



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of C-7 Subdivision, Hebbal Division, BESCOM

Date: March 11, 2014

Venue: C-7 Subdivision, Yelahanka.

BESCOM OFFICIALS:

1. Sri. Guru Prasad B.L, Director (Finance), BESCOM
2. Sri. Venkateshaiah H.C, DGM Personnel, Corporate Office
3. Sri. Ram Prasad, AGM(F&C), Corporate Office
4. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
5. Sri. . Kumar Naik, A.E.E (E), C-7 Sub-division
6. Accounts Officer, Hebbal Division
7. Accounts Officer (Internal Audit), Hebbal Division
8. AE's/J.E's and Other officials / Meter Readers of C-7 Sub division

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Dhiya Consulting
2. Sri. Srikanth Bhat, Manager, iDeCK
3. Sri. Avinash, Manager, iDeCK

PROCEEDINGS OF THE MEETING:

A meeting was held under the chairmanship of the Director (Finance), BESCO to review the progress of revenue recovery related issues pertaining to C-7 Sub division. The Director (Finance) addressed the BESCO Officers/employees of C-7 sub division and enlightened on the need of increase in revenue realization in order to improve the overall health of the organization. He stressed upon improvement in key parameters (Input, Demand, sales and collection) of the sub division to boost the revenue realization rate.

Mr. Vasuki of Dhiya Consulting briefly explained to the Officers/Employees of C-7 sub division that how a performance dash board is being developed by the Corporate office to capture the performance of sub-divisions and grading of them as “Red”, “Yellow” and “Green” in terms achievement the Effective Realisation Rate (ERR), which is a combination of input, sales, demand, collection and supply availability compared between the target set up front and the actual achievement.

With this background the review of the sub division was conducted in line with the following points:

1. Billing (including bills issuing efficiency) and collection efficiency
2. Abnormal/ Subnormal consumption
3. Reading of Street light and Water supply installations.
4. Average billing cases in LT6 tariff.
5. Street light inventory.
6. Status of installations with Rs 5000 and more arrears tariff wise.
7. Receivables analysis
8. Action on the inspection reports of vigilance, MT, audit, O&M etc.
9. Demand and collection of DR& fee, Cheque dishonor fee etc.,
10. Pending test reports.
11. Collection of additional security deposits etc.,

The key issues found during the review and the directions issued are tabulated below.

Sl. No	Focus Area	Particulars/ Issues	Plan of Action	Key personnel responsible	Deadline	Review/ Remarks	Follow up- Corporate Office	Amount which could be recovered
1	Billing Efficiency	<p>100% Billing efficiency was not achieved by the Sub division. – Actual billing efficiency for February is 94%</p> <ul style="list-style-type: none"> • 3616 number of installations were not billed since September-2013. • LT2-3040 • LT3-482 • LT5-94 • As stated by AEE, the bills were not generated as meter changes (under RAPDRP) have not been effected into the system. • However it was observed that no efforts for issuing the bills have been made and the S/D could have issued manual provisional bills till the stabilization of the system. 	<ul style="list-style-type: none"> • Provisional bills to be issued by the Meter Readers till all the Meter Changes have been effected into the system. • AEE and AAO to resolve this issue on top priority by ensuring that Meter change details have been entered into the system by 31st of March-14. • A.E.E to prepare a daily checklist¹ which must be filled by meter readers daily on compulsion. • AAO to send a compliance list on the above, every 15 days, to D (F), which also includes status of unbilled installations. 	AEE/AAO	31 st March-14	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 27 lakhs per month demand not being raised due to this, which accounts to approximately Rs 1.62 crores since Sep-13. (Revenue loss is calculated at an average rate of Rs 1000 per month per installation. i.e. 3616*1000).

¹ Checklist shall be mailed to respective sub division. Apart from complying the points mentioned in the checklist, the Sub division AEE(ele) could add more points to the same.

		<ul style="list-style-type: none"> About 433 installations are yet to be included in the system. The installations are serviced, but bills are not issued. 						On similar lines, revenue loss estimated for 433 installations is Rs 3.24 lakhs per month.
2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> The Abnormal/ Subnormal consumption analysis is not being done effectively and the RR number wise list generated from the system was not available at the time of inspection. 	<ul style="list-style-type: none"> AAO to take action to generate A/S report on daily basis. Though some action is taken, AE's/J.E's shall have to inspect the installations and submit reports on the same to A.E.E/AAO. To be discussed in the weekly meeting with AE/JE/MR 	AAO/AE/JE/ of O &M units	AEE to review on weekly basis.	AO, Internal Audit of the Division to follow-up	Dhatri	
3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> Out of 578 Water Supply installations, 172 installations have recorded Zero Consumption and 9 are MNR. 	<ul style="list-style-type: none"> AEE to take necessary action to replace the MNR meters immediately. AE/JE's of O&M units to inspect all the installations with Zero Consumption and shall submit a report. All the Water Supply installations to be rated by MT staff. 	AEE/AE/JE's	31 st March-14 for report on zero consumption installations	AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	

