

**Minutes of Performance Review of SOUTHCO
from April, 11 to September, 2011 held in OERC on 23.12.2011.**

Date of Review : 23.12.2011 at 04.00 PM

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

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

- (i) Shri Prasant Choudhury, Managing Director, SOUTHCO
- (ii) Shri S.K.Choudhury, COO, SOUTHCO
- (iii) Shri B.N.Mallick, DGM, SOUTHCO
- (iv) Shri M.V.Rao, DGM (Com.), SOUTHCO
- (v) Shri Nilambar Das, OPTCL
- (vi) Shri M.R.Choudhury, OPTCL
- (vii) Shri U.N.Misra, OPTCL
- (viii) Shri P C Mohapatra, AGM OPTCL

1. Shri S. K. Choudhury, CEO, SOUTHCO made a presentation before the Commission about the performance of SOUTHCO 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 SOUTHCO

Sales Analysis of SOUTHCO

2. The Commission noted that during the period under review the energy purchased by the licensee was found to be 1409.38 MU compared to the prorated target of the Commission at 1366.50 MU for 1st half of FY 2011-12 resulting in a net increase of 2.63 % 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 2.95 % 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 8.67% and 2.73% 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 4.07% compared to the previous years. During the period under review the licensee has achieved 95.86%, 74.24%, 60.77% of the collection target set by the Commission in EHT, HT and LT sector .

SALES ANALYSIS OF SOUTHCO-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	1366.50	1004.38	195.00		109.90		699.03	69.60%
ACHIEVEMENT	1409.38	739.69	187.53	25.35%	83.80	11.33%	468.36	63.32%
% Achieved	103.14%	73.65%	96.17%		76.25%		67.00%	
Achieved Last Year	2550.88	1323.30	278.53	21.05%	200.17	15.13%	844.61	63.83%
Proportionated to half year	1275.44	661.65	139.26		100.08		422.30	
Change Compared to Last Year	2.63%	2.95%	8.67%	4.30%	-4.07%	-3.80%	2.73%	-0.51%
COLLECTION								
TARGET		358.40	100.84		57.94		199.62	
ACHIEVEMENT		260.99	96.67		43.01		121.31	
% Achieved		72.82%	95.86%		74.24%		60.77%	

Loss Analysis of the SOUTHCO

3. While analyzing the performance in the reduction of loss achieved by the licensee it is noticed that the overall loss achieved by the licensee is 47.52% compared to 48.22% during FY 2010-11 resulting in a decrease of overall loss by 0.70%. It is observed that LT loss has reduced marginally from 55.42% during FY 2010-11 to 54.98% during the 1st half of FY 2011-12 a decline of 0.44%. However, SOUTHCO is still far away from the target of the Commission to achieve LT loss of 27.23% for FY 2011-12. With regard to the performance in achieving AT&C loss it is observed that SOUTHCO has achieved an overall AT&C loss of 53.12% compared to 52.13% during FY 2010-11 resulting in a net increase of 0.99% compared to the last financial year. The overall increase in AT&C loss by 0.99 % was due to lower collection efficiency in LT sector by 7.76% by the licensee compared to FY 2010-11. While there is a marginal improvement in billing efficiency the collection efficiency of licensee has decreased significantly in LT sector. In terms of all the parameters discussed above SOUTHCO has not been able to meet OERC targets, though not declined.

PERFORMANCE OF SOUTHCO-LOSS					
	2010-11	Actual FY-2011-12(Apr-Sept)	Target 2011-12	Deviation	Change
LOSS (%)					
LT	55.42%	54.98%	27.75%	27.23%	-0.44%
OVERALL	48.22%	47.52%	26.50%	21.02%	-0.70%
BILLING EFFECIENCY (%)					
LT	44.58%	45.02%	72.25%	-27.23%	0.44%
OVERALL	51.78%	52.48%	73.50%	-21.02%	0.70%
COLLECTION EFFICIENCY (%)					
EHT	100.00%	100.12%	99.00%	1.12%	0.12%
HT	96.00%	96.72%	99.00%	-2.28%	0.72%
LT	88.00%	80.24%	99.00%	-18.76%	-7.76%
OVERALL	92.45%	89.32%	99.00%	-9.68%	-3.13%
AT & C LOSS (%)					
LT	60.92%	63.87%	28.47%	35.40%	2.95%
OVERALL	52.13%	53.12%	27.24%	25.89%	0.99%

