

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
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No. DIR (T)-369/09/13/1187
Dated.23.08.2014

To

The Chairman-Cum-Managing Director,
GRIDCO, Janpath,
Bhubaneswar

Sub: Review of Performance of GRIDCO for FY 2013-14 from April, 2013 to March, 2014 held on 11.08.2014.

Sir,

In inviting a reference to the subject, please find enclosed herewith a note on performance of GRIDCO for FY 2013-14 for your information and necessary action.

Yours faithfully,

Encl: As above.

Sd/-
SECRETARY

Copy to :

The Principal Secretary, Department of Energy, Govt. of Odisha along with copy of the enclosure for favour of information.

Encl: As above.

SECRETARY

Record Note of Performance Review of GRIDCO held on 11.08.2014 at 11:00AM in the Conference Hall of the OERC in presence of the Commission

Date of Review : 11th August, 2014

Period of Review : April-March, 2013-14

Representatives of GRIDCO and OPTCL: list enclosed as Annexure-I.

The performance of GRIDCO for the FY 2013-14 was reviewed by the Commission on 11th August, 2014 at 11 AM in the presence of senior officials of GRIDCO and OPTCL. The Chairman-cum-Managing Director made a presentation on the performance of GRIDCO for the FY 2013-14. Details of Energy Drawal by DISCOMs are given below:-

Name of DISCOMs	OERC Estimate	Schedule Energy Drawal	Actual Energy drawal	Over(+)/under drawal (-) by DISCOMs
CESU	7937.00	7285.35	7977.15	(+) 691.80
NESCO	5269.00	4814.14	5046.52	(+)232.38
WESCO	6655.00	6094.11	6617.79	(+) 523.68
SOUTHCO	3187.00	2811.45	2921.93	(+) 110.48
TOTAL	23048.00	21005.05	22563.68	(+) 15658.34

The CMD, GRIDCO stated that during 2013-14, 1565.49 MU of energy have been traded.

Unlike previous year GRIDCO expects additional unforeseen liability of Rs.1070 cr. during the FY 2014-15, which is not addressed in the Tariff order. Due to TTPS Tariff revision for the period from 2009-2014 as per Tariff Regulation 2009, additional liability of Rs.740 cr. (564 principal + 176 interest) has been levied by NTPC during the year 2014 which is payable in 6 monthly installment as per CERC Norm. However, after discussion with NTPC, 18 monthly installments has been agreed.

Against the order of CERC, GRIDCO is going to file a Writ Petition against the Regulation 2009 of OERC in Odisha High Court and filing an appeal against TTPs Tariff Order.

Further, as per the interim order of the Hon'ble ATE, GRIDCO is liable to pay an amount of Rs.330 cr. to Sterlite Industry. However, the appeal is pending before the Tribunal for final hearing and disposal.

2. **Receipt and payment of BSP dues by DISCOMs** : The position of Receipt & Payment of BSP dues by DISCOMs for the FY 2013-14 is depicted in a tabular form:

Name of the DISCOM	Total BSP to DISCOMs including overdrawal	Total receipt including rebate	Less receipt over BSP	% of BSP payment
CESU	2074.58	2061.24	(-) 13.33	98%
NESCO	14776.00	1378.11	(-) 98.09	93%
WESCO	1949.02	1774.26	(-) 174.76	91%
SOUTHCO	527.76	399.48	(-) 128.28	76%
TOTAL	6027.55	5613.09	(-) 414.46	93%

The CMD, GRIDCO mentioned that the WESCO, NESCO & SOUTHCO are not paying BSP bill on account of over drawal of power billed as per SLDC (UI charges). There is no problem with CESU as CESU adhere to the schedule of drawal.

3. Cash Flow position of GRIDCO

Summary of the cash flow for FY 2013-14 is depicted below in tabular form.

Rs. in Cr.			
Sl No.	Description	Approval of the Commission for FY 2013-14	Actual for FY 2013-14
1.	Power Purchase Cost	5509.51	5306.95
2.	Other cost including interest	503.01	1561.85
3.	Total Revenue requirement (1+2)	6012.52	6868.80
4.	Revenue realized from sale of power to DISCOMs	6113.92	5493.75
5.	Revenue from Emergency CGPs	67.00	6.43
6.	Other revenue	-	-
7.	Revenue from UI & Trading	-	762.47
8.	Total Tevenue realization (4+5+6+7)	6180.92	6262.65
9.	Gap (8-3)	168.40	(-)606.15
10.	Carry forward of past loss	(-) 876.00	-
11.	Total Revenue Gap	(-) 707.60	(-) 606.15

The CMD stated that the cash position is approving as the revenue collected is more than that of power purchase bill. GRIDCO has to borrow some amount of money from Banks to meet the other statutory obligation like payment of principal amount of loan and interest on loan etc.

4. Escrow Relaxation

Commission enquired as to why GRIDCO has not relaxed the escrow to DISCOM for payment of salaries to employees. In reply, GRIDCO submitted that the money put by DISCOMs in escrow account is not sufficient to pay the BST bill. Although DISCOMs pay the BST bill in full, the DISCOMS took over draft for the unpaid amount of BST dues from Escrow account. As such, no money is left in the escrow account of DISCOMs for allowing escrow relaxation towards employees, R& M etc.

Commission's Observations:

Finally, the Commission passed the following directives:

1. Member Shri A. K. Das will conduct meeting with GRIDCO and officials of DISCOMs to resolve the pending issues on billing and payment of UI Charges.
2. GRIDCO should regulate power to loss making feeders.
3. The relaxation of escrow shall be done by GRIDCO commensurate with the performance of the division in collection and loss reduction.
4. GRIDCO should adhere to the time schedule for submission of Annual Audited Accounts to the Commission.

PERFORMANCE REVIEW – GRIDCO
ATTENDANCE SHEET
11-08-2014 at 11.00 AM

Organisation	Name & Designation	Signature
GRIDCO	H. Sharma CMD	
"	B. P. Mahapatra DGM	
"	P. K. Pradhan Dir (LW)	
"	U. N. Mishra CGM PP	
"	N. Sahoo GM Finance	
"	S. K. Sahoo DGM E	
"	T. Pattanaik, AGM (E)	
"	P. K. Bhuyan, DGM (E1)	
"	A. K. Samantaray, DGM (elec)	
"	C. K. Biswal Mgr (R)	
"	R. MANJUNATH DM (EAC)	
"	Madhusudan Sahoo AGM (elect)	
"	Banshi Sharan Ojha, DGM Economist	
GRIDCO	N. R. Pandhan, GM (EW),	