

HIGH-LOSS FEEDERS TO BE OUTSOURCED FOR BILLING, COLLECTION



By Khaleeq Kiani | 6/26/2018

ISLAMABAD: A special panel of the Senate and the Power Division have agreed in principle to outsource all high loss-making feeders for metering, billing and collection of bills on 50:50 sharing on incremental revenue.

This is part of detailed recommendations finalised by a technical committee of the Senate led by Nauman Wazir in consultation with the Power Division to address rising electricity losses and resultant circular debt.

The report of the panel also seeks to offer financial incentives to all stakeholders involved in controlling electricity theft and losses and dedicated deputation of at least 200 policemen and two magistrates for each distribution company (Disco) for the purpose. The salaries and other expenses of these deputationists would be paid by the Discos.

The committee has found that aerial bundle cables (ABCs) used by some Discos involved high capital expenditures and resulted marginal theft reduction while smart

meters and prepaid meters helped minor savings as electricity theft took place through direct jumpers (hooks) bypassing meters.

Therefore, it was decided that all high-loss feeders be outsourced for metering, billing and collection of bill amount and additional revenue generated per month by the contractor should be shared between the Disco and the contractor on 50:50 basis on year-on-year basis. A Chinese investor is reported to have already offered investment to reduce losses and theft provided additional revenue was shared on 50:50 but the committee has proposed reverse competitive bidding for lower pay outs.

No staff of the Disco would be laid off by the contractor, instead the extra financial benefit would be given to the staff retained by the contractor. The process would be started with Peshawar Electric Supply Company (Pesco), having the highest loss, as a test case and then followed to other companies.

For feeders not outsourced to contractor, 40pc of the recovered amount in theft recovery cases from consumer would be paid to the employee of the distribution company detecting the theft, 20pc to the informer, 10pc to the lawyer contesting in the court of law, and 10pc to the attached police station where the theft was detected to be distributed amongst the police officials assisting the apprehension of culprits.

It has also been prioritised that all bare conductors in high loss areas be converted to underground cables like in the case of Islamabad and all 132 kVA and above would be kept as bare conductors. All future purchases of 11 kVA and below to be PVC armoured cable.

It was noted that distribution transformer cater to on an average of 50 households but removing a transformer in a high-loss area was having a negative impact on the paying consumer. Therefore, on the pattern of the US and Canada, each consumer should gradually have small 5 kVA transformers or two or three bundled together in case of lower electricity requirement.

It has been proposed that low tension (LT) circuits be phased out and all new connections be provided through 5 kVA or higher transformers as per the consumer's requirements. The cost of this transformer is to be borne by consumer or out of MNA/MPA funds or through BISP (Benazir Income Support Programme).

The Power Division would contact religious scholars and get a 'fatwa' of using stolen electricity and its repercussion on the daily life as per Sharia.

Since all Discos have been incorporated under Companies Ordinance 1984 (now

2017) the labour law for corporate entities would supersede rules regulations made by Discos or the Power Division and all hiring/firing, disciplinary proceeding would be under the labour laws.

All consumers including residential consumers would be required to ensure power factor of more than 0.95. In case of lower power factor penalty as applied on industrial consumer to be charged and all new meters should be capable of recording power factor.

All Sub-Division Officers (Operations) would be required to monitor load on the feeders in the grid and adjust consumer load through jumpers at the metering point and report through software of the Power Information and all new connections be provided through 5 kVA or high transformers as per the consumer's requirements. The cost of this transformer is to be borne by consumer or out of MNA/MPA funds or through BISP (Benazir Income Support Programme).

The Power Division would contact religious scholars and get a `fatwa` of using stolen electricity and its repercussion on the daily life as per Sharia.

Since all Discos have been incorporated under Companies Ordinance 1984 (now 2017) the labour law for corporate entities would supersede rules regulations made by Discos or the Power Division and all hiring/firing, disciplinary proceeding would be under the labour laws.

All consumers including residential consumers would be required to ensure power factor of more than 0.95. In case of lower power factor penalty as applied on industrial consumer to be charged and all new meters should be capable of recording power factor.

All Sub-Division Officers (Operations) would be required to monitor load on the feeders in the grid and adjust consumer load through jumpers at the metering point and report through software of the Power Information Technology Company (PIT C) of the Power Division when abnormal consumption is recorded.

Appointment of members on the boards of all companies should be on merit, without political interference and should consist of specialists in human resource, industrialists, chartered accountants, an advocate of Supreme Court, IT expert and all of them should have more than 20 years` experience except IT expert which may be younger.

The Power Division would come up with a concrete proposal for BoD members

appointment criteria along with key performance indicators for the BoD and the chief executive officers. The CEOs and all other human resource of the Discos would have a minimum posting tenure of two years. In case required earlier because of inefficiency, a special adverse report evaluation would be done duly signed by the individual who has been posted out before the two years mandatory limit.

Power Division would work out a plan for of flooding the Discos to the provincial governments starting with Pesco along with yearly subsidy being provided and additional loss they incur in year and the subsequent projection of both these heads for the next five years.