

Review relating to Statutory Corporation

6.2 Computerised energy billing system of Ranchi Electric Supply Circle of Jharkhand State Electricity Board

Highlights

Jharkhand State Electricity Board (JSEB) is a Statutory Organisation set up for the development, operation and maintenance of a co-ordinated efficient and economic system of electricity in the State. A review of the computerised Energy Billing System of Ranchi Electric Supply Circle revealed that entire operations of billing right from meter reading to courier delivery of bills were assigned to three private agencies. These agencies prepared inaccurate bills and did not fulfill the contractual obligations. JSEB did not monitor their performance, as a result it lost a revenue of Rs 20.52 crore with blockage of Rs.85.74 crore.

Goal of Jharkhand State Electricity Board to achieve specific improvements and to increase the revenue by outsourcing was not met. Cost of outsourcing has increased by 45 per cent whereas number of consumers has increased by only 11 per cent.

(Paragraph 6.2.5)

JSEB did not demonstrate any ability to monitor performance of the three agencies. As against at least 10 per cent of meter readings to be cross-checked by JSEB, it checked only 0.32 per cent in January 2003 (Urban-I). Agency's meter reading, on an average, was 78.20 per cent incorrect with reference to that of the Board in the cases test-checked for one month in December 2003.

(Paragraph 6.2.5)

Change of rules and tariffs by the JSEB were not reflected in software that led to incorrect categorisation of consumers and consequential loss of revenue to JSEB- Rs 73.22 lakh.

(Paragraphs 6.2.7 and 6.2.9)

Blockage of fund of Rs 30.86 lakh due to anonymous consumers.

(Paragraph 6.2.8)

Accumulation of arrears of Rs. 85.43 crore against consumers

(Paragraph 6.2.10)

Loss of revenue of Rs 18.91 crore to JSEB due to cases becoming time barred.

(Paragraph 6.2.11)

Loss of revenue to Jharkhand State Electricity Board due to short assessment of Rs 22.74 lakh.

(Paragraph 6.2.12)

Loss of Rs 40.27 lakh due to non levy of Delayed Payment Surcharge on amount kept in abeyance.

(Paragraph 6.2.13)

Over payment of Rs 25.05 lakh to external agencies.

(Paragraph 6.2.14)

6.2.1 Introduction

Consequent upon the reorganisation of the states of Bihar and Jharkhand, a separate electricity board for Jharkhand, Jharkhand State Electricity Board (JSEB) was constituted in March 2001 under section 5(i) of Electricity (Supply) Act, 1948. JSEB is thus a statutory organisation, a body corporate created under the provisions of a Central Law. It is essentially a technical-cum- commercial agency setup for the development, operation and maintenance of a coordinated, efficient and economic system of electricity in the state. JSEB adopted rules and regulation of Bihar State Electricity Board vide resolution dated 20 March 2001. Under Section 18 of the Electricity (Supply) Act, 1948, JSEB is responsible for generation, transmission and distribution of electricity in an efficient and economic manner within the State of Jharkhand. For the revenue purposes, the JSEB is empowered to collect tariff from different categories of consumers as per latest tariff orders.

Ranchi circle, one of the highest revenue generating circles of the JSEB, has outsourced the entire operations of billing right from meter reading to generation of monthly bills to three private agencies for computation and generation of monthly electricity bills of the consumers. Individual FOXPRO based programs have been created by each of the three private agencies to generate electricity bills for all the consumers. The private agencies input information like meter reading (past and present), load, class of consumer, bill due date and other details that are used to generate monthly electricity bills for effective consumers. This information is also used by the agencies to generate periodical reports like consumer ledger, which are sent to the JSEB. Meter reading, which forms the basis of billing, has also been outsourced to the same agencies. In addition, the agencies are also responsible for courier delivery of the bills to the consumers.

6.2.2 Organisational set-up

JSEB consists of six members including the Chairman. Member (Finance) assists the chairman in cash management including billing and collection of revenue. Electrical Superintending Engineers of 13 Supply circles, Electrical Executive Engineers (EEE) of 34 supply divisions and Assistant Electrical Engineers of 110 supply sub-divisions assist JSEB headquarters in collection of revenue and in accounting. The generation of electricity bills is based on meter readings taken by Board authorities in 27 Electric Supply Divisions and meter reading taken by third party agencies in seven Electric Supply Divisions.

