

CHAPTER-3

Monitoring

3.1 As UDAY Scheme was aimed at financial and operational turnaround of financially ailing DISCOMs, it also prescribed (para 6.2 of the Scheme read with clause of 1.2 (p) of the MoU) a close monitoring of performance on monthly basis to prevent any slippage. Audit observed the following lacunae in TANGEDCO in monitoring the implementation of the Scheme:

Shortfall in review of performance of TANGEDCO at State Government level

3.1.2 As per Clause 1.2 (p) of MoU, review of performance of TANGEDCO shall be done on monthly basis at State Government level in the presence of State finance representative. Audit observed that even though GoTN formed a Committee for the purpose, out of 38 months since the signing of MoU in January 2017, only seven meetings were held at the State Government level.

3.1.3 Lack of Supervision by Top Management

- a. As per clause 1.3 (p) of MOU, CMD of TANGEDCO was required to monitor the performance and implementation of the Scheme on monthly basis. However, CMD reviewed performance of the Scheme only on eight occasions between April 2017 and February 2019 during the UDAY period. Audit observed that the Board of Directors of TANGEDCO neither discussed the strategy to implement the Scheme nor reviewed the progress of activities during the UDAY period after signing of MOU.
- b. As per Clause 1.3.g (iii) of the MoU, TANGEDCO shall monitor the performance through Management Information System (MIS) for tracking meter replacement, loss reduction and day to day progress for reporting to top Management. Audit observed that no MIS was generated with a focus to watch the progress of UDAY Scheme, in particular the Division wise AT&C losses, feeder metering, DT metering, feeder audit, feeder strengthening etc.,

GoTN in its reply (October 2021) stated that review meetings were conducted every month in which the progress of achievement of infrastructure development in IPDS and DDUGJY schemes were reviewed. The reply is not factually correct for the reason that against the requirement of 38 monthly review meetings, only eight such meeting was held by CMD of TANGEDCO during the UDAY period.

3.1.4 Lack of Fixation of Responsibility

- a. As per Clause 1.3.j (ii) of MoU, TANGEDCO was required to devise Key Performance Indicators (KPIs) for each officer-in-charge in areas of AT&C loss reduction and improvement in metering, billing and collection efficiency. Performance of the officer-in-charge shall be linked to KPIs

achieved, which will attract incentive/penalty. To a specific Audit enquiry, TANGEDCO did not produce details of KPIs and officers linked to KPIs which indicated that no such action plan was devised.

- b. Clause 1.3.g. (ii) of UDAY MoU requires that TANGEDCO shall set sub-Division wise, Division-wise, Circle-wise and Zone-wise (Zones are called Regions in TANGEDCO) AT&C loss reduction targets and shall fix responsibilities. Moreover, Division-wise targets have been specified in the MOU itself. TANGEDCO did not devise any action plan to implement the same but stated (August 2020) that the calculation of Division-wise AT&C losses is not feasible as its large number of 11/22 KV feeders extends the power supply beyond the boundaries of the particular Divisions and feeder meters were not installed at the boundaries of Divisions and the AT&C losses are therefore calculated for the Company as a whole. As the AT&C losses are not calculated Circle-wise, fixing responsibility on the officials at sub-Division level, Division level, Circle level and Region level officials were not possible. The reply of TANGEDCO is not acceptable for the reason that as per MOU, they need to fix loss reduction target for Division, Circle and Zonal level. But TANGEDCO failed to devise a system for fixation of AT&C loss reduction. Also, no KPIs have been prepared for the officer-in-charge enabling to fix responsibility in case of shortfall. This indicated lack of concerted action to minimize AT&C loss.

GoTN replied (October 2021) that it noted the observation.

Delay in consumer indexing and GIS mapping of losses

3.1.5 As per Clause 1.3.g. (xii) read with Action Plan given in MOU, TANGEDCO shall implement consumer indexing and GIS mapping of losses by March 2020. The work of GIS based asset and consumer mapping is being implemented phase-wise. 100 *per cent* of the HT network survey and 99 *per cent* of the HT network is available in the GIS platform. LT network and consumer survey is under progress. Consumer indexing for 1.23 crore consumers out of total 3.07 crore consumers has also been completed (August 2020).

This showed that the consumer indexing had been completed only to the extent of 40 *per cent* and GIS mapping of losses was in the initial stages only as LT network were yet to be brought under GIS platform.

This indicated lack of supervision and monitoring at the top level in reviewing and monitoring of UDAY Scheme related activities and achieving the financial and operational turnaround of TANGEDCO.

GoTN replied (October 2021) that consumer indexing and GIS mapping is nearing completion stage.