

**Minutes of Performance Review of CESU  
from April, 11 to September, 2011 held in OERC on 27.12.2011.**

Date of Review : 27.12.2011 at 04.00 PM

Period of Review : From April, 2011 to September, 2011

Representative of CESU, GRIDCO and OPTCL present during the review:

- (i) Shri B C Jena, Chairman Cum CEO, CESU
- (ii) Shri B K Lenka, COO, CESU
- (iii) Shri Manoj Ku. Singh, GM, CESU
- (iv) Shri P K Dash, Sr. GM (Com.), CESU
- (v) Shri R. Kamilla, GM, EHT (O&M), OPTCL
- (vi) Shri M R Mohanty, AGM (Elec.), OPTCL
- (vii) Shri P K Mohapatra, AGM (Elect.), OPTCL
- (viii) Shri P K Pradhan, Director (Com), GRIDCO
- (ix) Shri S. Pradhan, Dy. Secretary, DoE, GoO

1. Shri M K Singh, GM, CESU made a presentation before the Commission about the performance of CESU during the period from April, 2011 to Sept., 2011 as per the agenda items indicated by the Commission. Commission's Observations on Licensee's Performance in brief are as follows:

**(A) PERFORMANCE OF CESU**

**2. Sales Analysis of CESU**

The Commission noted that during the period under review the energy purchased by the licensee was found to be 3811.29 MU compared to the prorated target of the Commission at 3895.50 MU for FY 1<sup>st</sup> half of FY 2011-12. The represents increase of 1.96 % compared to the purchase during the same period of FY 2010-11. At the same time, the net sale by the licensee has been increased by 1.98 % compared to the sales corresponding to same period for FY 2010-11. The increase in sale is contributed by increase in EHT and LT sale by 0.1% and 2.61% respectively in comparison to the sales corresponding to the same period for FY 2010-11. While there is an increase in EHT and LT sales the HT sales has been decreased by 0.58% compared to the previous years. During the period under review the licensee has achieved 86.43%, 82.95%, 69.53% of the collection target set by the Commission in EHT, HT and LT sector.

**SALES ANALYSIS OF CESU-FY-2011-12 (Up to September)**

	INPUT (MU)	TOTAL SALES (MU)	EHT (MU)	% to Total Sales	HT (MU)	% to Total Sales	LT (MU)	% to Total Sales
TARGET proportionated to half year	3895.50	2960.58	762.90	25.77%	538.55	18.19%	1659.14	56.04%
ACHIEVEMENT	3811.29	2353.03	704.58	29.94%	446.14	18.96%	1202.31	51.10%
% Achieved	97.84%	79.48%	92.36%		82.84%		72.47%	
Achieved Last Year	7069.31	4361.44	1397.23	32.04%	852.22	19.54%	2111.99	48.42%
Proportionated to half year	3534.66	2180.72	698.62		426.11		1056.00	
Change Compared to Last Year	1.96%	1.98%	0.21%	-2.09%	1.18%	-0.58%	3.46%	2.67%
<b>COLLECTION (Rs. in Cr.)</b>								
TARGET		1192.40	384.20		286.96		521.25	
ACHIEVEMENT		932.51	332.08		238.02		362.41	
% Achieved		78.20%	86.43%		82.95%		69.53%	

### 3. Loss Analysis of the CESU

While analyzing the performance regarding the reduction of loss achieved by the licensee it is noticed that the overall distribution loss achieved by the licensee is 38.26% compared to 38.30% during FY 2010-11 resulting in a decrease of overall loss by 0.04%. It is observed that LT distribution loss has reduced from 51.67% during FY 2010-11 to 50.15% during the 1<sup>st</sup> half of FY 2011-12 a decline of 1.52%. However, CESU is still far away from the target of the Commission to achieve LT distribution loss of 29.20% for FY 2011-12. With regard to the performance in achieving AT&C loss it is observed that CESU has achieved an overall AT&C loss of 41.79% compared to 41.00% during FY 2010-11 resulting in a net increase of 0.79% compared to the last financial year. The overall increase in AT&C loss by 0.79 % was due to lower collection efficiency in EHT sector by 4.42% by the licensee compared to FY 2010-11. While there is a marginal improvement in billing efficiency the collection efficiency of licensee has decreased in both EHT and LT sector by 4.42% and 2.71% respectively. In terms of all the parameters discussed above CESU has not been able to meet OERC targets, though not declined unlike other three DISCOMs.

<b>PERFORMANCE OF CESU-LOSS</b>					
	<b>2010-11</b>	<b>Actual FY-2011-12 (Apr-Sept)</b>	<b>Target 2011-12</b>	<b>Deviation from the Target</b>	<b>Change over 2010-11</b>
<b>DISTRIBUTION LOSS (%)</b>					
LT	51.67%	50.15%	29.20%	20.95%	-1.52%
OVERALL	38.30%	38.26%	24.00%	14.26%	-0.04%
<b>BILLING EFFECIENCY (%)</b>					
LT	48.33%	49.85%	70.80%	-20.95%	1.52%
OVERALL	61.70%	61.74%	76.00%	-14.26%	0.04%
<b>COLLECTION EFFICIENCY (%)</b>					
EHT	101.00%	96.58%	99.00%	-2.42%	-4.42%
HT	98.00%	103.47%	99.00%	4.47%	5.47%
LT	90.00%	87.29%	99.00%	-11.71%	-2.71%
OVERALL	95.60%	94.28%	99.00%	-4.72%	-1.32%
<b>AT &amp; C LOSS (%)</b>					
LT	56.55%	56.49%	29.91%	26.58%	-0.06%
OVERALL	41.00%	41.79%	24.78%	17.01%	0.79%

### 4. Performance of Divisions:

The division-wise performance sheet of CESU shows that overall LT Realization to input for all divisions taken together has increased from 143.88 Paise to 150 paise during the period under review. The increase in realization per input is 4.43% compared to the overall RST rise of 17.23% during FY FY 2011-12. The most efficient division in terms of reduction of AT&C – LT loss is found to be CDD-I which has reduced AT&C-LT loss by 3.66%. The reduction of AT&C-LT loss is 2.02% and 2.01% in BCDDE-I and BED respectfully. The worst performing divisions are TED, NED and KED-I where AT&C – LT loss has increased by 8.44%, 6.30% and 3.61% respectfully. The Commission expressed their anguish for the fact that even after repeated instructions the loss level of divisions like NED-Nimapada), SED (Salepur) and KED-1 & 2 has remained at about 70 %. The CEO must initiate stern action against the non-performing divisional heads as directed by the Commission in its letter No. DIR(T)-336/08/2544 dtd.13.01.2012.

**Concrete action taken in this regard against the non-performing and poor performing official and staff should be reported to the Commission by 30.04.2011.**

