

Minutes of Review Meeting on Performance of GRIDCO

Date of review : 18.12.2013 at 11.00 AM

Period of Review : From April 2013 to September 2013

Persons present : Shri H. Sharma, C.M.D., GRIDCO
Shri P.K. Pradhan, Director (Commercial)
Shri B.P. Mahapatra, Director (Finance)
& other officials of GRIDCO.

The CMD, GRIDCO at the outset made a presentation on the performance of GRIDCO for the 1st half of FY 2013-14 i.e. April 2013 to Sept, 2013. The details of energy drawl by the DISCOMs are given in the table below.

Energy Drawl by DISCOMs (MU)

Name of DISCOMs	OERC's Estimate for 2013-14	OERC's Estimate for 2013-14 prorating for 1 st 6 months	Actual for 2013-14 (From Apr,13 to Sept,13)	Over drawal by DISCOMs
CESU	7937.00	3968.50	4331.28	362.78 (9.14%)
NESCO	5269.00	2634.50	2677.85	43.35 (1.65%)
WESCO	6655.00	3327.50	3311.99	-15.51 (0.47%)
SOUTHCO	3187.00	1593.50	1568.01	-25.49 (1.60%)
TOTAL	23048.00	11524.00	11889.13	365.13 (3.17%)

2. It is observed that during the 1st half of the FY 2013-14, net over drawal by all the DISCOMs (after factoring the under drawal of WESCO and SOUTHCO) was 365.13 MU (i.e. 3.17%) as compared to OERC estimate prorated for the period under review. The CMD, GRIDCO stated that due to the good hydrology GRIDCO had purchased a good quantum of low cost power from the State Hydro Stations for DISCOMs to meet the state demand. Consequently the over drawal of energy by some DISCOMs could be met and the per unit power purchase cost for GRIDCO has come down to 189.41 P/U for the period from April 2013 to September 2013 against OERC approval of 229.01 P/U. However, such situation may not prevail for the next six months of the FY 2013-14, when there is irrigation demand from the reservoirs and water will be regulated for power generation and in such a situation GRIDCO may have to purchase high cost power from different sources to meet the state demand.
3. During this financial year GRIDCO had earned an amount of Rs.488.39 crore towards trading and UI charges upto September, 2013.
4. As stated above, due to saving in power purchase cost and sale of surplus power through UI & Trading, GRIDCO posted a positive gap of Rs.852.53 crore during April,

2013 to September, 2013 as against the approval of Rs.168.40 crore for the entire financial year 2013-13, before adjustment of losses for past periods. The table given below reveals the picture of GRIDCO for the FY 2013-14 (upto September, 2013).

(Rs. in Cr.)

Descriptions	Commission's approval for FY 2013-14	Prorating the Commission's approval for 1 st 6 months	Actual from Apr,13 to Sept,13
Power purchase cost	5509.51	2754.76	2542.17
Other costs including interest & financial charges	503.01	251.52	263.16
Rev. Requirement	6012.52	3006.28	2805.33
Revenue realised from sale of power to DISCOMs	6113.92	3056.96	3167.26
Revenue from Emergency sale to CGPs	67.00	33.50	2.21
Revenue from UI & Trading	-	-	488.39
TOTAL REVENUE	6180.92	3090.46	3657.86
Gap	168.40	84.18	852.53

5. **Receipt and Payment of BSP dues (Rs. in crore):**

Name of DISCOMs	Total BSP Bill to DISCOMs	Total Receipt (including Rebate)	Less Receipt over BSP	% of BSP Payment
	A	B	C (B-A)	%
CESU	1121.80	1121.80	0.00	100
NESCO	785.25	730.69	54.56	93
WESCO	976.91	844.21	132.70	86
SOUTHCO	283.30	223.86	59.44	79
TOTAL	3167.26	2920.56	246.70	92

As stated by Director(F), GRIDCO out of the total payment received from WESCO & NESCO during FY 2013-14, the following amounts were adjusted against the unpaid BSP dues of the previous periods and the balance towards current dues.

	<u>Rs. in Crore</u>	
	WESCO	NESCO
BSP paid during 2013-14	844.21	730.69
Adjusted for previous period	422.12	379.38
Balance amount adjusted during FY 2013-14	422.09	351.31

6. As reported by GRIDCO the following amounts outstanding from DISCOMs under different heads. The amount outstanding as on 30.09.2013 is depicted in the table below:-

Rs. in Crore

	WESCO	NESCO	SOUTHCO	REL TOTAL	CESU	TOTAL
A. Bulk Supply Price (2012-13 & 2013-14 upto 30.09.2013)	750.44	588.94	187.98	1527.37	250.18	1777.55
B. Securitised dues (Ref: OERC Order dated 01.12.2008)	294.70	303.37	259.98	858.05	1485.55	2343.60
C. 12.5% Power Bond	-	52.00	146.45	198.45	-	198.45
D. Transfer Scheme	12.19	7.03	29.99	49.21	118.85	168.06
E. Deferred Credit	-	-	-	-	174.00	174.00
F.Total	1057.33	951.34	624.40	2633.08	2028.58	4661.66

7. As stated by GRIDCO during FY 2013-14 DISCOMs are not able to avail Escrow relaxation benefit towards R&M and Employee Cost because of poor cash flow.
8. GRIDCO completed its audited annual accounts upto FY 2011-12 and submitted the same to the Commission. For FY 2012-13 the annual accounts along with the statutory audit report would be available to the Commission by 30.12.2013.
9. The Commission observed that ;
 - (a) GRIDCO should do aggressive trading and earn more revenue to reap the benefit of extra drawal of the hydro power during the FY 2013-14.
 - (b) GRIDCO should monitor the drawal pattern of DISCOMs and pursue SLDC to do realistic scheduling of power to earn more revenue through UI.
 - (c) GRIDCO should make efforts to swap high cost borrowing by availing loan at a lower rate.
 - (d) GRIDCO is to strictly adhere to the privatisation of operation of Escrow account as directed by the Commission in the RST order 2013-14.

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT - VIII, BHUBANESWAR - 751 012

**No.Dir(T)-373/09/18
Dated.02.01.2014**

To

The Chairman-Cum-Managing Director,
GRIDCO, Janpath, Bhubaneswar

Sub: Review Review of Performance of GRIDCO for the 1st half of FY 2013-14, taken up on 18.12.2013.

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the Minutes of Review Meeting on Performance of GRIDCO for the period from April 2013 to September 2013 for your information and necessary action.

Yours faithfully,

Encl: As above.

Sd/-

SECRETARY

Copy to :

The Commissioner-cum-Secretary, Department of Energy, Govt. of Orissa along with copy of the enclosure for favour of information.