



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of C-2 Subdivision, Malleshwaram Division, BESCOM

Date: April 6, 2015

Venue: C-2 Subdivision, Malleshwaram, Bangalore.

BESCOM OFFICIALS:

1. Sri Guru Prasad B L, Director (Finance), BESCOM
2. Sri. Ram Prasad, AGM (F&C), Corporate Office.
3. Sri Prakashappa, AO, Malleshwaram division.
4. Smt Kalavati, AO, Internal Audit, Malleshwaram division.
5. Sri N G Nagabhushan, AEE (E), C-2 Sub division, BESCOM.
6. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
7. Sri Kumarswamy, Assistant Accounts Officer, -C-2 Sub division, BESCOM.

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Director, Dhiya Consulting.
2. Sri. Pisupati Karthikeya, Director, Dhiya Consulting

PROCEEDINGS OF THE MEETING:

The review of C2 sub division was done with respect to revenue recovery related issues. The BESCO Officers/employees of C-2 were addressed and emphasized on the need of increase in revenue realization rate in order to improve the overall health of the organization. The focus was on improvement in key parameters (Input, Demand, sales and collection) of the sub division to boost the revenue realization rate.

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 for the month of March-15, 999 number of installations are not billed in LT2, LT3, LT5 and LT6 category. There are 1184 DL, 57 vacant count and 3669 are zero consumption installations in Mar-15. Out of total 75851 installations in Mar-15, 12428 (16.38% of total installations) are shown as inactive. 	<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 checklist which must be filled by meter readers daily on compulsion. AAO to send a compliance list on the above to D (F). Action plan to inspect all inactive installation has to be drawn up and based on the field status, action should be proposed to either recover the receivables, or to adjust the deposit and propose suitable action for the debit balance if any. All the above activity to be completed by end of April-15. 	AEE/AAO	<p>15th April-15</p> <p>30th April-15</p>	AO Division to follow-up	Ram Prasad	Due to non-billing of 999 installations there is a loss of Rs 7.5 lakhs per month. (Calculated at the average demand of Rs 750 per installation per month)

2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> As per dash board report there are 4306 installations with abnormal and 13411 with sub normal consumption. The sub division has hardly done any analysis on abnormal/sub normal consumption, except checking for arithmetical inaccuracies. The analysis should cover wider aspects viz., analysis of consumption pattern, variations, reasons for such variations etc., and try to use the results of the analysis for increasing the consumption in each metered category. 	<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/J/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 137 Water Supply installations, installations 58 have recorded Zero Consumption. Out of 334 Street Light installations, 22 installations have recorded nil consumption. 	<ul style="list-style-type: none"> AE/JE's of O&M units to inspect all the installations with zero consumption and shall submit a report. Corrective actions (Fixing / Replacement of Meters) to be initiated to get actual recorded consumption. 	AEE/AE/JE's	30 th April-15	AO/AO, Internal Audit of Division to follow-up	Ram Prasad	
4	Street light	<ul style="list-style-type: none"> Street light inventory is taken upto Dec-14. However total load as 	<ul style="list-style-type: none"> Field Officers to furnish street light inventory on quarterly basis. 					<ul style="list-style-type: none">

	inventory	per inventory is less than the total load shown in DCB. The reason for same has to be ascertained.	<ul style="list-style-type: none"> • AAO to ensure updation of inventory into the system. 	AEE/AE/JE's				
5	Status of installations with arrears of Rs 5000 and more (LT2, LT3 and LT5)	<ul style="list-style-type: none"> • Disconnections are to be more. Timely and appropriate actions need to be taken by the field staff. • There are 169 number of installations in Rs 5000 and above arrears category amounting to a sum of Rs 27.12 lakhs. 	<ul style="list-style-type: none"> • All the disconnections should happen through SYSTEM ONLY. • 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 April-15	AO Division to follow-up	Dhatri / Ram Prasad	If timely and effective actions are taken then the company would immediately get revenue of Rs. 27.12 lakhs.
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 the amount is not recovered. These installations are still running from several months.</p> <ul style="list-style-type: none"> • MT- Rs 58.44 lakhs. • Vigilance- Rs 5.09 lakhs. • Level 2 reports of 	<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). • The installations back billed are not regularized nor disconnected. • AE/JE (sub-division/ section/ division officers) to monitor. 		Immediate action		Ram Prasad	If timely and effective actions are taken then the company would immediately get BBC of at least Rs.70 lakhs

		<p>O&M- Rs 0.69 lakhs.</p> <ul style="list-style-type: none"> Audit short claim Rs. 6.18 lakhs 					
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 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		Dhatri/ Ram Prasad
8	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		Dhatri

