

Query on the CESU's ARR Filing 2018-19

TECHNICAL

1. In T 9 format consumption figure of industries during previous year i.e. 2016-17 may be submitted.
2. CESU has projected a sale of 124.61 MU to 152918 number of BPL consumers with an average consumption of 67.91 units per month. Same to be recalculated by considering an average consumption of 30 units or upgrading them into APL category.
3. The reasons for less realization per unit from HT category of consumer projected for FY 2017-18 than that of 2016-17 to please be explained.
4. In view of the lower EHT sales projected by all DISCOMs the following format to be filled up and submitted to the Commission on account of open access.

Sl. No.	Name of the Industry	Contract Demand	Total Consumption in during FY 2016-17 (Grid + Open Access)	Open Access availing or likely to avail during FY 2017-18		Open Access likely to avail during FY 2018-19	
				KVA	MU	KVA	MU
		KVA	MU	KVA	MU	KVA	MU

5. The status of clearance by OPTCL on the issues like connectivity of the consumers mentioned in format T-9 to be submitted.
6. Revenue Collected from HT and EHT Consumers towards Reliability Surcharge for FY 2015-16, 2016-17 and 2017-18 up to Nov 2017 should be submitted.
7. Revenue Collected from HT and EHT Consumers towards TOD benefit for FY 2015-16, 2016-17 and 2017-18 up to Nov 2017 should be submitted.

FINANCE

8. Note on Employees Cost;
 - a) The details of component wise actual expenses on Employees cost including Pay, GP, Arrear salary, HR, pension, gratuity, leave and transfer to provident and other funds on monthly basis for FY 2016-17 shall be furnished. Similar details shall also to be furnished for actual payment made for the current year upto the month of November, 2017.
 - b) It has been proposed to increase the cost of terminal benefits from Rs. 173.95 crore for FY 2017-18 to Rs. 194.61 crore for FY 2018-19. Accordingly, for such projection of terminal benefits necessary explanation along with actuarial valuation report may be submitted.

- c) It has been proposed to recruit 756 nos of Jr. Atisan-A with additional cost of Rs. 3.40 crore. It has been further stated that the employee strength is planned to increase in view of the increase consumer strength and ensuing projects. The detailed study if done on such increase of employees along with rationale to be furnished.
 - d) The expenses on the outsource obligation is also proposed to be increased from Rs.17.97 crore to Rs 19.65 crore. This to be explained.
 - e) Under Employee expenses the Commission allowed expenses towards uniform for the employees. The progress on such account to be explained.
 - f) The expenses towards Franchisee operation has been proposed to increase from Rs. 80.85 crore for FY 2017-18 to Rs. 118.37 crore for FY 2018-19 which is a substantial increase from last year projection. It has been further proposed to consider such expenses as additional A&G Expenses. The veracity of such expenses to be explained and cost benefit analysis of such expenses to be given.
 - g) Under A & G expenses no expenditure is shown towards energy audit programme and customer care. This is to be clarified with justification for such exclusion. Further, energy audit and metering schemes to be furnished for FY 2018-19.
 - h) The details of bank charges to be furnished as shown under the head miscellaneous expenses.
9. CESU to furnish the details of number of regular employees (excluding contractual and out sourced employees) in the following manner.
- A. Employees as on 01.04.2017.
 - B. Recruitment during 2017-18.
 - C. Retirement during 2017-18.
 - D. Recruitment proposed during 2018-19.
 - E. Retirement 2018-19.
 - F. Total number of employees as on 01-04-2019.
10. An amount of Rs.146.02 crore has been projected towards R & M expenses where as on from the performance review report it is revealed that less than 50 Cr. has been spent towards R & M. This is a quantum jump projection from the actual expenses incurred for the earlier years. No plan of action for R & M expenses has been given in the ARR petition and month-wise expenses towards R & M for the current year upto November, 2017. This shall be furnished along with the details of action taken.
11. The amount of capital expenditure and addition to the fixed asset given as under:-