Performance of Divisions:

4. The divisional performance sheet of SOUTHCO shows that overall LT Realization to input for all divisions taken together has decreased from 119 Paise to 116 paise during the period under review. The decrease in realization per input is against an 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 Gunpur I which has reduced AT&C-LT loss by 4%. The worst performing divisions are Malkangiri, Boudh, Chhatrapur, Nawarangpur, Koraput and Berhampur-III where AT&C – LT loss has increased by 6%, 7%, 7%, 11%, 10 and 20% respectfully. The Commission expressed displeasure for the fact that even after repeated instructions the loss level of divisions like Chhatrapur, Nawarangpur, Koraput has remained at about 70 %. The Management 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.

L.T.PERFORMANCE OF SOUTHCO FOR FY 2011-12 (UPTO SEPT. 2011)									
Sl. No.	Name of Division		LOSS (%) (Assuming HT Loss 8%)			AT & C LOSS (%)		Overall Realisation per Total Input p/u	LT Realisation per LT Input p/u
			LT	HT & LT	Over All	LT	TOTAL		
OERC TARGET /APPROVED FOR 2011-12			27.7%	30.9%	26.5%	29.0%	27.2%	2.60	2.03
ACTUAL									
1	ASKA- II	2011-12(Apr-Sept)	75%	76%	76%	82%	83%	0.52	0.53
		2010 - 11	75%	77%	77%	77%	78%	0.61	0.64
2	MALKANGIRI	2011-12(Apr-Sept)	66%	54%	54%	78%	65%	1.47	0.70
		2010 - 11	68%	59%	59%	72%	66%	1.17	0.90
3	BOUDH	2011-12(Apr-Sept)	59%	59%	59%	74%	70%	1.03	0.81
		2010 - 11	56%	57%	57%	67%	66%	1.09	0.97
4	CHATRAPUR	2011-12(Apr-Sept)	65%	66%	35%	74%	39%	2.66	0.78
		2010 - 11	59%	49%	35%	67%	38%	2.20	0.93
5	PURUSOTTAMPUR	2011-12(Apr-Sept)	66%	66%	66%	74%	74%	0.75	0.75
		2010 - 11	69%	69%	69%	69%	69%	0.84	0.84
6	BHANJANAGAR	2011-12(Apr-Sept)	65%	67%	67%	73%	74%	0.78	0.82
		2010 - 11	67%	70%	70%	73%	75%	0.70	0.74
7	ASKA-I	2011-12(Apr-Sept)	65%	66%	66%	72%	72%	0.89	0.86
		2010 - 11	71%	72%	72%	75%	76%	0.68	0.68
8	NOWRANGPUR	2011-12(Apr-Sept)	56%	50%	50%	70%	64%	1.52	1.06
		2010 - 11	48%	42%	42%	59%	53%	1.68	1.41
9	DIGAPAHANDI	2011-12(Apr-Sept)	58%	61%	61%	69%	71%	0.84	0.87
		2010 - 11	54%	57%	57%	66%	69%	0.86	0.92
10	KORAPUT	2011-12(Apr-Sept)	62%	52%	31%	69%	33%	3.23	1.03
		2010 - 11	64%	52%	30%	59%	29%	2.88	1.32
11	PHULBANI	2011-12(Apr-Sept)	52%	55%	55%	61%	64%	1.18	1.25
		2010 - 11	53%	56%	56%	57%	59%	1.29	1.36
12	PARALAKHEMUNDI	2011-12(Apr-Sept)	49%	52%	52%	61%	62%	1.18	1.19
		2010 - 11	55%	58%	58%	60%	62%	1.13	1.18
13	JEYPORE	2011-12(Apr-Sept)	43%	40%	32%	56%	36%	2.95	1.57
		2010 - 11	48%	42%	29%	57%	32%	2.75	1.45
14	BERHAMPUR-III	2011-12(Apr-Sept)	49%	48%	48%	53%	51%	1.80	1.53
		2010 - 11	40%	40%	40%	33%	35%	2.17	2.03
15	GUNUPUR	2011-12(Apr-Sept)	42%	46%	46%	51%	53%	1.54	1.54
		2010 - 11	53%	56%	56%	55%	57%	1.34	1.37
16	BERHAMPUR- I	2011-12(Apr-Sept)	40%	42%	35%	47%	39%	2.57	1.91
		2010 - 11	44%	45%	40%	46%	41%	2.16	1.75
17	BERHAMPUR-II	2011-12(Apr-Sept)	32%	37%	37%	40%	44%	2.02	2.12
		2010 - 11	38%	42%	42%	41%	44%	1.82	1.87
18	RAYAGADA	2011-12(Apr-Sept)	29%	31%	25%	39%	28%	3.02	2.08
		2010 - 11	34%	35%	28%	40%	31%	2.54	1.90
ACTUAL TOTAL SOUTHCO		2011-12(Apr-Sept)	55%	55%	48%	64%	53%	1.85	1.16
		2010 - 11	55%	54%	48%	61%	52%	1.67	1.19

