

CESU

Technical/Commercial Information Required

- CESU in its Tariff Proposal left a revenue gap of Rs.161.70 crore for FY 2008-09 at the existing tariff and has proposed that, the gap may be bridged by reduction in BST/ Government subsidy or part revision of retail tariff with out proposing any new tariff. CESU should have proposed the tariff schedule for FY 2008-09 so as to bridge the revenue gap.
- **Distribution Loss:** CESU has not provided documental evidence in support of distribution loss for FY 2006-07 and April-Sept.'07. The same may be furnished.
- **Load Growth:** CESU in its Tariff Application has proposed a load growth at 42% in respect of EHT- Power Intensive Industries but has not justified the growth indicating the details in the formats forwarded in Commission's letter dtd. 03.11.2007.
- The Commission in its letter dtd. 03.11.2007 had directed CESU to submit the following information along with tariff filing to justify the ARR for FY 2008-09.
 - In the recent notification relating to OERC Distribution (Conditions of Supply) (4th Amendment) Code, 2007 a sub-category as Agro Industrial Consumer in Regulation 80(5)(1) has been inserted. You were requested to include the same sub-category in the format T-1 to T-8 of your filing. The same has not been indicated in the filing. CESU is required to comply with the same.
 - Proposed additional load of EHT and HT consumer separately considered in the ARR for FY 2008-09 in the enclosed format (Annex-I, II & III).
 - Statement of TOD benefits given to LT/HT/EHT categories for FY 2006-07 and FY 2007-08 upto September, 2007.
 - Revenue foregone on account of incentive due to improvement of power factor to HT & EHT consumers during FY 2006-07 and 2007-08 (upto September 2007).
 - Revenue receipt on account of power factor penalty of HT and EHT consumers for FY 2006-07 and 2007-08 (upto September 2007).
 - Revenue receipt on account of over drawl penalty of HT & EHT consumers for FY 2006-07 and 2007-08 (upto September 2007).
 - Revenue receipt on account of DPS from all categories of consumers for FY 2006-07 and 2007-08 (upto September 2007).
 - Statement of meter rent receipt from all categories of consumers voltage wise at EHT/ HT/LT- 3 phase and LT single phase consumers for FY 2006-07 and 2007-08 (upto September 2007).

- Statement of consumption of units between 50% to 60% and more than 60% in case of HT & EHT consumers for FY 2006-07 and 2007-08 (upto September 2007).
 - Miscellaneous income receipt for FY 2006-07 and 2007-08 (upto September 2007).
 - Steps taken to record simultaneous maximum demand of the company.
 - Status of open access allowed/likely to be availed.
- **Regarding Open Access Charges and reduction of Cross Subsidy.:**

Sub Section in clause (d) under Section 39 (second proviso) and Sub Section (2) under Section 42 (third proviso) stipulate that, Open Access surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission. In this regard CESU may include in its proposal manner of phasing of the said charges.
 - **Sale Forecast:**

LT Category: The basis of arriving at the high growth rate for FY 2008-09 over FY 2007-08 in respect of domestic, GP and specified public purpose has not been mentioned. The same may be furnished.
 - **SMD:** No mention has been made regarding anticipated SMD for FY 2008-09. The same may be furnished.
 - It may be clarified whether, increase/decrease in energy consumption has got direct link with SMD.
 - **Billing determinants:**

Billing determinants for the previous year i.e. FY 2006-07 in respect of Domestic (T-2), General Purpose (LT) (T-3), LT Industrial (S) Supply (T-4), Irrigation and agriculture category (T-5) have not been furnished. The same may be complied.
 - Actual consumption between 50% to 60% and separately above 60% in respect of HT/EHT consumers for the FY 2005-06 and first six months to the current financial year may be supplied.
 - Consumption details in respect of HT/EHT consumer for the FY 2006-07 has not been furnished in P-9 format. The same may be complied with.
 - CESU is required to furnish information on i) fixation of monthly maximum demand charge and ii) details of consumption and load factor in Form P-8 and P-9 respectively for FY 2006-07.
 - Actual figures for the FY 2006-07 and FY 2007-08 (first six months) on account of the followings may be quantified category wise.
 - a) Number of three phase consumers availing the relief due to TOD tariff and MU on which TOD relief has been obtained.
 - b) Revenue relief due to improvement of power factor by HT & EHT consumers:
 - Revenue receipt for the FY 2006-07 and FY 2007-08 (first six months) on account of the following penalties may be quantified category wise

- a) Over drawal penalty.
 - b) Power factor penalty.
 - c) Delayed payment surcharge.
 - d) Meter rent voltage wise at EHT/ HT/LT- 3 phase and LT single phase consumers.
- Steps taken to record simultaneous maximum demand of the company has not been furnished. The same may be clarified.
 - No Action Plan for establishment of Special Police Station & Special Court has been given. The same may be indicated.
 - It may be stated whether continuance of special tariff to be allowed.
 - Bifurcation of the amount towards cost of power purchase and cost of transmission for FY 2008-09 may be furnished.
 - The following billing in respect of EHT/HT/LT category of consumers and BST billing for FY 2006-07 and FY 2007-08 (first six months) may be indicated.
 - The following Performance Formats have not been provided. The same may be submitted.

P (3), P (4), P (7), P (8), P (10), P (11), P (13), P (14)& P (15)

Finance:

1. Audited accounts for the FY 2005-06 & 2006-07 are wanting. The same may be submitted.
2. Work wise expenditure of APDRP Project for FY 2006-07, 2007-08 & 2008-09 may be submitted. It may be indicated that whether any approval investment in APDRP, RGGVY & Biju Gramya Jyoti Yojana for amount more than 5.0 Cr. has been obtained or not.
3. Data on Form F-15 (Subsidy on average cash basis) has not been furnished.
4. Progress of collection of receivables along with progress of receivable Audit has not been spelt out. Action Plan on the above items may be submitted.
5. **Employees Cost**
 - (a) Information on reduction of number of employees, induction of new employees and their impact on employees cost is not available. The same may be submitted in the following format.
 - i) No. of employees (existing as on dt.01.04.2005).
 - ii) Retired employees (as on dt.01.04.2005).
 - iii) Year wise induction of new employees & cost involved (2005-06 to 2008-09).
 - iv) Year wise reduction in number of employees & Saving in cost (2005-06 to 2008-09).

- v) Addition to the no. of retired employees & the cost involved thereon (2005-06 to 2008-09).
 - vi) No. of employees engaged on Contractual basis & cost involved (2005-06 to 2008-09).
- (b) The Commission in their Order for FY 2007-08 stated to verify the official receipt from trust, duly acknowledging the contribution from the Licensees towards the trust fund from time to time. This has not been complied. As such copies of the document showing the investment in trust fund may be furnished.
6. CESU in format F-12 has shown previous loss of Rs.1140.47 Cr. which has not been claimed in the revenue requirement for FY 2008-09. The programme & manner of liquidating the huge past loss has not been explained.
 7. Action plan for settlement and collection of arrears outstanding with the consumers has to be spelt out.
 8. The following finance formats have not been provided and may be furnished.
F-15, F-16, F-24, F-25, F-26, F-29, F-30, F-31, F-32, F-33, F-34, F-36.
 9. The fixed asset register complied up to 31.03.2007 may be submitted.
 10. **In addition to the above, the licensee shall give a point wise compliance to all the directions given by the Commission during the last control period.**
 11. **Thrust areas for 2008-09 and concrete steps proposed for improvement in standards and of services and effectively reduction of consumer grievances may be outlined.**