



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

Revenue Monitoring Inspection/Review of S-10 Subdivision, HSR Division, BESCOM

Date: February 5, 2015

Venue: S-10 Subdivision, JP Nagar, Bangalore.

BESCOM OFFICIALS:

1. Sri. Ram Prasad, AGM (F&C), Corporate Office.
2. Sri Ramaswamy, AEE (E), S-10 Sub division, BESCOM.
3. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
4. Sri Vidyapathi, I/c Assistant Accounts Officer, S-10 Sub division, BESCOM.
5. AE's/J.E's/MR's and Other officials / meter readers of S-10 sub division

CONSULTANCY TEAM REPRESENTATIVES:

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

PROCEEDINGS OF THE MEETING:

A meeting was to discuss revenue recovery related issues of S-10 Sub Division. The BESCO Officers/employees of S-10 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
<p>Note : The jurisdiction of S10 sub division includes Banneraghatta Road, Hulimavu, Vijaya Bank Colony, Bilekahalli and surrounding areas, but the sub division office is located at JP Nagar which is around 5 KM from Banngeraghatta road. For any communication with the sub division office, Consumers and also BESCO field staff need to travel a distance of 5 KM in high density vehicle roads.</p> <p>If the office building is shifted to their jurisdictional area, it would be helpful for both Consumers and BESCO staff.</p>								
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, 1029 number of installations are not billed in LT2, LT3, LT5 and LT6 category. As per AEE/AAO of SDO, the number of unbilled installations is high due to servicing of new installations, the bills for which will be generated in the succeeding month. There are 367 vacant count and 9471 are zero consumption installations in Jan-15. 	<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	21 st February-15	AO Division to follow-up	Ram Prasad	

		<ul style="list-style-type: none"> • Out of total 124426 installations in January 2015, 12811 (10.3 % of total installations) are shown as inactive. • 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 7776 installations with abnormal and 24232 with sub normal consumption. • The sub division has not done any analysis on abnormal/sub normal consumption. 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 	<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	

		metered category.						
3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> • Out of 448 number of Water Supply installations, 276 installations have recorded Zero Consumption. • All the 256 street light installations are billed on average basis causing loss to the company. 	<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	28th February-15	AO/AO, Internal Audit of Division to follow-up	Ram Prasad	<ul style="list-style-type: none"> • Due to Nil consumption for 276 Water Supply installations, there is a revenue loss of Rs 10.48 lakhs per month. (276*1000 units/month/installation*avg. rate of Rs3.80)

Note: Vigilance has booked theft cases for 118 water supply installations which were running under DC. The period of booking ranges from 2006 to 2014. These installation are neither disconnected nor regularized. 47 cases are booked during 2009, 2010 and 2011 for which there is a possibility that bore well might have already dried up without the consumption of the same coming to BESCO account books.

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 arrears were not disconnected. • Timely and appropriate actions were not taken by the field staff. • There are 357 number of installations in Rs 5000 and above arrears category amounting to a sum of Rs 91.86 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	28th February-15	AO Division to follow-up	Dhatri / Ram Prasad / Asha	If timely and effective actions are taken then the company would immediately get revenue of Rs. 91.86 lakhs.
5		There are number of installations for which	<ul style="list-style-type: none"> • Effective and timely action has to be taken 					If timely and effective actions

	Compliance to inspection reports	<p>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 17.40 lakhs. • Vigilance- Rs 277 lakhs. • Level 2 reports of O&M- Rs 3.70 lakhs. 	<p>by the field staff to disconnect these installations. (Except disputed cases).</p> <ul style="list-style-type: none"> • The installations back billed are not regularized nor disconnected. • AE/JE (sub-division/ section/ division officers) to monitor. 		Immediate action		Ram Prasad	are taken then the company would immediately get BBC of at least Rs. 21 lakhs (Except vigilance amount which mainly consists of LT6 arrears).
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 January-2015 is Rs 47,000 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	28 th Feb-15	AO, O&M to follow	Ram Prasad	The sub division can easily raise D&R fees to an extent of Rs 3 lakhs per month.

						up.		
9	Additional Security Deposit	<ul style="list-style-type: none"> It was observed that ASD amounting to Rs 166 lakhs is yet to be collected from consumers in LT2, LT3 and LT5 category and in case of HT, it is Rs, 4.0 lakhs. 	ASD amount demand for HT & LT to be collected on priority basis as next cycle for ASD is to be processed soon.	AEE/AAO	28 th February -2015			
10	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	
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	

12	BRS	<ul style="list-style-type: none"> On a cursory review of the BRS statements it was observed that cheques pertaining to the year 2013 are not yet realized and the same has not been reflected in the present BRS. The total amount not credited to BESCOM account is Rs 6.80 lakhs. 	<ul style="list-style-type: none"> AAO was advised to immediately follow up with the Bank and ensure that the credit is given immediately. 																
13	Debit balance in LT 7 category	<ul style="list-style-type: none"> It was observed that a debit of Rs 16.25 lakhs is outstanding from LT7 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 																
14	Review of 6A register and Field inspections by team	<p>On review of 6A register, it was observed that majority of installations are serviced with sanctioned load of 480W in LT2 tariff, which is not appropriate for Bangalore city life style. One such premise was inspected and the details are as below.</p> <table border="1" data-bbox="719 1023 1417 1179"> <thead> <tr> <th>Sl No.</th> <th>RR No.</th> <th>Sanctioned Load</th> <th>MD Recorded</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td>S10L78039</td> <td>480 W</td> <td>1.09</td> </tr> <tr> <td>S10L78042</td> <td>480 W</td> <td>1.16</td> </tr> </tbody> </table> <p>The AEE and field staff were asked to educate Consumers on this issue so that Consumers avail the required load.</p>							Sl No.	RR No.	Sanctioned Load	MD Recorded	1	S10L78039	480 W	1.09	S10L78042	480 W	1.16
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Note: During review it was observed that there is lack of co-ordination among the staff of S-10 sub division. The staff was advised to be better organized in the interest of BESCOM.

By implementing all these measures, S-10 sub-division has a potential of **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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7. PS to MD
8. MF