



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of S8 Subdivision, HSR Division, BESCOM

Date: March 05, 2014

Venue: S8 Subdivision, Kudlu Gate, Bangalore

BESCOM OFFICIALS:

1. Sri. Guru Prasad B.L, Director (Finance), BESCOM
2. Sri. Venkateshaiah H.C, DGM Personnel, Corporate Office
3. Sri. A N Jairaj , Executive Engineer (E), HSR Division
4. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
5. Sri. Ram Prasad, AGM(F&C), Corporate Office
6. Sri. . Amogsidda Bandivaddar, A.E.E (E), S8 sub-division
7. J.E's and Other officials / meter readers & representatives

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Dhiya Consulting
2. Sri. Srikanth Bhat, Manager, iDeCK
3. Sri. . Avinash Chenna, Dty. Manager, iDeCK
4. Dr. Jaya Prakash, Nanobi Data Analytics

PROCEEDINGS OF THE MEETING:

A meeting was held under the chairmanship of the Director (Finance), BESCO to discuss revenue recovery related issues with the Sub Division (SD) officials.

The Director (Finance) addressed the BESCO Officers/employees of S-8 Sub division regarding the significance of revenue recovery and emphasized on strategic action points (SAP) in order to improve the overall health of the organization. He also explained how one single parameter i.e. Effective Realisation Rate (ERR) can combine the input, sales, demand, collection and availability of supply target as well as achievement numbers in to one unit rate for the purpose of performance measurement, which would be used henceforth.

Mr Vasuki made a presentation to the gathering on the sub-division performance review mechanism that is being considered for implementation in Bescom and its effectiveness in revenue monitoring and improvement measures required in the system (i.e. Dashboard and data analytics tool) and explained to the audience that this tool would be a web based platform by which the performance of each sub-division with respect to input, demand, consumption and collection, would be monitored at the Corporate Office level. Further through this tool, the overall numbers can be drilled down to consumer category levels also and performance can be monitored.

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. Door Lock Installations
4. Zero Consumption
5. Reading of Street light and Water supply installations.
6. Reading of 6A and 6B registers
7. Status of disconnected installations.
8. Pending test reports in all tariff categories
9. Reading of temporary installations.
10. Receivables analysis
11. Action on the inspection reports of vigilance, MT, audit, O&M etc.
12. Demand and collection of DR& fee, Cheque dishonor fee etc.,
13. Demand collection of additional security deposit from consumers
14. Delay in servicing of HT installations

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	100% Billing efficiency was not achieved by the Sub division. • Around 2000 installations were not billed in each month, and at the same time they have not analyzed and rectified the mistakes and issued the bills.	<ul style="list-style-type: none"> • Meter reader has to update the Observation book on daily basis. • 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. 	Asst. Accounts Officer (A.A.O)	Daily updates duly checked and followed up by AAO on a daily basis.	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 12-15 lakhs demand not being raised due to this. (Rs. 600/ installation * 2000 installations)
2.	Abnormal /Subnormal Consumption. (A/S)	The A/S reports were not generated and reviewed on daily basis and hence were not monitored. • Field staff, AE/JE/MRs have not inspected such installations	<ul style="list-style-type: none"> • AAO to take action to generate A/S report on daily basis. • AE's/J.E's to inspect the installations and submit reports on the same to A.E.E/AAO. • A.E.E to furnish the reports during next inspection • 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	As a result there is 5-10% of installations having nil consumption/ subnormal consumption have not billed for the actual consumption.
3.	Zero Consumption, particularly in LT-6 tariff	<ul style="list-style-type: none"> • 137 no's of Water supply installations were found with zero consumption in LT-6 tariff. • 26 installations were 	<ul style="list-style-type: none"> • AE/JE's of O&M units to inspect all the installations and submit a report. 	AE/JE's		AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	There could be possibilities of MNR and bills were not issued with

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.

		<p>being billed on average basis.</p> <ul style="list-style-type: none"> Field inspections are not being done to ascertain the reason for the above. 						respect to actual consumption leading to revenue loss to the company.
4.	Status of disconnected installations.	<ul style="list-style-type: none"> Disconnections are not effectively done and most of the installations having huge arrears were not disconnected. Timely and appropriate actions were not taken by the field staff. 166 LT-2 installations having revenue arrears of 36 lakhs 217 LT-3 installations having revenue arrears of 63 lakhs 207 LT-5 installations having revenue arrears of 60 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. The disconnection has to be affected for the arrears*(> Rs. 10,000) list within 7 days Compliance report for the same to be furnished to D(F) D&R fees has to be raised for disconnected installations. If further readings are reported against disconnected installations such cases have to be personally dealt by AEE/AAO. 	MR/JE/AEE/A AO	13-03-2014	AO Division to follow-up	Venkateshaiah	If timely and effective actions are taken then the company would immediately get revenue of Rs. 1.59 crores.
5.	Door Lock Reports	JE/AE's have not inspected the door lock installations.	<ul style="list-style-type: none"> AE/JE's of O&M units to inspect such installations and submit a report. 	JE/AE		AO Division to follow-up	Dhatri	
6.	Test reports	<p>Non- Opening of test reports and delay in issuing of first bill is as below:</p> <ul style="list-style-type: none"> 1500 in LT-2 600 in LT-3 124 in LT-7 15 in LT-5 9 apartments having approximately 200 installations 	<ul style="list-style-type: none"> All the pending test reports should be opened immediately. 	AE(T)/AEE	Immediate action	AO, Internal Audit of the Division to follow-up	Ram Prasad	As a result of this an approximate amount of Rs. 20 lakhs per month not realized by the company.

7.	Compliance to inspection reports	<p>There are number of installations for which Back billing charges (BBC) claimed on inspection reports MT/vigilance/Level1 & Level 2/ Revenue monitoring and intimated to the consumer, however not recovered. These installations are still running from several months.</p> <ul style="list-style-type: none"> MRT- 19.20 lakhs Vigilance- 127.80 lakhs 	<ul style="list-style-type: none"> Effective and timely action has to 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. 1.0 crore.
8.	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	
9.	Service connection to HT installations where WOs have been issued	Inspite of HT allocations registered in 2012, no action has been taken to service it. Register was found to be blank and incomplete	<ul style="list-style-type: none"> Immediate action to be taken by the Sub divisional officers to inspect these installations and report status 	AEE	Immediate action		Venkateshaiah	
10	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 	<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	

		reviewed by the SD						
11	Meter Readers observations and action taken	<ul style="list-style-type: none"> • On an average each MR is reporting 3-5 observations per month • Hardly any action is taken by superior officers to review 	<ul style="list-style-type: none"> • To be discussed in weekly meetings • JEs should inspect the premises and take action • MRs have to be proactive and report their observations on daily basis 					

By implementing all these measures it is expected that immediate recovery of **Rs 294.00** lakhs could be realized by S-8 sub-division. 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), South Circle, BESCOM, Bangalore
3. Executive Engineer(E), HSR Division.
4. Assistant Executive Engineer(E), S-8 Sub division
5. Sri Vasuki, Representative of M/s.Dhiya Consultancy
6. Representative of Infrastructure Development Corporation (Karnataka) Limited.,
7. PS to MD
8. MF