

**ORISSA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAVAN  
UNIT – VIII, BHUBANESWAR – 751 012  
E-mail : orierc@rediffmail.com  
Website : orierc.org**

**Case No.47/2005/  
Date : 31.12.2005**

From

M.R. Hazra, OSJS (Retd.),  
Secretary.

To

The Chief Executive Officer and Administrator,  
Central Zone Electricity Distribution and Retail Supply Utility,  
2<sup>nd</sup> Floor, IDCO Towers,  
Bhubaneswar – 751 022.

**Sub : Revenue Requirement and Tariff Application for the year 2006-07.**

Sir,

On scrutiny of the above application, it has been noted that information and analysis with regard to a number of items which are extremely relevant for the purpose of scrutiny of Revenue Requirement and Tariff for the FY 2006-07 have not been furnished. A list indicating items on which information/clarification is needed is enclosed.

You are hereby directed to furnish the information as per the queries raised in Annexure by 13.01.2006 along with the rejoinder positively.

Yours faithfully,

Encl. : As above.

**SECRETARY**

**Technical/Commercial Information :**

- A) OERC format T-1 (Assessment of consumption)  
It is observed from the Format- T-1 that, quantum of anticipated rebateable units for the FY 2006-07 has not been indicated in the format. The same may be quantified.
- B) a ) OERC format T-7 (expected revenue for ensuing year with existing tariff):
- i) It is observed from the Format- T-7 & T-8 that, consumption for consumption ratio  $\leq 50\%$  (Anticipated) has not been computed correctly. For example, the grand total of consumption for consumption ratio  $\leq 50\%$  should be 2474.62 MU in place of 791.22 MU indicated in the sheet. The same may be corrected.
  - ii) It is seen from the format that, revenue from customer service charge has been computed against Public Water Works ( <100KW ) category whereas, no such charge exists in the prevailing tariff schedule for the same.
  - iii) It is observed from the Format- T-7 that, revenue relief due to prompt payment rebate, revenue relief due to power factor incentive, revenue from power factor penalty in column no. 37, 38& 39 respectively have not been indicated. The same may be filled up.
  - iv) It is seen from the format that, average charge (p/u) in respect of LT, HT, EHT and total has not been indicated. This may be complied with.
- b ) OERC format T-8 (expected revenue for ensuing year with proposed tariff):
- i) It is observed from the Format- T- 8 that, revenue relief due to prompt payment rebate, revenue relief due to power factor incentive, revenue from power factor penalty, total cost of supply, total subsidy and subsidy (in p/u) in column no. 68,69,70,75,76,77 respectively have not been indicated. The same may be filled up.
- C) It is observed from the Format- P-9 that,
- i) Sl. No. in respect of consumers appears as 560 after 539. Perhaps consumers from Sl. 540 to 559 are found missing from the list. The same may be complied with.
  - ii) Similarly, consumers under EHT category are found missing from the list. The same may be complied with.
- D) CESCO in its filing has not submitted information in the following formats. The same may be complied with.
- i) Technical Format T-4 (Consumption/Billing figures for L. T .Industrial (S) Supply Consumers )
  - ii) Technical Format T-5 (Consumption/Billing figures for irrigation & agricultural Consumers)
  - iii) Performance Formats from P-1 to P-8 and P-10 to P-15)

- E) Improvement achieved for the FY 2005-06 ( first six months ) on account of the followings may be quantified category wise .
- a) Incentive due to improvement of power factor to HT & EHT. If there was any improvement in system PF after implementation of PF incentive may be specified.
  - b) Incentive to the new industries with contract demand of 5 MVA & above which came into operation after 01.04.2005 by allowing discount of 25% on energy charge up to 50% load factor.
  - c) Incentive to the Mini Steel Plants by allowing discount of 20% on energy charge up to 50% load factor.
  - d) Incentive to the three phase consumers availing the relief due to TOD tariff.
- F) Revenue receipt for the FY 2005-06 ( first six months ) on account of the following penalties may be quantified category wise
- a) Over drawal penalty.
  - b) Power factor penalty.
- G) Number of un-authorized consumers regularized on implementation of the Voluntary Disclosure Scheme as per the provision of last tariff order, may be furnished category wise.
- H) Steps taken to record simultaneous maximum demand of the company has not been furnished. The same may be complied with.
- I) The effects, if any, due to the continuance of incentive tariff due to higher consumption for industrial consumers need to be quantified.
- J) Revenue receipt on account of DPS may be quantified category wise .
- K) A typographical error appearing in Table-III of the main text against system loss for the FY 2004-05 (Actual ) may be corrected as 41% in place of 38%

### **Financial Information**

1. Information on Project wise / Scheme wise expenditure required in Form F-2 is incomplete. Details of scheme wise expenditure such as APDRP, REC, other T&D etc. need to be furnished.
2. Audited Accounts after FY 2001-02 is not available. As such, the Management Account up to 2004-05 needs to be furnished.
3. The cost of distribution for the FY 2006-07 shown in Form F-9 is Rs.362.91 cr. whereas, the same as per Form F-12 is Rs.361.74 cr. Reasons for such discrepancies need to be clarified.
4. Asset Register of CESCO has not been received from 31.03.99 onwards. The same needs to be furnished.
5. Joint re-conciliation statement regarding loan & interest due to GRIDCO as on 31.03.2005, has not been furnished. This may be complied.

6. Addition of Asset for FY 2005-06 shown in F-35 does not match with the figures shown in F-2. As per Form-35, addition of Asset during FY 2005-06 is Rs. 166.29 Cr. whereas, in Form-2, the same is shown as Rs. 53.04 Cr. The same needs to be clarified.
7. Report of the actuary determining the terminal benefit, has not been furnished. The same may be complied with.
8. In F-3, CESCO has indicated a loan receipt of Rs.110.00 crore from PFC/GOO for FY 2006-07 under APDRP. CWIP indicates (F-2) only addition of Rs.30.54 crore towards CWIP for system improvement. Utilisation of the balance amount may be clarified.
9. In form F-2, CESCO has proposed Rs.47.45 crore towards R&M. Detail break up of expenditure of last two years vis-à-vis the permitted expenditure may be compared. The details of maintenance undertaken since 2004-05 may be furnished.
10. CESCO filing does not indicate the plan of action for completion of energy audit which needs to be clarified and quantified with specific time schedule.