<b>L.T.PERFORMANCE OF CESU DIVISIONS FOR FY 2011-12</b>									
<b>Rate of Bulk supply Bill (Incl. Transmission) P/U</b>			<b>2010-11</b>	<b>1.82</b>	<b>2011-12</b>	<b>2.43</b>		<b>HT Loss taken @ 8 %</b>	
<b>Sl. No.</b>	<b>Name of Division</b>		<b>LOSS (%) (Assuming HT Loss 8%)</b>		<b>AT &amp; C LOSS (%)</b>		<b>% Increase</b>	<b>Overall Realization Per total Input p/u</b>	<b>LT Realization Per LT Input</b>
			<b>LT</b>	<b>Over All</b>	<b>LT</b>	<b>TOTAL</b>			
<b>OERC TARGET /APPROVED FOR 2011-12</b>			<b>29.2%</b>	<b>24.0%</b>	<b>29.9%</b>	<b>24.8%</b>		<b>3.03</b>	<b>2.20</b>
<b>ACTUAL</b>									
1	BCDD-1	2011-12 (Sept,11)	8.6%	13.7%	8.9%	12.3%	-2.02%	3.95	3.82
		2010-11	8.8%	13.9%	9.3%	14.4%		3.58	3.60
2	BCDD-2	2011-12 (Sept,11)	25.5%	23.0%	30.1%	25.1%	2.12%	3.25	2.60
		2010-11	26.0%	23.0%	25.5%	23.0%		3.00	2.61
3	BED	2011-12 (Sept,11)	25.5%	27.1%	27.3%	27.1%	-2.01%	2.98	2.78
		2010-11	26.8%	27.8%	28.6%	29.1%		2.70	2.61
4	NEDN	2011-12 (Sept,11)	64.2%	66.4%	72.4%	73.5%	0.26%	0.78	0.79
		2010-11	65.3%	67.6%	71.9%	73.2%		0.77	0.79
5	PED	2011-12 (Sept,11)	55.4%	56.4%	64.5%	64.3%	-1.20%	1.30	1.22
		2010-11	57.2%	58.3%	65.2%	65.5%		1.20	1.16
6	NED	2011-12 (Sept,11)	49.8%	53.5%	53.8%	57.0%	6.30%	1.22	1.28
		2010-11	49.5%	53.1%	53.6%	50.7%		1.43	1.33
7	KED	2011-12 (Sept,11)	54.1%	38.9%	61.1%	42.9%	-1.54%	2.51	1.29
		2010-11	53.8%	38.4%	60.2%	44.5%		2.14	1.25
8	BEDB	2011-12 (Sept,11)	51.9%	44.2%	61.3%	49.7%	-0.57%	1.89	1.12
		2010-11	54.0%	45.9%	60.4%	50.3%		1.70	1.13
9	CED	2011-12 (Sept,11)	63.7%	50.4%	73.3%	53.7%	-3.28%	1.89	0.86
		2010-11	67.4%	52.7%	72.7%	56.9%		1.60	0.84
10	CDD-I	2011-12 (Sept,11)	31.0%	33.6%	33.9%	35.4%	-3.66%	2.62	2.58
		2010-11	35.1%	37.2%	36.9%	39.0%		2.32	2.34
11	CDD-II	2011-12 (Sept,11)	40.5%	31.6%	46.8%	34.8%	0.97%	2.94	2.04
		2010-11	38.0%	29.9%	41.9%	33.8%		2.71	2.13
12	AED	2011-12 (Sept,11)	69.6%	35.4%	77.4%	34.6%	-1.70%	2.60	0.65
		2010-11	70.7%	33.5%	75.4%	36.3%		2.25	0.69
13	SED	2011-12 (Sept,11)	56.0%	59.4%	69.4%	71.9%	1.69%	0.79	0.85
		2010-11	56.6%	59.9%	67.5%	70.2%		0.84	0.91
14	KED-I	2011-12 (Sept,11)	49.0%	52.8%	62.8%	65.2%	3.67%	1.07	1.13
		2010-11	48.2%	52.2%	58.3%	61.5%		1.12	1.20
15	KED-II	2011-12 (Sept,11)	60.6%	63.2%	68.5%	70.3%	0.59%	0.87	0.90
		2010-11	63.2%	65.6%	67.8%	69.7%		0.87	0.91
16	PDP	2011-12 (Sept,11)	60.0%	28.4%	67.7%	25.6%	-2.66%	3.18	1.00
		2010-11	59.6%	26.8%	65.2%	28.3%		2.75	1.06
17	JED	2011-12 (Sept,11)	56.5%	59.9%	70.1%	72.5%	0.02%	0.82	0.89

		2010-11	59.2%	62.5%	70.1%	72.5%		0.79	0.86
18	DED	2011-12 (Sept,11)	66.6%	52.0%	75.2%	55.9%	0.85%	1.85	0.80
		2010-11	66.5%	50.3%	74.2%	55.1%		1.69	0.80
19	ANED	2011-12 (Sept,11)	65.4%	54.9%	68.3%	60.7%	2.44%	2.23	1.14
		2010-11	66.3%	54.5%	71.6%	58.2%		2.00	0.98
20	TED	2011-12 (Sept,11)	69.4%	20.1%	74.2%	25.2%	8.44%	3.50	0.83
		2010-11	70.0%	18.6%	75.5%	16.8%		3.30	0.76
CESU TOTAL		2011-12 (Sept,11)	50.2%	38.3%	56.5%	41.8%	0.79%	2.45	1.50
		2010-11	51.6%	38.3%	56.6%	41.0%		2.23	1.44

#### 5. **Franchise Operation by the Licensee**

CESU was directed to cover atleast 3,75,500 nos. consumers by end of 2011-12 vide para 642 of RST Order of FY 2011-12. Against the above target CESU has so far covered 5,10,982 nos. of consumers till 30th Sept., 2011. There are 3 nos. of input based franchisees, 16 nos. of Macro-Franchisees and 318 nos. Micro franchisees operating in the areas of CESU as shown in table below.

<b>Franchisee Activity</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
No of Micro-Franchisees	19	207	318
No of Consumers Covered	18473	120826	192799
No of Macro-Franchisees	5	14	16
No of Consumers Covered	86646	218990	229836
No of Input Based-Franchisees		1	3
No of Consumers Covered		25384	88347
Total no of consumers covered under Franchisee	105119	365200	510982

#### Performance of Micro franchisees

- Average billed amount during this period : Rs.7.79 cr./month
- Average collection during this period : Rs.6.34 cr./month
- Overall collection efficiency: 79%
- Overall billing efficiency: 34%
- Overall AT&C loss: 73%
- No. of consumers covered 1,92,799

#### In comparison to Base line figure

- Collection efficiency has increased by 11% from 68% (Initial Baseline) to 79% by 30.09.2011.
- AT&C loss decreased by 4% from 77% (Initial Baseline) to 73% by 30.09.2011.

#### **Performance of Input Based Macro Franchisee**

M/s Enzen Global Solutions is operating in three nos. of sub-divisions in CESU area, Jagatsinghpur, Kendrapara and Marshaghai covering 88,347 nos. of consumers. During the period under review the performance of M/s Enzen Global is found to be encouraging in Jagatsinghpur and Kendrapara and where the AT&C loss has decreased from 80% (Initial Baseline) to 70% (as on 30.09.2011) and 70% (Initial Baseline) to 64% (as on 30.09.2011) respectively. The performance of M/s Enzen Global is shown in table below:

Area of Franchisee	Comparison	LT Input (in MU)	LT Billing (in MU)	% of Billing	LT Billing in (Rs.)	LT Collection (Rs.)	Collection efficiency against billing Amount (in %)	AT & C Loss (in %)	No. of consumer
JAGATSINGHPUR S/D	Baseline (Aug'09 - July'10)	7.498	2.696	36%	71.45	39.25	55%	80%	
	Performance (Aug'10 - Nov'11)	7.640	3.051	40%	95.93	64.55	67%	73%	25645
KENDRAPADA S/D	Baseline (Nov'09 - Sep'10)	9.581	3.856	40%	120.89	90.63	75%	70%	
	Performance (Apr'11 - Nov'11)	9.477	4.488	47%	165.39	125.22	76%	64%	35145
MARSHAGHAI S/D	Baseline (Nov'09 - Sep'10)	3.749	1.517	40%	41.31	36.77	89%	64%	
	Performance (Apr'11 - Nov'11)	4.964	2.050	41%	58.66	47.66	81%	66%	26663
OVERALL	Baseline Target	20.828	8.069	39%	233.65	166.65	71%	72%	
	Performance (Up Nov'11)	22.081	9.589	43%	319.98	237.43	74%	68%	87453

### Performance of Micro Franchisees

There are 318 nos. of micro franchisees operating in the area of CESU 192,799 nos. of consumers. The brief overall performance of micro franchisees operating in the CESU area is shown in table below:

LT Performance Parameters	NAYAGARH DIVISION		ANGUL DIVISION	
	FY 10-11	FY 11-12	FY 10-11	FY 11-12
	April to Sept	April to Sept	April to Sept	April to Sept
Input (MU)	93.61	101.7	101.136	110.4
Billing (MU)	47.34	51.02	36.34	38.22
Billing (Rs.Cr)	13.18	14.1	12.63	13.7
Collection (Rs.Cr.)	10.92	12.97	9.75	12.54
Distribution Loss (%)	49.4%	49.8%	64.1%	65.4%
Collection Efficiency (%)	82.9%	92.0%	77.2%	91.5%
AT & C Loss (%)	58.1%	53.9%	72.3%	68.3%
Per Unit Realization	1.17	1.28	0.96	1.14
Benefits				
Net Saving (in Rs.Cr.)		1.11		1.90
AT & C Loss Reduction (%)		4.2%		3.9%

**Meter Reading has been handed over from this year. Focus on increasing billing efficiency.**

### Arrear Analysis

- CESU has an arrear of Rs. 1504 cr. as on 30.09.2011 compared to the net arrear of Rs. 1447.46 cr. on 31.03.2011 resulting in a net increase of Rs.56.53 cr. The net addition of arrear by Rs.56.53cr. is due to an increase in arrear in LT, HT, EHT and Govt. Dept. sector by Rs.18.82 cr., Rs.13.37 cr., Rs.5.51 cr., and Rs.18.83 cr. respectively. The addition of arrear during the period under review is Rs.56.53 cr. against collection of arrear of Rs.41.60 cr. The addition of arrear was high in HT sector to the tune of Rs.13.37 cr. against the collection of arrear in the same sector. The Commission expressed concern where there has been addition of arrear to the tune of Rs.18.83 cr. in Govt. Dept. against collection of Rs.3.68 cr in the same sector.

