

Chapter 3

COMPLIANCE OF COMMISSION'S DIRECTIVES GIVEN IN TARIFF ORDER FOR 2001-02

3.1 Introduction

While passing its first Tariff order the Commission had recognized that the financial health of the utility was in very bad shape and which ultimately affected the efficiency of the working of the utility. The Commission has decided to adopt a gradual approach to rectify the condition of the Board. The Board was expected to achieve the targets set by the Commission. There were many directives already communicated to the Board for implementation, and the Commission decided that all such directives as are required for the betterment of the condition of the Board have to be compiled at one place.

3.2 Filing Of ARR and Tariff Proposal

The Board was directed to file the ARR (in "A" series forms) annually on or before 31st October each year and tariff petition for ensuing financial year (in "T" series forms) on or before 30th November each year.

The information in "A" Series and "T" Series forms were submitted by the Board in September 2002. The Commission has observed that late submission of this information has delayed the process of tariff review and this has ultimately affected the finances of the Board. Also the Board was directed to file the tariff petition in Hindi, which was complied with by the Board.

3.3 Improvement Of Quality And Reliability Of Power For Agriculture Sector

The Board was directed to provide adequate quality power for agricultural sector. Although, the Board has indicated that for improvement of quality and reliability of power, the renovation of LT infrastructure is an essential requirement and for that the Board is trying to arrange necessary finances from financial institutions and have also prepared a plan for installation of one thousand and one hundred

11 kV capacitors during 10th five year plan. The Commission has prescribed a return (C-14) for monitoring the LT voltage in the villages and the Board is yet to submit the comprehensive information in this regard. Board has submitted the LT voltages profile for only 25 villages.

3.4 Proposal for Determination of FCA Charges

The Board has submitted a comprehensive proposals for determination of VCA charges which includes the FCA and other variables. The Commission has passed orders separately.

3.5 Information of Details of Security Deposit of Consumers

The Board was directed to devise a procedure for informing the consumers atleast once every year the details of security deposit held by the Board on the consumer's behalf. Commission had prescribed a proforma C-09 to be submitted to the Commission on monthly basis with regard to the region-wise status of the security deposit held. Board has informed that about Rs. 385 crores are being held by it and the Board has also adopted the practice of showing the amount of security deposit in L.T bills.

3.6 Providing meter reading cards to all the consumers

The Board was directed to provide the meter reading cards to all the consumers and also a proforma C-08 was prescribed to obtain the status. As per last monthly return, submitted by the Board with additional information of tariff petition, about 81% consumers are still to be provided with meter reading cards.

3.7 Providing Meters to all Unmetered Connections

The Commission directed that all the unmetered connections including agriculture be metered within three years. Although the Board has indicated that they have a plan for 100% meterisation in the State by 2004 and the action in this regard has already been initiated, the information provided in proforma C-04 by the Board indicates that upto June 2002 about 72% urban domestic, 84% rural domestic,

96% single light point and 94% agriculture connections are still unmetered. The Commission further directed that:

- 3.7.1 No new connection to any consumer be given without meter.
- 3.7.2 Progress of metering be submitted to Commission quarterly
- 3.7.3 Meters installed for sample studies of agriculture consumption be changed with electronic meters and all further such meters for sample study shall be electronic meters.
- 3.7.4 Selection of agriculture consumers for sample study shall be representative of large, medium, small consumers with open wells, tube wells, river and with different cropping pattern and number of crops, in proportion to total number of consumers of aforesaid nature. Results of such sample studies shall be the basis for deciding load factor for 2002-03.

Although the Board has submitted a study on the agricultural consumption for the various parts of the State to the Commission alongwith the tariff petition, the progress of the metering of the unmetered connections has not been submitted regularly.

- 3.8 Schedule of Annual Maintenance/Overhaul of Generators be submitted with next Tariff Petition

The Board has submitted a comprehensive schedule for the year 2002-03 for maintenance/overhaul of the generators in their tariff petition. In the first tariff order it was directed to submit the same with tariff petition but the tariff petition itself was submitted in the month of September 2002. Hence the Commission directs that such schedule has to be submitted atleast three months before the start of the financial year that is by 31st December every year.

- 3.9 Installation of Weightometers at Powerhouses.

On the directions of the Commission the Weightometers have been installed in Satpura Thermal Power Station, Sarni and Sanjay Gandhi Thermal Power Station, Birsingpur. The orders for the installation of Weightometers at Amarkantak

Thermal Power Stations have been also issued. The remaining weightometers be got installed and the Board may ensure proper functioning of the weightometers.

3.10 Action to Reduce Transit and Stacking Losses and Data on Actual Transit Loss be Submitted with Petition for FCA Revision / Tariff Determination.

