HT segments during the period under review. The total number of consumers as on 30.09.2013 is 9.68 lakhs as against 9.15 lakhs as on 31.03.2013.
2. There has been fall in EHT sales by 3.30% from 842.24 MU during April-Sept. 2012 to 814.42 MU during April Sept.-2013. The HT sale has come down to 588.545 MU during April-Sept., 2013 from 611.480 MU during the corresponding period of 2012-13. However, there has been rise in LT sales to the tune of 13.96% during the period. The total sale during the first six months of 2013 is estimated at 2119.717 MU which indicates a marginal rise of 1.78% over the previous corresponding period of 2012.
3. The Distribution loss has been reduced marginally from 37.3% during April-Sept. 2012 to 36% during April-Sept., 2013 as against the OERC target of 19.6% for the FY 2013-14.
4. It was observed during the review meeting that the overall billing efficiency has been low at 64% during April-Sept., 2013 which indicated a rise of 2.27 percentage point i.e, from 61.73% during 2012-13. The Commission expressed its anguish over the very low billing efficiency of 41.93% in LT during April-Sept., 2013 which was a rise of 4.14 percentage point from corresponding figure of 37.79% during 2012-13 and advised WESCO to improve billing efficiency by adopting several practicable measures.
5. The collection efficiency has decreased from 93% during April-Sept., 2012 to 92% during April-Sept., 2013. However, the overall AT&C loss has come down marginally from 41.8% to 41.1% during the period. It may be noted that OERC target for WESCO for 2013-14 in respect of collection efficiency and overall AT&C loss have been of the order of 99% and 20.4% respectively.
6. Arrear analysis of WESCO shows that a sum of Rs. 139.51 crore has been added by Sept., 2013 to the total existing arrear figure of Rs.1086.62 crore as on 31.03.2013. Most part of the arrear accumulation during April-Sept, 2013 has been due to default in LT as well as in HT and also Govt. and PSU

- consumers. The Commission directed WESCO to disconnect Govt. connections with huge arrears and install pre-paid meters in all the cases.
7. It was observed that WESCO has undertaken certain system improvement works and has added to the existing capacity of distribution transformers. The total number of transformers installed was of the order of 723 as on Sept., 2013. Similarly, WESCO has upgraded 413 transformers during this period. There also have been laying of AB cables and conversation of single phase to three phase lines.
  8. The failure rate of Power and Distribution transformer has increased. The number of power transformer burnt has been 24 during April-Sept., 2013. Similarly, the failure of distribution transformers has also not reduced as per the expectation of the Commission. Number of interruptions in 33KV and 11 KV feeders has remained very high at 5926 and 36,599 respectively during April-Sept., 2013.
  9. The metering status of WESCO exhibited no improvement in respect of 33KV and 11KV feeder metering and also consumer metering position. The percentage of working meters during April-Sept., 2013 fell to 79% as against 84% as on March, 2013.
  10. Coming to LT performance of Divisions, it is observed that the AT&C loss in case of LT segment has gone down in many of the Divisions during 2013-14 excepting Sambalpur, Sambalpur-(E) and Titilagarh where AT&C loss has increased marginally during April-Sept.,2013. Accordingly, the LT realization per LT input has increased from Rs.1.09 during April-Sept., 2012 to Rs.1.22 during the corresponding period of 2013.
  11. WESCO reported a negative gap in its cash flow statement generated as on Nov. 2013 after having paid Rs.844.21 crore towards BSP bills (86%), out of which GRIDCO has adjusted Rs.422.12 crore against previous year dues and Rs.422.09 crore against current period BSP i.e., for the period April to Sept., 2013.
  12. WESCO detected 11428 number of theft cases and had raised penal bill worth Rs.1030.47 lakhs and realized Rs.514.51 lakhs from the erring consumers. The total number of FIR lodged was 112 during the period under review out of which 49 court cases have been initiated.

13. As far as CAPEX work is concerned, WESCO has been very slow and work contract worth Rs.40.13 crore has been awarded during the first half of 2013.

The all-Odisha performance indicators with all the four DISCOMs data put together are presented below:

<b>PERFORMANCE OF DISCOMS For FY 2013-14 Up to September 2013</b>						
	<b>All Odisha Actual Fy 2012-13</b>	<b>Performance of DISCOMs up to Sept 2013</b>				<b>All Odisha Actual for Apr-Sept 2013</b>
		<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	
<b>Input in MU</b>	21768.13	4330.85	2676.71	3312.05	1565.82	11885.43
<b>SALE TO CONSUMERS (MU)</b>						
EHT	4,762.03	834.06	828.66	814.42	207.97	2685.11
HT	2,754.20	497.52	232.06	588.55	77.30	1395.42
LT	6,035.60	1461.93	697.66	716.75	625.06	3501.40
<b>TOTAL</b>	<b>13,551.84</b>	<b>2793.51</b>	<b>1758.37</b>	<b>2119.72</b>	<b>910.33</b>	<b>7581.93</b>
<b>DISTRIBUTION LOSS</b>						
LT	53.18%	46.24%	52.48%	58.07%	46.66%	50.47%
HT & LT	48.31%	43.96%	49.69%	47.74%	48.27%	46.78%
<b>OVERALL</b>	<b>37.74%</b>	<b>35.50%</b>	<b>34.31%</b>	<b>36.00%</b>	<b>41.86%</b>	<b>36.21%</b>
<b>BILLING EFFECIENCY (%)</b>						
HT	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%
LT	46.82%	53.76%	47.52%	41.93%	53.34%	49.53%
HT & LT	51.69%	56.04%	50.31%	52.26%	51.73%	53.22%
<b>OVERALL</b>	<b>62.26%</b>	<b>64.50%</b>	<b>65.69%</b>	<b>64.00%</b>	<b>58.14%</b>	<b>63.79%</b>
<b>COLLECTION EFFICIENCY (%)</b>						
EHT	99.63%	114.75%	100.43%	101.96%	100.00%	105.16%
HT	98.09%	97.65%	98.87%	98.06%	94.25%	97.83%
LT	83.91%	78.65%	80.06%	68.62%	73.20%	75.97%
HT & LT	89.36%	84.45%	86.49%	84.16%	76.49%	83.70%
<b>OVERALL</b>	<b>93.34%</b>	<b>94.39%</b>	<b>94.02%</b>	<b>92.08%</b>	<b>83.05%</b>	<b>92.41%</b>
<b>AT &amp; C LOSS (%)</b>						

LT	60.71%	57.72%	61.96%	71.22%	60.96%	62.37%
HT & LT	53.81%	52.68%	56.49%	56.01%	60.43%	55.45%
<b>OVERALL</b>	<b>41.89%</b>	<b>39.12%</b>	<b>38.24%</b>	<b>41.07%</b>	<b>51.72%</b>	<b>41.05%</b>

**Directives of the Commission :**

1. The Commission directed WESCO to identify such consumers (including Govt. connections) whose bills are not paid continuously for the past six months and take proactive action for disconnection of such consumers. Action taken on the matter, Division-wise, be submitted to the Commission. Apart from that WESCO should also take initiative to install pre-paid meters in all Govt. Offices in accordance with the decision of the Govt. of Odisha.
2. To curtail large scale commercial theft especially in commercial organizations and HT consumers, the Commission directed to take punitive measures by suitably applying the relevant provisions of the Electricity Act, 2003 on the influential people who are indulged in theft of electricity. Widespread publication should be made in local newspapers before initiating action on such influential people on their defaulting amount.
3. The Commission expressed its anguish over the very low billing efficiency of 41.93% in LT during April-Sept., 2013 and advised WESCO to improve billing efficiency by adopting several practicable measures. It was observed that the main reason for low billing efficiency is the mischievous activities of meter readers. False and average meter readings are shown for billing purpose instead of the actual reading as indicated in the meter. To stop this practice, the Commission directed that the management should keep a strict vigil on such activities and change/cancel the contract of such meter readers as a measure to improve billing efficiency.
4. The status of energy audit in WESCO is observed to be very poor. One of the main reasons for this seems to be the mischievous activities like breaking of distribution transformer meters by unscrupulous consumers in connivance with some of the Discom's employees. The Commission directed to fix responsibility on the linemen in-charge of the DTR and initiate administrative measures on such employees.

5. The Commission directed WESCO to undertake energy audit in massive scale and improve the metering position and submit the Energy Audit report to the Commission as early as possible.
6. To start with WESCO should take at least one 33/11 KV substation, carry out complete energy audit and submit the report within one month.
7. The best practices suggested in the earlier Commission's letter for metering and billing of all HT & LT consumers having contract demand of more than 20KW may be followed by WESCO. Also as directed by the Commission during the recently concluded hearing on Business Plan, WESCO is required to make metering and other allied arrangement necessary for energy audit for all consumers fed from at least one 33/ 11KV substation for each Circle. Action Plan in this context may be forwarded to the Commission by the prescribed format by 31<sup>st</sup> of Dec. 2013.
8. It has been observed from the review meeting that the support extended by the Energy Policy Stations in the Discoms areas is mostly retrogressive in nature. The Discoms have reported serious lapses in duty by the staff engaged in the Energy Police Stations and some times they themselves are found to be indulging in direct theft of electricity. Hence, there is need for developing a control mechanism on the functioning of the Energy Police Stations. The bills raised on account of A&G Expenses on behalf of Energy Police Stations should be scrutinized by the concerned Discoms and attendance of police officials in duty should be ensured.
9. The Commission directed WESCO to come up with a plan of measures to reduce distribution loss, increase billing efficiency particularly in LT and also enhance Collection Efficiency in the short run as well as long run. A Way Forward Plan may be submitted to the Commission within two weeks time.
10. WESCO is directed to take up the issue of damages during the recent cyclonic storm PHAILIN and cost of restoration of power with Govt. of Odisha to declare the event as force majeure for appropriate treatment of unforeseen expenditure to avoid upfront loading into retail supply tariff.

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