## STATUS OF ARREAR-CESU

Category	Arrear as on 31.03.2011 (Rs. Cr.)	Billing for the 2011-12 (Rs. Cr.)	Collection against current dues for the fy 2011-12	Collection against arrear for the fy - 2011-12	Total Collection for thr fy 2011-12	Arrear for the period (Rs. Cr.)	Arrear as on 31.09.2011	Net Arrear Added during the period
1	2	3	4	5	6=(4+5)	7=(3-4)	8=(2+7-5)	9 (7-5) = 8-2
<b>EHT</b>	15.96	281.27	273.32	2.44	275.76	7.95	21.47	5.51
<b>HT</b>	62.83	230.03	213.24	3.42	216.66	16.79	76.20	13.37
<b>LT</b>	1162.23	377.55	326.67	32.06	358.73	50.88	1181.05	18.82
<b>Govt. Dept. &amp; PSU -LT</b>	137.74	37.64	21.36	3.68	25.04	16.28	150.34	12.60
<b>Govt-HT</b>	68.71	62.55	56.32	0.00	56.32	6.23	74.94	6.23
<b>Grand Total</b>	<b>1447.47</b>	<b>989.04</b>	<b>890.91</b>	<b>41.60</b>	<b>932.51</b>	<b>98.13</b>	<b>1504.00</b>	56.53

### Consumer and Infrastructure Growth

7. During the period under review the no. of consumers has increased from 1,294,226 to 1,364,042 as on 30<sup>th</sup> Sept., 2011. The length of 11 KV feeder of the licensee has increased from 18,465.96 Km to 22,582.28 Km and that of LT line increased from 20,474.53 Km to 29,624.61 Km. Similarly the number of 11 KV feeder breakers installed decreased from 275 nos. to 392 nos. and that of 33 KV feeder breakers increased from 182 nos. to 203 nos. A brief outlook of the infrastructure position of CESU is given below:

No. of consumers			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
EHT	19	21	22
HT	951	1094	1181
LT	1142530	1293111	1362839
<b>Total</b>	<b>1143500</b>	<b>1294226</b>	<b>1364042</b>
Network System			
Length of 33 KV Line (km.)	2799.41	2827.79	2847.39
Length of 11 KV Line (km.)	17896.84	18465.96	22582.28
Length of LT KV Line (km.)	19638.56	20474.53	29624.61
Length of conductor stolen (km.)	36.25	59.40	0
Cost involved (Cr.)	0.07	0.07	0
No. of 33 KV Group Breakers Installed		111	116
No. of 33 KV Feeder Breakers Installed		182	203
No. of 11 KV Group Breakers Installed		235	248
No. of 11 KV Feeder Breakers Installed		275	392

### 8. Metering Position of CESU

During the period under review the percentage of working meters has increased from 88% to 89% as on 30<sup>th</sup> Sept., 2011. It is seen that the no. of consumers availing ToD benefit is 604 only against 38545 no. of three-phase consumers. The Commission expressed displeasure for non-submission of sale and purchase detail of consumer metering during the period under review and directed to submit it before 28.2.2012.

<b>Consumer Metering Position</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
Total number of meters	1107273	1259610	1330423
No. of working meters	999281	1135702	1188708
Percentage of working meters ( % )	87%	88%	89%
New meters installed ( 3 ph )	782	932	1203
New meters installed ( 1 ph )	68574	149794	69816
No of 3 Phase Consumers	33963	36747	38545
No of Consumers with TOD benefit	285	524	604
No of Consumers above 10 KW load	12117	14012	15211
No of Consumer AMR metering			
Total No of consumers	1143500	1294226	1364042
No of consumers added during	69455	150726	69728
No of meters purchased during	11000	2780	2068
No of meters used for installation for new consumer and replacements for old consumers during FY 2010-11			N/S
Cost involved in purchase of meters during FY 2009-10 Cr.	1.21	0.31	0.23
Cost of meter rent Collected during FY 2010-11			N/S

**(B) SECTORAL ANALYSIS**

**9. Sales Analysis of the Sector**

A glance to the input to the sector as a whole shows a rise of 0.79 % in purchase of energy by the licensees taken together. However the sales by the licensees show an increase of energy by 2.65 % during FY 2011-12 during the period under review while compared to 2010-11. The rise in 2.653% in sales achieved mainly due to the increased sales in EHT and LT by 3.39 % and 5.61% respectively during FY 2011-12. A cursory look into the ratio of LT to total sales shows that the dependability of the licensee on LT sales has been increased by 4.11 % whereas that on HT has been reduced by 5.07 % during the period under review.

<b><u>PERFORMANCE OF DISTCOS (ALL ORISSA)-Sales Up to Sept 2012</u></b>							
	<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>Total Sales During FY- 2011-12</b>	<b>2010-11</b>	<b>Change comp. to 2010-11</b>
<b>TOTAL Purchase</b>	3,811.29	2,583.03	3,154.69	1,409.38	10,958.39	21244.79	0.79%
<b>SALE (MU)</b>							
EHT	704.58	893.78	721.74	187.53	2,507.63	4417.09	3.39%
HT	446.14	241.65	603.56	83.80	1,375.15	3106.27	-2.86%
LT	1,202.31	587.80	621.92	468.36	2,880.39	4704.64	5.61%
<b>TOTAL</b>	<b>2,353.03</b>	<b>1,723.24</b>	<b>1,947.22</b>	<b>739.69</b>	<b>6,763.18</b>	<b>12,228.00</b>	<b>2.65%</b>
% EHT to Total	29.94%	51.87%	37.07%	25.35%	37.08%	36.12%	0.95%
% HT to Total	18.96%	14.02%	31.00%	11.33%	20.33%	25.40%	-5.07%
% LT to Total	51.10%	34.11%	31.94%	63.32%	42.59%	38.47%	4.11%

## Growth of Categories and their Consumption

10. So far as LT Sales are concerned the consumption has marginally increased from 67.08% as on Sept., 2010 to 67.47% during the period under review. There was an additional consumption of 8.39% by Kutir Jyoti consumer. It has been observed that the consumption by medium industries has reduced from 3.59% to 1.80% during the period of review. There has been reduction of LT and HT consumption in the state as a whole. The LT consumption has reduced 38.20% to 36.33 % during the period under review. While the HT consumption has reduced from 23.11% to 20.90%. On the other hand the consumption of EHT sales in the state as a whole has increased from 38.69% to 42.77% during the period under review. It has been observed that the realization per unit input has been found to be highest from large industries at 760.36 paise and lowest at 53.49 paise from Kutir Jyoti consumers. As admitted by the CEO of Distribution licensee, the higher realization in PWD was due to collection of some arrears.

