

**Wanting Information in NESCO's ARR Filing, 2010-11**

**Technical**

1. Reasons for proposed growth of HT (Large Industry) at lower rate i.e. 9% for FY 2010-11 when current year growth without enhancement of CD was 16% may be furnished.
2. Reasons for continuance of minimum fixed charge billing in T-2 format may be furnished.
3. In T-1 Format, the number of Kutir Jyoti consumers is 38137 where as in T-2 Format it is shown as 940. The discrepancy may be explained.
4. The procedure for finding out slab rate consumption in case of unmetered supply in T-2 format both in urban and rural areas may be clarified.
5. Reasons for reduction of numbers of consumers in domestic category in FY 2009-10 (first six month) as compared to FY 2008-09 in T-2 Format may be furnished.
6. Reasons for Huge un-metered supply both in urban and rural areas under GP category <100 KW may be explained.
7. Reasons for low realization for LT industrial (S) Category at 352.64 P/U when billing is 366.94 P/U in T-4 format may be furnished.
8. NESCO should submit complete T-7 and T-8 formats replacing consumption ratio with load factor. This is essential for tariff calculation.
9. NESCO may furnish month-wise power purchase (MU) and SMD (MVA) upto December, 2009 for the current financial year.
10. The list of existing allied agro-industrial consumers / allied agricultural consumers may be submitted.
11. The list of Industrial consumers who availed 20% off-peak MD benefit and also resorted to overdrawal during peak hours may be submitted. The revenue lost on this account may also be furnished.
12. NESCO has not provided documentary evidence in support of distribution loss for FY 2008-09 and for April to September, 2009. The same may be furnished.
13. Statement of meter rent receipts for all categories of consumers voltage-wise at EHT / HT / LT three phase and LT single phase for FY 2008-09 and upto September, 2009 of the current year may be furnished.

14. 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 cross-subsidy.

### **Finance**

15. The presentation of Balance Sheet as on 31.03.2009 shown in Form F-37 is in variation with the Balance Sheet shown in audited accounts for FY 2008-09. To cite an example, reserve and surplus shown in F-37 is Rs.14.76 crore as against Rs.275.08 crore reflected in Audited Balance sheet. Similarly in F-37, current liability is shown at Rs.262.32 crore as against Rs.598.11 crore shown in Audited Balance sheet.
16. The audited accounts for the financial year 2008-09 have not been prepared in line with the Accounting Policies circulated to licensee vide Lr. No. 26/98/838(5) dtd. 05.05.1999. The Accounts should be prepared in the format prescribed by OERC. Accounts in any other format shall not be accepted. Therefore, the accounts for FY 2008-09 may be prepared in line with OERC prescribed formats and resubmitted.
17. The Audited Balance Sheets for the years 2007-08 and 2008-09 filed with the Commission reflect different figures in respect of some items as on 31.03.2008. The discrepancies are indicated in the table below:

<b>(Rs. in Crore)</b>		
	<b>As per Audited Accounts Position as on 31.03.2008 2008-09</b>	<b>As per Audited Accounts Position as on 31.03.2008 2007-08</b>
<b>(a) Capital Works in progress</b>	40.90	51.58
<b>(b) Inventory</b>	13.74	3.06
<b>(c) Reserve and Surplus</b>	226.13	62.03
<b>(d) Current liability</b>	559.61	391.55

18. In format F-2, the scheme-wise capital expenditures projected by NESCO for the FY 2009-10 and 2010-11 are in variation with figures as per Business Plan submitted to Commission.

<b>Capital Expenditure (Rs. in Crore)</b>		
<b>Year</b>	<b>As filed in ARR</b>	<b>As per Business Plan</b>
<b>2009-10</b>	551.13	536.30
<b>2010-11</b>	450.50	220.99
<b>Total</b>	1001.63	757.29

The reasons for such variations may be explained.

19. In format F-7 and F-9 i.e. calculation of cost of power at different voltage ends, the licensee has assumed loss of 20% and 12% respectively for current year and ensuring year respectively. The basis for such assumption vis-à-vis all India scenarios may be submitted, as the loss in HT system appears to be very much on higher side.
20. In form F-17, the licensee has not segregated the collection of revenue into (i) against current dues and (ii) Against arrear up to previous year. The same may be furnished.
21. Employee Cost: NESCO has proposed an amount of Rs.233.09 crore towards employee cost for the year 2010-11 as found in Form F-21. This amount does not include any arrear towards 6<sup>th</sup> Pay Commission award. But in cash flow statement submitted by the licensee at page-221, repayment of arrear towards 6<sup>th</sup> Pay is shown at Rs.33.43 crore and Rs.14.33 crore for 2009-10 and 2010-11 respectively as against NIL in Form F-21. This needs to be clarified.
22. A&G Expenses: Under this head, NESCO has estimated an amount of Rs.42.20 crore during 2010-11 as against Rs.15.75 crore approved by the Commission for FY 2009-10. While projecting Rs.42.20 crore towards A&G, NESCO has not quantified the benefits to be accorded in terms of improvement in billing, collection, saving in energy due to reduction in theft etc. Move-over NESCO is required to furnish item-wise actual expenditure incurred up to November, 2009 for the financial year 2009-10.
23. R&M Expenses: NESCO may indicate the actual R&M expenditure upto November 2009 and the escrow relaxed by GRIDCO upto the above period.
24. Cash Flow: Month wise cash flow considering revenue items only for the FY 2008-09 and FY 2009-10 (Actuals upto November, 2009) may be submitted.
25. Miscellaneous Income: NESCO has projected Rs.24.58 crore and Rs.17.30 crore towards miscellaneous income during 2009-10 and 2010-11 respectively. On scrutiny of Audited Accounts for 2008-09, it is found that NESCO has shown an amount of Rs.24.69 crore towards miscellaneous receipt as per audited data. However, in Form F-38, the same figure is shown at Rs.37.97 crore. The reasons for such huge discrepancies may be mentioned. Further, details of miscellaneous income viz meter rent, DPS, Over Drawal Penalty and others as per actuals upto November, 2009 may be submitted.
26. The licensee is required to file the Fixed Asset Register upto 31.03.2009.