

**Minutes of Performance Review of NESCO
from April, 11 to September, 2011 held in OERC on 22.12.2011.**

Date of Review : 22.12.2011 at 11.00 AM

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

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

- (i) Shri Sandesh N Rane, MD, NESCO
- (ii) Shri Sarbeswar Bhuyan, GM (O&M)
- (iii) Shri S D Bhanja, GM (R&T)
- (iv) Shri Shart Ch. Singha, Sr. GM (Com.)
- (v) Shri Updendranath Mishra, AGM (Elec.), OPTCL
- (vi) Shri Sandeep Kumar Puri, AGM(O&M), OPTCL
- (vii) Shri Parthasarathi Patra, AGM (O&M), OPTCL

1. Shri Sandesh Rane, MD, NESCO made a presentation before the Commission about the performance of NESCO 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 NESCO

Sales Analysis of NESCO

2. The Commission noted that during the period under review the energy purchased by the licensee was found to be 2583.03 MU compared to the prorated target of the Commission at 2661.5 MU for FY 1st half of FY 2011-12 resulting in a net increase of 0.49 % 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 0.08 % 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 0.14% and 0.90% 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 1.92% compared to the previous years. During the period under review the licensee has achieved 94.96%, 91.12% & 45.46% of the collection target set by the Commission in EHT, HT and LT sector respectively.

SALES ANALYSIS OF NESCO-FY-2011-12 (Up to September)								
	INPUT	TOTAL SALES	EHT	% to Total Sales	HT	% to Total Sales	LT	% to Total Sales
TARGET proportionated to half year	2661.50	2171.79	945.98	43.56%	275.04	12.66%	1659.14	76.39%
ACHIEVEMENT	2583.03	1723.24	893.78	51.87%	241.65	14.02%	587.80	34.11%
% Achieved	97.05%	79.35%	94.48%		87.86%		35.43%	
Achieved Last Year	5067.40	3435.59	1777.48	51.74%	523.53	15.24%	1134.58	33.02%
Proportionated to half year	2533.70	1717.80	888.74		261.76		567.29	
Change Compared to Last Year	0.49%	0.08%	0.14%	0.13%	-1.92%	-1.22%	0.90%	1.09%
COLLECTION								
TARGET		904.34	458.65		149.28		296.42	
ACHIEVEMENT		706.33	435.54		136.02		134.76	
% Achieved		78.10%	94.96%		91.12%		45.46%	

3. **Loss Analysis of the NESCO**

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 33.29% compared to 32.75% during FY 2010-11 resulting in a increase of overall loss by 0.54%. It is observed that LT distribution loss has reduced from 55.36% during FY 2010-11 to 55.21% during the 1st half of FY 2011-12 a decline of 0.15%. However, NESCO is still far away from the target of the Commission to achieve LT distribution loss of 28.16% for FY 2011-12. With regard to the performance in achieving AT&C loss it is observed that NESCO has achieved an overall AT&C loss of 38.06% compared to 36.56% during FY 2010-11 resulting in a net increase of 1.50% compared to the last financial year. The overall increase in AT&C loss by 1.50 % was due to lower collection efficiency in EHT sector by 2.75% and 3.49% in LT Sector by the licensee compared to FY 2010-11. While there is a marginal improvement in collection efficiency the billing efficiency of licensee has decreased by 0.54%.. In terms of all the parameters discussed above NESCO is far away from the OERC target.

PERFORMANCE OF NESCO-LOSS					
	2010-11	Actual FY-2011-12(Apr-Sept)	Target 2011-12	Deviation	Change
LOSS (%)					
LT	55.36%	55.21%	27.05%	28.16%	-0.15%
OVERALL	32.75%	33.29%	18.40%	14.89%	0.54%
BILLING EFFECIENCY (%)					
LT	44.64%	44.79%	72.95%	-28.16%	0.15%
OVERALL	67.25%	66.71%	81.60%	-14.89%	-0.54%
COLLECTION EFFICIENCY (%)					
EHT	102.00%	99.25%	99.00%	0.25%	-2.75%
HT	100.00%	99.98%	99.00%	0.98%	-0.02%
LT	76.00%	72.51%	99.00%	-26.49%	-3.49%
OVERALL	94.30%	92.84%	99.00%	-6.16%	-1.46%
AT & C LOSS (%)					
LT	66.25%	67.53%	27.78%	39.75%	1.28%
OVERALL	36.56%	38.06%	19.22%	18.84%	1.50%

