

Record Note of Annual Performance Review of SOUTHCO Utility held on 29.05.2019 at 11.00AM in the Training Hall of the OERC in the presence of the Commission

Date of Review : 29th May, 2019

Period of Review : April 2018-March 2019

Representatives of SOUTHCO Utility: list enclosed as Annexure-I.

The performance of SOUTHCO Utility for FY 2018-19 was reviewed by the Commission on 29th May, 2019 at 11.00 AM in the presence of senior officials of SOUTHCO Utility. The Commission reviewed the billing and collection position of the SOUTHCO Utility for the period from April 2018 to March 2019.

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

<u>ANNUAL PERFORMANCE OF SOUTHCO(2018-19)</u>					
BULK SUPPLY	2015-16	2016-17	2017-18	2018-19	OERC Approval for 2018-19
AVG. DEMAND (MVA)	556.18	570.00	588.00	634.18	610.00
Energy input (MU)	3282.78	3267.00	3468.00	3638.95	3660.00
BST & Tr.Charge bill (Cr.)	739.18	726.00	777.00	808.28	770.88
SALE TO CONSUMERS (MU)					
EHT	349.49	335.84	399.00	456.02	364.27
HT	174.73	174.70	209.00	285.30	238.65
LT	1553.64	1630.60	1726.00	1814.56	2123.78
TOTAL	2,077.87	2,141.14	2,334.00	2,555.88	2,726.70
% of LT Sales to Total Sales	74.77%	76.16%	73.95%	71.00%	77.89%
LOSS (%)					
LT	38.44%	35.34%	33.98%	31.34%	23.97%
HT & LT	41.08%	38.41%	36.95%	34.03%	28.32%
OVERALL	36.70%	34.46%	32.70%	29.76%	25.50%
BILLING EFFECIENCY (%)					
HT	92.0%	92.0%	92.0%	92.0%	92.0%
LT	61.6%	64.7%	66.0%	68.7%	76.0%
HT & LT	58.9%	61.6%	63.0%	66.0%	71.7%
OVERALL	63.3%	65.5%	67.3%	70.2%	74.5%
COLLECTION EFFICIENCY (%)					
EHT	101%	104%	100%	100%	99%
HT	94%	90%	98%	94%	99%
LT	84%	80%	87%	81%	99%
HT & LT	85%	82%	89%	83%	99%
OVERALL	88.60%	86.10%	91.42%	86.95%	99.00%
AT & C LOSS (%)					
LT	48.46%	48.26%	42.34%	44.70%	24.73%
HT & LT	49.76%	49.79%	43.88%	45.18%	29.04%
OVERALL AT & C Loss	43.92%	43.57%	38.48%	38.93%	26.25%

Commission's Observations:

The Commission compared the figures relating to business operation of SOUTHCO Utility for FY 2018-19 with 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	16,65,509	20,68,579	4,03,070	↑
No.of Working Meter	13,52,933	15,47,621	1,94,688	↑
EHT Sale (MU)	399.45	456.02	56.57	↑
HT Sale (MU)	208.90	285.30	76.40	↑
LT Sale (MU)	1725.76	1814.56	88.80	↑
Distribution Loss	32.70 %	29.76 %	2.94	↓
Billing Efficiency	67.30 %	70.24 %	2.94	↑
Collection Efficiency	91.42 %	86.95 %	4.47	↓
AT & C Loss	38.48 %	38.93 %	0.45	↑

1. The total number of consumers of SOUTHCO Utility is 20,68,579 and all the consumers are under billing fold.
2. There is 56.57 MU increase in EHT sale and 76.40 MU increase in HT sale. Though there is 4,03,070 consumers addition in FY 18-19, there is only 88.80MU increase in LT sale. Commission asked SOUTHCO Utility how there is reduction in the LT sale to Total sale ratio though there is addition of large number of LT consumer. In reply to which SOUTHCO Utility stated that this is due to addition of two large industries Tata Ferro alloys and Saraf Titanium Industries in FY 18-19.
3. On Energy Audit, SOUTHCO Utility submitted that out of 102 Nos. of 33 kV feeders 71 Nos. are metered and out of 71 Nos. of 33 KV metered feeders 64 Nos. have been audited. Out of 655 Nos. of 11 kV feeders, 156 Nos. of 11 kV meters are having ok meter and out of which 140 Nos. are audited. Out of 47659 nos of DTRs none of the DTR is metered nor audited.
4. SOUTHCO Utility has cleared BSP bill upto October 2018.
5. There is very less reduction in T & D loss of Pilot feeders taken up by SOUTHCO Utility which is 3% for Aska Bus stand feeder, 5% for Gangapur feeder, 4% for Nuagaon College Square and 6% for Nabarangpur Town No-1 feeder.

DIVISION WISE COMPARATIVE LT PERFORMANCE OF SOUTHCO			
DIVISION	2017-18	2018-19	Increase/ Decrease
	AT & C LOSS (%)	AT & C LOSS (%)	
BED-I	4%	8%	4%
BED-II	6%	13%	7%
BED-III	18%	16%	8%
CITY	6%	12%	6%
GNED	54%	48%	-6%
PSED	55%	59%	4%
HED	52%	56%	4%
BAM	54%	54%	0%
AED-I	65%	67%	2%
AED-II	60%	61%	1%
GSED	36%	35%	-1%
ASKA	54%	55%	1%
BNED	45%	46%	1%
PED	53%	53%	0%
BOED	61%	57%	-4%
BNJ	52%	50%	-2%
JED	39%	44%	5%
NED	60%	70%	10%
MED	59%	61%	2%
KED	60%	66%	6%
JPR	54%	61%	7%
RED	25%	27%	2%
GED	16%	22%	6%
PKED	25%	25%	0%
RGD	24%	25%	1%
SOUTHCO	42.3%	44.7%	2.4%

6. It is observed from the LT AT& C loss table above that Gunpur Division has performed best among all divisions and NED, Nabarangpur has performed worst with 10 % increase in LT AT & C loss. Commission expressed his displeasure over the reduction in performance of Berhempur City circle, where LT AT & C loss has increased by 6%. In reply to this A.O., SOUTHCO utility stated that due to frequent strike by workers collection has been affected resulting increase in loss.

