



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of Davangere CSD-2 Subdivision, Davangere Division, BESCOM

Date: April 26th , 2014

Venue: CSD-2 Subdivision, Davangere

BESCOM OFFICIALS:

1. Sri Pankaj Kumar Pandey, Managing Director, BESCOM.
2. Sri. Guru Prasad B.L, Director (Finance), BESCOM
3. Sri. Venkateshaiah H.C, DGM Personnel, Corporate Office
4. Sri. Ram Prasad, AGM(F&C), Corporate Office
5. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
6. Sri. . Shivajirao Jadhav, A.E.E (E), Davangere Sub-division
7. Accounts Officer, Davangere Division
8. Accounts Officer (Internal Audit), Davangere Division
9. Assistant Accounts Officer, Davangere CSD-2 Sub division.
10. AE's/J.E's and Other officials / meter readers of Davangere CSD-2 Sub division

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Dhiya Consulting

PROCEEDINGS OF THE MEETING:

Hon'ble Managing Director and Director (Finance), BESCOM addressed the JE/AEs and Meter Readers of the CSD1 and CSD2 sub-divisions and impressed on them that they have to play a pivotal role in improving the revenues of the company by focusing on

(a) metering of installations with no/least MNRs

(b) 100% meter reading and billing

(c) disconnection and recovery of arrears

(c) field observations and their compliance especially in areas of (i) proper tariff classification (ii) regularization of misuse/additional load, if any (iii) abnormal/sub-normal consumption analysis (iv) regular inspection of Zero/DL/Vacant installations etc.,

Mr. Vasuki of Dhiya Consulting briefly explained to the Officers/Employees of Davangere CSD-1 and CSD-2 Sub divisions 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 Realization 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.</p> <ul style="list-style-type: none"> There is discrepancy regarding total number of installations. The total number of installations as per DCB and dash board report are not same. It was observed that as per the system generated report, 1406 installations are unbilled during April-14 in LT2, LT3 and LT6 tariff. However AEE informed that the total unbilled installations are 909 and not 1406. 	<ul style="list-style-type: none"> AEE and AAO to resolve the system related issues in billing on top priority by taking necessary measures. <p>All the Meter Readers to upload the meter readings on the day of reading.</p> <ul style="list-style-type: none"> 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	30 th May	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 6.8 lakhs per month demand not being raised due to this. (assumed at the rate of Rs. 750/ installation *909 installations)
2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> Of the active installations, 375 are MNR, 2643 are DL, 734 Vacant, and 2872 Zero consumption. This constitutes about 13% of the total active installations of the sub-division. (6624 /51,172). Field staff, AE/JE/MRs have not inspected such installations. Subnormal Consumption report 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. AE's/J.E's 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	AEE and his team should analyze and take appropriate action based on field inspection. This should be completed and reported before May 30, 2014 to MD/D(F)

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.

Note: Three RR No.s with abnormal consumption were inspected. The RR No.s are N7378, 15942 and 32072. It was observed that the Meters of all the three installations have been replaced under RAPDRP scheme, but the details are not entered into the system. Meter Readers have entered the present reading recorded in the new Meter. As the present reading is less than previous reading, the system has treated it as Revolution Completed case and abnormal consumption has been recorded. Due to this for a sanctioned load of 240 W (Which is a small shop), consumption of 4700 units has been recorded. DCA of Davangere Circle has assured that such cases will be rectified.

3	D&R fee	<ul style="list-style-type: none"> • The D&R fees is not raised since last one year. However the AAO informed that for the month of April-14, a demand of Rs 2.5 lakhs has been raised towards D&R fees. 	<p>Action should be initiated to raise the D&R fees for the disconnected installations on monthly basis.</p> <p>Immediate action to be taken to raise the demand including the previous months and collection ensured and should be reported to MD/D(F) in the May month review</p>	AEE/AAO	30 th May 2014	AO Division to follow up.	Venkteshaiah	Demand not raised towards D&R fee alone is about Rs ~ 3.0 lakhs per month which, if calculated for one year would be ~ Rs 36 lakhs. (Calculated at an average of 6300 installations disconnected per month at the rate of 300 installations per MR per month for 21 MR's* Rs 50)
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 huge arrears were not disconnected. • Timely and appropriate actions were not taken by the field staff. • Total arrears for Rs 5000 and above in respect of LT2, LT3 and LT5 tariff is 1.56 Crores. 	<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. • Immediate action has to be taken to disconnect the installations with arrears and Compliance report for the same to be furnished to D(F) on weekly basis. • If further readings are reported against disconnected installations such cases have to be personally dealt by AEE/AAO. 	MR/JE/AAO/AEE	30 th May-14	AO Division to follow-up	Dhatri	If timely and effective actions are taken then the company would immediately realized revenue of Rs. 156 lakhs.

