

ODISHA ELECTRICITY REGULATORY COMMISSION
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No.OERC-Eng-58/2000(General)-1683

Dated- 31.12.2015

To

The Authorised Officer,
NESCO,
Januganj, Balasore.

Sub: **Review of Energy Audit and Revenue Collection of NESCO for the first half of FY 2015-16 held in OERC on 07.12.2015.**

Sir,

In inviting a reference to the above subject, please find enclosed herewith a note on performance of NESCO for first half of FY 2015-16 for your information and necessary action.

Yours faithfully,

Encl : As above .

SECRETARY

Copy to:

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

Sd/-

SECRETARY

**Notes on Energy and Revenue Performance Review of NESCO for FY 2015-16 i.e. from
April'15 to September'15**

Date of Review : 7th December, 2015 at 12.00 AM
Period of Review : FY 2014-15 i.e. from April'14 to March'15
Members Present : Representatives of NESCO, GRIDCO and OPTCL
(List enclosed)

The Energy Audit and Revenue performance of NESCO for the first half of FY 2015-16 was reviewed by the Commission on 7th December, 2015 at 12.00 AM in the presence of senior officials of NESCO, as annexed with this report. A brief minute of this meeting is as given below:

The meeting began with the review of revenue performance of NESCO. The increase in the revenue during the 1st six months of the current FY has been found to be Rs.65.61 cr. compared to the same period of the previous year. This has resulted in an increased realisation per LT input by 15.22 paise against the average RST hike of 20 paise across all categories of consumers. The loss reduction, if any, is not visible due to existence of arrears and needs to be more prominent. To this, the Authorized Officer, NESCO submitted that they have taken a lot of measures to reduce loss in their area of operation. As a result of this the consumer coverage has been increased from 36% to 47% and it will improve further during the 2nd half of the year. All the revenue divisions of NESCO are now operated as profit centres having monthly and annual performance target with reference to energy input, energy billing, amount billed, amount collected with other operational parameters. The 1st half yearly performance of four DISCOM of the state are as given below :

COMPARISON OF 1ST SIX MONTH PERFORMANCE

	AT & C LOSS		% Difference	REVENUE		Difference in Rs Cr	Realization Per Input LT		Difference in Paise
	LT			Rs Cr			in Paise		
	2014-15	2015-16		2014-15	2015-16		2014-15	2015-16	
CESU	55.11%	52.79%	-2.32%	1335.07	1388.87	53.80	203.21	221.91	18.70
NESCO	56.38%	55.62%	-0.76%	857.77	923.38	65.61	173.99	189.21	15.22
WESCO	72.69%	67.91%	-4.78%	1150.31	1157.96	7.65	113.03	136.83	23.80
SOUTHCO	56.34%	54.39%	-1.95%	376.33	401.38	25.05	171.21	192.74	21.53

ENERGY AUDIT:

The Authorized Officer NESCO submitted that as an initiative to carry out energy audit in the entire NESCO area the licensee has completed the 11 KV **Sahadevkhuntia feeder** under Balasore division of NESCO in line with the earlier direction of the Commission to carry out energy audit starting from a sub-station to the end user consumer of a single feeder. The 11 KV Sahadevkhuntia feeder has emanated from Sovarampur 33 KV primary sub-station and is having 71 number of DTR ranging from 16 KVA single phase to 500 KVA three phase transformers. The consumer base of the feeder is having 4171 of domestic consumers, 900 number of GP consumers, 16 number of small and medium industries and 19 number of other categories. They have touched the LT loss level to a barest minimum of 15% reducing it from 35% between July to Sep, 2015 in the following manner.

July'2015:	35% loss with input 13.972 Lakhs and billing 8.74 lakh units.
August'2015:	22% loss with input 14.27 lakhs and billing 10.71 lakh units
September'2015:	15% loss with input 15.34 lakhs and billing 12.57 lakh units

The Commission expressed displeasure over lagging energy audit activity undertaken by DISCOMs. OERC has given several directions in past to carry out energy audit in at least one 33 KV feeder starting from the sub-station to the level of consumer and complete mapping. NESCO stated to have completed complete energy audit of one 11 KV feeder i.e , Sahadevkhuntia feeder under Balasore division. WESCO and SOUTHCO identified Cheruapda 33kv Feeder in Sambalpur Electrical Division and Ramachandrapur 33/11 KV S/s under GNED,Chatrapur respectively.

However Commission appreciated the initiative of NESCO in carrying out energy audit of a complete feeder including the consumers. But, at the same time insisted that the same effort should continue further and the loss that has been achieved should be maintained. The loss so found out should be monitored regularly. DISCOM has to show a strong will power to cover up energy audit in at least 10 numbers of feeders in a month so as to complete energy audit in their entire area of operation within five years.

Commission finds it appropriate to attract provision of Section 142 under Electricity Act for failure on the part of DISCOMs to carry out the order of the Commission. The DISCOM have to demonstrate their commitment to conduct energy audit covering not less than then (10) number of feeders in a month so as to complete energy audit in their entire area of operation within a visible time frame.

DIRECTIVES OF THE COMMISSION

1. Commission expressed displeasure over the poor performance of DISCOMs Sales and collection from revenue is far from a sustainable business environment.
2. There appears to be no improvement during the 1st half of the current financial year compared to that of the previous year i.e. 2014-15 so as to make an optimistic assumption.
3. Therefore it is directed that:-
 - (a) The growth in sales on energy and connected revenue must be in upward trend month-wise for each division to achieve the loss reduction target specified by the Commission.
 - (b) CEOs and COOs shall monitor the improvement parameters monthly basis and fortnightly for last quarter of the year.
 - (c) Officers in charge of divisions and circles shall monitor performance under them weekly preferably on Monday and Tuesday at 10.00AM and prescribe corrective measures to achieve the target along with report to COO.
 - (d) There must be visible progress on installation of AMRs for specified CD. Work plan shall be submitted to COO/ CEO. All officers shall endeavor to achieve the target promised. Consolidated report shall be submitted to Commission monthly.
 - (e) Energy Audit targets must be progressive and periodical reports shall be sent to Commission till target achieved.
 - (f) Metering installations shall be complete with CT & PT / metering cubicle for Energy Audit. Road map for energy audit shall be furnished by each division to COO. All officers shall ensure adherence to targeted commitments.
 - (g) Directions in various ARR's shall be complied.
 - (h) CEO and COO of each DISCOM is directed to prepare plan & PERT chart on sales, revenue and energy audit and submit it to Commission and also direct subordinate for strict implementation.
