

Technical/Commercial Information

- A) It is observed that, the Tariff formats T-1, T-7, T-8 in the Tariff Application filed by WESCO is not in conformity with the formats issued by the Commission for the purpose of incorporating in the ITM Module as a result of which the linkage with the said module can not be established. The deviations causing mismatch in the formats are listed as under.
- i) OERC format T-1 (Assessment of consumption)
 - a) One additional column (G) as ‘ Percentage rise Annual’ (hidden) has been provided.
 - b) One blank row has been provided after ‘Total Domestic’ which was not provided in the format, prescribed by the Commission.
 - c) Similarly, One blank row has been provided after ‘Grand Total’ which was not provided in the prescribed format.
 - d) Rows for Sale (MU) and Distribution Loss (MU) after Total Power Purchase (MU) has been interchanged.
 - ii) OERC format T-7 & T-8 (Expected Revenue from Existing and Proposed Tariff)
 - a) Number of rows provided at the top ie above the row meant for numbers are not tallying with those provided in the prescribed formats.
 - b) One blank unwanted row has been provided in between ‘Total LT’ & ‘HT’ in Format ‘T-8’
- B) OERC format T-1 (Assessment of consumption)
- i) a) It is observed from the Format- T-1 that, growth of consumption in LT Irrigation category has been estimated as 25% for the FY 2006-07 over FY 2005-06 as against 0.7% growth in number of consumers. The growth proposed does not seem to be realistic one. This may be clarified. In this the status of metering for agricultural consumer need to be supplied.
 - b) Similarly it is observed that, growth of consumption in HT Large Industry, Power Intensive Industry & Mini Steel category has been estimated at 20.67%, 21.74% and 33.95% respectively and growth of consumption in EHT Large Industry & Heavy Industry category has been estimated at 41%, 56.25% respectively for the FY 2006-07 over FY 2005-06. List of new upcoming industries along with their contract demand and expected date of availing power may be furnished. It may also be stated whether, any agreement has been signed with the said industries.
- C) 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.
- D) 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.
- E) 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.
- F) Steps taken to record simultaneous maximum demand of the company has not been furnished. The same may be complied with.
- G) The effects if any due to the continuance of incentive tariff due to higher consumption for industrial consumers need to be quantified.
- H) Revenue receipt on account of DPS may be quantified category wise.
- I) The typographical errors which have crept in may be corrected as under para 6.3.1 of the main text (third line of sub-para-1, third line of sub para-2, seventh line of sub para-2) as “HT General (commercial)” may be corrected as General Purpose < 110 kva.

Financial Information

- A) The revenue gap submitted by the licensee in the last para of clause No. 5 of the filing amounting to Rs.99.78 cr. is not in agreement with the Form F-13 & form-AF-13 (Additional Financial Format). This is to be clarified.
- B) The licensee has not quantified the benefit to be accrued on account of rise in A&G expenses discussed in clause 4.2.3, Table-9.
- C) Report of the actuary determining the terminal benefit of the employees has not been furnished. The same may be complied.
- D) (i) In form No.F-2, Rs.68.05 crore have been shown as capital expenditure for 2006-07. This includes Rs.17.4 crore for RE/LI works. The source of funding of the amount need to be clarified and spelt out whether any return/interest can be permitted on this amount.

- (ii) As against APDRP an expenditure of Rs.51.41 crore has been proposed for 2006-07. The achievement of WESCO under this head since 2004-05 may be quantified in physical and financial terms for justifying the proposed capital expenditure.
- E) In form F-22, WESCO proposed Rs.28.57 crore towards repair and maintenance. The detailed break up of expenditure for the past two years vis-à-vis the permitted expenditure by the Commission may be compared. The details of maintenance taken up since 2004-05 may be placed for information.
- F) In para 2.4.4 of the petition, WESCO proposed an expenditure of Rs.2.09 crore for energy audit. Definite time line has not been specified. This may be done. An expenditure of Rs.60 per transformer per month for preparation of monthly energy accounting may be clarified.

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**Case No.44/2005/
Date : 31.12.2005**

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

To,
The Chief Executive Officer,
WESCO
Burla, Sambalpur – 768 017.
Fax : (0663) 2430895

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.

The loss assessment has been done without completion of transformer metering and 100% metering of the consumers. Loss at HT & EHT level has not been assessed separately.

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

Yours faithfully,

Encl : As above.

SECRETARY