

ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT No.4, CHUNOKOLI, SAILASHREE VIHAR,
BHUBANESWAR – 751 021
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Case No. 77 of 2018/1795
Dt.31.12.2018

To

The Chief Executive Officer,
Central Electricity Supply Utility,
2nd Floor, IDCO Towers,
Bhubaneswar – 751 022.

Sub: Revenue Requirement and Tariff Application for the year 2019-20.

Sir,

On scrutiny of the above application, it has been noted that information and analysis with regard to a number of items which are very relevant for the purpose of scrutiny of Revenue Requirement and Tariff for the FY 2019-20 have not been furnished. A list indicating items on which information/clarification to be furnished is enclosed.

You are hereby directed to furnish the information on the queries raised in Annexure by 12.01.2019.

The queries raised in this letter along with the replies shall be supplied to all the persons who might have purchased the ARR and Tariff application of your DISCOM.

Encl: As above.

Yours faithfully,

Sd/-

SECRETARY

Query on the CESU's ARR Filing 2019-20

TECHNICAL

1. In T-9 format consumption figure of industries during previous year i.e. 2017-18 may be submitted.
2. CESU has projected a sale of 105.40 MU to 115978 number of BPL consumers with an average consumption of 75.73 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 LT category of consumer projected for FY 2019-20 than that of 2018-19 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 2017-18 (Grid + Open Access)	Open Access availing or likely to avail during FY 2018-19		Open Access likely to avail during FY 2019-20	
				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 2016-17, 2017-18 and 2018-19 up to Nov 2018 should be submitted.
7. Revenue Collected from HT and EHT Consumers towards TOD benefit for FY 2016-17, 2017-18 and 2018-19 up to Nov 2018 should be submitted.
8. The latest T 4 (Consumption and Demand) & T 6 upto December 2018 shall be submitted.

FINANCE

1. 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 2017-18 shall be furnished. Similar details shall also to be furnished for actual payment made for the current year upto the month of November, 2018.
 - b) Under Employee expenses the Commission allowed expenses towards uniform for the employees. The progress on such account to be explained.

- c) 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 2019-20.
- d) The details of bank charges to be furnished as shown under the head miscellaneous expenses.
2. CESU to furnish the details of number of regular employees (excluding contractual and outsourced employees) in the following manner.
- Employees as on 01.04.2018.
 - Recruitment during 2018-19.
 - Retirement during 2018-19.
 - Recruitment proposed during 2019-20.
 - Retirement 2019-20.
 - Total number of employees as on 01-04-2020.
3. The amount of capital expenditure and addition to the fixed asset given as under:-

Proposed Capital Expenditure and addition of Fixed Assets FY 2018-19	CESU	
	Capital Expenditure	Addition
RAPDRAP (A)	70.03	79.57
RAPDRAP (B)	22.48	126.10
RGGVY-II	572.34	280.93
DDUGJY	173.72	73.58
IPDS	176.02	82.98
Biju Gram Jyoti	17.00	9.41
Biju Sahar BY	4.00	1.83
DESI(GoO)	16.26	21.29
Nabakalebar	52.33	
Capex Plan (GoO)	33.39	28.26
DEEPBOREWELL	96.86	38.74
ODSSP	142.00	142.22
SCHOOL/ANGANWADI	8.00	4.91
SCRIPS	295.77	258.36
ODAFF	10.00	13.86
Elephant Corridor	9.00	7.78
District Mineral Fund	60.00	25.23
Ruban	1.84	0.74
Total	1664.18	1157.06

4. CESU has projected an amount of Rs.120.70 Cr. under the head additional A & G towards distribution franchisee IBF - sharing of IRS model/alternative arrangements. The cost benefit Analysis of spending such huge amount may be explained.

5. The availability of fund in Employees Trust Fund as on 31.3.2018 and its pattern of investment to be submitted. Further, the actual month wise cash outflow towards terminal liability during FY 2017-18 and 2018-19 (actual upto November 2018) to be furnished.
6. Month wise cash outflow of terminal liabilities under different heads from April, 2017 to November, 2018 may be furnished. The arrear of terminal liabilities on account of 7th Pay implementation may be furnished.
7. Month wise cash flow considering the revenue items only for FY 2017-18 and 2018-19 (actual upto November 2018) to be submitted.
8. Details of investment made out of the available funds from security deposit, pension trust and gratuity trust as on 31.3.2018 and upto November, 2018.
9. Specific computerization year wise programme with regard to billing, collection, and consumer interface shall be given.
10. 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?
11. Employee engaged in franchisee operated divisions to be furnished along with a note on their roles and responsibilities.
12. 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.
13. As per OERC Tariff Regulation, 2014, the licensees are required to submit the segregated audited accounts from FY 2014-15 onwards for Wheeling and Retail business.
14. 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.
15. In the RST order for FY 2018-19 at para 426 dealing with B & D debt, the Commission directed the DISCOM to submit the procedure to write off losses by 30.06.2018. The Commission has not received any compliance of the same. This may be furnished now. It is also seen that the DISCOMs (WESCO, NESCO & SOUTHCO) are projecting provision for B & D debts much beyond the provisions of OERC (Tariff Determination) Regulations, 2014. Reasons for such huge deviation from the Regulation be explained.

16. Division wise LT performance in following format for FY 2017-18.

Sl No.	Name of the Division	No. of Consumers	Energy Input (MU)	Energy Sold (MU)	T&D Loss	Billing Efficiency (%)	Billing to Consumer (Rs. In Crs.)	Collection Received (Rs. In Crs.)	Collection Efficiency (%)	AT&C Loss (%)	LT Realization per LT Input P/U)

17. Cash out go on outsource/contractual engagement from April 2018 to November, 2018 may be furnished.
18. Actual corpus fund available upto 31.3.2018 under Pension Fund and Gratuity fund may be furnished.
19. The actual Capital Expenditure and asset addition scheme wise upto November, 2018 may be furnished.
20. The actual fund availability against Security Deposit as on 31.3.2018 along with mode of investment, pledged and free funds may be furnished.
21. The OERC(Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 provides that Licensee shall file an application each year for truing up separately by 1st week of October along with the audit report. The Licensee has not filed any truing up petition from FY 2014-15 onwards. The Licensee may accordingly file separate truing up petition as per the said Regulation.
22. The Licensee is required to furnish the month-wise receipts for FY 2017-18 and April, 2018 to November, 2018 separately for ESCROW and non-Escrow receipts. Month-wise escrow relaxation availed in various heads from GRIDCO for the same period may also be furnished.
23. Total outstanding against various heads due to GRIDCO upto 31.3.2018 may also be furnished. Month wise BSP, Transmission and SDLC bills and payments made against such bills may be furnished from April, 2018 to November, 2018. The reconciliation statement with GRIDCO regarding part receivable/payable to be submitted.
