

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO. 4, CHUNOKOLI, SAILASHREE VIHAR
BHUBANESWAR - 751 021**

**No.DIR (T)-369/09/13/866
Dated- 25.06.2018**

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.

Sd/-
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.

Sd/-
SECRETARY

Record Note of Annual Performance Review of NESCO Utility held on 24.05.2018 at 11.00AM in the Training Hall of the OERC in the presence of the Commission

Date of Review : 24th May, 2018
Period of Review : April 2017-March2018
Representatives of NESCO Utility : list enclosed as Annexure-I.

The performance of NESCO Utility for April 2017 – March 2018 of FY 2017-18 was reviewed by the Commission on 24th May, 2018 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 2017 to March 2018.

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

ANNUAL PERFORMANCE OF NESCO				
BULK SUPPLY	2015-16	2016-17	2017-18	OERC Approval for 2017-18
AVG. DEMAND (MVA)	821.28	817.56	833.08	920.00
Energy input (MU)	5,195.59	5,329.67	5,448.99	5,680.00
BST & Tr.Charge bill (Cr.)	1,699.81	1,717.00	1,640.99	1,852.52
BST bill P/U	327.16	322.00	301.15	326.15
SALE TO CONSUMERS (MU)				
EHT	1,733.76	1,975.78	1,997.77	1,827.45
HT	397.88	410.40	441.72	382.60
LT	1,675.05	1,691.03	1,795.47	2,427.68
TOTAL	3,806.69	4,077.21	4,234.96	4,637.72
% of EHT & HT Sales to Total Sales	56.00%	58.52%	57.60%	47.65%
BILLING EFFECIENCY (%)				
HT	92.00%	92.00%	92.00%	92.00%
LT	60.10%	63.21%	65.69%	76.78%
HT & LT	59.88%	62.66%	64.82%	72.95%
OVERALL	73.27%	76.50%	77.72%	81.65%
Collection Per Input-Ov	369.73	382.25		389.62
COLLECTION EFFICIENCY (%)				
EHT	100.91%	97.81%	91.52%	99.00%
HT	98.87%	95.99%	98.24%	99.00%
LT	86.78%	93.65%	94.72%	99.00%
HT & LT	89.94%	94.27%	95.67%	99.00%
OVERALL	95.72%	96.25%	93.38%	99.00%
Collection efficiency Excl. Govt.Dept & PSU	96.01%	96.23%	93.30%	99.00%
AT & C LOSS (%)				
LT	47.84%	40.80%	37.78%	23.99%
HT & LT	46.15%	40.93%	37.98%	27.78%
OVERALL	29.87%	26.37%	27.43%	19.17%

Commission's Observations:

The Commission compared the figures relating to business operation of NESCO Utility for April - March of FY 2016-17 to that of FY 2017-18. The key observations are as follows:-

1. The total number of consumers rose to 15.194 lakh as on 31.03.2018 by addition of 0.635 lakh consumer after 01.04.2017.
2. Out of 1494878 nos. of meter at NESCO Utility, 1183756 nos. are working. There are 311122 nos. of consumer either with defective meter or without any meter.
3. EHT sales has increased from 1975.783 MU in 2016-17 to 1997.772 MU in 2017-18 indicating a rise of 21.989 MU, whereas HT sales has increased by 31.32 MU from 410.397 MU to 441.717 MU during the same period. On the other hand LT sales have also gone up by about 104.447 MU from 1691.025 MU to 1795.472 MU during the same period FY 2017-18.
4. LT billing efficiency has increased from 63.21% during FY 2016-17 to 65.69% during the same period for FY 2017-18.
5. The overall collection efficiency has decreased from 96.25% in 2016-17 to 93.38% in same period FY 2017-18. There is increase in LT collection efficiency from 93.65% in FY 2016-17 to 94.72% during same period FY 2017-18. The decrease in Overall Collection efficiency is due to reduction in EHT collection efficiency from 97.81% to 91.52%, which is mainly due to non-payment of electricity dues by the industries like NINL & Balasore Alloys.
6. The overall distribution loss decreased from 23.50% in FY 2016-17 to 22.28% in FY 2017-18.
7. The overall AT & C loss has increased from 26.37% in FY 2016-17 to 27.43% in FY 2017-18 due to decrease on overall Collection efficiency.
8. On Energy Audit, NESCO Utility submitted that all 77 nos of 33 kV feeders are metered and out of 72 Nos. of 33 KV feeders 50 Nos. have been audited. All 603 nos of 11 kV feeders are metered and 474 no.s are audited. Out of 59615 nos of DTRs only 1662 nos. are metered.
9. NESCO Utility has collected 104.73 Crs (amount Billed=1235.21Crs., amount collected=1130.48Crs.) less from EHT consumer than what they have had been billed during review period. This requires proactive action from top level officers.
10. NESCO has cleared all BST bill till March 2018.
11. Authorised Officer , NESCO expressed about the difficulties being faced by them for O&M expenditure. They sought Escrow relaxation for at least Rs. 20 Crs .

12. 73 Nos. Vigilance squads are operating at field level focusing on Urban and loss making feeders.
13. NESCO is in process to implement 100 % online collection. 164 nos. mobile POS machine of HDFC bank have been provided at our Division offices, collection counters and to billing agencies for collection of revenue through Debit/Credit card.
14. Increase in AT &C loss of Basta and Balsore divisions have resulted due to less collection of around 10Cr. aftermath of a cyclone during March 2018.

Directives of the Commission:

1. RPU target should be given for ease of review .
2. A formula should be fixed such as 20% of approved O&M and 20% of approved A&G so that each DISCOM will get their share of Escrow Relaxation which they can utilize for O & M purpose.
3. Further effort should be made to reduce loss in 4 Pilot feeders.
4. Effort should be made to reduce AT& C loss in divisions, where its level is high.
5. EHT bills should be collected in full.
6. Billing and Collection efficiency should improve.

Representative of NESCO

1. Sri B.K.Sahoo, A.O., NESCO
2. Sri S.C.Upadhyay, COO
3. Sri S.Sahoo, G.M.(Commerce)
4. Sri P.K.Mohanty, Sr.G.M.(F)
5. Sri S.P.Mallick, Sr.G.M.(elect)
6. Sri Sanjib Kr.Jena, Manager(Elect)
7. Sri G.S.Mohapatra, Manager(F)
8. Sri A.K.Mohapatra, Manager(F)
9. Sri Malancha Ghose, AGM(RA)
10. Ms. Rosalin Parida, Dy.Manager(Elect)