

**Record Note of Annual Performance Review of NESCO Utility held on 27.05.2019 at 11.00AM in the Training Hall of the OERC in the presence of the Commission**

**Date of Review : 27<sup>th</sup> May, 2019**

**Period of Review : April 2018-March 2019**

**Representatives of NESCO Utility: list enclosed as Annexure-I.**

The performance of NESCO Utility for FY 2018-19 was reviewed by the Commission on 27<sup>th</sup> May, 2019 at 11.00 AM in the presence of senior officials of NESCO Utility. The Commission reviewed the billing and collection position of the NESCO Utility for the period from April 2018 to March 2019.

The details of performance of NESCO Utility as indicated in their presentation with regard to the key performance indicators are as follows:-

<b><u>ANNUAL PERFORMANCE OF NESCO (2018-19)</u></b>				
<b>BULK SUPPLY</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>OERC Approval for 2018-19</b>
<b>AVG. DEMAND (MVA)</b>	817.56	833.08	891.38	990.00
Energy input (MU)	5,329.67	5,448.99	5,575.78	6,140.00
<b>SALE TO CONSUMERS (MU)</b>				
EHT	1,975.78	1,997.77	2,179.03	2,041.09
HT	410.40	441.72	431.34	409.45
LT	1,691.03	1,795.47	1,920.55	2,562.78
<b>TOTAL</b>	<b>4,077.21</b>	<b>4,234.96</b>	<b>4,530.92</b>	<b>5,013.32</b>
<b>% of LT Sales to Total Sales</b>		<b>42.40%</b>	<b>42.39%</b>	<b>51.12%</b>
<b>LOSS (%)</b>				
Energy input (MU) EHT	1,975.78	1,997.77	2,179.03	2,041.09
HT(Taking loss as 8 % )	446.08	480.13	468.85	445.05
LT-Purchase	2,675.17	2,733.41	2,693.67	3,361.55
HT (Assume)	8.00%	<b>8.00%</b>	<b>8.00%</b>	8.00%
LT	36.79%	<b>34.31%</b>	<b>28.70%</b>	23.76%
HT & LT	37.34%	<b>35.18%</b>	<b>30.76%</b>	27.49%
<b>OVERALL</b>	<b>23.50%</b>	<b>22.28%</b>	<b>18.74%</b>	<b>18.35%</b>
<b>BILLING EFFECIENCY (%)</b>				
HT	92.00%	<b>92.00%</b>	<b>92.00%</b>	92.00%
LT	63.21%	<b>65.69%</b>	<b>71.30%</b>	76.24%
HT & LT	62.66%	<b>64.82%</b>	<b>69.24%</b>	72.51%
<b>OVERALL</b>	<b>76.50%</b>	<b>77.72%</b>	<b>81.26%</b>	<b>81.65%</b>
<b>COLLECTION EFFICIENCY (%)</b>				
EHT	97.81%	91.52%	96.46%	99.00%
HT	95.99%	98.24%	96.60%	99.00%
LT	93.65%	94.72%	89.10%	99.00%
HT & LT	94.27%	95.67%	91.04%	99.00%
<b>OVERALL</b>	<b>96.25%</b>	<b>93.38%</b>	<b>94.10%</b>	<b>99.00%</b>
Collection efficiency Excl. Govt.Dept & PSU	<b>96.23%</b>	<b>93.30%</b>	<b>93.74%</b>	<b>99.00%</b>
<b>AT &amp; C LOSS (%)</b>				
LT	40.80%	37.78%	<b>36.48%</b>	24.52%
HT & LT	40.93%	37.98%	<b>36.96%</b>	28.21%
<b>OVERALL</b>	<b>26.37%</b>	<b>27.43%</b>	<b>23.53%</b>	<b>19.17%</b>

### **Commission's Observations:**

The Commission compared the figures relating to business operation of NESCO Utility for FY 2018-19 at for the corresponding period of FY 2017-18. The key observations are as follows:-