ALL ORISSA LT PERFORMANCE-As on September-2011									
Category	% Consumption on Sept 2010	% consumer on Sept-2010	2011-12 (upto Sept.2011)					% Consumption	% consumer
			No. of Consumer	Consumption (MU)	Per Unit Billed P/U	Realization per unit Input (in Paise)	Billing per Consumer per Month(Rs)		
Domestic	67.08%	86.00%	2965770	1943.26	233.55	164.49	255.05	67.47%	81.84%
Kutir Jyoti			304118	45.35		53.49	34.05		8.39%
L.T. General (Com)	18.64%	7.61%	261554	529.98	601.87	555.33	2032.59	18.40%	7.22%
Agriculture	2.48%	1.16%	37299	68.11	134.71	69.22	409.97	2.36%	1.03%
Street Lighting	1.08%	0.02%	119	2.87	152.45	214.49	6134.17	0.10%	0.00%
Agro			99	1.58	201.23	186.82	5348.35	0.05%	0.00%
Allied Agro			1561	29.78	548.96	370.17	17457.29	1.03%	0.04%
Small Industry	2.14%	0.59%	8698	57.57	521.00	335.60	5747.62	2.00%	0.24%
Medium Industry	3.59%	0.13%	18573	51.85	558.29	558.35	2597.56	1.80%	0.51%
Specified Pub. Purpose<100KW	2.10%	0.57%	4570	105.55	596.44	622.90	22960.36	3.66%	0.13%
Spec. Pub. purpose >100KW	1.95%	0.17%	21621	44.27	518.35	396.03	1768.81	1.54%	0.60%
PWW	0.19%	0.06%	1	0.05	706.58	711.50	59750.87	0.00%	0.00%
Large Industry	0.01%	0.00%	3	0.16	771.11	760.36	69693.99	0.01%	0.00%
<b>TOTAL L.T.</b>	<b>100.00%</b>	<b>100.00%</b>	<b>3623986</b>	<b>2880.40</b>	<b>329.93</b>	<b>265.50</b>	<b>437.06</b>	<b>100.00%</b>	<b>100.00%</b>
<b>SUMMARY</b>									
LT	38.20%	99.94%	3623986	2880.40	329.93			36.33%	99.93%
HT	23.11%	0.06%	2378	1657.03	440.54			20.90%	0.07%
E HT	38.69%	0.00%	88	3391.33	373.42			42.77%	0.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>3626452</b>	<b>7928.76</b>	<b>371.65</b>			<b>100.00%</b>	<b>100.00%</b>

## Collection of Arrear Analysis of the sector

11. The status of arrear in the state as a whole is as given in the table below:

STATUS OF ARREAR-Odisha-As on September-2011								
Category	Arrear as on 31.03.2011 (Rs. Cr.)	Billing Up to Sept.2011 (Rs. Cr.)	Collection against current dues for the FY 2011-12	Collection against arrear for the FY 2011-12	Total Collection for the FY 2011-12(Up to Sept.2011)	Arrear added during the period (Rs. Cr.)	Arrear as on 30.09.2011	Net Arrear Added during FY 2011-12 so far
1	2	3	4	5	6=4+5	7= (3-4)	8= (2+3)-6	9=8-2
EHT	100.22	1203.85	1154.98	3.75	1158.73	46.42	145.33	45.11
HT	103.60	690.33	659.83	8.99	668.82	27.08	125.11	21.51
LT	3117.19	877.43	649.51	89.77	739.28	195.86	3255.34	138.14
Govt. PSU-LT	224.42	78.98	54.27	7.42	61.69	21.03	241.70	17.28
Govt.PSU-HT	218.27	96.14	76.82	2.48	79.30	19.32	235.11	16.84
<b>Grand Total</b>	<b>3763.70</b>	<b>2946.72</b>	<b>2595.42</b>	<b>112.40</b>	<b>2707.82</b>	<b>309.70</b>	<b>4002.58</b>	<b>238.89</b>



During the period under review the net arrear of all the DISCOMs taken together has increased from Rs.3763.70 Crore as on 31.03.2011 to Rs.4002.58 Crore as on 31 09.2011 thereby resulting an increased of arrear by Rs.238.89 crore during the period under review. The contribution of WESCO found to be the highest in terms of addition of arrears by 40.48% of the total arrear added during the period followed by CESU, NESCO and SOUTHCO with 23.66%, 22.79% and 13.06% respectively. All the DISCOMs have collected less arrear compared to arrear added during the period under review.

<b>ARREAR ANALYSIS-As on September-2011</b>							
<b>DISCOM</b>	<b>Arrear as on 31.03. 2011</b>	<b>Arrear added during (April to Sept., 2011)</b>	<b>% of arrear added to Odisha total</b>	<b>% of arrear added to OB</b>	<b>Arrear Collected</b>	<b>% of arrear Collected to added</b>	<b>Arrear as on 30.09.2011</b>
CESU	1447.47	56.53	23.66%	3.91%	41.60	73.59%	1504.00
NESCO	941.76	54.43	22.79%	5.78%	26.82	49.27%	996.19
WESCO	929.06	96.71	40.48%	10.41%	25.49	26.36%	1025.77
SOUTHCO	445.41	31.21	13.06%	7.01%	18.49	59.25%	476.62
<b>TOTAL</b>	<b>3763.70</b>	<b>238.89</b>	<b>100.00%</b>	<b>6.35%</b>	<b>112.40</b>	<b>47.05%</b>	<b>4002.58</b>

#### **Performance Analysis of the DISCOMs of the State**

12. During the period under review the overall sales of SOUTHCO found to have increased highest by 2.95%. The overall sales in case of LT the sales of CESU found to be highest with 3.46% compared to the previous year. All DISCOMs have shown a decrease in overall distribution loss while there has been an increase in LT distribution loss by all DISCOMs. That implies that the licensees have fared more or less badly in LT while compared to reduction of loss in HT. The reduction in AT & C loss in LT is highest in WESCO with 2.12 % followed by CESU. The performance of WESCO in reducing LT AT & C front is good; this is because it had the higher AT&C loss of 74.04% compared to 56.55% for CESU and all DISCOMs at 63.87% for 2010-11. However it should be kept mind that the Realization per Input LT is still at 89.47 paise which is the lowest among all DISCOMs being 119.50 on the average for all DISCOMs and 150.25 paise for CESU. The Realization Per Input for 2010-11 for WESCO being the lowest at 78.73 paise compared to all DISCOM average of 112.79 paise and 143.87 paise for CESU during 2010-11. The increase is apparently high though it still remains the lowest at 89.47 paise compared to all DISCOMs average of 119.50 paise and 150.25 paise for CESU during 2011-12 upto Sep' 2011.

<b>PERFORMANCE OF DISCOMs-AT A GLANCE-As on September-2011</b>										
	2010-11		2011-12-Up to Sept.		Change compared to Last Year	2010-11		2011-12-Up to Sept.		Change compared to Last Year
	OERC Approval	Actual	OERC Approval	Actual		OERC Approval	Actual	OERC Approval	Actual	
<b>SALES ANALYSIS</b>										
	OVERALL					LT				
CESU	4791.30	4361.45	2960.58	2353.03	1.98%	2879.30	2111.99	1659.14	1202.31	3.46%
NESCO	4176.30	3435.59	2171.79	1723.24	0.08%	1631.70	1134.58	950.77	587.80	0.90%
WESCO	4999.80	3978.72	2661.95	1947.22	-0.53%	2053.80	1156.10	1212.63	621.92	1.90%
SOUTHCO	1709.10	1323.38	1004.38	739.69	2.95%	1182.50	844.61	699.03	468.36	2.73%
ALL ORISSA	15676.50	13099.14	8798.69	6763.18	0.82%	7747.40	5247.28	4521.56	2880.39	2.45%
<b>OVERALL LOSS PERFORMANCE</b>										
	OVERALL DIST. LOSS (%)					OVERALL AT & C LOSS (%)				
	2010-11		2011-12-Up to Sept.		Change compared to Last	2010-11		2011-12-Up to Sept.		Change compared to Last
	OERC Approval	Actual	OERC Approval	Actual		OERC Approval	Actual	OERC Approval	Actual	

