

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
UNIT-VIII, BHUBANESWAR – 751 012**

**No.ADM/73/ 2619
Dt. 27.01.2012**

To

The Managing Director,
WESCO,
At/Po: Burla, Sambalpur.

The Managing Director,
NESCO,
At/Po: Januganj, Dist: Balasore.

The Managing Director,
SOUTHCO,
At/Po; Courtpetta, Berhempur, Dist. Ganjam

Sub: Frequent threatening for non-collection of revenue by the employees of the Distribution Company.

Sir,

I am directed to say that it has come to the notice of the Commission that various employees organization of your companies are threatening not to collect revenue under one plea or the other. Such attitude, tendency and behaviour of the employees of the Licensees are totally unacceptable to the Commission.

2. One Er. B. P. Basumallick in his letter No.17 dated 03.12.2011 addressed to M.D., WESCO with a copy to the Commission has stated that as per the OERC guidelines, the JEs should not be responsible for revenue activities. This is not the correct position of the guidelines of the Commission. Since maintenance work was being neglected under the plea of collecting revenue, the Commission while reviewing the performance for 2007-08 and the first quarter of 2008-09 had observed as under:-

“Those who are entrusted with maintenance work should not be entrusted with collection of revenue. The officers and staff of finance wing should be responsible for 100% billing and 100% collection of revenue. Monthly target should be fixed employee/officer wise and regularly reviewed. Deterrent action should be initiated against the

employee/officers if he/she fails to achieve the prescribed monthly target. This may include stopping of salary for the defaulting employee. The monthly target should not be less than 20% increase over the collection of the corresponding amount of the previous year or the collection of the month of March, 2008 whichever is higher.”

3. However, this was further clarified vide letter No.Dir(T)- 286/07/2135 dated 30.9.2008 addressed to CEO, SOUTHCO as under:-

“However, considering the practical difficulties faced by SOUTHCO in segregating Maintenance and Revenue Activities at once, the Commission directs SOUTHCO that the separation of the said activities may be enforced in a phased manner after taking into account the availability of personnel in the respective disciplines. NESCO, WESCO and CESU are also directed to follow the above broad guidelines”

4. The Commission, therefore, hereby reiterates that all employees of the DISCOMs starting from the top to the bottom are individually, jointly and severally responsible for proper maintenance of distribution network and collection of much needed revenue required to ensure effective functioning of the distribution Licensees. Without collection of required revenue it is just not possible to ensure quality supply of power and proper service to the consumers.

5. It has also been brought to the notice of the Commission that President, OSECEA have demanded that Managing Director/CEO will not review the JEs directly when SE, EE and SDO are there. It has been reported that some JEs have also boycotted the review meeting taken by MD, WESCO. This type of attitude and stand of the employees is simply reprehensive and totally uncalled for. In the hierarchical structure of administration of the distribution licensee, all employees down below the MD/CEO heading the organization are accountable to him/her (MD/CEO) for their performance in all respects, including proper maintenance of distribution network and collection of revenue. Hence, MD/CEO can and shall review the performance of all employees starting from SEs, EEs, Assistant Engineers, Junior Engineers and even lineman at any time.

6. The boycotting of any performance review meeting taken by MD/CEO by any employees amounts to dereliction of duties and calls for stringent disciplinary action against such employees/group of employees. This must be abundantly made clear to all employees of the distribution companies.

7. The distribution of electricity has been privatized w.e.f. 01.4.1999. Though in the Transfer Scheme it has been stipulated that the service condition of the employees shall not be inferior to what was before transfer, it does not mean that to protect their financial benefit and service condition, the DISCOMs will incur loan or State Govt. will give subsidy or grant to protect their service condition. Employees of DISCOMs are required to earn for their service benefits from the business of distribution of electricity in their area of operation. At present, the loss is so high and the actual cash collection is so low that it is not sufficient to meet the salaries, R&M expenses after meeting the current BST and there has been default in payment of old BST and other past dues. They should collect sufficient revenue to meet the cost of power supply by GRIDCO, the arrear BST dues, the R&M cost, salary expenses etc. In other words, all the employees should collect revenue which should be sufficient to meet their salary after meeting the power purchase, transmission charges, R&M cost and other past liabilities to GRIDCO as per the priority fixed by the Commission. Without collecting sufficient revenue, they cannot demand payment of salary as a matter of right. It is their responsibility to collect sufficient revenue so that it covers the salary cost after meeting the power purchase cost etc. as stated above.

8. In this context, it may be noted that as per Clause 7.1 of the License Conditions the licensee is required to develop and maintain an efficient, co-ordinated and economical distribution system in the Area of Distribution and effect supply of electricity to consumers in such area of supply in accordance with the provisions of the Act, the State Act, Rules, Regulations, Orders and Directions of the Commission. Basically the Licensees are the utility service oriented companies and servicing consumers in an efficient manner is the primary responsibility of the Licensees. Collection of legitimate revenue from the consumers is one of the essential requirements for maintaining the quality of service to the consumers. Because without collection of revenue it shall not be possible to pay the power purchase cost, meet the expenditure on salary, operation and maintenance expenditure and other essential requirement to maintain the standard of service to the consumers. Hence, each and every

employee starting from the Managing Director down below upto the Lineman is individually, jointly and severally responsible to ensure proper service to the consumers by discharging their duties which, inter alia, includes collection of revenue. This must be made clear to all employees of your organization.

9. Any employee indulging in anti-consumer activities or showing non-cooperation in collection of revenue must be sternly dealt with and the Commission shall not tolerate any leniency in this respect.

Yours faithfully,

Secretary

Copy forwarded to:

The Chairman-cum-CEO, CESU, 2nd Floor, IDCO Tower, Janpath, Bhubaneswar for information and necessary action.

Secretary

Copy forwarded to :

The Chairman-cum-Managing Director, GRIDCO, Janpath, Bhubaneswar / Commissioner-cum-Secretary, Department of Energy, Govt. of Odisha, Bhubaneswar for information.

Secretary

Copy forwarded to :

The Chief Executive Officer, NESCO, WESCO & SOUTHCO, CSO Office, Plot No.N-1/22, Nayapalli, Bhubaneswar for information.

Secretary