

Measuring or benchmarking performance and efficiency of a distribution utility is a complex task, as performance depends on several factors. From the viewpoint of the end-consumer, the ultimate indicators of performance of a distribution utility are: (a) tariff, (b) quality of supply (voltage, frequency, and reliability), and (c) quality of consumer service (such as redressal of grievances and promptness of new connections).

Here the performance of a Department of Power (DOP), Arunachal Pradesh is measured against several aspects namely- T&D losses, manpower cost, average cost of supply and distribution cost.

These 5 areas are chosen for analysis because these are the much talked- about weaknesses of SEBs.

1. Introduction to Distribution licensee

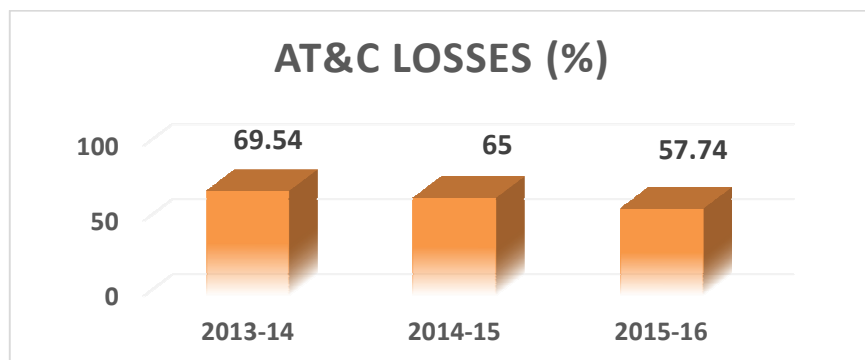
SI No	Parameter	2015-16	2014-15	2013-14
1	Area served (Km ²)	83573	83573	83573
2	Consumers (lakhs)	2.18	2.07	1.93
3	Energy Input (MU at Bus Bar)	757.07	673.4	478.79
4	Generation (MW)	58.94	52.38	169.64

2. Density indicator of distribution Licensee

SI No	Parameter	2015-16	2014-15	2013-14
1	MU (sold)/ sq. km	0.004	0.003	0.002
2	Unit (sold)/ consumer/ year	1591	1556	1208

3. Losses

Huge AT&C loss is the key area of inefficiency of Distribution licensee/ company. Rapid reduction of AT&C losses is expected to be the most important benefit of distribution. It is important to see the performance of DOP in this light.



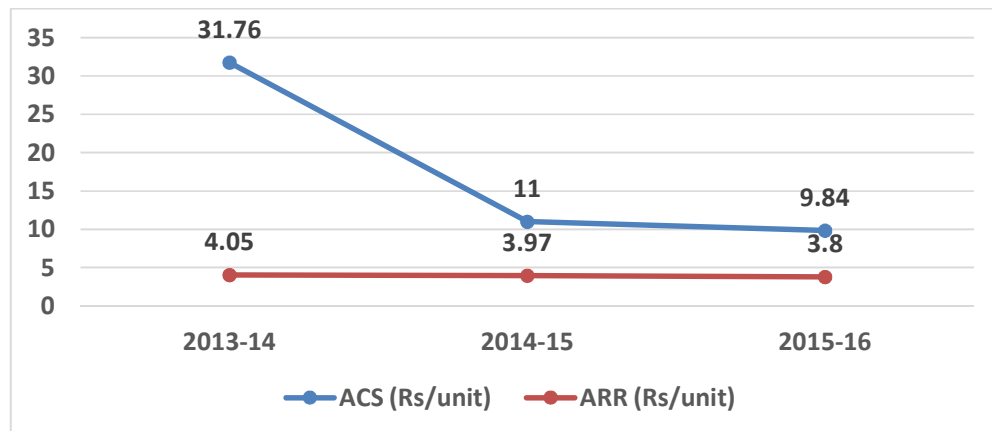
4. Manpower Performance and Cost

The manpower employed and manpower cost are considered to be important aspects of the performance

SI No	Parameter	2015-16	2014-15	2013-14
1	No. of Employees	8934	9961	9961
2	Employee cost (Rs Crs)	183.2	179.5	164.48
3	MU sold/ employee	0.05	0.04	0.03
4	Consumers/ employee	24.49	20.91	19.49

5. Average cost of supply (ACS) and Average revenue realised (ARR)

It is the average cost that the Distribution licensee has incurred in supplying power to our homes.



Important observations:

- Menace of large AT&C losses, which are as high as 57% for DOP. Considering the experience of other hilly states, there is significant scope for reducing the AT&C losses of DOP.
- Poor manpower efficiency of DOP. Need of proper and efficient utilisation of Manpower.
- Large difference between Average cost of supply (ACS) and Average Revenue realised (ARR).
- Huge revenue Gap of DOP. Large difference between Total revenue requirement and Total Income.