5. Franchise Operation by the Licensee

CESU was directed to cover atleast 2,02,500 nos. consumers by end of 2011-12 vide para 642 of RST Order of FY 2011-12. Against the above target SOUTHCO has so far covered 66,389 nos. of consumers till 31st Sept., 2011. There are 1 no. of input based franchisees, 1 no. of Macro-Franchisees operating in the areas of SOUTHCO 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	0	0
No of Consumers Covered	0	0	0
No of Macro-Franchisees	0	0	1
No of Consumers Covered	-	-	17,872
No of Input Based-Franchisees	1	1	1
No of Consumers Covered	39,286	44,498	48,517
Total no of consumers covered under Franchisee	39,286	44,498	66,389

Arrear Analysis

6. SOUTHCO has an arrear of Rs. 476.62 Cr. as on 30.09.2011 compared to the net arrear of Rs. 445.41 Cr. on 31.03.2011 resulting a net increase of Rs.31.21 Cr. The net addition of arrear by Rs.31.21Cr. is due to an increase in arrear in LT, and Govt. Dept. sector by Rs.24.91Cr, & Rs.6.98 Cr. respectively. The addition of arrear during the period of under review is Rs.31.31 Cr. against collection of arrear of Rs.18.49 Cr. The addition of arrear was high in LT sector to the tune of Rs.24.94Cr. against the collection of arrear in the same sector. The Commission expressed concern for the fact that there has been an addition of arrear to the tune of Rs.6.98 Cr. in Govt. Dept. against collection of Rs.3.35 Cr in the same sector.

ARREARS, BILLING & COLLECTION 2010-2011 (April' 10 to March' 11)-SOUTHCO								
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 the 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
EHT	0.22	96.55	96.55	0.12	96.67	0.00	0.10	-0.12
HT	4.99	32.43	32.43	0.59	33.02	0.00	4.40	-0.59
LT	355.83	137.46	98.09	14.43	112.52	39.37	380.77	24.94
GOVT. DEPTTs, STATE PSU & OTHERS	58.12	13.72	6.24	2.55	8.79	7.48	63.05	4.93
Govt-HT	26.25	12.04	9.19	0.80	9.99	2.85	28.30	2.05
GRAND TOTAL	445.41	292.20	242.50	18.49	260.99	49.70	476.62	31.21

Consumer and Infrastructure Growth

7. During the period under review the no. of consumers has increased from 7,18,073 to 7,99,672 as on 30th Sept., 2011. The length of 11 KV feeder of the licensee has increased from 18,185.58 Km to 19,868 Km and that of LT line increased from 11,810.54 Km to 14,428.65 Km. Similarly the number of 11 KV feeder breakers installed increased from 158 nos. to 160 nos. and that of 33 KV feeder breakers increased from 36 nos. to 56 nos. A brief outlook of the infrastructure position of SOUTHCO is given below:

