

Interview

NESCO Aims to Achieve Full Confidence of Consumers

Northern Electricity Supply Company Limited (NESCO) is working on introducing a paperless and pre-paid revenue collection mechanism while developing a modern and efficient distribution system. However, it would not be possible to achieve 100 percent confidence of the consumers without developing skilled manpower, adopting modern technology and reducing management expenditure to gradually develop the company an efficient one.

NESCO Managing Director Zakiul Islam shared the company's activities in an exclusive interview with Energy & Power Editor **Mollah Amzad Hossain**.

NESCO is going to complete its three years of operation after taking over the BPDB's distribution areas. What differences NESCO could make during this time?

We could make a huge achievement during this short period of time since taking over the Rajshahi and Rangpur zones of BPDB. The company started making profit from the fiscal year 2018-19 after paying a huge liability of Tk 2,057 crore. BPDB incurred an annual loss of about Tk 288 crore. There were a lot of challenges to make it a company, separating the whole system from the BPDB. Although there was no lack of necessary manpower, the mindset in making it a company was a big challenge. NESCO's success was to make the entire human resources habituated with the company culture. However, it would not have been possible without support from the board of directors.

Initially, as many as 50 Sales and Distribution Division (SND)s were reorganized to achieve the consumers'

confidence, followed by giving highest priority to adopt technology and its utilization. There was no reporting system there which was later established. Initially, all the jobs like billing were done using the DESCO software but we were able to introduce our own software within 18 months. Some 46% consumers have been brought under the on-line bill payment system while the system loss came down to 10.66% from 12%. A process is underway to bring five lakh (0.5 million) consumers under the pre-paid metering system and 100% consumers are expected to come under the system by 2025.

The Energy Affairs Adviser to CAB alleged that NESCO has increased the power tariff to meet its rising expenditure caused by enhancement of salaries and allowances of the employees. What do you say about the allegation?

Look, it is not expected that one would raise allegation without considering the situation. The present power distribution system emerged from the BPDB legacy. DPDC and DESCO took around 10 years to become efficient from that situation. WZPDCL took three years, but we did it in only 18 months. Work on setting up of call center, one-stop-service and e-filing is progressing. So, the allegation is baseless.

The power demand of NESCO command area is now 900MW. What would be the demand in 2021, 2030 and 2041? What's NESCO's plan to ensure uninterrupted supply of quality power by then?

We are adopting and implementing various projects to improve the situation



Zakiul Islam

Our plan is to develop NESCO as an automated company. All investment required for achieving this would be made. Highest emphasis is being given on developing efficient human capital. Capacity development program has been launched and it will be a continuous process. We are trying to make NESCO 100% digitized company. We would definitely achieve it.

through undertaking system gap analysis. The projects include setting up of substations; upgrading substations, distribution lines, grid substation and GIS mapping. Besides, PGCB and BPDB are also implementing various projects. NESCO would ensure reliable and modern power distribution system when all the projects will be implemented by 2025.

NESCO now has the capacity to supply around 1,600MW against the present demand for 900MW while the supply capacity would increase to 1,622MW this year, 3,825MW in 2030 and 8,919MW in 2041. However, the work

of a distribution company never ends and continues commensurate with the consumers' demand.

Apart from serving usual customers, NESCO is also supplying power for irrigation pumps in the Northern region. How many of such consumers you are serving? What are your plans for uninterruptible supply during the ensuing irrigation season?

NESCO has now 27,000 irrigation customers. Of these, Rangpur has 21,000 and Rajshahi region has 6,000. Total irrigation load is 172MW. There was no issue last year. But there is low voltage issue in Hatibandha and Patgram. BREB is not giving any new connection for irrigation there. They are being encouraged to adopt solar irrigation pumps. Some of the users in Hatibandha are not paying bills now. This is a great problem. These customers are now blaming NESCO instead.

