

**Minutes of Performance Review of WESCO for the period April 09 to Sept 09
(FY 2009-10) on 10.12.2009**

Representative of WESCO present during the review:

- (i) Mr. B K Patnaik, Vice-President, WESCO
- (ii) Mr. K K Nath, Director (Engg.), OPTCL

Mr. B K Patnaik, Vice-President, WESCO made a presentation before the Commission about the performance of WESCO during the period from April 09 to Sept 09 of FY 2009-10.

Key performance indicators

| Description | Actual for FY 2008-09 | Target for FY 2009-10 | Actual for April 09 to Sept 09 |
|--------------------------------------|-----------------------|-----------------------|--------------------------------|
| Input (MU) | 6378.45 | 6430.00 | 3145.95 |
| EHT Sales | 1921.75 | 1573.00 | 826.84 |
| HT Sales | 1383.18 | 1518.00 | 705.05 |
| LT Sales | 933.31 | 1892.54 | 551.75 |
| Total Sales(MU) | 4238.24 | 4983.54 | 2083.64 |
| EHT bill raised in (Rs. Crore) | 665.95 | 543.70 | 296.06 |
| HT bill raised in (Rs. Crore) | 461.99 | 508.90 | 237.26 |
| LT bill raised in (Rs. Crore) | 221.44 | 280.15 | 128.03 |
| Total Sales (Rs. Crore)/Bills raised | 1349.38 | 1332.75 | 661.34 |
| Collection (Rs. Crore) | 1289.31 | 1306.10 | 634.65 |
| Collection efficiency (%) | 95.55 | 98.00 | 96.00 |
| LT collection efficiency (%) | 73.00 | 98.00 | 66.00 |
| Overall Distribution loss (%) | 33.6 | 22.50 | 33.77 |
| LT Distribution loss (%) | 65.6 | 35.86 | 61.38 |
| AT&C loss(%) overall | 36.51 | 24.05 | 36.44 |
| AT & C Loss(%) in LT | 74.78 | 37.14 | 74.44 |

(Details can be seen from the **Annexure-I** attached)

1. The Commission noted with concern lower sales in HT and LT segments resulting in higher distribution loss of 33.77% during the review period than the loss in FY 2008-09 which was at the level of 33.55%. The collection efficiency in LT segment during the review period had also declined to 66% in comparison to last financial year figure of 73%. The Commission wanted to know from WESCO why current bill in LT segment has been becoming arrear without being collected. The Commission reminded WESCO of its earlier order wherein it was directed to all the DISCOMs to pay the arrear salary dues of employees pertaining to 6th Pay Commission recommendation from the amount collected from arrear energy dues outstanding as on 01.04.2009. WESCO submitted that they had not been able to cover the entire cross-section of LT consumers under bill preparation and distribution. WESCO attributed the aforesaid reason as main cause for poor collection efficiency in LT segment. The

Commission observed that there can be no better example of inefficient functioning of the DISCOM than this level of inaction and total failure. The DISCOMs does not justify its continuance.

2. The Commission directed that the non-paying consumers of four to five loss making feeders should be targeted first for disconnection with police assistance. The Commission further directed that load restriction should be made to loss making feeders to tide over present power deficit scenario. WESCO submitted that all the consumers of urban / semi-urban areas had been covered under spot billing. WESCO has been taking steps to bring all the LT consumers in rural areas under billing fold. The Commission, however, felt that this is more in paper than in work.
3. It was brought to the notice of the Commission that most of the divisions under WESCO have not been billing to consumers even for an amount to meet the bulk supply cost of the input for that division (**Annexure-II**). The Commission directed that unless BSP of a particular division is recovered through billing, the salary of the employees should be held up. The Commission further noted that the performance of WESCO has further deteriorated after the issuance of show cause notice for cancellation of license during the year 2006. The Commission warned WESCO that the present state of performance may be considered as a documentary evidence in the said case. The Commission directed that all the three-phase LT domestic and commercial consumers should be targeted first with regard to payment of bill.
4. The Commission instructed WESCO to ensure distribution of bill to all the three phase LT domestic and commercial consumers. Every bill should carry the address of bill payment locations of the licensee.
5. The Commission directed that GRF orders should be complied forthwith. The Commission further directed that the report of the Enquiry Committee constituted by the Commission is yet to be complied. The Compliance Report should reach Commission by 20th of January, 2010. The said report should also include the place of installation of VCB and LA etc. which have been procured and installed by licensee as per the Enquiry Report.
6. The issue of dispute between Railways and WESCO was brought before the Commission. The Commission opined that Railways was justified in getting the rebate benefit if its dues were paid in time in the bank. The railways should not be held responsible for inter-bank delay in transaction. The Commission further directed

that the allegation of M/s Rexion Steel regarding frequent hand tripping of its feeder from Rourkela Grid should be resolved amicably between WESCO and OPTCL.

7. In conclusion the Commission directed WESCO that: -
- (i) The sales target of each division should be fixed and the officers should be made responsible to collect the targeted monthly revenue.
 - (ii) The meter reading data should be cross checked and there should be a regular rotation of assignment amongst the persons deployed for such work.
 - (iii) All the three-phase domestic and Commercial Consumers should be brought under billing fold and bill should be regularly distributed to them. The address of the bill payment location should be printed in the bill itself. Defaulting consumers should be disconnected from the system after following due procedure.
 - (iv) Compliance of the Technical Enquiry Committee Report should be submitted by 20th January, 2010.
 - (v) The dispute relating to Railways and M/s Rexion Steel should be resolved forthwith with a compliance report to the Commission by 15th of January, 2010.
 - (vi) All the 11 KV feeders and distribution transformers should be metered and an action plan for the purpose to be prepared.
 - (vii) Power supply should be restricted to theft prone area or high loss feeder.
 - (viii) SLDC (power availability) data should be published for general information.
 - (ix) OPTCL should standardize transformers in 132 KV switchyard.
 - (x) Orders of Grievance Redressal Forum (GRF) should be complied within the specified time and in case of failure disciplinary action should be initiated against the officer(s) responsible for non-compliance in time.
 - (xi) Effective functioning of energy police stations & squads engaged for disconnection of unauthorized connection should be monitored regularly. Staffs who are found conniving with consumer for pilfering energy should be identified if necessary inquiry be conducted and exemplary punishment should be given to the erring staffs, if found involved.
 - (xii) Regarding the collection of arrear revenue and its appropriation the directions of the Commission issued in their order for escrow relaxation should be strictly followed. No part of the energy dues collected out of the current bills raised during April, 2009 to March, 2010 should be utilized towards revised arrear salary of the employees arrear can be paid only out of the arrear electricity dues collected which were outstanding as on 01.04.2009.