



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of Nelmangala Subdivision, Nelmangala Division, BESCOM

Date: June 28, 2014

Venue: Nelmangala Subdivision, Nelmangala.

BESCOM OFFICIALS:

1. Sri. Guru Prasad B.L, Director (Finance), BESCOM
2. Sri. Ram Prasad, AGM(F&C), Corporate Office
3. Smt Asha S, AO, Corporate Office.
4. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
5. Sri. Rajkumar S, A.E.E (E), Nelmangala Sub-division
6. Sri Rajshekhar, Accounts Officer, Nelmangala Division
7. Accounts Officer (Internal Audit), Nelmangala Division.

PROCEEDINGS OF THE MEETING:

A meeting was held under the chairmanship of the Director (Finance), BESCO to discuss revenue recovery related issues of Nelmangala Sub Division. The Director (Finance) addressed the BESCO Officers/employees of Nelmangala Sub division 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 1294 	<ul style="list-style-type: none"> All the Meter Readers to upload the meter readings on the day of reading. 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, every 15 days, to D (F), which also includes status of unbilled installations. 	AEE/AAO	25 th July-14	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 6.5 lakhs per month demand not being raised due to non-billing 2198 installations, assumed at the rate of Rs. 500 <i>installation * 2198 installations*1 month</i>)
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	
3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> Out of 545 Water Supply installations, 287 installations have recorded zero consumption. 	<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	25 th July-14	AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	Due to Nil consumption for 287 water supply installations, there is a revenue loss of Rs 10.90 lakhs per month. (287*1000 units/month/installa

		<ul style="list-style-type: none"> • Out of 382 Street Light installations, there are 162 installations with zero consumption. • Field inspections are not being done to ascertain the reason for zero consumption. 						tion*avg. rate of Rs3.80)
4	Status of installations with arrears of Rs 10000 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- 159 installations with more than Rs 10000 arrears amounting to a total arrears of Rs 33.09 lakhs. • LT-3- 129 installations with more than Rs 10000 arrears amounting to a total arrears of Rs 46.21 lakhs. • LT-5- 94 installations with more than Rs 10000 arrears amounting to a total arrears of Rs 33 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. 112.3 lakhs.

Note: On observation of Rs 50000 and above list, it was observed that for some installations, payment has not been received since the year 2005 and such installations are still active in the system. For RR No.'s NC19, NL1338, and NL31508 the last payment made by the consumer is in the year 2005 or before that. Action needs to be initiated to disconnect such installations immediately.

5	Inventory of Street light installations	It was found that Street light inventory not taken since last 3 years.	<ul style="list-style-type: none"> • AE's/ JE's to take immediately furnish the street light inventory. 	AAO/AEE	Immediate Action	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 not 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	Timely and effective actions needs to be taken for recovery of BBC arrears.
<p>Note: It was observed that there is a lapse on part of sub division in recovery of BBC arrears. In some cases demand for BBC is not raised even after serving notices to consumers. For RR No. NIP6531, vigilance has booked a case of misuse of tariff and excess load in Feb-2013 and estimated BBC is Rs 187404, but the demand for the same has not been raised.</p> <p>For RR No. AEH6855, the BBC of Rs 61,675 was raised for misuse of tariff (LT2 to LT3) and the demand for same has been raised. However, till date the arrears is not recovered nor the installation is disconnected.</p>								
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	
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. • On review of observation book of MR-30, it was observed that Meter reader has recorded 13 No. of misuse of tariff cases in his observation book in the month of April-14, but not action has been initiated by concerned section officer. 	<ul style="list-style-type: none"> • To be discussed in weekly meetings • MRs have to be proactive and report their observations on daily basis. • Section officers to view the Meter Readers Observation book regularly and shall initiate necessary action wherever required. 	AE'/JE's/MR's	Immediate action	AEE/AAA O	Ram Prasad	
10	CR' pending	<ul style="list-style-type: none"> • It was observed that 418 number of CR's (For completed works) are pending amounting to Rs 242.81 lakhs. 	<ul style="list-style-type: none"> • Immediate action to be initiated for obtaining CR's from concerned officers. 			AO Division to follow up.	Dhatri	
11	ASD amount demand & collection.	<ul style="list-style-type: none"> • The total demand made by the sub division for ASD is RS 858 lakhs, however the collection is only 207 lakhs as on date of inspection. 	<ul style="list-style-type: none"> • Immediate action to be initiated for collection of ASD amount 		Immediate action.	AO division to follow up	Asha	

By implementing all these measures, E-4 sub-division has a potential of **Rs 130** lakhs increase in revenue realization apart from collecting BBC amount. 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), BRAZ, BESCO.
2. Superintending Engineer(E), Bangalore Rural Circle, BESCO, Bangalore
3. Executive Engineer (E), Nelmangala Division.
4. Assistant Executive Engineer(E), Nelmangala Sub division
5. PS to MD
6. MF