

Minutes of Performance Review of CESU for FY 2012-13

Date of Review : 4th June, 2013

Period of Review : FY 2012-13

Representative of CESU, GRIDCO and OPTCL:

Information as filed by the Licensee

(A) Growth of Consumers :

Year	EHT Consumers	HT Consumers	LT Consumers	Total No. of consumers
2008-09	19	852	1073174	1074045
2009-10	119	951	1142530	1143500
2010-11	21	1094	1293111	1294226
2011-12	21	1371	1490146	1491538
2012-13	22	1414	1669716	1671152

(B) Billing & Input

Year	EHT (MU)	HT (MU)	LT (MU)	Total (MU)	Sales (Rs. In Cr.)	Input (MU)
2011-12	1309.32	863.46	2297.01	4469.79	1916.25	7233.05
2012-13	1267.19	913.62	2482.15	4662.96	2392.83	7401.89
OERC Target for FY 2012-13	1682.81	1056.89	3602.02	6341.72	2870.91	8236.00

(C) Efficiency Parameters(Overall)

Year	Billing (in Cr.)	Collection (Rs. In Cr.)	Distribution Loss (%)	Collection Efficiency (%)	AT&C Loss (%)	Billing Efficiency Overall (%)
2011-12	1916.25	1861.36	38.20	97	39.97	61.80
2012-13	2392.83	2201.29	37.00	92	42.05	63.00
OERC Target for FY 2012-13	2870.91	2851.47	23.00	99	23.77	77.00

(D) Efficiency Parameters (LT)

Year	Input (MU)	Billing (MU)	Distribution Loss (%)	Billing (in Cr.)	Collection (Rs. In Cr.)	Collection Efficiency (%)	AT&C Loss (%)
2011-12	4585.96	2297.01	49.92	799.99	751.59	94	52.95
2012-13	4730.30	2482.15	47.53	1144.11	991.88	87	54.51
OERC Target for FY 2012-13	4972.04	3602.02	27.55	1380.22	1366.42	99	28.28

(E) Division wise performance

The table below indicates the performance of Divisions which have performed poorly during FY 2011-12 & FY 2012-13 relating to efficiency parameters.

Division	Year	Billing Efficiency (%)		Collection Efficiency (%)		AT&C Loss (%)	
		LT	Overall	LT	Overall	LT	Overall
NEDN	2012-13	34	31	70	71	77	78
	2011-12	36	34	83	85	70	71
SED	2012-13	42	39	73	72	69	72
	2011-12	45	42	81	80	64	67
KED-2	2012-13	45	41	87	88	61	64
	2011-12	40	37	99	99	61	63
ANED	2012-13	39	41	79	81	69	66
	2011-12	36	43	94	92	66	60
PED	2012-13	47	46	76	78	64	64
	2011-12	46	45	84	85	61	62
JED	2012-13	50	46	80	80	60	63
	2011-12	44	41	84	84	63	66

(F) Arrear, Billing and Collection during FY 2012-13 pertaining to FY 2011-12 as per Hon'ble High Court's decision.

Rs. In Crore

	FY 2011-12	FY 2012-13
Billing	1916.22	2392.83
Collection	1861.26	2170.04*
Un collected amount	54.96	222.79
Collection Efficiency	97.13%	90.69%

* Note – Total collection during FY 2012-13 is Rs.2221.29 crore which includes Rs.31.25 crore pertaining to FY 2011-12. Thus, collection for the year FY 2012-13 would be Rs.2170.04 crore (2201.29-31.25)

(G) Bills served to the consumers during FY 2012-13 pertaining to the FY 2011-12 as per the Hon’ble High Court’s decision

	<u>Rs. in crore</u>
1. Arrear Bill	94.92
2. Collection	31.25
3. Adjustment by the GOO	32.05

4. Total (2+3)	63.30
5. Uncollected amount	31.62

Commission’s observation and directions

The key observations are as follows :-

1. There is reduction in EHT sale by 3.2% as compared to previous financial year. CESU replied that the reduction in sale is due to closure of 3 EHT industries.
2. AT & C loss for the FY 2012-13 has increased in comparison to FY 2011-12. The CEO, CESU replied that an amount of Rs.55 crore has been paid by railway during May, 2013 as per ATE direction. This will be accounted for in FY 2012-13, which will help in reduction of AT&C loss.
3. The EHT arrear as reported by CESU amounts to Rs.70.27 crore as on 31.3.2013 which is a substantial amount. Further due to decrease in collection efficiency, there is increase in LT arrears.
4. In Nimapara Electrical Division the AT&C loss increased from 71% (during 2011-12) to 78% (during 2012-13). CESU to focus on the area where AT&C loss is higher.
5. Before accumulation of huge arrear CESU should disconnect power supply after giving notice. To compensate the loss security deposit should be adequate to cover the outstanding bill against disconnected consumers.
6. Action Plan for reduction of arrear dues has not been specified. CESU should make it a principle to write off bad debt from the books of accounts, instead of showing a huge amount of arrear.

7. Energy Audit report has not been submitted.
8. Commission observed that ABT in CESU is well managed.

Direction:-

- (1) Commission will review the collection position of CESU by 1st week of September, 2013.
- (2) CESU to do the arrear analysis of consumer above Rs.10 lakhs and submit the report.
- (3) CESU to submit the action plan and areas where improvement need to be made to reduce AT&C loss.
- (4) CESU to submit the Energy Audit report to the Commission within one month.
- (5) The uncollected amount of Rs.31.60 crore pertaining to FY 2011-12 as per the Hon'ble High Court's decision should be collected entirely by September, 2013 and compliance by reported to the Commission
