



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of N-8 Subdivision, Rajaji Nagar Division, BESCOM

Date: January 13, 2015

Venue: N-8 Subdivision, Nagarbhavi Circle, Bangalore.

BESCOM OFFICIALS:

1. Sri. Guru Prasad B.L, Director (Finance), BESCOM
2. Sri. Ram Prasad, AGM (F&C), Corporate Office.
3. Smt S Asha, AO to D (F), Corporate Office.
4. Sri Krishnegowda, AO(O&M), Rajaji Nagar Division.
5. Sri Malatesh, AEE (E), N-8 Sub division, BESCOM.
6. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
7. Smt Latha, Assistant Accounts Officer, N-8 Sub division, BESCOM.
8. AAO, Internal Audit, Rajaji Nagar Division.
9. AE's/J.E's/MR's and Other officials / meter readers of E-9 sub division

CONSULTANCY TEAM REPRESENTATIVES:

1. Sri. Vasuki, Director, Dhiya Consulting.
2. Srikanth Bhat, Consultant, Ideck

PROCEEDINGS OF THE MEETING:

A meeting was held under the chairmanship of the Director (Finance), BESCO to discuss revenue recovery related issues of E-7 Sub Division. The Director (Finance) addressed the BESCO Officers/employees of E-7 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.
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, 2928 number of installations are not billed. • As per AEE/AAO of SDO, the number of unbilled installations is high due to rescheduling of reading dates and said that they have issued manual bills to Consumers. • There are 1223 DL installations, 2518 vacant count, 5174 zero consumption installation in Dec. 14, • Out of total 129693 installations in December 2014, 20297 (nearly 16% of 	<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). 	AEE/AAO	31 st January-15	AO Division to follow-up	Ram Prasad	

		<p>total installations) are shown as inactive.</p> <ul style="list-style-type: none"> • Though some effort is made for inspection of long disconnected installations and suitable administrative action is proposed, the exercise is in not complete. • 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 February-2015. 						
2	Abnormal /Subnormal Consumption. (A/S)	<ul style="list-style-type: none"> • As per dash board report there are 5384 installations with abnormal and 22607 with sub normal consumption. • Sub-division is doing the abnormal consumption analysis with specific focus on billing discrepancies. However, the analysis should cover wider aspects viz., analysis of consumption 	<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	

		pattern, variations, reasons for such variations etc., and try to use the results of the analysis for increasing the consumption in each metered category.						
3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> Out of 637 number of Water Supply installations, 39 installations have recorded Zero Consumption, 2 are MNR and 3 are MBO installations Similarly out of 698 street light installations, 56 have recorded zero consumption and meters of 82 numbers of installations are faulty. 	<ul style="list-style-type: none"> AE/JE's of O&M units to inspect all the installations with zero consumption and meter faulty status and shall submit a report. Corrective actions (Fixing / Replacement of Meters) to be initiated to get actual recorded consumption. 	AEE/AE/JE's	15th February-15	AO/AO, Internal Audit of Division to follow-up	Ram Prasad	<ul style="list-style-type: none"> Due to Nil consumption for 39 Water Supply installations, there is a revenue loss of Rs 1.48 lakhs per month. (128*1000 units/month/installation*avg. rate of Rs3.80) Similarly for Street Light installations, there is a revenue loss of Rs 5.66 lakhs per month due to faulty meters and zero consumption. Assuming avg. load of 3KW per installation and at the rate of 360 units per KW per month *Rs 3.80
4	Status of installations	<ul style="list-style-type: none"> Disconnections are not effectively done and most of the installations having arrears were not 	<ul style="list-style-type: none"> All the disconnections should happen through SYSTEM ONLY. Immediate action has to be taken to disconnect 		31 st January-15	AO Division	Dhatri / Ram Prasad /	

	with arrears of Rs 5000 and more (LT2, LT3 and LT5)	<p>disconnected.</p> <ul style="list-style-type: none"> • Timely and appropriate actions were not taken by the field staff. • 54 LT-2 installations with more than Rs 5000 arrears amount to a total arrears of Rs 6.21 lakhs. • 89 LT-3 installations with more than Rs 5000 arrears amount to a total arrears of Rs 21.22 lakhs. • 160 LT-5 installations with more than Rs 5000 arrears amount to a total arrears of Rs 41.86 lakhs. • It is observed that field officers are not furnishing "Final Reading" after disconnecting the installation. 	<p>the installations with arrears and Compliance report for the same to be furnished to D(F) on weekly basis.</p> <ul style="list-style-type: none"> • If further readings are reported against disconnected installations such cases have to be personally dealt by AEE/AAO. • The AE's/JE's of O&M units are instructed to effect disconnections for all Rs 5000 and above arrears case within a week and shall furnish Final Reading for disconnected installations. • AEE shall send the compliance on the same. 	MR/JE/AAO /AEE		to follow-up	Asha	If timely and effective actions are taken then the company would immediately get revenue of Rs. 69 lakhs.
5	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"> • 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. 95.32 lakhs.