The Board has submitted the details of the transit loss and the assumptions of stacking losses of coal with the tariff petition. The Commission has directed to make available the data for the whole year for the coal dispatch and coal receipt to the Commission regularly.

3.11 Rates of power absorbed / purchased from Captive Power Plants are required to be Approved by the Commission:

The Commission has prescribed a proforma C-10 for the information in-respect of the energy purchased from captive power plants on monthly basis. The Board has indicated that there are no consumers in the State from whom the Board is purchasing power except some non-conventional energy sources. However, the Commission directs that the Board should seek the approval of the Commission before making an agreement with any captive power generator.

3.12 Procurement of Power from any source or entering into Agreement for the same shall be with prior approval of the Commission

Although the Board has not made any new agreement in this regard, the Commission directs that procurement of power by Board/successor utilities, from any source by entering into agreement for the same shall be with prior approval of the Commission.

3.13 As Allowed by GOI, Unutilized Share Of CSEB should be utilized.

The Board has indicated in the tariff petition that they are temporarily utilizing the 300 MW power un-utilized by CSEB.

3.14 Energy Audit And DSM

The Commission directed the Board to ensure:

- 3.14.1 Installation of meters on all 132 kV and 33 kV feeders by December, 2001. Installation of meters on all 11 kV feeders by March 2002. The programme be chalked out to install meters on distribution transformers.

Although the Board was not able to adhere to the time scheduled specified by the Commission for installation of meters on 132 / 33 and 11 KV feeders, it informed that by September 2002 cent percent 132KV feeders, 97% 33KV feeders and 96.5% 11 KV feeders have been installed with meters. Notable exceptions are the following districts:

Rajgarh	72%
Hoshangabad	81%
Ratlam	64%

- 3.14.2 Determination of actual T&D loss for all regional H.Qs/City Circles within 6 months

In this regard the Commission has directed the Board to submit the town-wise analysis of T&D loss for all district head quarters on monthly basis. The information received indicated that the T&D loss with respect to energy input to energy billed has been varying from 16.36% for Chhindara to 79.7% for Morena. Some other names of districts with exceptionally high T&D losses are: Narsinghpur, Tikamgarh, Shajapur, Bhopal City Circle, Rajgarh, Gwalior, Guna and Shivpuri.

- 3.14.3 Defective HT meters to be replaced within 7 days. Defective LT meters be replaced in a time bound manner and these should not be more than 3% (In cities- 1.5%) by March 2002.

The Commission has prescribed proforma C-06 and C-07 in this regard to the Board. The latest return received in the Commission for the month of August, 2002 indicates that the total percentage of LT stopped/defective meters is of the order of 5.51% which ranges from 2.76% for Rewa region to 12.89% for Gwalior region. Although the Board had earlier submitted a programme for replacement

for LT stopped/defective meters indicating that they would achieve the target of 3% by September 2002, a lot is desired to achieve the target. The Commission directs the Board to submit the comprehensive plan for replacement of stopped/defective meters to bring the total percentage down to 3% and cities to 1.5% by March 2003.

3.14.4 DSM Cell be opened and DSM programme be finalised by December, 2001

Even after a continuous pursuance by the Commission the Board is reluctant to implement the DSM programme for industries on the excuse that this would result in lesser consumption by the industry and subsequently reduction in the revenue of the Board. The units thus saved from industrial sector may be sold to the agriculture sector which is not profitable. It is indicated in the petition that they have created a DSM cell. The Commission directs the Board to come-up with a DSM programme for all such areas as are considered of high priority by the Board.

3.14.5 Energy audit of Power Stations, Offices, etc. be taken up and programme be conveyed by October 2001

Although, the Commission has been pursuing with the Board to implement the energy audit of their power stations, offices, etc. the Board has not furnished any programme to the Commission. This is a serious matter and the Commission will proceed with action to impose penalty.

3.15 Reduction in T&D Loss

To reduce the T&D losses the Commission directed the Board to take the following measures:

3.15.1 Intensive checking be done to stop direct abstraction of energy in jhuggi clusters, agriculture sector, unauthorised colonies, etc. and

3.15.2 If abstraction of energy continues, FIRs be lodged and culprits be apprehended.

The Board has taken-up a checking drive of consumer installations and during the year 2001-02 the Board has checked about 13 Lakh installations, out of which about 4.30 Lakh cases of theft/irregularities were detected, about Rs. 71 crore was

billed and Rs. 61 crore was realised. The number of cases in which the FIR lodged were only 1621.

- 3.15.3 Install meters on all existing unmetered connection of SLP and agriculture within next three years.

This has already been discussed in para 3.7 above.

