

# Distribution related Issues and Challenges

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# Power Distribution Sector – Complexities

- Distribution Sector considered as the weakest link in the entire power sector
- Involves dealing with retail consumers with varied expectation and at the same time different paying capacity
- Involves Huge network and requires network management of vast area
- Theft, pilferages, network losses are maximum in this segment
- Distribution is often seen as a social obligation of Government toward society rather than a commercial activity
- Subsidised and often unmetered power adds to Distribution Utilities woes in terms of technical losses, billing, recovery and consumption habits

# Key Issues .....Contd.

- Since the metering, billing, and collection at many places involves human intervention most of the times human error, intentional or non intentional can occur
- Lack of infrastructure in many developing countries for database management system and at the same time absence of any data mining system
- Lack of employee ownership
- Internal Resistance to change

# Issues – Infrastructure & Technical

- Poor distribution infrastructure – Overloaded Sub-stations /Feeders/DTs
- Lengthy feeders
- Vast rural areas of operation with low density
- Poor power supply
- Incompatibility with IT based Automation
- Non-maintenance/Updation of Asset Register
- Fatal accidents
- Non-adherence of Preventive Maintenance Schedules.
- Non-standard tools & tackles and safety procedure for O&M
- Non-maintenance of Minimum Inventory Level
- Theft of electrical equipments
- Replacement of components: quality check
- Implementation of load regulatory measures
- Calibration of input and import/export metering points

# Issues - Geographical

- Area Spread in sq. km
- Vast Rural Areas
- Load density – Rural and Urban
- Nature of load/ Load profile
- Disputed sites/locations

# Issues – Social

- Consumers who are below poverty Line and cannot afford to pay viz: Landless farmers, tribes, Hutments
- Self help group for social growth and awareness among the people
- Customers who can afford but Unwilling to pay

# Issues - Political

- Strong local political groups
- Influential Personalities
- Political Interference

# Issues - Cultural

- Regional sensitive pockets
- Load Shedding Management on religious festival
- Non-acceptance of officials others than their community

# Issues – Consumer

- Large number of unauthorised connections
- Unmetered Consumers
- Large scale of theft/Interference with metering/cables/distribution transformers
- Non-paying tendency of Consumers
- Violation/compliance of SERC Supply Codes/Standards of Performance: enforcement check

# Issues - Management

- Risk of energy supply
- Cost of Power Procurement – short and medium term
- Capital Expenditure requirement – Availability and Cost
- Return on Investment
- Quality of Supply – Reliability
- Financial Risk:
  - Reliability of baseline data for monitoring
  - Billing & Collection efficiency
- Regulatory issues

# Issues - HR

- Employees risk:
  - Rights & Responsibilities of Franchisees
  - Accountability of Employees
  - Performance Management
  - Psychological fears among the employees
  - Compensation
  - Litigation and compliances
- Lack of Manpower
  - Line staff- minimum technical qualification along with age criteria
  - Substation staff- minimum ITI
  - IT persons
  - Engineers- Diploma/Degree holders
  - Consumer complaint centre executive

# Issues – Legal and Contractual

- Redressal of cases under DRA
- Redressal of cases under Lokpal/Forum
- Liabilities under civil suits
- Filing the cases before special court U/s 135
- Authorisation for detecting theft and preparation of 'Panchnama'/ seizure
- Lodging of FIR at police station against theft of utility property
- Recovery of arrears against vigilance/audit and PDC
- Permission from electrical inspector of state govt. for getting the permission for charging the equipments/lines
- Imposing of penalty towards delay in services to the consumers
- Imposing of penalty against interruptions and not maintaining prescribed Reliability Indices
- Claims against damages on account of natural calamities and Restoration of supply

Thank You