		<ul style="list-style-type: none"> • MT- Rs 1.41 lakhs. • Vigilance- Rs 62.11 • Level 2 reports of O&M- Rs 8.27 lakhs. • Audit Short Claim –Rs 23.53 lakhs. 						
6	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. <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	
7	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	
8	D&R fees	<ul style="list-style-type: none"> • The D&R fees raised during the month of December-2014 is Rs 10000 only. 	<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	31 st Jan-15	AO, O&M to follow up.	Ram Prasad	The sub division can easily raise D&R fees to an extent of Rs 2 lakhs per month.
9	Irregular billing of ECS Consumers.	<ul style="list-style-type: none"> • It was observed that many 40 HP and above Consumers who have opted for ECS mode of payment are not read and billed on their scheduled day of 	<ul style="list-style-type: none"> • AEE to take necessary action for procurement of SBM's. • Till then the billing of Consumers who have opted for ECS mode of 	AAO	AEE to follow		Ram Prasad	

		<p>billing. The delay in billing has resulted in non-demand to the bank and thereby loss to the company.</p> <ul style="list-style-type: none"> • In some cases cumulative demand for two months has been raised causing inconvenience/failure in payment on part of Consumer. • The field staff stated shortage of SBM's as the cause for delay in billing. 	<p>payment will be done on priority basis.</p>		up.			
10	Additional Security Deposit	<ul style="list-style-type: none"> • It was observed that ASD amounting to Rs 67.84 lakhs is yet to be collected from consumers in LT2, LT3 and LT5 category and in case of HT, it is Rs, 3.78 lakhs. 	<p>ASD amount demand for HT & LT to be collected on priority basis as next cycle for ASD is to be processed soon.</p>	AEE/AAO	31 st January-2015		Asha	
11	Meter Readers observations and action taken	<ul style="list-style-type: none"> • Though Meter Reader observation book is maintained by MR's, it is not properly updated. • No observations have been recorded by MR's in respect of misuse of tariff, theft, additional load etc. 	<ul style="list-style-type: none"> • To be discussed in weekly meetings • MRs have to be proactive and report their observations on daily basis. • AE/JEs to review the observations book on daily basis and take needful action including field inspections wherever necessary. 	AE's/JE's			Dhatri	

12	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 a cursory review of the BRS statements it was observed that Two cheques remitted to Bank of Baroda on 4th and 5th September 2014 amounting to Rs 31,340 and 33,671 respectively are yet to credited to Bescom A/C 	<ul style="list-style-type: none"> • AAO was advised to immediately follow up with the Bank and ensure that the credit is given immediately. 					
14	Debit balance in LT 7 category	<ul style="list-style-type: none"> • It was observed that a debit of Rs 1.25 crs is outstanding from LT& consumers. 	<ul style="list-style-type: none"> • AO & AAO have informed that largely, this is due non-setting of Advance Power consumption charges recovered from consumers and the necessary adjustments would be done in this month and correctly balance will be reflected 					

15	Review of 6A register and Field inspections by team	On review of 6A register, it was observed that majority of installations are serviced with sanctioned load of 1KW in LT2 tariff, which is not appropriated for Bangalore city life style. Two such premises were inspected and the details are as below.			
		SI No.	RR No.	Sanctioned Load	MD Recorded as on date of inspection
		Premise-1	N8EH149 62	1KW	1.10
			N8EH149 63	1KW	0.28
			N8EH149 64	1KW	1.42
		Premise-2	N8EH14713	500 W	1.44
			N8EH14714	500 W	0.18
			N8EH14715	1HP	1.11
		It was observed that out 6 installations, the MD recorded in case of 4 installations was more than the sanctioned load. The AEE informed that due to insistence of occupancy certificates for new connections as per the prevailing rules, many installations with more than 3 floors are not serviced and only small houses are services with sanctioned load of 1KW. However, the AEE and field staff were asked to educate Consumers on this issue so that Consumers avail the required load.			

By implementing all these measures, N-8 sub-division has a potential of **Rs 173** 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), West Circle, BESCOM, Bangalore.
3. Executive Engineer (E), Rajaji Nagar Division.
4. Assistant Executive Engineer(E), N-8 Urban Sub division
5. Sri Vasuki, Director,,Dhiya Consultancy
6. PS to MD
7. MF