					Year						Year
<b>CESU</b>	25.37%	38.3%	24.00%	38.26%	-0.04%	26.86%	41.00%	24.76%	41.79%	0.79%	
<b>NESCO</b>	18.46%	32.8%	18.40%	33.29%	0.53%	20.09%	36.56%	19.22%	38.06%	1.50%	
<b>WESCO</b>	19.93%	38.9%	19.70%	38.28%	-0.62%	21.53%	42.94%	20.50%	44.87%	1.94%	
<b>SOUTHCO</b>	27.82%	48.2%	26.50%	47.52%	-0.70%	29.27%	52.60%	27.24%	53.12%	0.52%	
<b>ALL ORISSA</b>	22.22%	38.3%	21.71%	38.28%	-0.06%	23.77%	42.62%	22.49%	43.29%	0.67%	
<b>LT LOSS PERFORMANCE OF DISCOMs</b>											
	LT DISTRIBUTION LOSS (%)					LT AT & C LOSS (%)				Change compared to Last Year	
	2010-11		2011-12-Up to Sept.		Change compared to Last Year	2010-11		2011-12-Up to Sept.			
	OERC Approval	Actual	OERC Approval	Actual		OERC Approval	Actual	OERC Approval	Actual		
<b>CESU</b>	29.40%	51.63%	29.20%	50.15%	-1.47%	30.81%	56.55%	29.91%	56.49%	-0.06%	
<b>NESCO</b>	29.40%	55.36%	27.05%	55.21%	-0.14%	30.81%	66.25%	27.78%	67.53%	1.28%	
<b>WESCO</b>	29.40%	64.79%	27.11%	61.96%	-2.83%	30.81%	74.04%	27.84%	71.91%	-2.12%	
<b>SOUTHCO</b>	29.40%	55.32%	27.75%	54.98%	-0.34%	30.81%	60.92%	28.47%	63.87%	2.95%	
<b>ALL ORISSA</b>	29.40%	56.58%	27.98%	54.99%	-1.59%	30.81%	63.87%	28.70%	63.78%	-0.09%	
<b>REALIZATION PER UNIT INPUT (RPI) OF DISCOMS</b>											
	OVERALL (2010-11)		OVERALL 2011-12-Up to Sept.		% Increased	LT-FY (2010-11)		LT 2011-12-Up to Sept.		% Increased	
	Target	Achieved	Target	Achieved		Target	Achieved	Target	Achieved		
<b>CESU</b>	236.73	223.05	306.10	244.67	9.69%	174.90	143.87	222.43	150.25	4.43%	
<b>NESCO</b>	260.69	233.00	339.79	273.45	17.36%	143.20	101.00	227.45	102.68	1.66%	
<b>WESCO</b>	257.15	221.47	331.72	256.13	15.65%	130.40	78.73	204.78	89.47	13.65%	
<b>SOUTHCO</b>	196.07	166.64	262.27	185.18	11.13%	143.70	119.02	206.16	116.61	-2.02%	
<b>ALL ORISSA</b>	244.37	216.43	316.30	247.10	14.17%	154.76	112.79	216.31	119.50	5.95%	

### **OBSERVATIONS**

13. While looking in to the performance of the sector during the period under reviews following points were observed by the Commission.

1. While LT sales increased by 5.61 %, LT AT & C loss decreased by 0.09 %
2. Although AT&C loss in LT decreased by 0.09 % the LT realization target achieved by the licensees as a whole has been increased by 5.95 %.

(C) **Compliance to the action points outlined by the Commission in the performance review meeting for FY 2010-11(Up to Sept) during the month of December 2010.**

14. **INITIATIVES TO REDUCE LOSS**

(i) **Load Verification of Feeders**

Directives:

DISCOMs must submit the load verification report of all feeders up to 440 volt /LT before next review meeting and match it with the load of the consumers.

Achievement:

With reference to the directive of the Commission CESU has submitted load verification of 87 nos of feeders from 5 no of Divisions namely BCDD-I, BCDD-II, BED, CDD\_I, CDD-II & NED. The total CD of the consumers has been found to the half of the total KVA of the feeder.

(ii) **Voluntary declaration of contract demand of residential premises of the DISCOM employees**

Directives:

All employees of DISCOMs must voluntarily declare the Contract Demand of their residential premises.

Achievement:

For reducing the AT&C loss required publication has been made in news papae requesting all employees to declare their contract demand in the residential premises. In pursuance to the news paper publication detail step taken by the employees is yet to be received.

(iii) **Verification of load and contract demand for all high valued consumers with CD>20KW**

Directives:

The DISCOMs must verify the load and Contract Demand of all high valued consumers above 20 KW.

Achievement:

For reduction of AT&C loss substantial drive is being made by MRT Party of CESU by way of verifying load and contract demand of high value consumers with CD more than 20KW. The details is given below:

**Abstract of MRT Meter Testing from April to Nov.-2011(CD>20KW)**

<b>Name of the Division</b>	<b>Total No of checking/ Testing</b>	<b>No. of the meters found By Passed/ Tampered</b>	<b>No of meters in which abnormality is detected</b>	<b>Excess Load (i.e. MD&gt;CD)</b>
Kendrapada	213	7	4	8
Dhenkanal	842	10	10	21
Cuttack	1313	10	76	44
Bhubaneswar	1532	2	20	68
<b>Total</b>	<b>3900</b>	<b>29</b>	<b>110</b>	<b>141</b>

**Cross checking of meter readings**

Directives:

DISCOMs were directed to submit the revenue generated by cross-checking of meter reading.

Achievement:

Cross-checking of meters is made as per the yardstick fixed by Executive Engineers, SDOs and JEs. In CESU, such activity is being taken up and details of revenue generated by such cross-checking will be intimated after collecting detailed information from field.

15. **ADMINSTRATIVE MEASURES**

(i) **Fixation of Responsibility & Accountability**

Directives:

Strict administrative action must be taken against errant and callous employees as provided under service code. Performance review of employees after attaining the age of 50 years and compulsory retirement to the non-performing/poor performing officials should be initiated.

Achievement:

With regard to the directive of the Commission to take action against callous Officers not achieving the targeted performance CESU yet to initiate any such actions as felt during the review meeting.

(ii) **Delegation of Power**

Directives:

The delegation of technical, financial and administrative matter should be finalised before 28.02.2011

Achievement:

In view of the CAPEX programme CESU has finalized a module for delegation of Technical, Financial & Administrative matters Submitted before the Commission for necessary information.

16. **FUNCTIONING OF ENERGY POLICE STATION & VIGILANCE**

(i) **Functioning of the Energy police station & Vigilance and Antitheft Measures**

Directives:

The target for number of raids and checking to be carried out by DISCOMs was 720 & 7200 for CESU, 540 & 5400 for NESCO, 180 & 1800 for WESCO and SOUTHCO(both) respectively and revenue generated should be 10 times that of expenditure.

Achievement:

In response to the directive the Commission CESU has submitted a table showing 662 nos. of raids conducted exclusively by EPS and 325 nos of raids conducted by MRT staffs.

During the period under review the nos of cases finalized under Sec.126 &135 has been reduced from 11863 during Fy-2010-11 to 3125. Similarly the amount finalized has also reduced from 3.17 crore (2010-11) to Rs.0.70 crore (Apr. Sept.2011-12)

<b>Anti Theft Measures</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
No of cases Finalised under Section 126 & 135		11863	3125
Amount Finalised		3.17	0.70
Amount Assessed during filing of case			
No of new connections given		4745	1406
No of Connection Regularised		4745	1406
Amount Collected (Cr.)		0.55	0.16
NO. of FIR Lodged	298	519	438
No. of illegal consumers prosecuted/Initiated in Court			312
Number of disconnection made			752
Revenue realised ( Rs. Cr. )			0.16

(ii) **Action taken with report of AMR & Vigilance cell**

Directives:

All DISCOMs were advised to initiate strict disciplinary action against officials pointed out by AMR and Vigilance Cell and action taken report should be submitted to the Commission. The Commission vide this para had directed CESU to clean up its own house by taking action against the employees of the CESU directly or indirectly indulging in theft of energy.

Achievement:

In response to the directive of the Commission with regard to the fixation to the responsibility and accountability CESU submitted a list of 17 employees on whom proceedings has been drawn up, 7 nos of show cause notices issued and 5 nos of explanations has been called by the Management during the period under review

17. **SYSTEM UP GRADATION**

(i) **Submission of cost Data**

Directives:

Cost Data upto 2009-10 should be submitted before 29th February'2011.

Achievement:

CESU submitted that the cost data for FY 2009-10 is under process of preparation and will be submitted soon.

(ii) **Preparedness of DISCOMS to utilize capex**

Directives:

DISCOMs were advised to prepare ring fenced projects along with their base line data and submit before the Commission.

Achievement:

In response to the directive of the Commission CESU submitted the names of 20 Divisions under 5 Circles of CESU where base line data has been monitored during last six months. The no. of Sections covered varied between 105 to 123 & Sub-divisions varied from 19 to 25.

