

SOUTHCO

Technical/Commercial Information Required

- SOUTHCO in its Tariff Proposal left a revenue gap of Rs.31.05 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.
- SOUTHCO has proposed the tariff schedule for FY 2008-09, which is in contradiction with the Tariff Proposal at para 7 & 8.6 of the filing, such as provision for Special tariff, meter rent etc.
- **Distribution Loss:** SOUTHCO 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 SOUTHCO 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 SOUTHCO may include in its proposal manner of phasing of the said charges.

Load growth–

- Huge rise in Kutir Jyoti consumer of about 60,000 number is LT category appears to be unrealistic this year. It may be explained.
- Additional load growth in EHT/HT in Annex-II is not matching with the projection for FY 2008-09 given in the application (Format - T-1).
- **Sale Forecast:**
- Power intensive industries (HT) consumption in FY 2008-09 is shown as zero in T-1 whereas in para 4.1 of the application consumption has been shown at 78.70 MU. This may be clarified.
- **SMD:**
 - Evidence of increase in SMD in peak hours due to inadvertent drawal by CPP
 - As there is no CPP consumer in SOUTHCO there is no question of rise of SMD due to their drawal. This may be clarified.
 - 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.

- **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 190 & 133 p/u respectively, similarly in urban area the figures work out to 199 & 159 p/u respectively. The reason for such low revenue realization may be given. Similarly, the collection efficiency in respect of rural & urban consumers is around 80% & 70% respectively for the first half of FY 2007-08. The reason for such low collection efficiency may be given.
- SOUTHCO is required to furnish information on Consumer commercial information (Format-T-6) for the first six months of the current FY 2007-08
- In T-2, T-3, T-4, T-5 minimum fixed charge format current revenue realized is not shown.
- In T1/ T 7 formats n figures in respect of new agro industries category have not been shown. The same may be furnished.
- SOUTHCO 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.
- 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.
- In P-11 consumption in other hours (6 AM – 7 AM) is not shown. This may be furnished.
- Consumption details at 50-60% load factor and above 60% load factor has not been furnished. This may be submitted.
- **Tariff Rationalisation Measures:**

SOUTHCO at para 8.10 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 (2005-06 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. SOUTHCO propose to incur an amount of Rs.30.72 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. Information in Form F-24 has not been submitted.
- 10. In Format F-17 it has been mentioned that an amount of Rs.25.48 crore of bad & doubtful debt has been written off from books of accounts in year 2006-07. Details break-up of such bad debt as well as reason for write-off may be submitted.
- 11. **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.**
- 12. **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.**