4. **Performance of Divisions:**

The divisional performance sheet of NESCO shows that overall LT Realization to input for all divisions taken together has increased from 101 Paise to 103 paise during the period under review. The increase in realization per input is against 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 SED-Sore, where the AT&C-LT loss has been decrease from 68.45% during FY 2010-11 to 63.20% during the period under review. The worst performing divisions is KED, Keonjhar where I where AT&C – LT loss has increased from 18.094%, during FY 2010-11 to 47.76% during the period under review.. The Commission expressed displeasure for the fact that even after repeated instructions the loss level of many divisions like BSED, Bhadark, AED, Anandpur , KUED, Kuakhia, BPED, Baripada & SED (Sore). The CEO must initiate stern action against the non-performing divisional heads as directed by the Commission in their Lr. No. Dir(T)-336/08/2544 dated 13.1.2012.

Concrete action taken in this regard against the non-performing and poor performing official and staff should be reported to the Commission by 28.02.2012.

LT PERFORMANCE OF NESCO FOR FY 2011-12 (APRIL - SEPTEMBER)									
Sl. No.	Name of Division	Year	T & D Loss (%) (Assuming HT Loss 8%)			AT & C Loss (%)		Overall Realization Per total Input P/U	LT Realization Per LT Input P/U
OERC TARGET / APPROVAL			27.05%	28.55%	18.40%	27.78%	19.22%		
ACTUAL			-	-	-	-	-	-	
1	BSED, Bhadrak (S)	2011-12 (Apr-Sep)	55.93%	59.12%	57.94%	81.59%	78.96%	62	49
		2010-11	56.91%	59.70%	59.61%	78.67%	78.85%	58	56
2	AED, Anandapur	2011-12 (Apr-Sep)	54.40%	54.81%	54.81%	79.41%	73.40%	93	62
		2010-11	56.99%	56.49%	56.49%	80.58%	73.94%	88	58
3	CED, Balasore	2011-12 (Apr-Sep)	62.08%	58.60%	20.78%	73.05%	24.69%	331	82
		2010-11	59.97%	56.55%	21.28%	66.20%	18.89%	281	96
4	JRED, Jajpur Road	2011-12 (Apr-Sep)	61.99%	44.31%	16.60%	72.91%	18.57%	390	92
		2010-11	59.25%	41.54%	16.77%	71.92%	19.22%	310	87
5	BTED, Basta	2011-12 (Apr-Sep)	62.74%	65.42%	65.42%	71.82%	73.55%	69	72
		2010-11	57.07%	60.29%	60.29%	65.18%	67.58%	76	81
6	UED, Udala	2011-12 (Apr-Sep)	60.65%	63.65%	63.65%	71.54%	73.48%	85	91
		2010-11	59.62%	62.54%	62.54%	72.07%	73.90%	76	81
7	BNED, Bhadrak (N)	2011-12 (Apr-Sep)	53.73%	55.54%	29.04%	71.11%	35.49%	287	94
		2010-11	55.20%	57.36%	27.76%	70.77%	32.11%	241	91
8	RED, Rairangpur	2011-12 (Apr-Sep)	59.62%	59.60%	59.60%	69.87%	67.77%	119	101
		2010-11	57.37%	57.05%	57.05%	69.77%	66.86%	111	93
9	KED, Keonjhar	2011-12 (Apr-Sep)	43.18%	39.78%	34.85%	69.58%	47.76%	257	112
		2010-11	45.85%	28.78%	16.12%	55.60%	18.09%	337	147
10	JED, Jaleswar	2011-12 (Apr-Sep)	57.96%	61.18%	48.07%	67.38%	52.70%	180	84
		2010-11	52.75%	56.45%	44.90%	61.49%	49.58%	162	84
11	JTED, Jajpur Town	2011-12 (Apr-Sep)	61.03%	64.15%	64.15%	66.93%	69.58%	81	88
		2010-11	59.20%	62.46%	62.46%	66.46%	69.14%	76	82
12	KUED, Kuakhia	2011-12 (Apr-Sep)	58.61%	57.09%	57.09%	66.60%	63.74%	131	102
		2010-11	56.91%	60.36%	60.36%	62.70%	65.68%	95	103
13	BPED, Baripada	2011-12 (Apr-Sep)	55.19%	55.60%	55.60%	61.59%	60.72%	142	127
		2010-11	56.92%	56.87%	56.87%	63.42%	62.08%	126	114
14	SED, Soro	2011-12 (Apr-Sep)	48.33%	51.77%	51.77%	61.36%	63.20%	108	109
		2010-11	51.58%	54.84%	54.84%	67.03%	68.45%	92	93
15	JOED, Joda	2011-12 (Apr-Sep)	48.74%	28.31%	13.91%	59.44%	14.93%	431	147
		2010-11				Newly Created			
16	BED, Balasore	2011-12 (Apr-Sep)	37.84%	34.47%	28.76%	41.38%	30.53%	312	217
		2010-11	35.05%	31.91%	26.19%	35.98%	26.79%	288	220
NESCO TOTAL		2011-12 (Apr-Sep)	55.21%	50.90%	33.29%	67.53%	38.06%	273	103
		2010-11	54.67%	49.60%	32.20%	65.74%	36.04%	233	101