- 3.15.4 Monitoring of consumption of HT and LT industries

The Commission has prescribed a proforma C-05 for monitoring the increase in the consumption of LT industries. An increase of about 4% to 11% has been found during the same months for years 2001 and 2002. For HT industries the Commission has also prescribed the proforma which requires the status of installation of check meters to the HT consumers. The object of this quarterly information was to see whether check meters have been installed for HT consumers and also whether any analysis is being carried out by the Boards officers. The Board has submitted the monthly consumption for all 1617 HT consumers for the six month from March to September 2002 but the status of installation of check meters has not been intimated. The Commission directs the Board to monitor the consumption of all HT consumers by installation of check meters for atleast 3 months in a year and submit the findings quarterly to the Commission.

- 3.15.5 Install electronic meters on all HT consumers and LT industries. Defective HT meters be replaced within a week.

The objective to enforce the installation of electronic meters on all HT and LT industries was to record the correct consumption, thus saving the Board from loss in revenue due to substandard metering. The Board submitted that all HT consumers have been provided with electronic meters and for the LT industries about 90% of the consumers have been provided with electronic meters. Board also tries to replace defective HT meters in minimum possible time.

- 3.15.6 Defective LT meters be replaced according to a programme and total defective meters as on 31.3.2002 should not be more than 3%.

This has already been discussed in para 3.14.3 above.

3.15.7 Cent percent meter reading of LT consumers be ensured. Supervisory staff be given programme for counter checking of the meter readings done by Meter Readers.

Although, the Board has issued the circulars with respect to the counter checking of meter reading by the senior officers, the Commission found that this area requires more attention of the officers. The Commission directs that the Superintendent Engineer of the Board should prepare a schedule of sample checking of meter readings by the senior officers. Results shall be reported by the Secretary of the Board on a quarterly basis to the Commission.

3.15.8 Area of meter readers be changed after every 12 months

The Board in its petition has indicated that after transferring the meter readers to other places and engaging new meter readers on contract basis, the complaints in regard to erratic meter readings have minimized. Details of reduction in complaints and increase in total recorded sale of energy should be reported to Commission. Now it is also necessary that every alternate meter reading should be done by a different team/person than the one who did the reading on the previous occasion.

3.16 Make Comprehensive Plan For Next 5 Years For Strengthening Transmission, Sub-Transmission And Distribution System.

The Board has submitted a comprehensive plan for next five years for system strengthening of transmission, sub-transmission and distribution networks with the tariff petition.

3.17 Show Distinctly its Share Of Expenditure In All The Partnership Projects In The Generation Expenses And To Account For Assets Of The Same In The Books Of Accounts In Future

This has been discussed in details with the Analysis of Tariff Proposal.

- 3.18 Furnish Details Of Written- Off Bad Debts During 2000-01 And Cumulative Written- Off Bad Debts Pending Adjustment During 2000-01.

This has been discussed in details with the Analysis of Tariff Proposal.

- 3.19 Prefer Monthly Claims Of Subsidy Against Free Supply And Agriculture Tariff On The State Govt.

The Board has not submitted any report on the monthly claims of subsidy raised to State Government against free supply and agriculture tariff.

- 3.20 Collection Efficiency

The Board has indicated that they have achieved 92% collection efficiency during 2001-02 against 96% targeted by the Commission. This has been covered in details with the performance review of the Board. However, the Board must report to the Commission every quarter the names of Circles where the collection efficiency is below 90%

- 3.21 Disconnection of Defaulting Consumers

Although, the Board has submitted the status and recovery of the arrears to the Commission, the report on the action on the defaulting State/Central Government consumer or their undertakings has not been submitted.

- 3.22 Programme for Installation of LT Capacitors to Agriculture Pump Connections be brought in next Tariff Proposal.

The Commission has prescribed a proforma C-13 to monitor the installation of HT & LT capacitors. The Board alongwith the petition has submitted the status of installation of capacitors at various voltages as on June 2002, but no programme for installation of LT capacitors to the agriculture pump connections has been given. The Board has requested Commission to allow a period of further six month for installation of capacitors of specific ratings with the agriculture pump installation, otherwise the agriculture consumer may be required to pay 10% extra charge on applicable tariff. The Commission has directed the Board to submit an

action plan for installation and capacitors at 33 KV, 11 KV and distribution transformers by 31st March 2003.

- 3.23 The Commission has observed that the compliance of the directives of the first tariff order of the Commission has been extremely slow and not upto the mark. In spite of sorting out various practical difficulties through the discussions with the Commission, the Board preferred stalemate. The indifferent attitude of the Board is totally unacceptable to the Commission even considering the fact that the Board is presently passing through a transitional period and requires time to tune in with the regulatory requirements. The Commission will be constrained to initiate action under the provisions of the Madhya Pradesh Vidhyut Sudhar Adhiniyam-2000, if the non-compliance of the directives of the Commission continues without proper justification.