	As on 31.03.2018	As on 31.03.2019	Increase / Decrease	(↑↓)
No of consumer	15,19,426	19,63,316	443890	↑
No.of Working Meter	11,83,756	12,95,050	211294	↑
EHT Sale (MU)	1997.77	2179.03	181.26	↑
HT Sale (MU)	441.72	431.34	-10.38	↓
LT Sale (MU)	1795.47	1920.55	125.08	↑
Distribution Loss	22.28 %	18.74%	-3.54	↓
Billing Efficiency	77.72 %	81.26 %	3.54	↑
Collection Efficiency	93.38 %	94.10 %	0.72	↑
AT & C Loss	27.43 %	23.53 %	-3.90	↓

1. On enquiry about the number of exact number of consumer under billing fold, A.O., NESCO Utility told that after addition of 4,68,000 consumers in Saubhagya Scheme, now NESCO Utility has 19,63,316 consumers out of which 2,59,000 consumers are yet to be brought under billing fold.
2. There is 181.26 MU increase in EHT sale whereas only 10.38 MU increase in HT sale. Though there is 4,68,000 consumers addition in Saubhagya, there is only 125.08MU increase in LT sale. Since 2,59,000 consumers yet to be brought under billing fold, the actual increase in LT sale is not reflected.
3. On Energy Audit, NESCO Utility submitted that all 88 nos of 33 kV feeders are metered and out of 88 Nos. of 33 KV feeders 50 Nos. have been audited. Out of 674 nos of 11 kV feeders, 530 nos.of 11 kV meters are ok and out of which 474 nos are audited. Out of 62545 nos of DTRs only 1662 nos. are metered and 396 nos. are audited.
4. NESCO Utility has completed consumer tagging of 568 Nos. 11kV feeders and consumer tagging of balance 58 No.s 11kV feeders are in progress.
5. NESCO has cleared all BSP bill till March 2019.
6. There is 50% reduction in T & D loss of Sunahat feeder, from 71.9% to 22.3% which is commendable. There may not be much scope for further reduction in T&D loss in 4 pilot feeders i.e. Nathuabara, Agarpada, Seragarh and Naikudi, as assigned by the Commission. NESCO Utility may take up 5 more pilot feeders for energy audit.

7.

<b>DIVISION WISE AT&amp;C LOSS (LT)</b>			
<b>Name of the Division</b>	<b>FY.2017-18 (Apr-Mar)</b>	<b>FY.2018-19 (Apr-Mar)</b>	<b>Increase / Decrease</b>
BED, BALASORE	12.58%	16.14%	3.56%
BTED, BASTA	48.12%	42.61%	-5.51%
JED, JALESWAR	38.69%	34.74%	-3.95%
CED, BALASORE	49.46%	49.54%	0.08%
SED, SORO	27.12%	23.14%	-3.98%
BALASORE CIRCLE	34.70%	33.36%	-1.34%
BNED, BHADRAK	39.83%	35.51%	-4.32%
BSED, BHADRAK	39.15%	39.22%	0.07%
BHADRAK CIRCLE	39.81%	36.77%	-3.04%
BPED, BARIPADA	39.21%	38.20%	-1.01%
UED, UDALA	42.22%	41.12%	-1.10%
RED, RAIRANGPUR	47.45%	49.78%	2.33%
BARIPADA CIRCLE	42.39%	42.45%	0.06%
JRED, JAJPUR ROAD	37.00%	36.54%	-0.46%
JTED, JAJPUR TOWN	46.42%	46.96%	0.54%
KUED, KUAKHIA	49.66%	50.53%	0.87%
JAJPUR CIRCLE	44.00%	44.21%	0.21%
KED, KEONJHAR	15.67%	13.11%	-2.56%
JOED, JODA	13.80%	12.52%	-1.28%
AED, ANANDPUR	36.36%	28.42%	-7.94%
KEONJHAR CIRCLE	23.48%	19.28%	-4.20%
<b>NESCO AS WHOLE</b>	<b>37.78%</b>	<b>36.48%</b>	<b>-1.30%</b>

8. It is observed from the LT AT& C loss table above that Anandpur Division has performed best among all divisions and BED, Balasore has performed worst with 3.56% increase in LT AT & C loss.
9. Commission enquired about reduction in collection efficiency from the level of last year. It is observed from the KPI data that though billing has been made for 95% of the total consumer, money receipt is only 40% of the bill generated.