5. Franchise Operation by the Licensee

NESCO was directed to cover atleast 1,87,500 nos. consumers by end of 2011-12 vide para 642 of RST Order of FY 2011-12. Against the above target NESCO has so far covered 1,43,537 nos. of consumers till 31st Sept., 2011. There are 3 nos. of input based franchisees, 4 nos. of Macro-Franchisees and 23 nos. Micro franchisees operating in the areas of NESCO as shown in table below.

Franchisee Activity			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
No of Micro-Franchisees	0	10	23
No of Consumers Covered	0	23387	35979
No of Macro-Franchisees	0	0	4
No of Consumers Covered	0	0	44084
No of Input Based-Franchisees	2	3	3
No of Consumers Covered	40153	60809	63474
Total no of consumers covered under Franchisee	40153	84196	143537

The performance Input end Revenue Based franchises are as given below:

Sl. No.	Name of the Franchise	APRIL 11-SEP 11			APRIL 10-SEP 10		
		Coll. Eff (%)	T&D loss (%)	AT&C loss (%)	Coll. Eff (%)	T&D loss (%)	AT &C loss (%)
1.	M/S ENZEN (Jajpur Town)	86.21	59.62	65.19	83.81	60.88	67.22
2.	M/S ENZEN (Dharmasala)	87.13	60.77	65.82	81.83	60.94	68.04
3.	M/S APIPL (Khaira)	68.25	50.41	66.16	3.27 ²	38.86	85.77

Arrear Analysis

6. NESCO has an arrear of Rs. 996.19 cr. as on 30.09.2011 compared to the net arrear of Rs. 941.76 Cr. on 31.03.2011 resulting in a net increase of Rs.54.43 Cr. The net addition of arrear by Rs.54.43 Cr. is due to an increase in arrear in LT, HT, EHT and Govt. Dept. sector by Rs.47.57 Cr., Rs.0.90 Cr., Rs.3.31 Cr., and Rs.2.65 Cr. respectively. The addition of arrear during the period under review is Rs.54.43 Cr. against collection of arrear of Rs.26.82 Cr. The addition of arrear was high in LT sector to the tune of Rs.47.57 cr. against the collection of arrear in the same sector. However there has been an addition of arrear to the tune of Rs.0.88 Cr. only in Govt. Dept. against collection of Rs.3.68 Cr in the same sector.