No. of consumers			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
EHT	11	12	12
HT	171	179	185
LT	622,972	717,882	799,475
Total	623,154	718,073	799,672
Network System			
Length of 33 KV Line (km.)	2,769.27	2,759.38	2,759.38
Length of 11 KV Line (km.)	17,030.65	18,185.58	19,859.11
Length of LT KV Line (km.)	11,149.12	11,810.54	14,428.65
Length of conductor stolen (km.)	7.18	10.02	1.00
Cost involved (Cr.)	0.01	0.02	0.002

No. of 33 KV Group Breakers Installed	33	36	56
No. of 33 KV Feeder Breakers Installed	77	77	84
No. of 11 KV Group Breakers Installed	148	158	160
No. of 11 KV Feeder Breakers Installed	126	134	134

8. **Metering Position of SOUTHCO**

During the period under review the percentage of working meters has decreased from 90% to 90% as on 30th Sept., 2011. It is seen that no. of consumers with AMR Metering is 700 out of 5375 nos of consumers having more than 10KW load . From the submission of SOUTHCO it is observed that Rs.1.42Cr. is collected as meter rent from the consumers against Rs.1.10Cr. spend towards purchase of new meters.

Consumer Metering Position			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
Total number of meters	616,658	712,395	794,214
No. of working meters	569,027	645,893	717,062
Percentage of working meters (%)	92%	91%	90%
New meters installed (3 ph)	1,993	1,391	959
New meters installed (1 ph)	24,507	93,615	77,192
No of 3 Phase Consumers	15,392	16,720	17,265
No of Consumers with TOD benefit			
No of Consumers above 10 KW load	5,025	5,251	5,375
No of Consumer AMR metering	406	493	700
Total No of consumers	623,154	718,073	799,672
No. of consumers added	62,717	96,066	78,151
No of meters purchased from FY-2009-10 (1-Ph)	24,000	47,500	10,000
Cost involved in purchase of meters (Rs. In Cr.)	2.64	5.22	1.10
No of meters used for installation for new consumer and replacements for old consumers from FY 2009-10 onwards	42,122	57,576	16,145
Cost of meter rent Collected (Rs. In Cr.)	3.14	3.04	1.42

(B) **SECTORAL ANALYSIS**

9. **Sales Analysis of the Sector**

A glance to the input to the sector as 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.

<u>PERFORMANCE OF DISTCOS (ALL ORISSA)-Sales Up to Sept 2012</u>							
	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 for 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 the realization the 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:

(ii) 82 nos of meter in 11 KV feeders & 215 nos meters in DTRs are in operative condition. Provision has been made in CAPEX for procurement of meters in case of 11 KV as well as at DTR level metering. Action has been taken to correlate the consumers connected load/contract demand with a particular 11 KV feeder.

(iii) **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:

Most of the employees have declared their contract demand along with meter no. and location of the premises etc.

(iv) **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 CEO SUTHCO submit that the consumption pattern of all high value consumers are monitored at corporate level by a special team designed for this purpose.

Cross checking of meter readings

Directives:

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

Achievement:

During Cross checking of the meters, it is observed that 0.536 MU has been recovered and billed to the consumers during the period Apr-11 to Sep-11 . About 8000 nos of Kutir Jyoti consumers have been recategorised under Domestic category during the 1st half FY 2011-12 as per the report of the spot billing and subsequent checking thereafter.

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:

Administrative Action has been taken against the errant employees as per the Service Code. During the 1st half of FY 2011-12, the transfer, disciplinary proceedings,

Suspension, Charge sheet has been under taken against the employees. Action has been taken against 6 nos of employees due to their lapses in duties.

(ii) **Delegation of Power**

Directives:

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

Achievement:

Delegation of Technical, Financial and Administrative matter existing and proposed is going to be finalized soon.

