



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of Davangere CSD-1 Subdivision, Davangere Division, BESCOM

Date: April 26th , 2014

Venue: CSD-1 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. . Kumar Swamy, A.E.E (E), Davangere CSD-1 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"> It was observed that as per the system generated report, 1482 installations are unbilled during April-14 in LT2, LT3 and LT5 tariff. | <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. 11 lakhs per month demand not being raised due to this. (assumed at the rate of Rs. 750/ installation *1482 installations) |
| 2 | Abnormal /Subnormal Consumption. (A/S) | <ul style="list-style-type: none"> Of the active installations, 899 are MNR, 3403 are DL, 752 Vacant, and 4248 Zero consumption. This constitutes about 10.75% of the total active installations of the sub-division. (9302 /86478). Field staff, AE/JE/MRs have not inspected such installations and have not done any analysis on consumption pattern. | <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.

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| 3 | D&R fee | <ul style="list-style-type: none"> • The D&R fees is not raised since last one. • However it was reported that based on the audit report, Rs 13.57 lakhs D&R fee has been claimed for the last year and collected. It is also reported that demand of Rs 3.5 lakhs towards D&R fee is raised from April 14 | Action should be initiated to raise the D&R fees for the disconnected installations on monthly basis. | AEE/AAO | 30 th May 2014 | AO Division to follow up. | Venkteshaiah | |
| 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 alone in respect of LT2, LT3 and LT5 tariff is 87 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. • 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. 87 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 206 Water supply installations, 40 are having zero consumption. • Similarly in case of Street Light installations, Out of 506 installations, 68 are showing 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 | Immediate action | AO (I/A) Division to follow-up | Ram Prasad | <ul style="list-style-type: none"> • Due to Nil consumption for 40 Water Supply installations, there is a revenue loss of Rs 1.5 lakhs per month. (104*1000 units/month/installation*avg. rate of Rs3.80) |

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|---|--|--|---|-------------------|------------------|-----------------------|-----------------------------------|---|
| | | <ul style="list-style-type: none"> Street Light inventory is not updated since 7/12. Field officers have not done inspections to ascertain the reason for zero consumption. | | | | | | Similarly for Street light installations, loss is Rs 2.8 lakhs per month. |
| 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- 10.48 MT – 0.56 lakhs O&M -3.51 lakhs Audit Short Claims- 5.52 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. 20 lakhs. |
| 7 | Opening of RR dockets | <ul style="list-style-type: none"> It was observed that opening of 449 number of RR dockets is pending. | 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 dockets accounts to Rs 3.3 lakhs per month. |
| 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 were not available during the review. <p>ABC analysis of revenue was not reviewed by the SD.</p> | <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 |

| | | | | | | | | |
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| 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. |
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By implementing all these measures, N-4 sub-division has a potential of about **Rs 126** 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