An understanding has been reached between NESCO and the irrigation pump users. They would carry out irrigation at night, the off-peak hours, without putting stress on the system.

There are some BSCIC industrial areas in NESCO franchise. Initiatives have been launched for developing some Special Economic Zones (SEZ). What are your plans for supplying quality power on uninterruptible basis?

Please note that industrialization is mostly concentrated in BREB franchise due to higher cost of land in NESCO area. A great portion of users is not getting pipeline supply of gas in NESCO area. This is acting as a deterrent for investing in industries under the NESCO franchise area. There are industries in Syedpur, Nilphamari, Pabna, Rajshahi and Bogura. These are being expanded. There is additional demand for rice mills at Setabganj in Thakurgaon, Dudhpachia in Bogura, and Naogaon regions. NESCO is maintaining stable supply of power to the industries in the region. We will take required measures for reliable supply of power from dual sources whenever government decides for letting industries grow in NESCO franchise.

Has NESCO already achieved bringing 100% of the consumers in its area under power supply? Can you earn revenue from all consumers you are connecting in the remote and isolated char areas?

NESCO under its Corporate Social Responsibility (CSR) has provided Solar Home Systems (SHSs) power supply to 14,500 consumers. Around 8,000 are in Rangpur and 6,500 in Rajshahi. NESCO has invested Tk32 crores for these. The families under this scheme would not have to pay any bill for power use.

Low voltage problem exists in the northern region. PGCB informed that several projects are under execution and few are in the pipeline. The benefits from these may start coming from end 2022. There may be issues like whether Thakurgaon power plant would come into operation on time. In this scenario what are NESCO's plans for meeting the ensuing summer irrigation period and Ramadan demand?

Please note that during the period under review, there should not be low voltage problem if 525MW plants at Barapukuria, 20MW at Rangpur and 100MW plant at Syedpur can be kept into operation. But BPDB stated that due to coal supply crisis, it may not be possible to continue operation of Barapukuria mine-mouth power plants fully. There should not be a great problem if the 115MW capacity power plant at Thakurgaon comes into commercial operation. Even if there is no issue with generation, some low voltage problem would still be there at Patgram. Hatibandha and Kaliganj suffering from power transmission and distribution constraints. Works for installation of some substations in these areas are in progress now. There should not be any problem when these will become operational.

What measures you are taking for modernization of the system? When these would be completed?

Project for complete automation of the power distribution system has been launched under Asset Performance Management Program as a measure of

system modernization. These would encompass bringing customers, substations and customer service centers under single network. When completed it would be possible to monitor power supply to and use by all consumers from the control center. Voltage stability and auto faults can also be spontaneously detected. Customer services would become smarter and smoother. This networking would be done under Optical Ground-Wire (OPGW) arrangement.

Work on setting up of 5 lakh (0.5 million) pre-paid meters has also started to better manage revenue collection. This would be completed in 2 years. Projects have been taken up for another 15 lakh (1.5 million) prepaid meter installation. NESCO has over around 16 lakh (1.6 million) customers now. Considering 8% annual growth, the total customer base by the end of the project would become 20 lakh (2 million). By that time all customers would be brought under pre-paid metering. NESCO is going to invest for all modernization works to the tune of Tk 1,421 crores.

All distribution utilities have launched pilot projects for taking lines underground. Does NESCO have such plan?

Under a pilot scheme, NESCO has taken up a project for taking 6KM distribution line in Rangpur and 5KM in Rajshahi underground. Depending on the outcome, future programs would be taken. But this work is prohibitively expensive!

What is the perspective plan of NESCO in the future? What is your investment plan?

Our plan is to develop NESCO as a comprehensive automated company. All investment required for achieving this would be made. Highest emphasis is being given on developing efficient human capital. Comprehensive capacity development program has been launched and it will be a continuous process. Whenever and wherever necessary, new recruitment would be done. We are trying to make NESCO 100% digitized company. We would definitely achieve it. 