

Comments on Remarks Made by Member (Tech) of MSEB

Prayas made a presentation to the Maharashtra Electricity Regulatory Commission (MERC) analyzing MSEB's officially published data. The presentation indicated that there are severe discrepancies and inconsistencies in MSEB's data on agricultural consumption in the state. The actual agricultural consumption should be much lower than the agricultural consumption claimed by MSEB. This discrepancy could be of the order of 30% to 50% (depending upon the assumptions).

While responding to the criticism, Hon. Member (Technical) MSEB argued that the high level agricultural consumption is due to pilferage (such as use of connection for household and other uses) by rural consumers.

It was shocking that MSEB indulge in such polemic and general allegations in response to the unearthing of serious discrepancies in their data.

Prayas conducted the following exercise of scenario building to indicate the credibility of this effort to explain away this discrepancy with the allegations of theft.

Assumptions

As much as 50% of agricultural connections indulge in such theft

Total No. of Pumps:	2,000,000
Assumed No. Connections Indulging in Theft	1,000,000

This implies that theft of electricity in rural areas should be very common, implying about 25 house-holds indulge in thefts in EACH village !

Scenario 1: All of these 10 lakh culprits consume (through pilferage) electricity at the level as high as the top 2% households electricity consumers of MSEB.

Scenario 2: All of these 10 lakh culprits consume (through pilferage) electricity for 5 tube-lights for 5 hours each day and a heater (hot-plate) of 2 kW for 2 hours a day.

The following table depicts implications of such level of purported theft and the level to which it can explain away the overestimation by MSEB of agricultural consumption.

	Consumption Norm (kWh/yr/Conn)	Total Theft (in MU)	% of Claimed Agricultural Consumption
<u>Scenario 1</u> Consumption Equal to the House-hold Consumers in Highest Slab	1,351	1,351	8%
<u>Scenario 2</u> Each Connection has 5 Tubes (5 Hrs/day) and Heater of 2 kW for (2 Hrs./ day)	1,916	1,916	11%

In short, even if we assume that half of the agricultural consumers are engaged in theft of high quantum of electricity, only 8% to 11 % of claimed agricultural consumption can be explained with this.

This is against the discrepancy of the order of 30 % to 50 % in the claimed agricultural consumption.

Prayas feels that such polemic of allegations would not be help explain the discrepancies in the data. A better way to resolve these discrepancies could be instituting energy audits.

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