



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of Tumkur RSD-2 Subdivision, Tumkur Division, BESCOM

Date: March 19, 2014

Venue: Tumkur 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. Assistant Executive Engineer(E), Tumkur RSD-2 Sub-division
6. Assistant Accounts Officer, Tumkur RSD-2 Sub-division
7. Accounts Officer, Tumkur Division
8. Accounts Officer (Internal Audit), Tumkur Division
9. AE's/J.E's and Other officials / Meter Readers of Tumkur RSD-2 Sub-division

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Dhiya Consulting

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 Tumkur RSD-2 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	99.9% Billing efficiency has been achieved by the Sub division.	<ul style="list-style-type: none"> A.E.E to prepare a daily checklist¹ which must be filled by meter readers daily on compulsion. 	AEE/AAO		AO Division to follow-up	Ram Prasad	
2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> The Abnormal/ Subnormal consumption analysis is not being done effectively. 	<ul style="list-style-type: none"> AAO to take action to generate A/S report on daily basis. To be discussed in the weekly meeting with AE/JE/MR 	AAO/AE/J E/ 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"> There are 49 MNR, 57 DC and 64 Zero consumption installations exist in case of water supply installations. In case of street light installations, there are 70 MNR, 10 DC and 18 Zero Consumption installations. 	<ul style="list-style-type: none"> AEE to take necessary action to fix the meters to DC installations and 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. 	AEE/AE/JE' s	31 st March-14	AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	Due to non-recording of actual consumption there is loss of 23.35 lakhs. (64 no. of inst. * 12 month* Rs 3.80)

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.

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. • There are total of 21 Installations with Rs 5000 and above arrears with a total arrears of Rs 1.5 lakhs. 	<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. 	MR/ JE/AA O/AEE	31 st March- 2014	AO Division to follow-up	Dhatri	If timely and effective actions are taken then the company would immediately get revenue of Rs 1.5 lakhs.
5	Test reports	<p>On review of pending RR dockets, it was observed that pendency tariff wise is as below since Nov-13.</p> <p>LT2-140 No.s</p> <p>LT6-9 No.s</p>	<ul style="list-style-type: none"> • All the pending dockets to be opened immediately. 	AE(T)/AEE	Immediate action	AO, Internal Audit of the Division to follow-up	Venkateshaiah	Due to non-opening of test reports, there is a revenue loss of 4.8 lakhs. LT6 – 9*800 units * 5 months * Rs 3.80 LT2 – 140*avg. of Rs 500 per month * 5 months
6	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"> • MT- Rs 23.81 lakhs • Vigilance- Rs 5 lakhs • O&M -1.67 lakhs. 	<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	If timely and effective actions are taken then the company would immediately get BBC of at least Rs. 30 lakhs.

		<ul style="list-style-type: none"> • Audit Short Claims - 1.01 lakh 						
7	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	
8	MNR Installations	<ul style="list-style-type: none"> • There are 173 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	
9	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	

By implementing all these measures, C-7 sub-division has a potential of **Rs 60** 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), CTAZ, BESCOM.
2. Superintending Engineer(E), Tumkur Circle, BESCOM, Bangalore
3. Executive Engineer (E), Tumkur Division.
4. Assistant Executive Engineer(E), Tumkur RSD-2 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