4	Status of installations with arrears of Rs 5000 and more (LT2, LT3 and LT5)	<ul style="list-style-type: none"> • Disconnections are not effectively done and most of the installations having arrears were not disconnected. • Timely and appropriate actions were not taken by the field staff. • There are total of 192 Installations with Rs 5000 and above arrears. • LT-2 - 60 installations. • LT-3 - 92 installations • LT-5 – 40 installations. 	<ul style="list-style-type: none"> • All the disconnections should happen through SYSTEM ONLY. • A.E.E & AAO to send the list of arrears (MR wise) to D(F) immediately. • The Sub division recoverable closing balance in LT2 tariff is Rs 98 lakhs. • AEE to ensure collection of Rs 98 lakhs within 31st March-14. 	MR/JE/AA O/AEE	31 st March- 2014	AO Division to follow-up	Venkateshaiah	If timely and effective actions are taken then the company would immediately get revenue of Rs. 98 lakhs in LT2 tariff and 18.4 lakhs in T3 and 4.4 lakhs in LT5 tariff.
5	Inventory of Street light installations	<p>It was found that Street light inventory has not been updated to the system and demand not raised for additional load.</p> <ul style="list-style-type: none"> • Out of 570 installations, 254 installations have Zero Consumption and 18 are MNR. • AEE explained that due absence of street light control wire, the installations are being billed on average basis. 	<ul style="list-style-type: none"> • Immediate measures to be taken to update the inventory into system. • EE/AEE to follow up with BBMP officials regarding provisioning of street light control wire. 	AEE		AO, Division	Venkateshaiah	

6	Test reports	<p>The 6A and 6B registers are not completely filled. HT installation status is not updated in the HT register for installations registered around 3 years back.</p>	<ul style="list-style-type: none"> All the registers to be updated immediately. 	AE(T)/AEE	Immediate action	AO, Internal Audit of the Division to follow-up	Ram Prasad	
7	Compliance to inspection reports	<p>There are number of installations for which Back billing charges (BBC) have been claimed on inspection reports of MT / vigilance/ Level1 & Level 2/, however not the amount is not recovered.</p> <ul style="list-style-type: none"> MRT- Rs 1.25 lakhs Vigilance- Rs 91 lakhs Level 1 and level 2 reports of O&M -5 lakhs. It was observed for HT installation with RR No: YHT150, BBC of Rs 2.26 lakhs was claimed on account of misuse of tariff. However even after the case the installation is being billed under old tariff. 	<ul style="list-style-type: none"> Effective and timely action has to be taken by the field staff to disconnect these installations. (Except disputed cases). AE/JE (sub-division/ section/ division officers) to monitor. 		Immediate action		Venkateshaiah	<p>If timely and effective actions are taken then the company would immediately get BBC of at least Rs. 91 lakhs.</p> <ul style="list-style-type: none"> The loss due to wrong application of tariff, even after vigilance case for RR No YHT150 is Rs2.25 lakhs per month for Feb and March-14.

8	Receivables analysis	<ul style="list-style-type: none"> Age wise analysis of revenue has not been undertaken by the SD. The details of action taken as per Recoveries of Due Act was not available during the review. ABC analysis of revenue was not reviewed by the SD 	<ul style="list-style-type: none"> Immediate action to be taken and submit the compliance report to D(F). 	AEE/ AAO	Immediate action		Venkateshaiah / Dhatri/ Ram Prasad	
9	LT 7 – Load and renewal issues, Billing, Termination of service, Installations with debit balance and transfer of credits remaining for over 3 years to Miscellaneous revenue account.	<ul style="list-style-type: none"> It was found that temporary installations are being billed once in 56 days. It was instructed bill the installations once in a month. 	<ul style="list-style-type: none"> AEE/AAO to take immediate action and report the status of installations toD(F) 	AO Division to follow up.	Immediate action		Venkateshaiah	
10	MNR Installations	<ul style="list-style-type: none"> There are 91 MNR installations in the S/D. 	MNR meters to be replaced immediately.	All section officers of O& M unit	Immediate action	AEE/AAO to follow up	Dhatri	

11	Meter Readers observations and action taken	<ul style="list-style-type: none"> Meter readers have maintained the observation book, but the observations are to be recorded properly and action is to be taken by superior officers to review. 	<ul style="list-style-type: none"> To be discussed in weekly meetings MRs have to be proactive and report their observations on daily basis. 					
12	Collection of additional security deposits from consumers	ASD, amounting to Rs 38.27 lakhs has to be included in the demand this month for LT installations.	<ul style="list-style-type: none"> Demand to be raised in this month and amount has to be realized. 	AAO	Immediate action	AEE/AO division to follow up.	Ramprasad	
13	Slab wise, industry wise, consumption pattern analysis	No analysis has been made by the sub division officers	<ul style="list-style-type: none"> AO IA has been asked to take up this review and send a report 	AO Internal Audit	Immediate action		Dhatri	
14	Raising demand for D&R fee and Cheque dishonor fee in the system	It was found that D&R fees is not raised from Sep-2013.	D&R fees for the disconnected installations to be raised immediately.	AAO	Immediate action	AEE/AO division to follow up	Ramprasad	

By implementing all these measures, C-7 sub-division has a potential of **Rs 241** lakhs increase in revenue realization. Besides taking one time action as suggested above, the AEE and his team should ensure that the suggestions are followed regularly and sustained.

Director (Finance)
BESCOM

Copy to:

1. Chief Engineer (E), BMAZ, BESCOM.
2. Superintending Engineer(E), North Circle, BESCOM, Bangalore
3. Executive Engineer (E), Hebbal Division.
4. Assistant Executive Engineer(E), C-7,Sub division
5. Sri Vasuki, Representative of M/s.Dhiya Consultancy
6. Representatives of Infrastructure Development Corporation (Karnataka) Limited.,
7. PS to MD
8. MF