(Rs. In Crore)

Proposed Capital exp. And addition of Fixed Assets FY 2017-18	CESU	
	Capital Expenditure	Addition
RAPDRP (A)	114.66	69.35
RAPDRP (B)	198.63	109.29
Deposit work	25.94	18.00
RGGVY-II	110.79	103.70
DDUGJY	8.72	9.61
IPDS	21.62	15.87
Biju Gram Jyoti	5.57	6.52
Biju Sahar BY	0.50	0.65
DESI (GoO)	31.50	27.66
NABAKALEBAR		0.06
Capex Plan (GoO)	4.00	20.15
DEEPBOREWELL	96.86	38.74
ODSSP	310.00	319.37
SCHOOL/ANGANWADI	3.65	1.50
SCRIPS	96.86	91.53
ODAFF	24.40	15.98
UNBANKED GP	24.40	9.76
Elephant corridor	8.91	4.76
UG CABLING		10.57
District Mineral Fund	2.63	1.05
Ruban	1.84	1.10
Total	1091.48	874.86

CESU is required to furnish the actual expenditure as on date (till end of November 2016) in respect of capital expenditure and addition to Gross Fixed Assets during the FY 2017-18.

12. The consumer security deposit as on 31.3.2017 (Ref: Balance Sheet at Form F-21) is shown at Rs.636.01 cr. The physical form of investment of such deposit since 1999-00 (year wise) in different financial instrument to be furnished.
13. It is now projected to spend Rs.99.73 cr. for FY 2017-18 towards A & G expenses. The actual expenditure incurred during the current financial year on A & G expenses with details with break up upto November, 2016 to be furnished.
14. The availability of fund in Employees Trust Fund as on 31.3.2017 and its pattern of investment may be submitted. Further, the actual cash outflow towards terminal liability during FY 2016-17 and 2017-18(actual upto November 2017) to be furnished.
15. Month wise cash flow considering the revenue items only for FY 2016-17 and 2017-18 (actual upto November 2017) to be submitted.
16. Details of investment made out of the available funds towards security deposit, pension trust and gratuity trust as on 31.3.2017 and upto November, 2017.

17. Specific computerization year wise programme with regard to billing, collection, (MBC) and consumer interface shall be given.
18. What are the ongoing training programmes of the employees at all level in order to enhance their skills to tackle billing, collection and technical difficulties on the ground?
19. The Bad & Doubtful policy of the company to be submitted along with plan to reduce such expenses to be furnished.
20. Detailed steps taken for collecting arrears as on 31.03.2015 as recommended by the auditors after conduct of audit of receivable to be furnished.
21. Employee engaged in franchisee operated divisions to be furnished along with a note on their roles and responsibilities.
22. The performance of franchisee operated divisions including expenses, revenue realized, MU handled for last two years to be furnished. A note on performance and constraints of franchisee operation for each division to be furnished.
23. As per OERC Tariff Regulation, 2014, CESU to submit the segregated accounts for wheeling and retail business.
24. The Commission had given certain directions in the RST order dated 23.03.2017 especially para relating to Printing of Bill in Odia language – Para 295, Tariff to Educational Institutions - Para 305, Spl rebate to LT domestic consumers - Para 307, Additional rebate to rural consumers - Para 309, Uniform to Employees - Para 319, Service Condition of Employees - Para 353 and 354, Capacity building of Employees - Para 378, Security Deposit - Para 406,407 and 409, Segregation of accounts- Para 440 and 447 etc. The compliance of such directions to be furnished.
25. In the recent past years many system strengthening programmes have been undertaken under various schemes of the state and central government. The assets are also being added through capital contribution from the consumers and loan. The Fixed Asset Register therefore contains necessary details required to compute depreciation. The Commission in the past has also emphasized on the submission of the Fixed Asset Register. The up-to-date Fixed Asset Register to be furnished.
26. The reconciliation statement with GRIDCO regarding past receivable / payable to be submitted.