STATUS OF ARREAR-NESCO

Category	Arrears as on 31.03.11 (Including the arrears as on 31.03.99)	Billing for the period 2011-12 (Apr - Sep)	Collection against current dues 2011-12 (Apr - Sep) against '4'	Collection against arrear during 2011-12 (Apr - Sep) against '3'	Total collection	Arrear for the period 2011-12 (Apr - Sep)	Arrear as on 30-09-2011	Net Arrear Added during the period
1	2	3	4	5	6=4+5	7=3-4	8=2-5+7	9 (7-5)
EHT	90.80	438.85	434.72	0.82	435.54	4.13	94.11	3.31
HT	18.88	116.19	113.96	1.33	115.29	2.23	19.79	0.90
LT	757.56	176.27	104.91	23.79	128.70	71.36	805.13	47.57
Govt & PSU	11.94	19.85	19.85	0.88	20.73	0.00	11.06	-0.88
Govt-HT	62.58	9.59	6.06	0.00	6.06	3.53	66.11	3.53
Total of above	941.76	760.76	679.51	26.82	706.33	81.25	996.19	54.43

7. Consumer and Infrastructure Growth

During the period under review the no. of consumers has increased from 6,81,030 to 7,65,178 as on 30th Sept., 2011. The length of 11 KV feeder of the licensee has increased from 20206 Km to 21495 Km and that of LT line increased from 24453 Km to 28588 Km. However the number of 11 KV feeder breakers installed decreased from 18 nos. to 10 nos. and that of 33 KV feeder breakers increased from 7 nos. to 9 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	23	28	30
HT	333	348	379
LT	607321	680654	764769
Total	607677	681030	765178
Network System			
Length of 33 KV Line (km.)	2131	2177	2177
Length of 11 KV Line (km.)	16821	20206	21495
Length of LT KV Line (km.)	19552	24453	28588
Length of conductor stolen (km.)	79.82	29.70	2.45
Cost involved (Cr.)	0.19	0.09	0.01
No. of 33 KV Group Breakers Installed	10	13	2
No. of 33 KV Feeder Breakers Installed	0	7	9
No. of 11 KV Group Breakers Installed	20	24	6
No. of 11 KV Feeder Breakers Installed	6	18	10

8. **Metering Position of NESCO**

During the period under review the percentage of working meters has increased from 76 % to 78 % as on 30th Sept., 2011. It is seen that the no. of consumers availing ToD benefit is 914 only against 22021 no. of three-phase consumers. It is observed that the number of meter purchased during the period under review was 5265 only against total 84148 numbers of consumers.

Consumer Metering Position			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
Total number of meters	557832	635840	721294
No. of working meters	399311	483548	561047
Percentage of working meters (%)	72%	76%	78%
New meters installed (3 ph)	3421	1136	932
New meters installed (1 ph)	78022	76697	130865
No of 3 Phase Consumers	20965	21373	22021
No of Consumers with TOD benefit	839	910	914
No of Consumers above 10 KW load	4127	4794	5152
No of Consumer AMR metering	1156	1446	1622
Total No of consumers	607677	681030	765178
No of consumers added	29451	73353	84148
No of meters purchased	64987	106015	5265
No of meters used for installation for new consumer and replacements for old consumers	81443	77833	131797

(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.

PERFORMANCE OF DISTCOS (ALL ODISHA)-Sales Up to Sept 2012							
	CESU	NESCO	WESCO	SOUTHCO	Total Sales During FY-2011-12	2010-11	Change comp. to 2010-11
TOTAL Purchase	3,811.29	2,583.03	3,154.69	1,409.38	10,958.39	21244.79	0.79%
SALE (MU)							
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%
TOTAL	2,353.03	1,723.24	1,947.22	739.69	6,763.18	12,228.00	2.65%
% 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%
TOTAL L.T.	100.00%	100.00%	3623986	2880.40	329.93	265.50	437.06	100.00%	100.00%

SUMMARY									
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%
TOTAL	100.00%	100.00%	3626452	7928.76	371.65			100.00%	100.00%

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
Grand Total	3763.70	2946.72	2595.42	112.40	2707.82	309.70	4002.58	238.89

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.

