

**Wanting Information in WESCO's ARR Filing, 2010-11**

**Technical**

1. In T-1 Format, WESCO has neither shown any existing consumer in the current year nor has estimated any consumer in the ensuing year in allied agricultural and allied agro-industrial categories. The reason for the same may be explained.
2. In T-1 format, HT (GP > 100 KVA category), although number of consumers has gone up from 54 in the current year to 56 in the ensuing year. The total CD has remained the same WESCO has estimated very little growth of consumption (3.03 %) in the said category. The reason for the same may be explained.
3. WESCO should furnish the reasons for negative estimated growth in consumption in HT (Railway Traction) category at (-) 33.85% for the current year.
4. Numbers of CGPs connected in EHT may be submitted along with their CDs.
5. In T-2 Format current revenue realized from minimum fixed charge billing both in urban / rural areas may be submitted. Reasons for continuance of minimum fixed charge billing may be furnished.
6. Reasons for un-metered supply in rural areas in T-2 Format may be submitted.
7. Reasons for un-metered supply to high value consumers like GP <100 KW category in T-3 format (for 1<sup>st</sup> six month) in rural area may be submitted.
8. In T-4 format, for the first six month, the revenue billed for LT industrial category is 376.55 P/U where as revenue realized is 315.2 P/U. The reason for the low realization may be furnished.
9. WESCO should furnish T-7 and T-8 formats afresh by replacing consumption ratio with load factor both in hard and soft form. This is essential for tariff calculation.
10. WESCO may furnish month-wise power purchase (MU) and SMD (MVA) upto December, 2009 for the current financial year.
11. The list of existing allied agro-industrial consumers / allied agricultural consumers may be submitted.

12. The list of Industrial consumers who availed 20% off-peak MD benefit and also resorted to overdrawal during peak hours may be submitted. The revenue lost on this account may also be furnished.
13. WESCO has not provided documentary evidence in support of distribution loss for FY 2008-09 and for April to September 2009. The same may be furnished.
14. Statement of meter rent receipts for all categories of consumers voltage-wise at EHT / HT / LT three phase and LT single phase for FY 2008-09 and upto September, 2009 of the current year may be furnished.
15. Sub Section in clause (d) under Section 39 (second proviso) and Sub Section (2) under Section 42 (third proviso) stipulate that Open Access surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission. In this regard WESCO may include in its proposal manner of phasing of the cross-subsidy.

### **Finance**

16. The presentation of Balance Sheet as on 31.03.2009 shown in Form F-37 is in variation with the Balance Sheet shown in audited accounts for 2008-09. To cite an example, inventory shown in Form F-37 is Rs.3.98 crore as against Rs.40.39 crore shown in audited accounts. Similarly, capital stock of Rs.36.41 crore shown in Form F-37 is not found in Balance sheet of Audited account of 2008-09.
17. The audited accounts of the licensee for the year 2008-09 have not been prepared in line with the Accounting Policies circulated to licensee vide Lr. No. 26/98/838(5) dtd. 05.05.1999. The Accounts should be prepared in the format prescribed by OERC. Accounts in any other format shall not be accepted. Therefore, the accounts for FY 2008-09 may be prepared in line with OERC prescribed formats and resubmitted.
18. The Audited Balance Sheets for the years 2007-08 and 2008-09 filed with the Commission reflect different figures in respect of some items as on 31.03.2008. The discrepancies are indicated in the table below:

<b>(Rs. in Crore)</b>		
	<b>As per Audited Account Position as on 31.03.2008 (2008-09)</b>	<b>As per Audited Account Position as on 31.03.2008 (2007-08)</b>
<b>(a) Capital Works in progress</b>	9.99	34.19
<b>(b) Inventory</b>	26.34	2.14
<b>(c) Current liability</b>	602.23	367.86

19. In F-2, the scheme-wise capital expenditures projected by WESCO for the FY 2009-10 and 2010-11 are in variation with figures as per Business Plan submitted to Commission.

**Capital Expenditure (Rs. in Crore)**

<b>Year</b>	<b>As filed in ARR</b>	<b>As per Business Plan</b>
<b>2009-10</b>	359.31	622.60
<b>2010-11</b>	754.01	265.05
<b>Total</b>	1113.32	887.65

The reasons for such variations may be explained.

20. In format F-7 & F-9 i.e. calculation of cost of power at different voltage ends, the licensee has assumed loss of 25% in HT system during current and ensuing year. The basis for such assumption vis-à-vis All India comparison may be submitted, as the loss appears to be very much on higher side.
21. In form F-17, the licensee has not segregated the collection of revenue into (i) against current dues and (ii) Against arrear up to previous year. The same may be furnished.
22. Employee Cost: WESCO has proposed an amount of Rs.250.03 crore towards employee cost for the year 2010-11 as found in Form F-21. This amount does not include any arrear towards 6<sup>th</sup> Pay Commission award. But in cash flow statement submitted by the licensee in page-100 of the filing, the employees cost for the year 2010-11 is projected at Rs.252.54 crore. Over and above that, WESCO has shown repayment of arrear towards 6<sup>th</sup> Pay at Rs.17.92 crore. Similarly, for 2009-10, the repayment towards 6<sup>th</sup> pay arrear is shown at Rs.41.82 crore as against NIL figure in Form F-21. This needs to be clarified.
23. As regards terminal benefit of the trusts an amount of Rs.112.16 crore (Rs.106.22 +Rs.5.94 cr) is shown for FY 2010-11 in Form F-21; whereas in Page-46 of the proposal, the same is estimated at Rs.49.14 crore. This needs to be clarified.

24. A&G Expenses: Under this head WESCO has estimated an amount of Rs.36.55 crore for FY 2010-11 as against an amount of Rs.22.81 crore approved by the Commission for FY 2009-10.

While projecting a huge figure of Rs.36.55 crore, WESCO has not quantified the benefits to be accorded in terms of improvement in billing, collection, saving in energy due to reduction in theft etc. More-over, WESCO is required to furnish item-wise actual expenditure incurred up to November, 2009 for the financial year 2009-10.

25. R&M Expenses: WESCO may indicate the actual R&M expenditure upto November, 2009 and the escrow relaxed by GRIDCO upto the same period.
26. Cash Flow: Month wise cash flow considering revenue items only for FY 2008-09 and FY 2009-10 (Actuals upto November 2009) may be submitted.
27. Miscellaneous Income: the licensee has projected Rs.19.84 crore and Rs.19.75 crore towards miscellaneous income during 2009-10 and 2010-11. On scrutiny of Audited Accounts for 2008-09, it is found that WESCO has shown an amount of Rs.32.90 crore towards miscellaneous receipt. Therefore, details of miscellaneous income viz meter rent, DPS, Over Drawal Penalty (ODP) etc. as per actuals upto November, 2009 for the financial year 2009-10 may be submitted.
28. The licensee is required to file the Fixed Asset Register upto 31.03.2009.