

**Minutes of Performance Review of SOUTHCO for the period April 09 to Sept 09
(FY 2009-10) on 11.12.2009**

Representative of SOUTHCO - Mr A.K.Bohra, CEO, SOUTHCO
 - Mr S K Choudhury, Sr. GM
 - Mr K B Ray, AGM, OPTCL

1. The CEO, SOUTHCO at the outset made a presentation on the performance of SOUTHCO for the period 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)	2175.93	2161.00	1143.86
EHT Sales	224.77	225.41	114.37
HT Sales	248.29	260.25	110.44
LT Sales	663.15	1071.93	370.57
Total Sales(MU)	1136.21	1557.59	595.38
EHT bill raised in (Rs. Crore)	83.94	85.01	42.83
HT bill raised in (Rs. Crore)	81.10	83.31	36.42
LT bill raised in (Rs. Crore)	166.79	205.32	92.97
Total Sales (Rs. Crore)/Bills raised	331.83	373.64	172.22
Collection (Rs. Crore)	311.53	366.17	157.12
Collection efficiency (%)	93.88	98.00	91.23
LT collection efficiency (%)	89.00	98.00	84.00
Overall Distribution loss (%)	47.8	27.92	47.95
LT Distribution loss (%)	57.1	29.50	55.71
AT&C loss(%) overall	50.97	29.36	52.52
AT & C Loss(%) in LT	61.80	30.91	62.81

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

2. The Commission noted that the LT distribution loss has reduced marginally during the review period to 55.71% in comparison to last financial year 2008-09. It was observed that the sales in two-voltage segments such as HT and LT have fallen behind the target set for them leading to overall rise in distribution loss during the review period. SOUTHCO submitted that due to closure of three industries, sales has suffered in the HT category. The collection efficiency in LT category had trailed far behind the target during the period of review. The effect of higher distribution loss and low collection efficiency had also made their impact felt in AT & C loss which increased from 50.97 % in last year to 52.52%

during April to September, 2009. The Commission observed with anguish the deterioration of performance standards of SOUTHCO for whatsoever reasons.

3. SOUTHCO submitted that they had left no stone unturned to serve bill to all the consumers under their jurisdiction. They further submitted that in urban areas collection centres have been fully computerized and check drop boxes have been installed but the response from the utilizing consumers is not that encouraging. No consumer of SOUTHCO is under Electronic Clearing System (ECS). Commission urged to SOUTHCO to include EHT consumers under ECS forthwith. Commission urged SOUTHCO for disconnection drive of defaulting consumers.
4. Commission noted that SOUTHCO has been over drawing beyond its allotment of power. The Commission suggested to overcome this type of problem scheduling should be strictly followed for loss prone area /feeder. Restriction of power in loss prone area is one way of managing distribution loss to tide over the present power crisis. The Commission directed that SLDC report (daily availability) should be published to dispel any misinformation from the minds of the consumers.
5. The Commission directed SOUTHCO to strengthen hook removal drive. The Energy Police Stations in SOUTHCO area should be fully engaged in curbing power theft. The Commission wanted to know the voltage problem in Bhanjanagar area. The OPTCL representative submitted that LOI has been placed for higher capacity transformers (40 MVA). It is likely to be commissioned by May, 2010. The Commission stressed the need of standardizing power transformers in 132 KV switchyards to 40 MVA- 132/33 KV transformers. SOUTHCO further submitted that boundary wall and fencing target set by the Commission around the sub-stations should be achieved by 31st March, 2010. The report of the Enquiry Team constituted by the Commission shall also be complied on or before the said date.
6. The Commission noted with concern the performances of three divisions such as AED- Aska, BNED-Bhanjanagar and GSED- Digapahandi where SOUTHCO has

been unable even to collect the BSP bill from the consumers of the said divisions. The performances of all the divisions under SOUTHCO are annexed (**Annexure-II**) here with for ready reference. The Commission emphasized the need for exemplary punishment for the employees who are abetting power theft or colluding with power thieves. The CEO submitted that they have separated technical and commercial activities and so also the employees responsible for discharging the said activities.