ARREAR ANALYSIS-As on September-2011							
DISCOM	Arrear as on 31.03. 2011	Arrear added during (April to Sept., 2011)	% of arrear added to Odisha total	% of arrear added to OB	Arrear Collected	% of arrear Collected to added	Arrear as on 30.09.2011
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
TOTAL	3763.70	238.89	100.00%	6.35%	112.40	47.05%	4002.58

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.

PERFORMANCE OF DISCOMs-AT A GLANCE-As on September-2011										
	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	
SALES ANALYSIS										
	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%
OVERALL LOSS PERFORMANCE										
	OVERALL DIST. LOSS (%)					OVERALL AT & C LOSS (%)				
	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	
CESU	25.37%	38.3%	24.00%	38.26%	-0.04%	26.86%	41.00%	24.76%	41.79%	0.79%
NESCO	18.46%	32.8%	18.40%	33.29%	0.53%	20.09%	36.56%	19.22%	38.06%	1.50%
WESCO	19.93%	38.9%	19.70%	38.28%	-0.62%	21.53%	42.94%	20.50%	44.87%	1.94%
SOUTHCO	27.82%	48.2%	26.50%	47.52%	-0.70%	29.27%	52.60%	27.24%	53.12%	0.52%
ALL ORISSA	22.22%	38.3%	21.71%	38.28%	-0.06%	23.77%	42.62%	22.49%	43.29%	0.67%
LT LOSS PERFORMANCE OF DISCOMs										
	L T DISTRIBUTION LOSS (%)					LT AT & C LOSS (%)				
	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	
CESU	29.40%	51.63%	29.20%	50.15%	-1.47%	30.81%	56.55%	29.91%	56.49%	-0.06%
NESCO	29.40%	55.36%	27.05%	55.21%	-0.14%	30.81%	66.25%	27.78%	67.53%	1.28%
WESCO	29.40%	64.79%	27.11%	61.96%	-2.83%	30.81%	74.04%	27.84%	71.91%	-2.12%
SOUTHCO	29.40%	55.32%	27.75%	54.98%	-0.34%	30.81%	60.92%	28.47%	63.87%	2.95%
ALL ORISSA	29.40%	56.58%	27.98%	54.99%	-1.59%	30.81%	63.87%	28.70%	63.78%	-0.09%
REALIZATION PER UNIT INPUT (RPI) OF DISCOMs										
	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	
CESU	236.73	223.05	306.10	244.67	9.69%	174.90	143.87	222.43	150.25	4.43%
NESCO	260.69	233.00	339.79	273.45	17.36%	143.20	101.00	227.45	102.68	1.66%
WESCO	257.15	221.47	331.72	256.13	15.65%	130.40	78.73	204.78	89.47	13.65%
SOUTHCO	196.07	166.64	262.27	185.18	11.13%	143.70	119.02	206.16	116.61	-2.02%
ALL ORISSA	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:

In the FY 11-12 NESCO has undertaken load verification at LT level for 11/0.4KV DTR. In 337 no of cases load balancing has been done. In another 55 no cases it has been sanctioned to upgrade/addition of new DTR to match the demand at consumer level. Necessary tools like Clamp on meter have already been supplied to the field offices for the above purposes and the field offices are instructed to verify the loading of DTRs in regular basis.

(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:

All employees have been asked to voluntary declare their contract demand (C.D). Those who will not declare their C.D., their premises will be checked by Vigilance & MRT teams and necessary action will be taken.

(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:

The load and Contract Demand of all the consumers with CD above 20KW is verified on monthly basis. Out of total 1889 no of consumers above 20KW in 173 cases the maximum demand is found to be more than C.D. All the consumers having load above 20kw are metered with static meters having automatic MD recording facilities. So also the high value consumers are monitored through AMR system centrally from our IT cell at CSO, BBSR.

(iv) **Cross checking of meter readings**

Directives:

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

Achievement:

Cross checking of the meter readings taken by the billing agency is done on regular basis and in case of any discrepancy found the bills are being revised as per actual and penalty imposed on the billing agency as per the terms of the work order issued to

them. In FY 11-12 Random Sampling has been done for 3128 no of consumers and discrepancies has been found for 262 no of cases. The Financial Penalty imposed for suppression of meter reading against the Billing Agency is of Rs.1,79,715. For monitoring the performance of the concern agencies, dedicated officers are engaged only for this. Regular progresses of feedback are being obtained to control the operation.