5	Inventory of Street light installations and zero consumption in LT6 tariff.	<p>It was found that Street light inventory has been not been taken since last eight years.</p> <ul style="list-style-type: none"> • Out of 253 Water supply installations, 104 are having zero consumption. • The energy consumption shown against each RR number is not matching the load indicated for each installation. For example against one RR number consumption of about 5000 KWH is shown against a sanctioned load of 1 KW. This needs to reconciled immediately • Field officers have not done inspections to ascertain the reason for zero consumption. 	<ul style="list-style-type: none"> • AE's/JE's of all 4 O&M units to inspect the installations and submit a report. 	AAO/AEE		AO (I/A) Division to follow-up	Ram Prasad	<ul style="list-style-type: none"> • Due to Nil consumption for 104 Water Supply installations, there is a revenue loss of Rs 4.0 lakhs per month. (104*1000 units/month/installation*avg. rate of Rs3.80)
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. These installations are still running from several months.</p> <ul style="list-style-type: none"> • Vigilance- 51.28 lakhs • Audit Short Claims- 0.73 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	AO, I/A to follow up.	Venkateshaiah	If timely and effective actions are taken then the company would immediately get BBC of at least Rs. 52 lakhs.

Note : BBC Register showing details of BBC claimed, amount collected, balance due, action taken etc., for the inspection reports of (a) Vigilance (b) MT (c) O&M is not maintained. In the absence of this basic control register, it was not possible to exactly know the status of each case. However, upon obtaining the information of vigilance, it was found that the amount realizable is Rs. 51.28 lakhs covering 58 cases.

Besides, from review of files, it was observed that (a) Notices are not issued to consumers (b)BBC is not claimed in many cases and (c) loads are not regularised.

AO O&M and AO IA have been instructed to create a BBC register immediately and report the status of action taken for recovery of BBC within three weeks to D(F).

7	Opening of RR docketts	<ul style="list-style-type: none"> It was observed that opening of 243 number of RR docketts is pending since Jan-14. 	Immediate action to be taken to open and generate the first bill for the pending test reports.	AE(T)	Immediate action	AO, Division	Dhatri	Loss due to non-opening of RR docketts accounts to Rs 1.8 lakhs per month and Rs 5.4 lakhs since Jan-14
8	Receivables analysis	<ul style="list-style-type: none"> Agewise analysis of revenue has not been undertaken by the SD. The details of action taken as per Recoveries of Due Act were 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	Slab wise, industry wise, consumption pattern analysis	<ul style="list-style-type: none"> 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	AO, I/A	Dhatri	To be initiated
10	Meter readers observations	<ul style="list-style-type: none"> Reviewed the observations book maintained in four O&M units 	<ul style="list-style-type: none"> More attention has to be given to record as well review of the observations Field inspections have to be immediately carried out wherever required Immediate action should be taken to comply the requirements 	AE's/JE's	Immediate action	AEE/ AAO	Dhatri	Apart from the regular observations, MRs advised to check wrong classification of tariff cases every month and there should be a clear statement of action taken by the respective AE/JE and this should be reviewed and documented by AEE in the weekly meetings. Status to be reported in the May month review.
Note : Suspense register and Meter Constant Registers were not produced during the review.								

By implementing all these measures, Davangere CSD-2 sub-division has a potential of about **Rs 223** 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:

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2. Superintending Engineer(E), Davangere Circle, BESCOM, Bangalore
3. Executive Engineer (E), Davangere Division.
4. Assistant Executive Engineer(E), Davangere CSD-2 Sub division
5. Sri Vasuki, Representative of M/s.Dhiya Consultancy
6. PS to MD
7. MF