

South Asian Utility Strategies For Restructuring in the Distribution Sector

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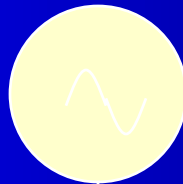
Country Profile

- Capital : Dhaka
- Area : 147,570 Sq. km.
- Population : 130 Million
- Per Capita income : 315 US\$
- GDP Growth Rate : 5.16%



Current structure of Power Sectors

Generation



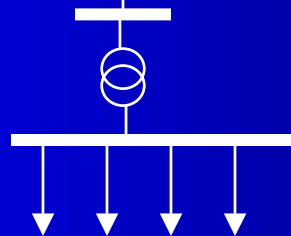
- ❖ BPDB
- ❖ IPP
- ❖ RPC

Transmission



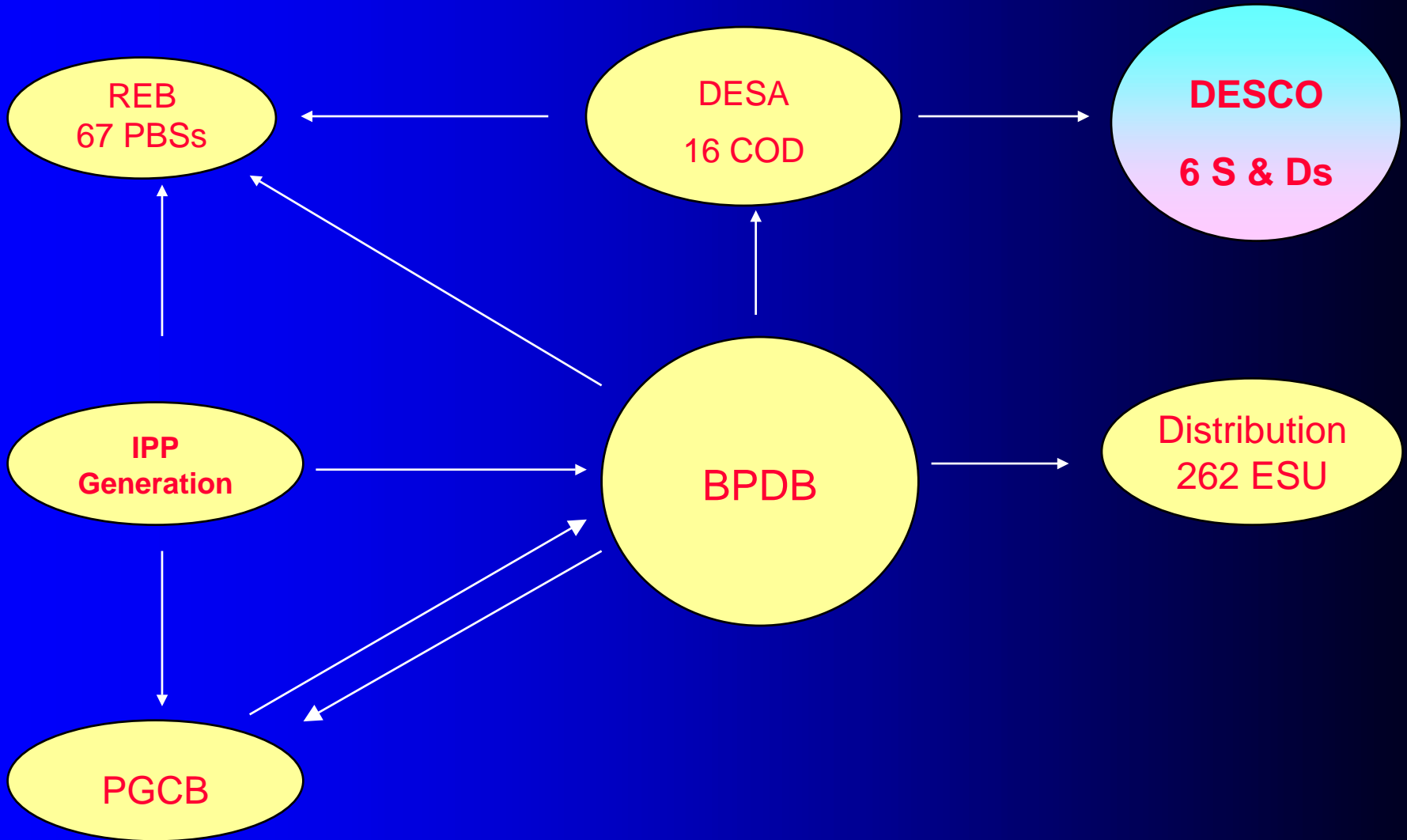
- ❖ BPDB
- ❖ PGCB

Distribution



- ❖ BPDB
- ❖ DESA
- ❖ REB
- ❖ DESCO

Energy Exchange Diagram



Visions for the Power Sector

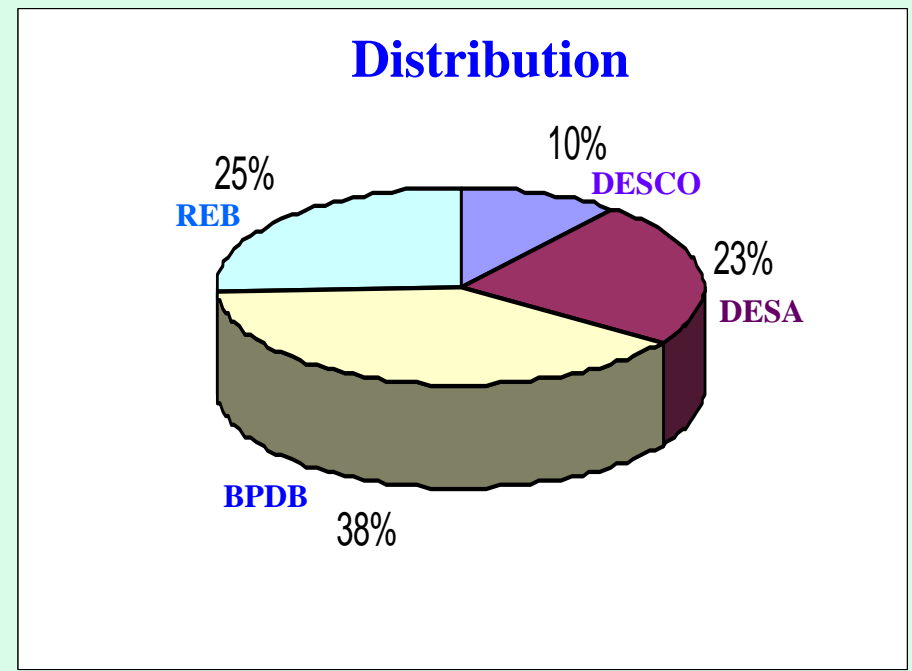
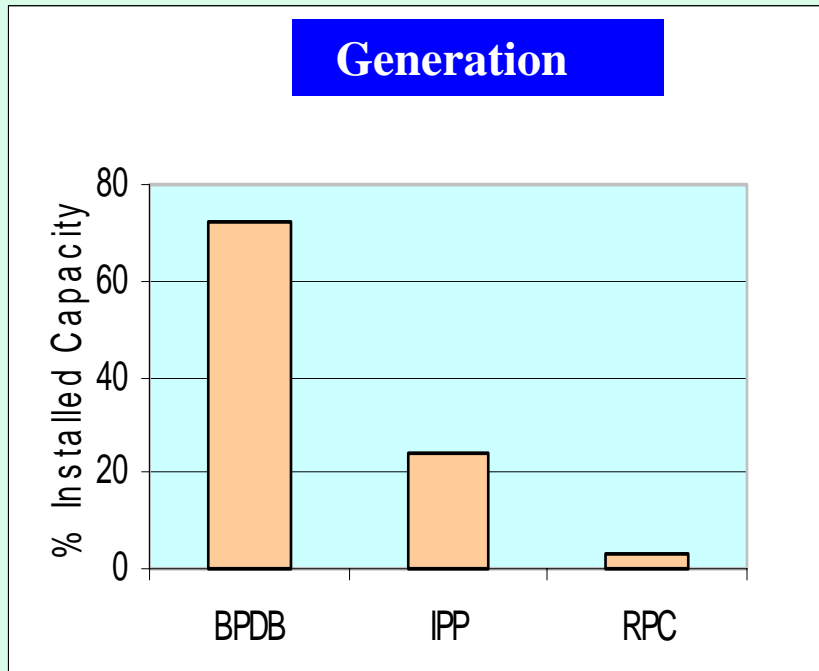
Long Term Goals of the Government

- To make electricity available for all
- To ensure reliable and quality supply of electricity
- To provide electricity at a reasonable price
- To supply electricity efficiently.