15. **ADMINISTRATIVE 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:

Periodic performance reviews of the executives are being made at corporate level and those are found lacking in their responsibility is being issued with show cause for their dereliction of duty. During the month of Apr to Sept ' 2011 show cause notices have been served in respect of 20 nos. of Executives and enquiry has been initiated against 9 nos. of executives. Moreover, steps are being taken to assess the performance of the Executives, who have attained the age of 50 years and after proper scrutiny / examination further follow up steps shall be initiated as per NESCO Officers Service Regulation.

(ii) **Delegation of Power**

Directives:

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

Achievement:

For better administration and smooth functioning of the system, certain financial and administrative powers have been delegated as following:

- (i) Related to Deposit Work, GM at Corporate level has full power, SE/DGM/AGM at Circle level up to Rs.5 Lakhs, EE/Manager at Division up to Rs.1.5 Lakhs and AE/SDO at Sub-division up to Rs.15,000.
- (ii) Similarly related to Estimate Work MD has authority up to Rs.5 Lakhs, SE/DGM/AGM up to Rs.1 Lakh & Manager/EE up to Rs.20,000.
- (iii) Moreover related to CAPEX, one CAPEX cell has been created especially for CAPEX program in corporate office consisting of one General Manager, one Manager and 14 no of Asst. Managers. The CAPEX Cell is headed by General Manager (Capex) in corporate level centrally.

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 NESCO dedicated Vigilance teams are functioning at Corporate and Circle levels. NESCO has engaged well known reputed Ex-Police officers and senior technical officers for vigilance activities.

Regarding Energy Police Station, three no are presently functioning under NESCO. The detail Manpower list along with the performance of EPS for FY 08-09 to FY 10-11 has already been submitted to Hon'ble Commission vide this office letter no: RA60(2)/6792, dtd:03.05.11.

During the period under review the nos. of cases finalized under Sections 126 &135 has been increased from 1706 to 930 during the current half of the financial year. Similarly the amount finalized has also increased from Rs.0.59 crore (2010-11) to Rs.1.23 crore (Apr. Sept.2011-12). During the period under review 14 numbers of illegal consumers prosecuted/initiated in Court against 12 nos. of consumers prosecuted during the entire financial year 2010-11 and revenue realized with disconnection of electric supply has been increased to Rs.8.46 crore from Rs.12.03 crore during the entire financial year 2010-11.

Anti Theft Measures			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
No of cases Finalised under Section 126 & 135	1084	1706	930
Amount Finalised (Rs. Cr.)	1.15	0.59	1.23
Amount Accessed during filing of case (Rs. Cr.)	0.24	0.23	0.19
No of new connections given	36344	70555	105251
No of Connection Regularised	4451	5744	1754
Amount Collected (Cr.)	1.51	0.39	0.16
NO. of FIR Lodged	65	125	55
No. of illegal consumers prosecuted/Initiated in Court	15	12	14
Number of Disconnection made	10531	21154	6399
Revenue realised (Rs. Cr.)	6.52	12.03	8.46

(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:

As per the enquiry report of Vigilance cell proceedings has been initiated in 4 no of cases. Recovery of loss amount has been done from the salary of two no of Executives and in other cases explanation/show cause notice has been issued.

17. **SYSTEM UP GRADATION**

(i) **Submission of cost Data**

Directives:

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

Achievement:

Cost data up to 2009-10 has already been submitted to EIC, Bhubaneswar vide letter No. 1195, dtd: 06.09.2010 from Regd. Office (CSO), NESCO, WESCO & SOUTHCO.

(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:

Out of share allocation of NESCO for the period of FY 2010 to 2014 is of Rs.504 Crore. The DPR approved by Commission for the period 2010-12 is Rs.189 Crore, out of which NESCO has made its contribution of Rs.42 Crore.

(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 31st January 2012.