(iii) **Achievement on recommendation of Expert Team, Loss reduction Committee & Quality of Supply Improvement Committee.**

Directives:

The licenses are required to take follow up action on pending recommendation /direction with reference to the enquiry conducted by independent expert as regards to maintenance and operation of distribution S/S and lines. Apart from that, the Commission has setup 2 nos of Committees to recommend measures on Reduction of Loss & Improvement of quality of Supply. The follow up actions on such recommendations by the licensees should be submitted before the Commission before 31<sup>st</sup> January 2012.

Achievement:

The status of Inquiry Committee report as on 31<sup>st</sup> March 2011 has already been submitted during the last review meeting and further progress, if any, will be reported after availing the different information from the field.

18. **COLLECTION OF ARREAR**

(i) **Separate target for collection of Current and Arrear revenue and Improvement of Collection Efficiency at Division Level.**

Directives:

The DISCOMs were directed to fix specific target for collection of current and arrear revenue for each and every divisional officer.

Achievement:

In response to the directive of the Commission CESU has submitted the details of target setup for 20 Divisions of the licensee. However it is regretted that CESU has collected only Rs41.60 crore against a total target of Rs.197.20crore set by the management.

(ii) **Strategy for Collection of Arrear from High valued Consumers**

Directives:

CESU, NESCO and WESCO were directed to collect arrears from all high valued HT & EHT consumers.

Achievement

On the contrary to the directives of the Commission CESU has collected only Rs2.44 crore against an outstanding arrear of Rs 15.96 crore on EHT consumer. Similarly the collection from HT consumers was only Rs.3.42 crore against an opening balance of Rs.62.83 crore.

(iii) **Strategy for Arrear from Govt Dept & PSU**

Directives:

DISCOMs were directed to furnish the list of defaulting organisations to the concerned treasury, special treasury and sub-treasury for disallowing and bills of such defaulting organisations as advised by the Finance Department and should disconnect supply to the NTTs by considering them as ordinary consumers.

Achievement:

In response to the directives of the Commission CESU has collected only Rs.3.68 crore against an opening balance of Rs.206.45 crore as on 31.03.2011.

19. **TECHNOLOGICAL UPGRADATION**

(i) **Feeder Metering Position**

Directives:

All the licensees should achieve 100% metering upto the level of distribution transformers

Achievement:

During the period under review the no of Distribution Transformer Metering position has increased from 9421 to 9750 nos.

<b>FEEDER METERING</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
No. of 33 KV feeders (excluding GRIDCO interface)	109	114	114
No. of 33 KV feeder metering	79	68	68
No. of 11 KV feeders	601	623	624
No. of 11 KV feeder metering	495	513	535
No. of 33 / 11 kv transformers	374	397	397
No. of 33/11 kv transformer metering position	81	232	232
No. of distribution transformers (11/0.4 & 33/ 0.4 kv)	22796	25848	29624
No. of distribution transformer metering position	8832	9421	9750
Energy Audit Carried Out-33 KV	65	42	44
Energy Audit Carried Out-11 KV	30	30	129
Energy Audit Carried out- No of DTRs covered	225	275	550

**(ii) Energy Audit of CESU**

Directives:

DISCOMs were directed to achieve energy audit for at least 50% of 33 and 11KV feeders by end of this year to achieve the long term goal of Energy Audit at DTR level.

Achievement:

In response to the directive of the Commission CESU has submitted energy audit for 30 nos. of 33KV feeders the highest loss among those feeders was found to be 9% in Balikuda feeder under Cuttack Grid and the lowest loss is yet 0.04% in Bajragbali feeder under Choudwar Grid similarly CESU has submitted energy audit for 111 nos. of 11 KV feeders. The highest loss is 86.91% found to be yet Kakudia 11 KV feeder under Harirajpur section of the licensee and the lowest loss is found to be 3.77% at Doordarshan UG 11 KV feeder coming under Tulasipur section of the licensee.

**(iii) Reduction of Loss with technological intervention.**

Directives:

The Commission vide this Para had directed DISCOMs to generate sufficient revenue to meet their cost of service & turn around the distribution business. The DISCOMs were directed to achieve 90% of the collection per LT input target set by the Commission by adopting various technical as well as administrative measures.

Achievement:

The COO, CESU stated that they are trying their best to increase revenue & reduce theft. CESU has taken following measures for reduction of theft and to increase revenue.

- AMR system for high value consumers (3900 nos. is under tendering process)
- 100% metering is one of the strategies adopted to do improve LT billing efficiency.
- Check meter readings are compared periodically and in case of any discrepancy inspection of consumer premises is being taken up.
- Micro franchisees are being encourage in rural areas to improve collection efficiency.

20. **QUALITY OF SUPPLY**

(1) **Quality of Supply**

Directives:

There must be a significant reduction in no of failure in transformer and interruptions in feeders by undertaking timely R & M works.

Achievement:

The CEO CESU stated that they have taken several steps to improve the quality of supply to the consumers. However, it is observed that the number of transformers brunt during the first half of the current financial year (April to September, 2011-12) found to be 1909 against 2589 nos. of transformers brunt during the last financial year i.e. 2010-11. Similarly there is no improvement in the number of interruption 33 KV feeders which remained at 16763 nos. during the 1<sup>st</sup> half of the current Financial Year against 34165 nos. during the last financial year i.e. 2010-11. On the other hand the interruption in 11 KV feeder has reached as high as 105617 during the 1<sup>st</sup> half of current financial year against 136565 nos. during the entire FY 2010-11.

<b>QUALITY OF SUPPLY</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
Failure of Power Transformers	23	25	13
No. of transformers burnt	2911	2589	1909
Cost involved (Cr.)	7.28	6.39	4.71
No of Interruptions in 33 KV Feeders		34165	16763
No of Interruptions in 11 KV Feeders		136565	105617

(2) **System Improvement Works**

Directives:

The Commission has directed to carry out system improvement works in the Retail Supply Tariff Order of FY 2011-12 as detailed of Table 121 of para 634.

Achievement:

Against the direction of the Commission to upgrade and install 1000 new distribution transformers CESU has installed 265 new transformers and upgraded 89 transformers during the period under review. Similarly CESU has laid 70 Kms of AB cable against the target of AB cabling of 300 Kms. during the period under review.

<b>SYSTEM IMPROVEMENT WORKS DURING REVIEW PERIOD</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
Installation of New Transformers in Nos.	540	413	265
Upgradation of Transformers in Nos.	373	273	89
Installation of Pillar Box in Nos.	1669	2619	2619
Length of AB Cable Laid (Km)	213.38	258.42	69.44
Conversion of Single Phase to Three Phase Lines (Km)	52.34	93.31	n/s

21. **Quality of Service**

(1) **Consumer Complaints**

Directives:

Prompt follow up action should be taken on all grievances. Punishment should be initiated for non-compliance of consumer grievances.

Achievement:

CESU has provided with a list of 236 pending consumer complaints/grievances reported in news dailies up to May 2010 forwarded by OERC for disposal vide Commission's letter No. Secy/CC/3970 dtd. 21.05.2010. Compliance reports on 190 of the above are yet to be submitted. Since then 42 more complaints have been forwarded for action upto March, 2011.

(2) **Implementation of GRF Orders**

Directives:

CESU was directed to comply with the orders of GRF in a time bound manner.

Achievement:

Regarding disposal of consumer complaint for the year 2011-12 (Upto Sept., 2011) as reported by the respective GRFs, 25 cases of GRF Bhubaneswar are registered, 23 disposed and 16 cases are pending for disposal as on Sept., 2011, 167 cases of GRF Cuttack are registered, 162 disposed and 14 pending for disposal as on Sept., 2011, 46



cases of GRF Khurda are registered, 55 disposed and 27 pending for as on Sept., 2011, 50 cases of GRF Dhenkanal are registered, 47 disposed and 43 pending as on Sept., 2011, 40 cases of GRF Paradeep are 35 disposed and 24 pending as on Sept., 2011.

<b>Functioning of GRF</b>			
	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>	<b>As on 30.09.2011</b>
No. of Grievances received through CHP	NS	NS	15637
Disposed through CHP including Bijuli Adalat	NS	NS	15224
No. of GRF Orders received	NS	NS	328
No. of GRF Orders Complied	NS	NS	76

## 22. **Implementation of Safety Measures**

### Directives:

DISCOMs should appoint Electrical Safety Officers, in terms of the requirement under CEA (Measures relating to safety and Electric Supply) Regulations, 2010 for ensuring observance of safety measures in their organisation for construction, operation and maintenance of distribution system. The CEO should review the work of the safety officer once in each quarter and take up the required steps on the report submitted by the Safety Officer for over safe operation of the distribution system.