## STATUS OF ARREAR COLLECTION

(Rs. in Crs.)							
Category	Arrears as on 31.03.2018 (Including the arrears as on 31.03.1999)	Billing for the period 2018-19 (Apr - Mar)	Collection against current dues 2018-19 (Apr - Mar) against '3'	Collection against arrear during 2018-19 (Apr - Mar) against '2'	Total collection	Arrear for the period 2018-19 (Apr - Mar)	Arrear as on 31-03-2019
1	2	3	4	5	6=4+5	7=3-4	8=2-5+7
EHT	250.45	1327.48	1271.99	8.53	1280.52	55.50	297.42
HT	42.29	238.75	225.98	6.17	232.15	12.77	48.89
LT	1077.72	703.38	523.58	91.24	614.81	179.80	1166.29
Govt & PSU HT	17.63	28.04	22.73	2.84	25.57	5.30	20.10
Govt & PSU LT	59.80	57.10	55.09	7.65	62.74	2.01	54.16
<b>Total of above</b>	<b>1447.90</b>	<b>2354.74</b>	<b>2099.36</b>	<b>116.42</b>	<b>2215.78</b>	<b>255.38</b>	<b>1586.86</b>

It is observed that there is 139Cr. increase in arrear in FY 2018-19. Commission advised NESCO Utility to collect the same and utilise it in R&M.

### 11. Metering Status:-

<b>Report on Metering</b>			
Sl. No.	Particulars	NESCO Utility	
		As on 31.03.2018	As on 30.03.2019
<b>SINGLE PHASE</b>			
1	Total Number of Consumer	14,77,282	16,71,150
2	Number of consumers without meters	20,233	1,20,311
3	Number of defective meters	3,06,061	2,90,388
4	Number of Meters in Working condition	11,50,988	12,60,451
5	Number of Static Meters	11,12,481	12,27,510
6	Number of electro-mechanical Meters	38,507	32,941
<b>THREE PHASE</b>			
1	Total Number of Consumer	42,144	45,274
2	Number of consumers without meters	4,315	5,333
3	Number of defective meters	5,061	5,342
4	Number of Meters in Working condition	32,768	34,599
5	Number of Static Meters	32,517	34,369
6	Number of electro-mechanical Meters	251	230
<b>Total number of consumers</b>		15,19,426	17,16,424
Consumers added in Saubhagya (Not included in billing fold)			2,46,892
<b>Total number of consumers</b>		15,19,426	19,63,316

Out of 5,40,000 meters of NESCO Utility to be installed by GRIDCO, 2,15,000 meters are already installed and rest will be installed by October 2019. 1,50,000 meters will be procured by NESCO Utility and will be installed by December 2019. If possible, these meters for NESCO utility may be procured in IPDS/DDUGJY or any other scheme of the Government. NESCO Utility must install @ 25,000 meters per month starting from July, 2019 so as to complete the installation of 1,50,000 meters by December,2019. Monthly report in this regard must be submitted by NESCO Utility.

12. Smart metering is to be done in areas with high AT & C loss and good network connectivity.
13. The Commission observed that at places such as Bisoi, Kusumi and Marada SHGs have not come forward for taking up MBC work on outsourcing mode. It is felt that local JE might not have motivated the local SHGs for taking up this work. A.O. NESCO Utility assured that he would take up the work immediately.
14. Commission enquired about poor energy audit in 33kV though metering is 100% in 33kV.
15. It is observed that number of cases finalized under section 126 & 135 have reduced much compared to last year.

