

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT – VIII, BHUBANESWAR – 751 012
PBX : (0674) 2393097, 2396117
FAX : (0674) 2395781, 2393306
E-mail : orierc@rediffmail.com
Website : www.orierc.org

**Case No. 107/2012/
Dt. .01.2013**

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 2013-14.

Sir,

On scrutiny of the above application, it has been noted that information and analysis with regard to a number of items which are extremely relevant for the purpose of scrutiny of Revenue Requirement and Tariff for the FY 2013-14 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 **15.01.2013**.

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.

Yours faithfully,

Encl : As above.

Sd/-
DIRECTOR (TARIFF) I/c.

Query on the CESU's ARR Filing, 2013-14

Finance:

1. The Audited Accounts along with statutory audit report for the FY 2011-12 have not been submitted. The same may be submitted.
2. Transmission charges, SLDC Charges payable by CESU for the FY 2013-14 has not been shown separately in computation of ARR (Form F-13)
3. IN Form F-2, the addition to fixed asset during FY 2012-13 under deposit work is shown at Rs.173.09 crore. Licensee may furnish the actual expenditure (till end of November, 2012)

Further, on GOO Capex Programme, the present status of Capex (till end of November, 2012) such as material procurement, counterpart fund arrangement so far, execution of work etc. may be furnished.

4. The distribution loss projected for the FY 2012-13 and 2013-14 are of the Order of 37.53% and 32.00% respectively. The distribution loss of CESU since inception is given in the following table:-

Year	Distribution Loss (%)
1999-00	44.89
2000-01	44.89
2001-02	48.81
2002-03	43.03
2003-04	39.26
2004-05	41.49
2005-06	42.85
2006-07	43.52
2007-08	41.48
2008-09	40.41
2009-10	39.43
2010-11	38.30
2011-12	37.96

The above table reveals that CESU is not able to control distribution loss to the desired level. CESU is therefore required to submit detailed action plan for reduction of distribution loss with special emphasis to the commercial loss may be submitted.

5. In Form F-7 & F-8, CESU has quantified the purchase of H.T. & L.T. loss as 8% and 49.00% respectively. Similar figure may be given for FY 2010-11 & 2011-12 based on audited data along with number of units received in the system and unit sold at system voltage.

6. In the balance sheet as on 31.3.2012 (Form F-37) consumer security deposit is shown at Rs.379.94 crore. CESU is required to furnish the details of physical form of investment of security deposit money.
7. The employees cost (Form F-21) as projected by CESU for the FY 2012-13 and FY 2013-14 amounts to Rs.268.45 and 1298.59 crore respectively.
8. The Licensee may furnish data on actual cash outflow (April 2012 to November, 2012) on account of Basic Pay, DA, HRA, Other allowance such as Medical etc. bifurcating the current dues as well as arrear dues.
9. Under the head employees cost CESU has provided additional expenditure on following items:

(i) Contract employees	15.41 crore
(ii) Ex. Serviceman	6.59 crore
(iii) Out sourcing personnel	<u>4.81 crore</u>
Total	26.81 crore

The details of such claim with justification of such engagement may be furnished in the prescribed format.

Sl. No.	Categories	Rate per month	Total Expenditure
1.	Ex. Serviceman		
2.	Out sourcing		
3.	Out		

Also the details of actual expenditure towards outsourcing and contractual employees for FY 2011-12 and 2012-13 (Upto November, 2012) may be given.

10. A table showing number of employees as on 31.3.2012 and 31.3.2013 along with addition and retirement of number of employees during FY 2012-13 & 2013-14 may be indicated.
11. The availability of money in the employees trust fund (actual as on 31.3.2012 and its pattern of investment may be submitted.
12. Actual cash outflow towards terminal liability during 2011-12 and 2012-13 (Actual upto November, 2012) may be submitted.
13. Month-wise cash flow considering the revenue items only for the FY 2011-12 and FY 2012-13 (Actual upto November, 2012) may be submitted.
14. The R & M expenditure (Form F-22) for FY 2012-13 and 2013-14 has been projected at Rs.59.50 crore and 77.65 crore respectively. (Actual expenditure for FY 2012-13 (as on November, 2012) may be submitted.

15. Under the head Administrative and General expenses the Licensee projected an amount of Rs.50.67 crore for FY 2013-14. The Licensee is required to furnish the actual amount for FY 2012-13 (Actual upto November, 2012).
16. Form F-17 filed by the Licensee is incomplete. The collection of revenue for the year 2011-12 and 2012-13 has not been bifurcated under the head (i) Out of current collection (ii) Out of arrear collection as per the Format prescribed by the Licensee.
17. The Licensee may indicated the actual collection of revenue from the outstanding arrear during FY 2011-12 & 2012-13.
18. The Licensee is required to furnish month-wise details of revenue deposited in Escrow account, amount paid towards BSP, Transmission & SLDC Charges, drawal towards employees cost, escrow relaxation availed under R & M expenses during FY 2011-12 & FY 2012-13 (upto November, 2012)