### Achievement:

The CEO, CESU stated that they have taken several measures to improve safety of the distribution system. The following works are undertaken for elephant corridor on safety ground in the jurisdiction of Angul, Chaipal and Dhenkanal divisions of the Licensee.

- Insertion of interposing poles to increase Ground Clearance
- Restringing of conductor for safe ground clearance
- Up-gradation of conductor's to prevent snapping.
- Replacement of bare LT conductor with AB conductor to provide safety.

## 23. **Improvement of Voltage Profile**

### **A) Low voltage in Cuttack and Ful nakhara area due to Bidanasi-Chandaka-Mancheswar-Cuttack 132 KV Line constraint**

#### Reply-OPTCL

This problem will be eliminated after completion of Paradeep and Jagatsinghpur link by June 2012.

### **B) Low voltage in Khurda area due to Chandaka-Khurda area due to line constraint.**

#### Reply-OPTCL

After completion of Karadagada 220/132 KV S/s between Banki and Khorda this problem will be sorted out.

### **C) Low voltage in Bhubaneswar area**

#### Reply-OPTCL

An 40 MVA transformer has been installed at Chandaka after which much has been improved in Mancheswar area. With completion of 33 KV line between Nayapali and

Chandaka the present load on Ranasingpur has been decreased and the voltage profile of both Ranasingpur and Napalli has been improved.

**(D) Overall performance for the half year ending 30.09.2011**

24. From the review of the performance of the DISCOMs conducted from 22.12.1011 to 27.12.2011, the Commission finds that no perceptible serious efforts have been made by the distribution companies to reduce the loss which is the main cause for poor financial state of affairs of the distribution companies. In most of the cases the distribution loss as well as the AT&C loss have rather increased during April-September, 2011 compared to those in 2010-11. This would be seen from the table given below:

<b>DISCOMs LOSS PARAMETERS FY 2011-12 (Up to Sept)</b>					
<b>DISCOM</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>CESU</b>	<b>TOTAL</b>
Overall Distribution Loss	33.29%	38.28%	47.52%	38.26%	38.28%
Distribution Loss In LT	55.21%	61.96%	54.98%	50.15%	54.99%
Overall AT & C Loss	38.06%	44.87%	53.12%	41.79%	43.29%
AT & C Loss in LT	67.53%	71.91%	63.87%	56.49%	63.78%
AT & C Loss in Ht& EHT Taken Together	58.70%	55.50%	62.05%	50.62%	55.26%
Collection Per Input-Overall	273.45	256.13	185.18	244.67	247.10
Collection Per Input-LT	102.68	89.47	116.61	150.25	119.50
<b>LOSS PARAMETERS FY 2010-11</b>					
<b>DISCOM</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>CESU</b>	<b>TOTAL</b>
Overall Distribution Loss	32.75%	38.89%	48.22%	38.30%	38.34%
Distribution Loss In LT	55.36%	64.80%	55.42%	51.63%	56.58%
Overall AT & C Loss	37.87%	42.20%	52.60%	41.00%	42.62%
AT & C Loss LT	66.25%	74.06%	60.90%	56.56%	63.87%
AT & C Loss in Ht& EHT Taken Together	56.79%	54.59%	58.78%	51.57%	54.54%
Collection Per Input-Overall	225.67	218.01	165.19	223.08	215.19
Collection Per Input-LT	101.00	78.73	119.02	143.87	112.79

The overall performance of CESU during the 1<sup>st</sup> half of the FY 2011-12 has improved to some extent compared to its performance during FY 2010-11 but still far below the desired level. The LT and overall AT&C and distribution loss has remained more or less same during the period under review and it is well below the target set by the Commission. Unless, the performance of CESU is improved further during the remaining period of the financial year 2011-12, it will be difficult for the licensee to improve the quality of supply in its area of operation. This is a matter of serious concern for the consumers and for the employees of the CESU whose sustenance depends on substantial improvement in its performance particularly in the matter of AT&C loss reduction and collection of arrear and redressal of consumer grievances.

**(E) Further directions of the Commission for compliance by the DISCOMs**

25. As per Clause 7.1 of the License Conditions the licensee is required to develop and maintain an efficient, coordinated and economical distribution system in the Area of Distribution and effect supply of electricity to consumers in such area of supply in accordance with the provisions of the Act, the State Act, Rules, Regulations, Orders and Directions of the Commission. Basically the Licensee is the utility service oriented company and servicing consumers in proper manner is the primary responsibility of the Licensee.

In this connection it must be made clear to all employees of the distribution company that collection of legitimate revenue from the consumers is one of the essential requirements for maintaining the quality service to the consumers, because without collection of revenue it shall not be possible to pay the power purchase cost, meet the expenditure on salary, operation and maintenance expenditure and other essential requirement to maintain the standard of service to the consumers. Hence, each and every employee starting from the Managing Director down below upto the Lineman is individually, jointly and severally responsible to ensure proper service to the consumers by discharging their duties which inter alia includes collection of revenue as one of the most important functions. This must be made clear to all employees of the concerned distribution companies.

26. Some employee organization of the distribution companies have demanded that Managing Director/CEO should not review the performance of JEs directly when SE, EE and SDO are there. It has been reported that some JEs have also boycotted the review meeting taken by MD, WESCO. This type of attitude and stand of the employees is simply reprehensive and totally uncalled for. In the hierarchical structure of administration of the distribution licensee, all employees down below the MD/CEO heading the organization are accountable to him/her (MD/CEO) for their performance in all respects, including proper maintenance of distribution network and collection of revenue. Hence, MD/CEO can and shall review the performance of all employees starting from SEs, EEs, Assistant Engineers, Junior Engineers and even lineman at any time. The boycotting of any performance review meeting taken by MD/CEO by any employees amounts to dereliction of duties and calls for stringent disciplinary action against such employees/group of employees. This must be abundantly made clear to all employees of the distribution companies.

Any employee indulging in anti-consumer activities or showing non-cooperation in collection of revenue must be sternly dealt with and the Commission shall not tolerate any leniency in this respect.

27. Unless the overall AT&C loss is reduced substantially and per unit input realization is improved, it would be difficult for the DISCOMs to meet the power purchase cost and other day to day expenses like salary, O&M expenses etc. in view of rising procurement cost of power. The worst division should be identified and the concerned Executive Engineer may be asked to reduce at least 30% of the present level of loss by 31.3.2012. The salary of the Executive Engineer and the other staffs upto lineman for the month of March, 2012 shall not be paid unless the minimum target of 30% of the present level of loss is reduced by 31.3.2012. Similarly, all other divisions should be asked to reduce the present level of loss at least by 20% by end of 31.3.2012, failing which appropriate action should be taken against the Executive Engineer and the staff below him upto the lineman.
28. The other important directions issued by the Commission as indicated below vide their letter No. Dir(T)-336/08/2544 dated 13.1.2012 shall be scrupulously followed and compliance reported as per the time schedule indicated therein:-
- (1) Feeder-wise responsibility should be fixed on the concerned JE and he/she should be designated as Feeder Manager. The Feeder Manager shall be personally responsible for reduction of loss in the feeder in his charge.
  - (2) Routine maintenance like trimming of trees, cleaning and ensuring neutral grounding of transformer, replacement of broken wires and loose connection would reduce the loss to a substantial extent as confirmed by Chairman-cum-CEO, CESU during performance review on 27.12.2011.