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:

8 nos of EPS are functioning in the areas of SOUTHCO. Now, the intensive vigilance checking is carried out by the Vigilance Cell functioning at Circle level. 3 nos of TATA MAGIC has been purchased and earmarked for vigilance cell from May-11. During the period Oct-10 to March-2011, 1207 nos of consumers were checked mainly at Berhampur City and abnormalities in case of 558 nos were observed and Rs.0.90 Cr has been collected against Final assessment of Rs.1.21 Cr. 170 nos of FIR was lodged during the FY 2010-11 out of which 133 nos of FIR has been lodged in the Energy Police Station

Anti Theft Measures during review period			
	As on 31.03.2010	As on 31.03.2011	As on 30.09.2011
No of cases Finalised under Section 126 & 135		311	619
Amount Finalised (lakhs)		91.25	110.33
Amount Accessed during filing of case (Rs. In Lakhs)		155.42	327.70
No of new connections given	241	694	412
No of Connection Regularised	241	694	412
Amount Collected (Lakhs.)	15.90	111.00	20.22
NO. of FIR Lodged	93	170	68
No. of illegal consumers prosecuted/Initiated in Court	28	18	32
Number of disconnection made	25,611	21,651	3,608
Revenue realised (Rs. Cr.)	0.36	2.12	1.06

(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:

The Disciplinary action against 6 nos of officials has been taken during 1st half of the current FY 2011-12.

17. **SYSTEM UP GRADATION**

(i) **Submission of cost Data**

Directives:

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

Achievement:

SOUTHCO has submitted the Cost Data for the Year 2009-10 vide letter no. 17736 dt.13.08.2010 before the Commission in response to the letter of Director Traiff-328/08/4435 dt.19.07.2010

(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:

Although SOUTHCO has submitted Division wise data before Hon'ble Commission but the same shall be submitted separately for the purpose of CAPEX

(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:

Status of Inquiry committee report as on 31st March 2011 has been submitted on 20th May-2011.

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:

The Division wise target of collection out of current and out of arrear revenue was fixed. As against collection of Rs.40.00 Crore towards arear, Southco has collected

Rs.24.09 Crore during the FY 2010-11.The Divisions were directed to collect atleast 96 % of their current LT billing besides collection of arrears

(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

SOUTHCO has collected Rs. 0.12Cr. & Rs. 0.59Cr from EHT & HT consumers respectively out of Rs.0.22Cr. & Rs.4.99Cr. outstanding from EHT & HT consumers as on 31.03.2011 resulting a net decrease in EHT & HT arrear by Rs.0.12Cr. & Rs.0.59Cr. respectively.

(iii) **Strategy for collection of arrear from Govt. Dept & PSU**

Directives:

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

Achievement:

The list of defaulting organizations was communicated to the treasury. Action also taken for realisation of Govt. consumers during the month of Jan-11 by declaring special drive from 17.01.2011 to 29.01.2011. During the special drive 708 nos of Govt. consumers were disconnected and an amount of Rs.1.36 Crore was realised

19. **TECHNOLOGICAL UPGRADATION**

(i) **Feeder Metering Position**

Directives:

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

Achievement:

SOUTHCO is very poor so far metering of 33KV feeders, 11KV feeders, 33/11KV Transformer Metering & Distribution Transformer Metering position are concerned.

SOUTHCO being a domestic based company need to strengthen its metering position for its own survival.

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)	159	159	159
No. of 33 KV feeder metering	112	42	42
No. of 11 KV feeders	425	430	430
No. of 11 KV feeder metering	425	82	82
No. of 33 / 11 KV transformers	221	233	235
No. of 33/11 KV transformer metering position	-	-	-
No. of distribution transformers (11/0.4 & 33/ 0.4 KV)	14,694	15,905	19,406
No. of distribution transformer metering position	9,236	215	215
Energy Audit Carried Out-33 KV			

Energy Audit Carried Out-11 KV			
Energy Audit Carried out- No of DTRs covered			

(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:

The metering at the down the level are not in operative condition. Hence, fruitful energy accounting and audit is not possible. Thus, after release of funds under CAPEX, the same shall be taken up on priority basis

(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, SOUTHCO stated that due to financial constraints it is not able to do much to introduce technology the reduction of loss however it is hopeful of doing so with introduction of CAPEX in the coming year.

