

NESCO

Technical/Commercial Information Required

- NESCO in its Tariff Proposal left a revenue gap of Rs.303.20 crore for FY 2008-09 at the existing tariff and has proposed that, the gap may be bridged through combination of Subsidy from State Government reduction in BST and or Increase in Retail Supply Tariff.
- NESCO has proposed the tariff schedule for FY 2008-09, which is in contradiction with the Tariff Proposal at para 6 & 6.7 of the filing, such as provision for Special tariff , meter rent etc.
- **Distribution Loss:** NESCO has not provided documental evidence in support of distribution loss for FY 2006-07 and April-Sept.'07. The same may be furnished.
- The Commission in its letter dtd. 03.11.2007 had directed NESCO to submit the following information along with tariff filing to justify the ARR for FY 2008-09.
 - 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 NESCO may include in its proposal manner of phasing of the said charges.
- **Low load growth (EHT)** - Additional load growth in EHT in Annex-II is not matching with the projection for FY 2008-09 given in the application (Format - T-1).
- **Sale Forecast:**
 - The estimated growth of 53% in FY 2008-09 in respect of domestic category may be explained.
 - In Railway traction, the enhanced demand of Barjamada Railway Traction mentioned in Sales Forecast (para- 4.1) does not appear in Annex-II. The same may be clarified
- **SMD:**
 - Evidence of increase in SMD in peak hours due to inadvertent drawal by CPP
 - Steps taken to record simultaneous maximum demand of the company has not been furnished. The same may be clarified.
 - Whether increase/decrease in energy consumption has got direct link with SMD.
- Evidential document showing LT(S) / LT (M) industries drawing power at low power factor as claimed has not been furnished.
- 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.

- **Billing determinants:**

- It is observed from the billing determinants formats in respect of domestic category in rural area revenue billed per unit, revenue realized per unit works out to 185 & 88 p/u respectively, similarly in urban area the figures work out to 211 & 147 p/u respectively. The reason for such low revenue realization may be explained. Further, the collection efficiency in respect of rural consumers is around 48% for the first half of FY 2007-08. The reason for such low collection efficiency may be given.
- 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.
- NESCO is required to furnish information on Consumer commercial information (Format-T-6) for the first six months of the current FY 2007-08
- NESCO in Annex-I of its filing has not submitted the evidential document in support of permission from OPTCL. The same may be furnished.
- Basis of calculation for connection and reconnection charges to be given.
- NESCO 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.
- Bifurcation of the amount towards cost of power purchase and cost of transmission for FY 2008-09 has not been furnished. The same may be submitted.
- The 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.
- **Tariff Rationalisation Measures:**

NESCO at para 6.10 of its application has proposed that for consumer having CD of 70 KVA and above under HT Industrial (Medium Industry) and HT GP tariff, demand charges for Rs.200/KVA may be applicable instead of Rs.50/KVA, whereas this proposed enhanced demand charges has not been taken into account while calculating the expected revenue from proposed tariff (Format T8). Hence, licensee may specify the no. of consumers, their contract demand, anticipated consumption and financial impact on the proposed tariff for these categories for FY 2008-09.

FINANCE

1. Employees cost:

Information on reduction in 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.

- (a) No. of employees existing (as on 01.04.2005).
- (b) No. of retired employees (as on 01.04.2005).
- (c) Year-wise induction of new employees and cost involved (2005-06 to 2008-09).
- (d) Reduction in number of employees and saving in cost (2005-06 to 2008-09).
- (e) Addition to number of retired employees and cost involved thereon.

(f) Induction of contractual employees, if any and cost involved thereon (205-06 to 2008-09).

2. **Receivable Audit:**

Progress on collection of outstanding dues from consumers with progress of receivable audit has not been spelt out. Action plan on the above items may be submitted.

3. Up-to-date status of outstanding BST dues, loan and interest payable to GRIDCO along with joint reconciliation statement with GRIDCO may be submitted.
4. Work-wise expenditure of APDRP for 2006-07, 2007-08 (actuals up to November), 2008-09 may be submitted. It may also be indicated whether any approval of investment in APDRP, RGGVY & Biju Gramya Jyoti Yojana for an amount more than Rs.5.00 Cr. has been obtained or not. Also capability for such huge investment need to be justified.
5. The cost benefit analysis of additional A&G expenses may be submitted.
6. Cash flow considering revenue items only from FY 2005-06 to FY 2008-09 may be submitted.
7. Miscellaneous income viz. meter rent, DPS, ODP & other income as per actuals up to November 2007 may be submitted.
8. NESCO propose to incur an amount of Rs.32.70 Cr. towards repair & maintenance during 2008-09. The detailed break-up of the expenditure for past two years (2005-06 & 2006-07) along with actual expenditure up to November 2007 may be furnished in order to justify the proposed expenditure.
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.**