- (3) In the past instruction was issued to cross check the meter reading taken by the meter readers or the employees of the agency engaged for meter reading and billing. In a large number of cases in CESU under billing has been detected. There should be regular cross checking of meter readings and the result thereof should be reported to the Commission before 15th of every month.
- (4) It is seen that the meter readers are also not covering all the consumers who have been even brought to the billing fold. Monthly review should be conducted by the concerned CEO/MD to see that all the consumers in the billing fold are covered under the billing cycle.
- (5) One of the reasons for poor billing and higher loss is on account of large number of consumers having been not brought to the billing fold. All the JE/SDO (Electrical) and concerned Executive Engineer be asked to verify and bring all the consumers to the billing fold latest by 31.01.2012 and certificate to that effect should be obtained from them that all the consumers enjoying electricity have been brought to the billing fold. The correctness of such certificate should be cross checked through a senior officer and CVO from the headquarters. Particularly, in case of RGGVY and BGJY programme even though lines have been charged and the consumers are drawing power they have not been brought to the billing fold for months together. As instructed earlier as soon as the lines have been charged regular monthly bill should be issued to the consumers pending formal taking over of the documents from the central PSUs.
- (6) It is generally pointed out that the loss in case of EHT consumers is zero and in case of HT consumers it is 8%. But in reality this does not take into account unauthorized abstraction of electricity by these high end consumers. 100% checking of the meters of EHT & HT consumers should be periodically ensured by MRT staff. It was reported that some of these high end consumers are using technology like remote control mechanism to tamper or disable the meter temporarily and accordingly while conducting verification of their meters, appropriate instrument should be used to detect such bypassing meters. All high end consumers of contract demand of 20 KW above be invariable covered under AMR and their consumption pattern be analyzed both at Divisional and Headquarter office. Divisional Engineers be made accountable for proper billing and collection of such high end consumers of CD 20 KW and above.
- (7) Monthly report should be submitted by 15th of the succeeding month to the Commission indicating the name of high end consumers like industries, hotels, nursing homes, shopping malls, hospitals, private education institutions, cinema houses, fabricating units, vehicle showrooms etc., where verification / cross checking of meters has been done and the result of such verification/raids. Monthly target should be fixed for the CVO and Energy Police Stations for verification and conducting raids of high value consumers.
- (8) Monthly consumer Mela should be organized to bring other small consumers abstracting electricity unauthorizedly in the billing fold and the procedure for giving new connection should be simplified. The introduction of giving new connection on Tatkal basis should be worked out so that the genuine consumers desirous of taking power supply should not face problems.
- (9) From the review, it is seen that bills raised during the current financial year have not been collected fully and arrear has been added which works out to Rs.294.90 crore for the period 01.04.2011 to 30.09.2011 as indicated below:

<b>Name of DISCOMs</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>CESU</b>	<b>Total</b>
Addition of arrear (Rs. in Crore)	54.43	96.71	31.21	112.55	294.90

Special drive should be launched for collection of arrear both in respect of Govt. departments, urban local bodies, lift irrigation points, pani panchayat, urban water supply, rural water supply, hospital, etc. as well as other private consumers including HT & EHT consumers. All DISCOMs must ensure that all EHT and HT consumers not only pay the current monthly bills in time but also all arrears outstanding against them shall have to be cleared by 31.03.2012 at the latest. The DISCOMs are directed to report the monthly progress by 15<sup>th</sup> of the succeeding month.

- (10) Adequate number of call centers should be opened for facility of registering complaint as well as collection and giving new connection to the consumers and taking up other activities to provide better service to the consumers.
- (11) In the rural areas more Women Self Help Groups should be entrusted with billing, collection and constant liaison should be held with the District Administration to entrust number of villages to Women Self Help Groups. Each DISCOMs must cover at least 30000 consumers through Women Self Help Groups during 2011-12.
- (12) As decided in the meeting held on 29.01.2011, the agencies, organizations willing to supply install smart meters which can connect/dis-connect, enhance load remotely, and facilitate meter reading along with other standard meter features should be entrusted with supply, installation, billing and collection and increase in the revenue per input should be appropriately shared keeping in view their requirement to recover the cost of capital. Preferably one or more division should be entrusted to such of the willing agencies on Build-Own-Operate-Transfer (BOOT) modality with revenue sharing basis so that they will have economy of scale to ensure economy in operation and better performance. The broad scope of the work may be as per Annexure attached herewith subject to detail negotiation and agreement between licensees and agencies. The firms, who have participated in the presentation at OERC on the subject be approached for detailed meeting and negotiation at your end. After negotiation and formal agreement vetting of the Commission may be sought for before signing the final agreement.
- (13) It is seen that the substantial amount of arrear of electricity dues are outstanding against various departments and organization under its control, including municipalities. Show cause notices should be issued to all such organization indicating the date line to clear their outstanding dues failing which no leniency should be shown to disconnect their power supply. The clear cut instruction issued by Finance Department to ensure timely payment of electricity dues by various organization should be brought to the notice of the district administration and they should be informed not to interfere in the efforts to disconnect the power supply to the defaulting organizations.
- (14) In CESU area, the energy police station have made a number arrests but in WESCO area no such arrest has not been made. The number of arrests in NESCO and SOUTHCO is also very small. However, arrest of culprits does not have any perceptible impact on reduction of incident of theft of electricity. This should be possible only when the culprits are penalized by expeditious finalization of the criminal proceedings drawn against them. Addl. District & Session Judge of Balasore, Berhampur, Bhubaneswar, Cuttack & Sambalpur

have been notified as Special Courts for trial and offences under section 135 to 140 and 150 of the Electricity Act, 2003 and steps may be taken to request them to devote specific days in a week for trial of offences of the Electricity Act, 2003. For the area other than those for which Special Courts have been notified, the Dist. & Session Judges/ SDJMs may also be approached for expeditious trial of the energy related cases as Rule (11) of the Electricity Rule, 2005 stipulates that the jurisdiction of such courts shall not be barred under sub-section 1 of section 154 till such time the Special Court is constituted under sub-section 1 of section 153 of the Act. In this connection, the copy of the letter **No.2484 dtd.03.01.2012 addressed to Secretary, Department of Energy is enclosed for necessary follow up action in the matter.**

- (15) All DISCOMs must make concerted efforts to increase billing and collection efficiency to ensure that monthly current BST and transmission bills are paid in time and arrear differential BST bills are paid in full to GRIDCO before 31.03.2012.
- (16) Special drive should be launched to ensure implementation of all pending orders of GRFs and Ombudsman by 31.01.2012. Besides, a monitoring mechanism should be put in place to ensure timely implementation for such orders within 30 days from the date of orders of GRFs/ Ombudsman or the time limit prescribed in such orders. As instructed in the interactive meeting held with GRFs & Ombudsman on 21.09.2011 monthly meeting should be taken up by the MD/CEO with GRFs to review the disposal of grievance cases, implementation of orders and GRF/ Ombudsman and the feed back regarding the defects/ deficiencies in service to the consumers noticed by them.
- (17) Deterrent action has to be urgently taken against the official and staff for their poor performance. The Commission in their letter No.2269 dtd.03.12.2011 have already issued, necessary instructions. Action taken in this regard should be reported to the Commission by 10.02.2012 at the first stance and there after by 10.04.2012.
- (18) Apart from the above, the Commission vide letter No.2527 dtd.11.01.2012 has also directed as under:

*“Pending Introduction of Smart Grid Solutions deploying BOOT Model on Revenue sharing basis as stated above, I am directed to inform that the Commission desires that all consumers with a Contract Demand of 20 KW or more of your DISCOM should be covered under AMR (who are not covered under BOOT Model) undertaking a Special Programme through retrofitting wherever required within 3 months time i.e. by 15.04.2012 positively, if required, meeting such expenditure from Capex Funding. The arrangement for monitoring of such AMRs in CEO’s Office, Division Office as well as in OERC shall also be made installing suitable terminals at such places so as to keep a strict vigil on the performance of AMRs and on billing of high value consumers. The road map of the completion of 100% AMR for high value consumers may please be furnished for information of the Commission.”*

29. The licensee CESU is directed to ensure strict compliance of the various directions of the Commission as per the time schedule indicated above and fix responsibilities and accountability at different levels to improve the overall performance failing which stringent action should be taken against the defaulting and non-performing officers and staffs.

**ODISHA ELECTRICITY REGULATORY COMMISSION**  
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**No.DIR (T)-368/09/  
Dated- .02.2012**

From

Shri P K Swain  
Secretary

To

The Chief Executive Officer,  
CESU,  
IDCO Tower, Bhubaneswar.

**Sub: Review of Performance of CESU for April, 11 to September, 2011 held in OERC on 27.12.2011.**

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.

**SECRETARY**

**Copy to:**

- i) The Principal Secretary, Department of Energy, Govt. of Orissa 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.