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Why are power users powerless against CESC

STATESMAN NEWS SERVICE

KOLKATA, June 22. – Controversies and power utilities are familiar bedfellows – from the failed California power reforms to the failing Enron project in Maharashtra.

But there's something special about the city's very own power utility, now engaged in persuading authorities to grant a 20 per cent raise in power tariff, and 42 per cent jump in the fuel surcharge.

Special because the questions vis-a-vis CESC's demands are simple. So simple that Kolkatans should wonder why regulators are not asking them, loud and clear, and why the power monopoly is not seen to be having mental black outs trying to answer the unanswerable.

We publish today on our perspective page an analysis – by Aditi Roy Ghatak – of CESC's claims on costs and efficiency, the two crucial parameters when judging price claims of a monopolist.

Even sons of former chief ministers should divine some things don't add up. Why, for example, must Kolkatans pay for CESC's alleged inability to monitor its meters and meter-readers. "Losses" on that count are slated to add to your power bill.

Or take the transmission and distribution losses. In Delhi, the state-run, notoriously inefficient Delhi Vidyut Board is pilloried every year for its appalling T&D losses. CESC is a "private" utility, expected to reduce T&D losses. Indeed, as Ghatak's analysis makes clear, CESC claims to make enormous investments in streamlining T&D.

Sadly, all these good intentions and impressive amounts of money, somehow or the other, fail to reduce T&D losses. So, just like recalcitrant meter readers, this too will add to your electricity bill; as will the doggedly misbehaving coal that CESC uses in its power plants.

The utility has always said that it pays good money for good quality coal for its thermal plants. CESC's figures, however, show that the energy efficiency of this high grade input is falling. That, of course, means consumers in the final analysis pay more.

Therefore, the simple question that authorities need to ask CESC is are you inefficient in production or economical with truth? Or perhaps a creative combination of both?

If the CESC is inefficient, it needs to be forced to change its ways, since only regulatory pressure can work on a monopoly.

If the utility's numbers are shown to be telling less than the whole story, a grave and serious breach of public trust will be involved; not only the state regulatory commission but the state government too must get involved.

In either case, and as our analysis makes it clear, Kolkatans deserve some clear answers a lot more than CESC deserves a fat hike.

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