



BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

(Wholly owned Government of Karnataka undertaking)

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

Date: June 27, 2014

Venue: Hiriyr Subdivision, Hiriyr.

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 Asha, AO, Corporate Office.
5. Smt. Dhatri Joshi, AEE to D(F), Corporate Office
6. Sri. Thimmaraju T, A.E.E (E), Hiriyr Sub-division
7. Sri S R Manjappa, Accounts Officer, Hiriyr Division
8. Sri K Maheshappa, Accounts Officer (Internal Audit), Hiriyr Division
9. Sri M N Guru, Assistant Accounts Officer,) Hiriyr Sub division.

PROCEEDINGS OF THE MEETING:

A meeting was held under the chairmanship of the Director (Finance), BESCOM to discuss revenue recovery related issues of Hiriya Sub Division. The Director (Finance) addressed the BESCOM Officers/employees of Hiriya 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 2198 	<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	21 st July-14	AO Division to follow-up	Ram Prasad	Approximate amount of Rs. 11.00 lakhs per month demand not being raised due to non-billing 2198 installations, assumed at the rate of Rs. 500 installation * 2198 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	

Note: It was observed that some abnormal bills were generated by Meter Readers due to wrong reading, but the same has not been observed by Section Officers/AAO and abnormal demand has been raised for those installations.
For RR No.TL6, the wrong reading was done in July-2013 and an abnormal consumption of 1919 units and demand of Rs 15210 has been recorded. However till date the bill is not corrected and erroneous demand is continued.
For RR No. MHL165, due to wrong entry of R&R details an erroneous demand of Rs 24653 has been raised in May-2014, but till date the bill is not corrected.

3	Average billing in LT6 tariff.	<ul style="list-style-type: none"> Out of 788 Water Supply installations, 50 installations have recorded zero consumption and 37 are MNR. Out of 604 Street Light installations, there are 21 installations with zero consumption. Field inspections are not being done to ascertain the reason for 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	21 st July-14	AO/ AO, Internal Audit of Division to follow-up	Venkateshaiah	Due to Nil consumption for 50 installations, there is a revenue loss of Rs 1.90 lakhs per month. (50*1000 units/month/installation*avg. rate of Rs3.80)
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Note: The Closing Balance (RR no. wise) is not reconciled and some RR No.'s of water supply installations have negative CB which is not correct.

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- 305 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 23.51 lakhs. LT-3- 51 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 2.08 lakhs. LT-5- 56 installations with more than Rs 5000 arrears amounting to a total arrears of Rs 2.54 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. 28.13 lakhs.
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5	Inventory of Street light installations	It was found that Street light inventory has been taken till September-13. 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	Immediate Action	AO (I/A) Division to follow-up		
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 not the amount is not recovered. These installations are still running from several months.</p> <p>Vigilance – 47.29 lakhs MT – 48.55 lakhs O&M cases – 19.88 lakhs Audit SC – 16.87 lakhs</p>	<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. 132.89 lakhs.
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. 	<ul style="list-style-type: none"> • To be discussed in weekly meetings • MRs have to be proactive and report their observations on daily basis 					
10	CR' pending	<ul style="list-style-type: none"> • It was observed that 432 number of CR's (For completed works) are pending amounting to Rs 384 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	
<p>Note: Zero consumption analysis has not been made by the sub division. At the time of review, AAO presented a zero consumption analysis report submitted by the section officer. On inspection of RR No.'s present in the list, it was observed that all the installations were running and are recording consumption. On enquiry, it was observed that AAO had submitted some old dated report, which shows negligence attitude towards duty.</p>								

By implementing all these measures, E-4 sub-division has a potential of **Rs 174** 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), CTAZ, BESCOM.
2. Superintending Engineer(E), Davangere, BESCOM, Bangalore
3. Executive Engineer (E), Hiriyyur Division.
4. Assistant Executive Engineer(E), Hiriyyur Sub division
5. PS to MD
6. MF