7. The CEO brought to the notice of the Commission the claim of the Government that under remunerative scheme framed by the Commission 6%, supervision charges includes the statutory inspection fees by the Electrical Inspector. SOUTHCO submitted that the 6% supervision charges fully belong to the utility as they need to inspect the work of the consumer before integrating it to their network. The consumer has to pay separately for statutory inspection by Government which relates to safety aspects of the electrical installation and not the quality of work which shall be subsequently maintained by the utility after it is charged. The Commission assured SOUTHCO of taking necessary steps to resolve the issue.
8. In conclusion the Commission directed SOUTHCO as under: -
 - (i) The sales target of each division should be fixed and responsibility should be fixed with concerned officers to collect the targeted monthly revenue. The sectional officers/SDO concerned be advised to submit a monthly report of energy input in its area, billed energy with suitable justification of lesser billing with the action plan for the improvement in billing and collection efficiency.
 - (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) SOUTHCO should give more emphasis to extend power supply utilizing High Voltage Distribution Systems (HVDS) with Aerial Bunch cables to minimize theft.

- (iv) All the 11 KV feeders and distribution transformers should be metered and an action plan for the purpose to be prepared.
- (v) Power supply should be restricted to theft prone area or high loss feeder.
- (vi) SLDC (power availability) data should be published for general information.
- (vii) OPTCL should standardize transformer capacity and other equipment in 132 KV switchyard.
- (viii) Orders of Grievance Redressal Forum (GRF) should be complied within the specified time.
- (ix) 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.
- (x) Special drive should be made to collect the arrears and disconnection drive should be made for the defaulting consumers. Unless arrear is collected it shall not be possible to pay the revised arrear salary. Payment of revised arrear salary is dependent on the collection of arrear outstanding as on 01.04.2009 as clarified by the Commission in the Escrow Relaxation Review Order dtd. 20.10.2009 in Case No. 104/2009 which is quoted below:

“15. The apportionment of the arrear electricity dues already collected and to be collected has been dealt with in para 11 of the Interim Order dated 5.9.2009 which is extracted below for ready reference.

“11. Similarly, as an interim measure with regard to the apportionment of arrear revenue collected as indicated in par (B) of the Commission letter No.995 dtd.06.05.2009, the same is clarified and modified to the extent as indicated hereunder. At a particular point of time the arrear amount collected may be released to meet 40% of the arrear salary worked out upto 31.03.2009 or a part thereof, but this has to be subsequently adjusted to comply with the direction of the Commission for utilizing 50% of the arrear collected to meet the 40% of the arrear salary calculated upto 31.03.2009 or a part thereof and the balance arrear collected has

to be apportioned to meet the balance arrear BST dues of GRIDCO approved for 2009-10 and other BST dues not included in the ARR for the year 2009-10. DISCOMs have to step up their concerted efforts to collect the arrear outstanding as on 01.04.2009 during 2009-10 for which monthly targets has to be fixed for each division, sub-division and section. It is the arrear collection of revenue outstanding as on 01.04.2009 which will determine the payment of arrear salary/wages worked out upto 31.03.2009 and no part of the current revenue shall be released to meet any part of the arrear salary. For the purpose of ascertaining correctness of the amount of arrear collected, the stipulations and instructions issued in para 9(C) and 9(D) of the letter No.DIR(T)-342/08/995 dtd.06.05.2009 shall be followed.”

The GRIDCO, the WESCO, NESCO and SOUTHCO are therefore directed to scrupulously follow the above priority and stipulations.”

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT - VIII, BHUBANESWAR - 751 012

No.DIR (T)-371/09

Dated- .01.2010

From

P K Swain
Secretary

To

The Chief Executive Officer,
SOUTHCO,
At/Po: Courtpeta, Berhampur
Dist: Ganjam

Sub: **Review of Performance of SOUTHCO for April 09 to Sept. 09 taken on
11.12.2009 by OERC**

Sir,

In inviting a reference to the subject cited above, I am directed to send herewith the minutes of review meeting for your information and necessary action.

Yours faithfully,

Encl : As above.

SECRETARY

Copy to:

- i) The Principal Secretary, Department of Energy, Govt. of Orissa along with copy of the enclosure for favour of information.
- ii) The CMD, GRIDCO, Janpath, Bhubaneswar along with copy of the enclosure for favour of information.
- iii) The CMD, OPTCL, Janpath, Bhubaneswar along with copy of the enclosure for favour of information. He is requested to comply with the para 5 of the enclosed minutes of the meeting.