

**ODISHA ELECTRICITY REGULATORY COMMISSION**  
**BIDYUT NIYAMAK BHAWAN**  
**PLOT NO. 4, CHUNOKOLI**  
**SAILASHREE VIHAR, BHUBANESWAR - 751 021**  
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**No.DIR (T)-369/09/13**  
**Dated- .06.2017**

To

The Authorised Officer,  
NESCO Utility, At/P.O. Januganj,  
Dist. Balasore.

**Sub: Review of Performance of NESCO Utility**

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the aforesaid report for your information and necessary action.

Yours faithfully,

Encl: As above.

**SECRETARY**

**Copy to:**

- i) The Principal Secretary, Department of Energy, Govt. of Odisha along with copy of the enclosure for favour of information.
- ii) The CMD, GRIDCO/OPTCL, Janpath, Bhubaneswar along with copy of the enclosure for favour of information.

Encl: As above.

**SECRETARY**

**Record Note of Performance Review of NESCO Utility held on 26.04.2017 at 11.00AM in the Hearing Hall of the OERC in the presence of the Commission**

**Date of Review : 26<sup>th</sup> May, 2017**  
**Period of Review : April 2016-March 2017**  
**Representatives of NESCO Utility: list enclosed as Annexure-I.**

The performance of NESCO Utility for the FY 2016-17 was reviewed by the Commission on 26<sup>th</sup> May, 2017 at 11.00 AM in the presence of senior officials of NESCO Utility.

The Commission reviewed the billing and collection position of the NESCO Utility for the period from April 2016 to March, 2017.

The details of performance of NESCO Utility as indicated in its presentation with regard to the key performance indicators are as follows:-

**Table-1**

<b>REVENUE PERFORMANCE OF NESCO Utility</b>			
	<b>Actual for FY 15-16</b>	<b>Actual for FY 16-17 (April- March)</b>	<b>Approval for 2016-17</b>
Energy input (MU)	5195.59	5329.67	5450.00
<b>SALE TO CONSUMERS (MU)</b>			
EHT	1733.76	1975.78	1638.19
HT	397.88	410.40	421.04
LT	1675.05	1691.03	2390.70
<b>TOTAL</b>	<b>3806.69</b>	<b>4077.21</b>	<b>4449.93</b>
<b>DISTRIBUTION LOSS (%)</b>			
LT	39.90%	36.79%	22.53%
<b>OVERALL</b>	<b>26.73%</b>	<b>23.50%</b>	<b>18.35%</b>
<b>BILLING EFFECIENCY (%)</b>			
LT	60.10%	63.21%	77.47%
<b>OVERALL</b>	<b>73.27%</b>	<b>76.50%</b>	<b>81.65%</b>
<b>COLLECTION EFFICIENCY</b>			
LT	86.78%	93.65%	99.00%
<b>OVERALL</b>	<b>96.74%</b>	<b>96.25%</b>	<b>99.00%</b>
<b>AT &amp; C LOSS (%)</b>			
LT	47.84%	40.80%	23.30%
<b>OVERALL</b>	<b>29.12%</b>	<b>26.37%</b>	<b>19.17%</b>

**Commission's Observations:**

The Commission compared the figures relating to business operation of NESCO Utility for FY 2016-17 to that of FY 2015-16. The key observations are as follows:-

1. The total number of consumers rose to 14.56 lakh as on 31.03.2017 with 0.59 lakh growth from 13.97 lakh over that of 31<sup>st</sup> March, 2016.

2. Out of 14, 29, 568 nos. of meter at NESCO Utility, 11, 04, 269 nos. are working. There are 3, 25, 299 nos. of defective meter. These are to be replaced immediately.
3. EHT sales has increased from 1733.764 MU in 2015-16 to 1975.783 MU in FY 2016-17 indicating a rise of 19.75%, whereas HT sales has increased marginally by 3.15% from 397.876 MU to 410.397 MU during the same period. On the other hand LT sales have also gone up marginally by about 16MU from 1675.048 MU to 1691.025 MU during the same period FY 2016-17 indicating a rise of 1%. NESCO Utility submitted that LT sales have decreased due to use of LED bulbs.
4. LT billing efficiency has increased from 73.27% during FY 2015-16 to 76.5% in FY 2016-17.
5. The overall collection efficiency has decreased marginally from 95.96% in FY 2015-16 to 96.25% in FY 2016-17. There was increase in LT collection efficiency from 86.78% in FY 2015-16 to 93.65% in FY 2016-17. NESCO Utility has submitted that though the numbers of consumers have increased, they are unable to reach all consumers for billing and collection. This is the prime reason for lower collection efficiency. Women SHGs and smaller Micro Franchisee may be tried for MBC work.
6. The overall distribution loss decreased from 26.73% in FY 2015-16 to 23.50% in the FY 2016-17.
7. The overall AT & C loss decreased from 29.12% in FY 2015-16 to 26.37% in FY 2016-17.
8. On Energy Audit, NESCO Utility submitted that all 72 nos. of 33 kV feeders are metered and out of 72 Nos. of 33 KV feeders 50 Nos. have been audited. All 519 nos. of 11 kV feeders are metered and 474 nos. are audited. Out of 56338 nos of DTRs only 1583 nos. are metered.
9. Per unit collection of NESCO Utility (Rs.3.82) is close to Commission's target of Rs.3.86.
10. Performance of Balasore City is not at par with other similarly placed cities of Odisha. The Commission observed that the LT distribution loss in Balasore is as high as 25.05% during the review period whereas BED-1 in SOUTHCO Utility is having only 6% of distribution loss.
11. Commission pointed out that EHT consumption target given by NESCO Utility is always less than their actual consumption, which shows they are uncertain about their EHT consumption. Therefore, they must be careful while predicting the same.

12. NESCO submitted that in 1<sup>st</sup> phase of loss reduction initiative NESCO Utility has started balancing of 3 Ø multi-circuit transformers. They have covered 2000 nos. of transformers in 2016-17.
13. They have completed metering of 4 pilot project feeders assigned to them in last review and there is 20% loss reduction at Agarpada.

**Directives of the Commission:**

1. To concentrate more on improvement of LT revenue collection for sustainability of the utility.
2. They must concentrate more in high LT loss making divisions such as CED, Balasore and Jajpur Circle.
3. To show arrear collection separately from current collection.
4. The Commission directed that Rural Water Supply & Sanitation Organization (RWSS) supply be made preferably through normal energy meter instead of pre-paid meter. If pre-paid meter is used, there should be provision to switch over to post paid metering once the use exceeds the pre-paid amount. This will help prevent disruption in the essential service of water supply.
5. To frame fresh set up guideline for service delivery improvement and feeder-wise responsibility to the A.E.s & J.E.s.
6. To focus on consumers having arrear more than Rs.50,000/-.

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