Achievement:

Most of the recommendations of the Enquiry Committee has complied by the licensee and sincere effort is being made to carry out the long term measure recommended by the Enquiry Team.

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 the MD, NESCO stated that an individual target has been set to all divisional heads of the licensee. The Circle head regularly monitoring the collection of arrear target set by the management starting from Section levels. However, it is regretted that NESCO has collected only Rs.26.82 crore only against Rs.54.43 crore addition of arrear during the period under review. However, MD, NESCO outlined the strategy made by the Management of NESCO as follows:

- Nodal officers from corporate office have been designated for one/more distribution divisions, on the basis of consumer strength, arrear outstanding, geographical area of the division, status of defaulting consumers.

Disconnection drives are being carried out to realize the dues from the defaulting consumers.

- Arrear list of defaulting consumers are provided to the EE with copy to nodal officers.
- Nodal officers are responsible to monitor the realization of arrear and disconnection of power supply of the defaulting consumers.

(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 NESCO has collected only Rs.0.82 crore against an outstanding arrear of Rs.90.80 crore on EHT consumer. Similarly the collection from HT consumers was only Rs.1.33 crore against an opening balance of Rs.18.88 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 NESCO has collected only Rs.2.65 crore against an opening balance of Rs.74.52 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:

As observed from the data submitted by NESCO there is no improvement in metering of 33 KV feeders, 11 KV feeders, 33/11 KV power transformers, distribution transformers in the area of licensee. However, the licensee has shown some sort of sincerity in carrying out the energy audit of DTRs for which the number of DTRs covered under energy audit has gone up from 66 to 93 the period under review.

FEEDER METERING			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
No. of 33 KV feeders (excluding GRIDCO interface)	60	64	64
No. of 33 KV feeder metering	57	63	64
No. of 11 KV feeders	428	428	430
No. of 11 KV feeder metering	93	83	95
No. of 33 / 11 kv transformers	261	267	274
No. of 33/11 kv transformer metering position	0	0	0

No. of Distribution transformers (11/0.4 & 33/ 0.4 kv)	22647	27879	33225
No. of Distribution transformer metering position	372	569	569
Energy Audit Carried Out-33 KV	5	8	13
Energy Audit Carried Out-11 KV	10	12	11
Energy Audit Carried out- No of DTRs covered	0	66	93

(ii) Energy Audit of NESCO

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:

Presently Energy Audit is being carried out for 13 nos. of 33KV and 12 nos. of 11KV feeders. In 1st phase of Capex, ring fencing of 21 nos. of 33KV feeders will be done in FY 11-12. In addition to this Energy Audit of another 3 nos of 33KV feeders & 17 nos. of 11KV feeders will be taken up. In these 3 feeders (Balasore-I, Jajpur Road & Bhadrak) Energy Audit will be done up to the consumer Level. The procurement processes for all Capex materials are already tendered.

(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:

For improvement in revenue Collection & Billing following steps has been taken:

- Collection of revenue through 180 nos of counters of Jana Seva Kendra.
- All the LT Single –phase consumers are covered under spot-billing. Regular random sampling is done on regular basis to cross check meter reading and meter status.
- 16,980 no of single phase meters Replaced / Installed through outside agencies from April to Sept 2011 of FY 2011-12.
- Vigilance team at corporate level as well as at circle levels has been given additional responsibility for checking the consumer’s premises and to disconnect power supply of the defaulting consumers.
- It has been planned not to move the collection squad for door to door rather disconnection squad for disconnection of power supply of the defaulting consumers.

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 MD, NESCO 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 burnt during the first half of the current financial year (April to September, 2011-12) found to be 1006 against 1716 nos. of transformers burnt 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 5609 nos. during the 1st half of the current Financial Year against 9817 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 17238 during the 1st half of current financial year against 29832 nos. during the entire FY 2010-11.

QUALITY OF SUPPLY			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
Failure of Power Transformers	14	14	10
No. of transformers burnt	1673	1716	1006
Cost involved (Cr.)	2.48	3.16	1.57
No of Interruptions in 33 KV Feeders	10863	9817	5609
No of Interruptions in 11 KV Feeders	30631	29832	17238

(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 800 new distribution transformers NESCO has installed 20 new transformers and upgraded 8 transformers only during the period under review. Similarly NESCO has laid 7.4 Kms of AB cable against the target of AB cabling of 250 Kms. during the period under review.

