



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of E-4 Subdivision, Indira Nagar Division, BESCOM

Date: June 5, 2014

Venue: E-4 Subdivision, Whitefield, Bangalore.

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. Sri. Raveendra, A.E.E (E), E-7 Sub-division
6. Accounts Officer, Indira Nagar Division
7. Accounts Officer (Internal Audit), Indira Nagar Division
8. Smt Bharati, I/C Assistant Accounts Officer, E-4 Sub division.
9. AE's/J.E's and Other officials / meter readers of E-4 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 discuss revenue recovery related issues of E-4 Sub Division. The Director (Finance) addressed the BESCO Officers/employees of E-4 and emphasized on the need of increase in revenue realization rate 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.

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. 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, the number of unbilled installations is 1517 	<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	21 st July-14	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 11.38 lakhs per month demand not being raised due to non-billing 1517 installations, assumed at the rate of Rs. 750/ installation * 1517 installations*1 month)
2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> It was observed that Abnormal / Subnormal consumption analysis has not been done by the sub division. Field staff, AE/JE/MRs have not inspected such installations and taken corrective action wherever required 	<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	

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.

3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> • Out of 375 Water Supply installations, 216 installations have recorded zero consumption. • Out of 413 Street Light installations, 49 installations have recorded zero consumption, 16 are MNR, 108 DC and 41 installations are billed on average basis. • Field inspections are not being done to ascertain the reason for the above. 	<ul style="list-style-type: none"> • AE/JE's of O&M units to inspect all the installations and submit a report. 	AEE/AE/JE's	21 st July-14	AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	Due to Nil consumption for 216 installations, there is a revenue loss of Rs 8.20 lakhs per month. (219*1000 units/month/installation*avg. rate of Rs3.80)
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. • LT-2- 880 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 67.87 lakhs. • LT-3- 507 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 100 lakhs. • LT-5- 216 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 47.16 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. • 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/AAO/AEE	25 th July-14	AO Division to follow-up	Venkateshaiah	If timely and effective actions are taken then the company would immediately get revenue of Rs. 215 lakhs.

5	Inventory of Street light installations	It was found that Street light inventory has been taken till March-14. However demand has not been raised for additional load.	<ul style="list-style-type: none"> • AAO to take immediate action to raise the demand. 	AAO/AEE		AO (I/A) Division to follow-up	
6	Compliance to inspection reports	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.	<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. 404 lakhs.

Note: The total BBC amount pending against 410 cases is Rs 4.04 Crores. This amount is excluding O&M cases. It was observed that there was substantial delay on part of sub division to issue the provisional demand notice to the consumer for Unauthorized/Excess Load, misuse of tariff etc. In many cases the demand has been not debited to the system, even after 30 days of serving the notices to the consumers. Also it was observed that in many cases, demand is raised into the system after the payment of BBC by consumer.

It was observed that in 155 number of cases, the BBC amount was revised (reduced) by issuing speaking order by AEE, after the expiry of permitted period of 30 days. The sub division AEE has passed the speaking orders even after several months of issuing demand notice and reduced the BBC charges in many cases by violating supply conditions, resulting in loss of revenue.

7	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 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	
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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	
9	Meter Readers observations and action taken	<ul style="list-style-type: none"> Hardly any action is taken by superior officers to review the Meter Readers observation book. 	<ul style="list-style-type: none"> To be discussed in weekly meetings MRs have to be proactive and report their observations on daily basis 					

By implementing all these measures, E-4 sub-division has a potential of **Rs 638** 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), East Circle, BESCOM, Bangalore
3. Executive Engineer (E), Indira Nagar Division.
4. Assistant Executive Engineer(E), E-4 Sub division
5. Sri Vasuki, Representative of M/s.Dhiya Consultancy
6. PS to MD
7. MF