Goals of the Organizations/ Utilities

- To make a financially viable organization
- To achieve customers satisfaction
- To establish safe and happy work environment
- To develop expert managers & use modern technology

Shares of Utilities



Comparative Statement on achievements of DESCO

Parameter	September-2001	March- 2003	Increase/ Decrease
No of Consumers	101121	118508	17387
System loss	29.09	19.92	-9.17
Coll./Bill Ratio	82.06	93.82	+11
Nos. of 33/11KV S/S	5	6	+01
Installed Capacity(MVA)	224	280	+56
Maximum Load Shedding, MW	25	10	-15
Distribution line (K.M)	626.9	720	+93.10



LOSS REDUCTION PROJECTS

- ❑ SYSTEM LOSS REDUCTION PILOT SCHEME – BPDB
- ❑ LOSS REDUCTION PILOT PROJECT – DESA
- ❑ STRATEGIC BUSINESS UNIT (SBU) – BPDB/ DESA
- ❑ METER INSPECTION PROJECT (MIP) – DESCO
- ❑ PERFORMANCE TARGET ACHIEVEMENT (PTA) – REB/ BPDB

MIP of DESCO

- Detailed Consumer Census**
- Checking of Meter Condition and Accuracy**
- Removal of Fuse Cutout and MCBs from the incoming side of the Meter**
- Check Connected Load and Assess Likely Consumptions**
- Identify Illegal extensions and/ or Use**
- Detect Meter Tampering**
- Survey on Fuel used in houses for cooking**
- Classify Consumers by category, organization and Functions**
- Check Installation Safety in Electricity Use**
- Meter Grounding and Sealing**
- Defective Meter and Service Drop Replacements**

Reduction of Technical Loss

- Strict Standard**
- Optimize PF Improvement**
- Economic and Efficient Loading of**
 - Transformers**
 - Conductors**
- Limit Line and Service length by permissible VD**
- Load Management and Load Factor**
- Phase Balancing**
- Use of Service Bails with Crimpits**
- Periodic Loss Analysis**
- Reduction of L.T Lines**
- Efficient Energy Meters**
- Meter Calibration in Cyclic Order**
- Use of Single Phase Transformer**
- Set and Review Technical Loss Periodically**

Reduction of Non-Technical Loss

- Bringing Meters Outside**
- Pole Metering**
- Computerized Billing**
- Mass Awareness and Motivation**
- Pilfer-proof Meter, Sealing, etc.**
- Introduction of Check Meter**
- Prepaid Metering**
- Energy Audit plus Electronic Meters for Feeders & Distribution Transformers**
- Electronic Meters at least for HT, LTI Accounts**

Protecting Line Tampering

- ✓ Energy Audit
- ✓ Disconnect every service drops at take-off and
Restore services one by one upon verification
- ✓ Use distinct service drop wires.
- ✓ Use of L.T Bundle Conductors

Incentive & Performance Based Regulation

- **Introduction of Performance Target Achievement (PTA) System**
 - **Incentive & punishment scheme**
 - **Step by step system improvement program**
 - **Performance evaluation system for managers**
- **PTA standing committee fix the targets**
- **Target declared for one year**
- **Review & evaluate performance target half yearly/yearly**
- **Recommendation of Bonus/Penalty**

PTA Indicators

Indicators

Average Weight Factor

• System loss	20
• Annual load factor	11
• Power factor	7
• Accounts receivable	14
• Collection import ration	14
• Consumer/km-lines	2
• Revenue per km of line	2
• Percentage of billing each month	3
• interruption hour/ month	2
• Interruption mWh/ month	2
• Consumption kWh/ consumer/ month	2
• O & M expenses/ consumer	3
• O & M expenses/ km line	4
• Administration expenses/ consumer	3
• Administration expenses/ km line	4
• Investment/ consumer	2
• Employees/ km line	3
• Mwh sold/ Employees/ month	2
• Sale performance (SP)	
• Collection Performance (CP)	
• Accounts receivable Factor (AF)	

Monitoring Performance and Evaluation

Effective Performance Appraisal

- For Organization
- For Individual Manager
- Identify Quality of manager
- Identify Strengths and Weakness
- Progressively raise the level of Manager's performance
- Accurately measures the performance of managerial activities (plans, organize, Staffs, leads & controls)

Technique

- Use Standard Forms
- Timely Evaluation
- Provide Feedback to the Incumbent for Improvement

Employee Performance

- Set and Evaluate PTA
- Relate Daily Attendance with Assignments
 - Meter Reading
 - Billing
 - Collection Entries, etc.
- Human Resources Development
- Counseling

Human Resource Policies

- Human Resources Development
- Create Working Environment
- Better pay and service benefits
- Keep right people and screen out bad elements

Consumer Service Program

- Computer Billing (already in operation)
- Instant Response to Customers
 - One Point Service
 - Account Status on Computer Terminals
 - Attending Customer Complains Promptly
 - Dedicated Website (may be implemented)

Methods to Improve Financial Management

- Funding to Develop distribution System
- Maximum Utilization of Available Resources
- Identification of External Resources for funding

Thank You