SYSTEM IMPROVEMENT WORKS DURING REVIEW PERIOD			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
Installation of New Transformers (DTR)	269	168	20
Upgradation of Transformers (DTR)	258	69	8
Installation of Pillar Box	0	0	0
Length of AB Cable Laid (KM)	74.00	81.90	7.40
Conversion of Single Phase to Three Phase Lines	38	21	6

Apart from that the following activities has been carried out by NeSCO during the period under review to improve quality of supply.

- Reconditioning and filtration of 24 nos. of Power Transformers.
- Addition of 20 nos of DTR's under S.I. scheme & 5326 nos. of DTR under RGGVY & BGJY scheme. Up-gradation of 8 nos. of DTR under S.I scheme.
- Phase Balancing of 337 nos. of distribution transformers.
- New/Re-Earthing of 161 nos. of sub-stations.
- Phase conversion for 4.5 Kms of LT Lines

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:

Necessary follow up action is taken on receiving any consumer complains as per recommendation of the Vigilance wing at Corporate Level. In some cases enquiry officers are fixed to resolve the grievances.

(2) **Implementation of GRF Orders**

Directives:

NESCO 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, 110 cases of GRF Balasore are registered, 84 disposed and 36 pending for disposal by NESCO as on Sept., 2011, 80 cases of GRF Jajpur are registered, 79 disposed and 3 pending as on Sept., 2011.

However, the GRF orders received and complied as well as the number of grievances address through Consumer Handling Procedure as submitted by licensee as given below:

Functioning of GRF			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
No. of Grievances received through CHP	584	696	425
Disposed through CHP including Bijuli Adalat	576	690	406
No. of GRF Orders received	576	690	406
No. of GRF Orders Complied	325	454	139

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 organization 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:

To avoid electrical accident at different areas of elephant corridor, augmentations of lines, heightening of the poles are already in progress from our own recourses. In order to avoid elephant accident ,27 no of interposing poles in 33 kv line, 412 no of interposing poles in 11kv lines and 148 no of interposing poles in LT line respectively are already being erected.

Executive Engineer of Distribution division is declared as safety officer of respective division as per T.O order no-3293 dt 3.3.11.Executive Engineer will submit all the related information regarding observance of safety norms to Sri H.S Dandapat AGM

(Operation) Safety Officer of NESCO; who will review the reports & will submit his views to CEO with copy to the commission.

23. **Improvement of Voltage Profile**

From the review NESCO has been experiencing **low voltage problem in Chandbali** area of operation.

Reply-OPTCL

Presently, Chandbali is being fed from Bhadrak grid which is at a distance of 130 kms. from Bhadrak. This problem will be sorted out after functioning of 220/132 KV grid S/s at Dhamara in near future.

(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:

DISCOMs LOSS PARAMETERS FY 2011-12 (Up to Sept)					
DISCOM	NESCO	WESCO	SOUTHCO	CESU	TOTAL
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
LOSS PARAMETERS FY 2010-11					
DISCOM	NESCO	WESCO	SOUTHCO	CESU	TOTAL
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 NESCO during the 1st half of the FY 2011-12 has remained more or less same compared to its performance during FY 2010-11. However, it is not upto the expected level in different aspects. The LT and overall AT&C and distribution loss has marginally increased during the period under review and it is well behind the target set by the Commission in various aspects. Unless, the performance of NESCO is improved further during the remaining period of the financial year 2011-12 which the MD has promised, 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 NESCO 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:

Name of DISCOMs	NESCO	WESCO	SOUTHCO	CESU	Total
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 15th 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 NESCO 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.

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**No.DIR (T)-369/09/
Dated- .02.2012**

From

Shri P K Swain
Secretary

To

The Managing Director,
NESCO,
Januganj, Balasore.

Sub: **Review of Performance of NESCO for April, 11 to September, 2011 held in OERC on 22.12.2011.**

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.