Note: It was observed that there is variation in consumption pattern across HT, LT2 and LT3 category when compared with consumption pattern for previous and present years. Some of the major observations that were brought the notice of AEE and AAO are:-

- Compared to January 14 realization rate of Rs. 6.69/KWH, HT overall realization has come down to Rs. 5.86/KWH in January 2015
- Compared to January 14 realization rate of Rs. 5.20/KWH, LT 2 realization has come down to Rs. 5.10/KWH in January 2015. During these two months, LT 2 consumption has increased from 6.9 MUs to 7.06 MUs
- Last 10 month average consumption of LT 2 is 8.34 MUs. Whereas, as per the latest DCB, the current consumption is 7.16 MUs. A reduction in sales of 15% is seen.
- When compared to the DCB of January 15, number of LT 3 installations in February 15 have shown an increase, but the total sanctioned load has come down.

The sub division AEE was asked to do the analysis of same and send a report. Also, as the sub division has only 160 HT installations, the AEE was advised to analyze the consumption pattern of HT consumers by monitoring individual HT installation consumption.

9	D&R fees	<ul style="list-style-type: none"> The D&R fees raised during the month of Mar-15 is Rs 1.46 lakhs. 	<ul style="list-style-type: none"> The AAO to take necessary action to raise D&R fees. The field staff to furnish "Final Reading" after disconnection of an installation. 	AEE/AAO	30 th April-15	AO, O&M to follow up.	Ram Prasad	
10	Additional Security Deposit	<ul style="list-style-type: none"> It was observed that ASD amounting to Rs 41.98 lakhs is yet to be collected from consumers in LT2, LT3 and LT5 category. 	ASD amount demand for HT & LT to be collected on priority basis as next cycle for ASD is to be processed soon.	AEE/AAO	30 th April-15			
11	HT consumption trend analysis	<ul style="list-style-type: none"> Since the HT consumption across Bescom is coming down month on month, AEE and AAO were advised to carry out RR number wise trend analysis and submit a report immediately. It was advised, to identify the reasons for fall in consumption and suggest suitable remedial measures to address the declining trend. 	<ul style="list-style-type: none"> AEE/JTA to follow the status of applications registered at sub-division office and address issues, if any AAO was advised to send the analysis stated to have been done for the last year to DF office for review and further instructions 				Dhatri	
13	BRS	<ul style="list-style-type: none"> On cursory review of BRS, it was observed that 6 cheques amounting to Rs 3.54 lakhs were not credited to BESCOM account since May-2014. 	<ul style="list-style-type: none"> AAO was advised to immediately follow up with the Bank and ensure that the credit is given immediately. 	AEE/AAO			Ram Prasad	
14	Debit balance in LT 7 category	<ul style="list-style-type: none"> It was observed that a debit of Rs 11.43 lakhs is outstanding from inactive LT7 installations. 	<ul style="list-style-type: none"> This debit balance needs to be verified and corrective actions are to be taken immediately. 	AAO			Ram Prasad	

Note: Even though the circular has been issued for compulsorily taking photographs at the time of renewal / closure of temporary power installations, the same is not followed by sub division. The sub division AEE was asked to follow the procedure as per the circular.

15	Energy Audit	<ul style="list-style-type: none"> The sub division is not doing DTC wise Energy Audit even though meters are fixed to all DTC's 	<ul style="list-style-type: none"> AEE and AAO informed that they have software issues and have assured to set right the things to take up DTC wise Energy Audit. 	AEE/AET/A AO			Dhatri	
16	Consumer security deposit register	<ul style="list-style-type: none"> It was reported that no such register is being maintained. 	<ul style="list-style-type: none"> AAO is instructed to immediately open this register and ensure that all details of opening balance of deposits received from the consumers, monthly additions, if any, refunds, if any and the closing balance. 					
17	Review of Registers	<p>On a cursory review of the following registers</p> <ul style="list-style-type: none"> 6A and 6B Registers Meter constant Register <p>it was observed that these Registers are not properly maintained. They have to be nearly and legibly written, duly providing proper headers for each page. Besides, at the end of each month an abstract has to be put up to know the progress/status of each month.</p>	<ul style="list-style-type: none"> 					

By implementing all these measures, C-2 sub-division has a potential of **Rs 105** 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), Malleshwaram Division.
4. Assistant Executive Engineer(E), C-2 Sub division
5. Sri Vasuki, Director, Dhiya Consultancy.
6. PS to MD
7. MF