

## Maharashtra's power Scenario after MSEB restructuring

The restructuring of the Maharashtra State Electricity Board is changing the power scenario in the state. Within a span of one year, the restructuring has started yielding good results and there seems great promises for the future of the power sector in the state.

**- Bharat Pawar**

As the power sector was faced with big problems it became inevitable to unbundle the oversized Maharashtra State Electricity Board. Hence on June 6, 2005, four companies came into the existence including MSEB Holding Company, Maharashtra State Electricity Distribution Company (Mahavitaran), Maharashtra State Electricity Transmission Company (Mahapareshan) and Maharashtra State Electricity Generation Company (Mahagenco) after unbundling the MSEB.

The unbundling was the result of Electricity Act 2003 passed by the Parliament. At the time of passing the Electricity Act, state electricity boards across the country were facing severe problems as they were not modernized and could not keep pace with growing power demand and the developmental needs of the country. There was a huge shortfall in demand and supply. The state electricity boards were also incurring huge losses, which jeopardized their very survival. Fund crunch was the crucial issue for modernization of the state electricity boards and financial institutions were for their modernization. Of the state electricity boards and financial institution were not ready to provide finance for their modernization.

At the time of unbundling of the MSEB, the power sector in the Maharashtra was faced with big challenges as following.

Shortfall of 4000 MW to 4500 in demand and supply gap. Negligent attitude of the employees towards the problem of the consumers due to monopoly in the power sector.

Lack of effective control, coordination and proper communication due to oversize of the MSEB. Accountability was not there. Transmission and distribution losses upto 35.2 percent

Percentages of revenue collection upto 85.2 per cent only. Due to lack of investment in power sector, distribution and transmission have become worn out. Most of the substations and transformers were affected by overloading.

Soon after unbundling the MSEB, the Mahavitaran, Mahapareshan and Mahagenco decided to tackle these problems on war footing level in the state. They chalked out five-year 10 point programme to regenerate the power sector and make the Maharashtra a leading state in power sector in the country. For it allocation of about Rs 60,000 crore is made for the next 5-6 years.

In the last one year, the Mahavitaran tried its level best by implementing its 10 point programme with an aim to improve the quality and reliability of distribution, to reduce distribution losses, to bring efficiency by using information technology, modernization of the distribution system, to revamp the distribution network by proper investment, etc.

As load shedding has become a big problem, the Mahavitaran is trying to reduce the gap between demand and supply by demand side management.

Till December 2006, capacity addition of 2000 MV is expected. This year till July, 250 MW power unit would be commissioned by Parali Power Station and another 197 MW unit by Tarapur Power Station, 250 MW unit by Ghatghar Power Station till October, 250 MW unit by Paras Power Station, and 261 MW unit By Vindhyachal Power Station till December. Dhabol Power Project of 700 MW has also become operational.

Apart from it, system received 900 MW load relief by effectively implementing Akshay Prakash Yojna in 4500 villages. Another 1000 MW load relief is achieved by single phasing. Due to feeder separation in 158 villages, another load relief of 100MW is achieved.

After unbundling of the MSEB, distribution losses have been reduced by 3.88 per cent from 30.56 per cent to 27.18 per cent. If the distribution losses are reduced by 1 percent, Rs 200 crore are saved. Thus Rs 600 crores have been saved by reducing the distribution losses by 3 per cent.

In the last one-year, revenue losses have been also cut down. Revenue collection has been increased by 15.10 per cent during the financial year 2005-2006 compared to the financial year 2004-2005. In the year 2004-2005 revenue of Rs 12105.65 crore was collected which reached to Rs. 13,933.85 crore in the year 2005-2006. Earlier per month revenue collection was around Rs. 900 – 1000 crore which reached to Rs 1426 in the month of May this year. It is the highest ever revenue collection in a month compared to the last 45 years of the MSEB.

To improve the distribution losses, the Mahavitaran has chalked out Rs 12509 crore ambitious five-year programme for improvement and development of the infrastructure. Out of it, Rs 7568 crore are to be spent in the next 3 years i.e. 2006-2009. Transformer failures have been cut down from 18.82 per cent to 16.62 per cent the year 2005-2006

Effective check on power thefts is being and done there is growth in revenue collected by detecting power thefts. In the year 2004-2005 and before restructuring, the MSEB has earned Rs 19.19 crore by detecting power thefts. However after restructuring it collected Rs 31.96 crore till December 2005 and just in a span of six months only.

The Mahavitaran has appreciated the work of its employees for rendering their meritorious services to the company. It has given awards to more than 100 employees from Rs 1000 to Rs 10,000 for their dedicated service to the company. At the same time, it has taken action against 218 employees for dereliction of duties.

Energy audit of 51000 distribution transformers has been completed while energy auditing of the remaining 1,60,000 distribution transformers would be completed in a year or two.

To face the challenges in the power sector, efforts are made to modernize and upgrade the distribution system for which SCADA, automated meter reading, e-tending, bills through internet on request, online payment, etc are introduced.

Till October 2006, single window system would be introduced in 45 sub-divisions. Introduction of single window system is on card for 295 sub-division till March 2007.

Single window system is operative in five sub-divisions related to the work of the Mahavitaran.

The aim of the Mahavitaran in modernizing the distribution system is to provide better services to the consumers. Hence quality service to the consumers is the motto of the Mahavitaran.

At present, the Mahavitaran has made arrangement for providing information of bills of 1.06 crore consumers on Internet where they can see their bill of the last 12 months. They can also get the information through e-mail on request.

The facility of bill payment is made available on the internet for the consumers of Pune, Bhandup, New Mumbai, Nagpur, Aurangabad and Kolhapur.

At 50 places in the state, bills could be paid by using ATM. Consumer redressal cells have been set up in all zones and circles in the state. Call centers have been opened for the consumer of Pune, Nagpur, Bhandup, Amravati and Akola.

It has been decided to open call centers in the 12 major cities till December 2006. The number of the call centers No. 18002 333435 is common for all the call centres, which could be easily remembered by the consumers. During the year 2006-2007, the Mahavitaran has decided to undertake infrastructure development work worth Rs 3980 crore for 280 sub-stations and 10653 distribution transformers.

Relief of load shedding by 500MW is expected by single phasing in 4500 villages at the cost of Rs 250 crore and another 500MW load relief by single feeder at the cost of Rs. 350 crore.

While marching ahead, the Mahavitaran has set its targets. It has decided to reduce distribution losses by 3 per cent from 29.98 per cent to 25 per cent. It has decided to improve the revenue collection by 3 per cent from 85.67 per cent to 89 per cent. It has aimed at reducing failure of transformers by 3 per cent from 16.62 per cent to 13.05 per cent.

After restructuring problems are being sorted out and are being solved. There is plan of capacity addition of 18,000 MW in the next 5-6 years with help of Mahagenco, central sector and private players.

For the next 5-6 years, planned investment of Rs 12,509 crore would be made to revamp the distribution system, RS, Rs. 17204 crore for transmission and Rs. 29,278 for Rs. 29,278 crore for generation.

Due to modernization and upgradation of the infrastructure, we will regain our lost glory and we will regain our lost glory and we will be `power surplus state`.

**Reference Book:**

Electrical India  
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