7.

STATUS OF ARREAR 2018-2019 (April' 18 to Mar' 18)									
CATEGORY	Arrears as on 1.04.1999	Arrears as on 1.04.2018	Billing for the period 18-Mar 19	Collection Against			(Rs. In Crores)		
				Current dues Apr 18- Mar19 against '4'	Arrear during Apr 18-Mar19 against '3'	Total Collection	Arrear for the period 18- Mar19		Arrears as on 30.03.2019
				5	6	7=5+6	8=4-5		10=3+4-7
1	2	3	4	5	6	7=5+6	8=4-5		10=3+4-7
(i) EHT	4		274	274		274	0		
(ii) HT	57	13	153	121	23	144	32		22
(iii) LT	110	777	683	509	44	553	174		907
TOTAL	171	791	1110	904	67	971	206		929
(i) Govt & PSU- LT	18	69	61	37	9	46	24		84
(ii) Govt & PSU- HT		15	28	23	2	25	5		18
Total Govt & PSU	18	84	89	60	11	71	28		101
GRAND TOTAL	189	875	1199	964	78	1042	234		1030

It is observed that there is 255Cr. increase in arrear in FY 2018-19. Commission advised SOUTHCO Utility to collect the same and utilise it in R&M.

8. Metering Status:-

Report on Metering			
Sl. No.	Particulars	SOUTHCO Utility	
		As on 31.03.2018	As on 30.03.2019
SINGLE PHASE			
1	Total Number of Consumer	16,26,840	20,26,037
2	Number of consumers without meters	3,235	1,57,594
3	Number of defective meters	3,10,847	3,62,353
4	Number of Meters in Working condition	13,12,758	15,06,090
5	Number of Static Meters	12,72,154	14,77,544
6	Number of electro-mechanical Meters	40,604	28,546
THREE PHASE			
1	Total Number of Consumer	37,111	42,408
2	Number of consumers without meters	0	0
3	Number of defective meters	1077	1011
4	Number of Meters in Working condition	36034	41397
5	Number of Static Meters	36034	41247
6	Number of electro-mechanical Meters	0	150
	Total number of consumers	16,63,951	20,68,445

A.O., SOUTHCO Utility stated that OPTCL has awarded tender for installation of 9,31,674 meters at SOUTHCO Utility under IPDS scheme. Out of this, only 50,964 meters have so far been installed and rest will be installed by October 2019. Monthly progress report on this shall be submitted by OPTCL.

9. Only 3.65 lacs consumers are covered under Urja Mitra for intimating outage information which is only 20% of total consumer and least among four DISCOMs.
10. The revenue collection through RCS mode involving agencies is made fully operational in 12 divisions out of 19 divisions of SOUTHCO Utility. About Rs. 8.00 Crores per month has been collected by RCS mode .
11. Presently 75 post offices of SOUTHCO area are collecting energy bills.
12. Six numbers of Customer Care Centre are operating in Berhempur City and there is target to open another 20 numbers in urban areas. Further, more than 320 numbers of WSHGs under SEFA are collecting the energy bills in the Rural areas.

Directives of the Commission:

	ALL ODISHA PERFORMANCE OF DISCOMs				
	FY 2018-19				All Odisha 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. Commission directed A.O., SOUTHCO Utility to remove Billing agencies in the SHG operated areas immediately and assign SHGs in both Billing and collection so that Billing and Collection cost will reduce and involvement of SHGs will increase. RCS for both billing and Collection can be made and with realistic billing actual collection can be linked. Commission asked SOUTHCO Utility to engage more and more SHGs for both metering, billing and collection.

2. While involving SHGs in Billing and Collection, it should be in clusters for better monitoring and supervision.
3. Commission directed A.O., SOUTHCO Utility to go for field visit and observe what is actually happening there regarding metering and Billing.
4. 100% consumers must be covered under proper billing.
5. Commission directed SOUTHCO Utility to register mobile phone numbers of all consumers and send message in Odia within 7 days that no capacity enhancement fee for transformer shall be collected from existing LT 1- Ø consumers who intend to enhance their load up to 5 KW .
6. Commission directed SOUTHCO utility to complete the entire consumer metering by October 2019. Monthly progress report of the same should be sent to Commission. OPTCL is required to install nearly 2 lakh meters every month to complete the metering work in time. Some officers from OERC shall go and check the same including the type of meters supplied under RGGVY and other such schemes. They will also check if complete metering, billing and collection work has been entrusted to the SHGs in the areas where they have been engaged.
7. Commission directed SOUTHCO Utility to submit Business plan by 30th June with audited figure up to FY 17-18..

Representative of SOUTHCO UTILITY

1. Sri R.R Panda, A.O.
2. Sri P. Arun Kumar, COO
3. Sri J.C. Panda, Sr. G.M.
4. Sri P.K. Choudhury, G.M.
5. Sri Biranchi Narayan Mallick, G.M. (Fin)
6. Sri Laxmidhar Upadhya, AGM (Com)
7. Sri S.K. Jena, S.E.
8. Sri P.K. Sahoo, S.E.
9. Sri M.S. Sadique, S.E.
10. Sri B.B. Nayak, Manager (Com)
11. Sri D.K. Mishra, Manager(F)