

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

Present : Shri S.P. Nanda, Chairperson
Shri K.C. Badu, Member
Shri B.K. Misra, Member

Case No.79/2011

| | | |
|-----------------|-------|-------------|
| WESCO | | Petitioner |
| Vrs. | | |
| GRIDCO & others | | Respondents |

In the matter of : Application for approval of part payment of monthly BST and Transmission bill to GRIDCO and rebate on part payment.

For the Petitioner: Shri A.K. Bohra, CEO,CSO, WESCO
Shri G.B.Swain, CSO,WESCO and
Shri K.C.Nanda, AGM(Fin.),WESCO.

For the Respondents: Shri N.Sahoo, GM(Fin.),GRIDCO
Shri B.D.Ojha, DGM(Eco.),GRIDCO.

ORDER

Date of Hearing: 29.10.2011

Date of Order: 08.11.2011

1. Western Electricity Supply Company of Orissa Limited (WESCO) has filed the present application seeking direction from the Commission to GRIDCO, OPTCL and SLDC to accept part payment of the monthly BSP bill and Transmission bill and also to allow WESCO to avail rebate on such part payment
2. Shri A.K.Bhora, CEO, CSO, WESCO appearing on behalf of the Petitioner submitted that the RST Order dated 18.03.2011 of the Commission passed in Case Nos.146, 147,148 and 149 of 2010 for FY 2011-12 was challenged by many HT & EHT consumers out of which majority of them are the consumers of WESCO and they have obtained a favorable order in their favour with respect to collection of cross subsidy. In the mean time WESCO has discontinued power supply to 30

numbers of consumers from the month of May, 2011 to September, 2011. Against there disconnected consumers, an amount of Rs 36 Crore is outstanding. Some of the HT Industries have reduced their drawal and accordingly corresponding bills have been reduced by Rs 10 Crore per month. Further on account of recent flood situation the revenue collection of WESCO has been badly affected. At the moment, these are the principal causes attributed to the bad financial health of WESCO.

3. He further submitted that in the present financial scenario WESCO cannot honour full BST bill from the month of October, 2011 and onwards even after availing LC/SoD of Rs 150 Crore.
4. The Commission, has impleaded GRIDCO, OPTCL and SLDC as respondents, as the petitioner has not impleaded them as respondents in the above case for effective adjudication of the matter since the prayer made by WESCO would have direct financial impact on these added respondents.
5. OPTCL has filed its reply on 27.10.2011 and also GRIDCO has filed its reply incorporating the comments/views on the application of WESCO during the course of hearing on 29.10.2011. The replies filed by both OPTCL & GRIDCO are taken on record.
6. The authorized officer of GRIDCO submitted that the financial position of GRIDCO is equally bad and cannot bear any more financial burden on account of DISCOMs non-payment. GRIDCO suggested that WESCO should make all out efforts to increase its cash flow position and pay back the BSP bill, transmission charges and SLDC charges in full. This can be achieved by improving its performance particularly by reducing the AT&C loss to the desired level. Hence, GRIDCO prayed to reject the petition.
7. Heard the parties at length.
8. The Commission in the BSP order 2011-12 has given the following direction with regard to rebate. Extract of para 550 is reproduced below:

"Rebate

For payment of bills through a letter of credit or by cash within two working days (except holidays under N.I.Act), a rebate of 2% shall be allowed. If the payments are made by a mode other than through a letter of credit but within a period of

one month of presentation of bills, by the Distribution Licensee, a rebate of 1% shall be allowed.” It is therefore, the responsibility of the WESCO to comply with the direction of the Commission.

9. The Commission vide letter No.1387 dtd.05.08.2011 had directed GRIDCO, OPTCL and SLDC to allow rebate to WESCO on their bills as per tariff order of 2011-12, if, WESCO pays 97% of the current BSP bill along with transmission & SLDC charges at the revised rate. This direction of the Commission was given because of the stay by the Hon’ble High Court for collection of charges in the revised tariff from domestic LT category of consumers.
10. We scrutinized the audited accounts of 2010-11 submitted by WESCO. It is revealed that the percentage of AT&C loss as shown by WESCO is more than that of the previous year i.e. 2009-10. During FY 2009-10, WESCO posted AT&C loss at 37.67% which was increased to 44.20% during FY 2010-11.
11. We further observe that the percentage of consumption by the EHT and HT industries in respect of WESCO is highest compared to other three distribution companies. An analysis of the same is given below:

| | DISCOMS | CESU | | NESCO | | WESCO | | SOUTHCO | |
|----|-------------------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| A. | Energy Purchase (MU) | | 7,069.34 | | 5,067.40 | | 6,424.77 | | 2,550.88 |
| | <i>% of Total Consumption</i> | | <i>33%</i> | | <i>24%</i> | | <i>30%</i> | | <i>12%</i> |
| | | | | | | | | | |
| B. | Energy Sold (MU) | | | | | | | | |
| | | % Consum. | Energy (MU) | % Consum. | Energy (MU) | % Consum. | Energy (MU) | % Consum. | Energy (MU) |
| | EHT | 32% | 1,397.23 | 52% | 1,777.48 | 37% | 1,459.60 | 21% | 278.56 |
| | HT | 20% | 852.22 | 15% | 523.53 | 34% | 1,362.98 | 15% | 200.19 |
| | LT | 48% | 2,111.99 | 33% | 1,134.58 | 29% | 1,156.13 | 64% | 844.63 |
| | TOTAL | 100% | 4,361.45 | 100% | 3,435.59 | 100% | 3,978.72 | 100% | 1,323.38 |

12. It is seen from the above table that the percentage of EHT & HT consumption to the total consumption in respect of WESCO, NESCO, SOUTHCO and CESU are

71%, 67%, 36% & 52% respectively. When the other DISCOMs having lesser EHT & HT load than WESCO are paying the BST bill in full, it is not understood why WESCO would fail.

13. We find that the problem with the WESCO lies with poor billing and collection. It is, therefore, the responsibility of the licensee to put sincere effort for improvement of billing and collection particularly in LT and comply with the direction of the Commission. WESCO should endeavor to reduce its AT&C losses, avoidable legal and court expenses and improve its financial performance by making all out efforts.

14. With these observations and directions, the present petition is rejected.

Sd/-
(B.K.Misra)
Member

Sd/-
(K.C.Badu)
Member

Sd/-
(S.P.Nanda)
Chairperson