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 SOUTHCO 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 971 against 1447 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 found to be 748 nos. during the 1st half of the current Financial Year against 1859 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 95434 during the 1st half of current financial year against 1,54,615 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	8	8	11
No. of transformers burnt	1,669	1,447	971
Cost involved (Cr.)	3.71	3.25	1.99
No of Interruptions in 33 KV Feeders	1,545	1,859	748
No of Interruptions in 11 KV Feeders	170,247	154,615	95,434

(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 SOUTHCO has installed 36 new transformers and upgraded 20 transformers during the period under review. Similarly SOUTHCO has laid 03 Kms of AB cable only 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 (Nos.)	43	76	36
Up-gradation of Transformers (Nos.)	166	94	20
Installation of Pillar Box(Nos.)	6	-	-
Length of AB Cable Laid(Km.)	31.6	149.24	9.95
Conversion of Single Phase to Three Phase Lines(Km.)	14.2	69.50	3.00

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:

Immediate follow up action was taken on the grievances of the consumers against findings of vigilance squad at SOUTHCO Corporate Office under the guidance of Chief Vigilance Officer.

(2) **Implementation of GRF Orders**

Directives:

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

Achievement:

The Order of the GRFs are being complied promptly. The monitoring for complinace has been vested at Circle level through Asst. Manager(Law). A brief outlook of the performance of SOUTHCO in providing in consumer services is 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 during FY	4,586	1,635	1,242
Disposed through CHP including Bijuli Adalat during FY	3,528	1,380	1,107
No. of GRF Orders received	2,297	2,635	2,851
No. of GRF Orders Complied	2,261	2,610	2,818

However as reported from GRF offices of SOUTHCO the outstanding cases as on Sept'2011 as follows:

Name of the GRF	Opening Balance	No. of cases registered	No. of cases Disposed	No. of cases pending for disposal	No. of orders pending for implementation
Berhampur	43	110	84	69	105
Jeypore	03	15	13	5	30

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 Estimates regarding elephant corridor has been submitted to the GoO. The other safety measures for electrical installation also being taken by way of inspection by the Electrical Inspectors and training to the employees along with booklets of Dos & Do nots.

23. **Improvement of Voltage Profile**

SOUTHCO was experiencing load shortage problem in Jaynagar, Tentulikhunti, Sunabeda, Phulbani Grid sub-stations area of operation those have rectified by replacement of transformers by OPTCL.

Jaynagar Grid Sub-station:

Present installed capacity of transformer $1 \times 20 + 1 \times 12.5 = 32.5$ MVA

Load during peak load hours 26 MW

Proposed by OPTCL

Additional 20 MVA transformer was installed during December, 2011.

Tentulikhunti Grid Sub-station

Present installed capacity of transformer $2 \times 12.5 = 25$ MVA

Load during peak load hours 21 MW

Proposed by OPTCL

Additional 12.5 MVA transformer was installed during December, 2011.

Sunabeda Grid S/s

Present installed capacity of transformer $= 2 \times 12.5 = 25$ MVA

Load during peak load hour $= 22$ MW

Proposed by OPTCL

Additional 12.5 MVA Transformer was installed during Dec' 11

Phulbani Grid S/s

Present installed capacity of transformer $= 2 \times 7.5 + 1 \times 12.5 = 27.5$ MVA

Load during peak hour $= 20$ MW

Proposed by OPTCL

One 7.5 MVA Transformer was replaced with a 12.5 MVA during Dec 11.

(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 SOUTHCO during the 1st half of the FY 2011-12 has deteriorated compared to its performance during FY 2010-11. More over, it is not upto the expected level in different aspects. The LT and overall AT&C 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 SOUTHCO 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 SOUTHCO 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 SOUTHCO 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)-368/09/
Dated- .02.2012**

From

Shri P K Swain
Secretary

To

The Chief Executive Officer,
SOUTHCO,
Kortpeta, Berhampur, Dt.Ganjam.

Sub: Review of Performance of SOUTHCO for April, 11 to September, 2011 held in OERC on 23.12.2011.

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.