

In Gaya, change in behaviour of power users

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Private distributor guarantees regular supply, but for a price

Gaya, April 27:

Life has changed for Subodh Kumar; ever since the private sector electricity distribution franchise, India Power, has put up a digital electricity meter with a customer ID number prominently inscribed on it, on the outside wall of his two-storey house, at the congested Mirchaiya Gali in Gaya.

Till June 2014 - when the State utility handed over the distribution rights of the historic town to the Kolkata-headquartered company – Kumar’s life was at the mercy of a local diesel generator operator.

The grid power that was available for hardly eight odd hours was used in running the water pump, charging the inverter and other electricity guzzler equipment.

Tapping either the bare conductors, passing through the mahalla, or tampering with the meter ensured his monthly bills are kept at lowest minimum of Rs. 180 for 40 units.

South Bihar Power Distribution Company (SBPDCL) was free to raise a higher bill but at its own peril. In the absence of premises number, Kumar was free to overlook the bill or grease a few palms to get another connection issued to “Subodh Kumar, Gaya”.

The age old practice is now up for a revision. Disruptions notwithstanding, Kumar and his neighbours now gets grid supplies for majority of the day, so much so that the diesel generator operator is on a wind up mode. But improved supplies came at a cost.

Theft is stopped by replacing bare conductors by insulated ones. Tampering with the meter is no longer easy. And, the customer ID now serves the dual purpose of premises number. There is no free lunch for Kumar. He is now forking out Rs. 700-800 or more a month.

Distribution reforms

To overcome 70-80 per cent per cent transmission and distribution loss (read theft) and archaic power infrastructure; the Nitish Kumar government in Bihar initiated distribution reforms a couple of years ago.

In the first phase of the initiative, distribution rights of Gaya and Bhagalpur in South Bihar and Mujaffarpur in North Bihar were auctioned last year to SREI’s Hemant Kanoria controlled India Power, SPML Infra and Smart Utilities of Essel Group, respectively.

While franchise's promised annual investments in power infrastructure, to safeguard them from high leakages the state utility promised to raise the cost of supplies to franchise in a graded manner. India Power for example is offered a five year window to pay from RS. 1.70 a unit to RS. 5.40 a unit. This is against the average realization of RS. 4.35 a unit from the end consumer. As part of its strategy to change consumer habits, India power first focussed on ensuring round the clock availability of electricity. The change is reflected in the rise in monthly power consumption of Gaya from 22-25 million unit to 55 million unit (200 Mw daily peak demand) since June last year. On the flipside, it created a gaping hole in the franchise's balancesheet.

Though sales realisation improved from 20 per cent to 40 per cent of 200 MW peak supplies; unrealised sales volume increased from 20 million units to over 30 million units a month. The operational loss is at RS. 1.5 crore a month.

The writer was in Gaya at the invitation of India Power.

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