**Directives of the Commission:**

	ALL ODISHA PERFORMANCE OF DISCOMs				All Odisha 2018-19
	FY 2018-19				
	CESU	NESCO	WESCO	SOUTHCO	
DEMAND (MVA) (OERC APPROVAL)	1580.00	990.00	1350.00	610.00	4530.00
ACTUAL SMD (MVA)	1454.98	891.38	1123.00	634.18	4103.54
APPROVED PURCHASE (MU)	9070.00	6140.00	7120.00	3660.00	25990.00
Energy input (MU)	8784.00	5575.78	7573.27	3638.95	25572.00
SALE TO CONSUMERS (MU)					
EHT	1245.69	2179.03	1556.92	456.02	5437.66
HT	1254.65	431.34	1808.75	285.30	3780.03
LT	3810.52	1920.55	2606.64	1814.56	10152.27
TOTAL	6310.86	4530.92	5972.31	2555.88	19369.96
OERC APPROVAL	6814.50	5013.32	5724.48	2726.70	20279.00
LOSS (%)					
LT Loss	32.92%	28.70%	30.05%	31.34%	31.14%
OVERALL	28.16%	18.74%	21.14%	29.76%	24.25%
OERC APPROVAL Loss	24.87%	18.35%	19.60%	25.50%	21.97%
BILLING EFFECIENCY (%)					
LT	67.08%	71.30%	69.95%	68.66%	68.86%
HT & LT	67.19%	69.24%	73.39%	65.97%	69.20%
OVERALL Loss	71.84%	81.26%	78.86%	70.24%	75.75%
COLLECTION EFFICIENCY (%)					
EHT	100.37%	96.46%	91.88%	99.95%	96.15%
HT	98.64%	96.60%	100.39%	93.60%	98.81%
LT	94.37%	89.10%	66.33%	80.55%	84.35%
HT & LT	95.67%	91.04%	83.36%	83.10%	89.32%
OVERALL	96.75%	94.10%	86.30%	86.95%	91.67%
AT & C LOSS (%)					
LT	36.70%	36.48%	53.60%	44.70%	41.92%
HT & LT	35.72%	36.96%	38.82%	45.18%	38.20%
OVERALL	30.49%	23.53%	31.94%	38.93%	30.57%
OERC APPROVAL	23.77%	19.17%	20.40%	26.25%	22.13%

1. It is observed from Annual performance Review 18-19 that NESCO has performed best among 4 DISCOMs reducing AT & C loss from 27.43% to 23.53%.
2. Commission asked A.O., NESCO Utility to increase the Collection efficiency and take action against poor performing divisions.
3. Commission directed NESCO to submit report on installation of 30,000 AMR procured and to prepare a month wise plan of the same and submit within a week.
4. NESCO utility should concentrate on performance improvement of Balasore division whose performance has deteriorated.
5. Commission directed NESCO utility to complete all the consumer metering within 6 months. Monthly progress report of the same should be sent to Commission. Some officers from OERC should go and check the type of meters supplied by RGGVY and other such schemes.
6. Commission directed NESCO Utility to submit correct AMR metering data.
7. NESCO Utility has not yet submitted the 5year business plan. This must be submitted by 30.06.2019.

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**Representative of NESCO**

1. Sri Shankar Krishnan, A.O., NESCO
2. Sri S.P.Mallick, COO
3. Sri P.M.Mohanty, Sr.G.M.(F)
4. Sri S. K. Dash, G.M.(Project)
5. Sri S C Mahalik , GM (Operation)
6. Sri A. K. Sahu
7. Sri Malancha Ghose, AGM(RA)
8. Sri Sanjib Kr.Jena, Manager(Elect)
9. Sri G.S.Mohapatra, Manager(F)
10. Sri A.K.Mohapatra, Manager(F)