



कर्मचारी राज्य बीमा निगम
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' STATE INSURANCE CORPORATION
(Ministry of Labour & Employment, Govt. of India)



मुख्यालय

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10-12-2024

All Regional Director of ESI Corporation	All Dean of ESIC Medical Colleges
All Medical Superintendent of ESIC/ESIS Hospitals	Director (M) Delhi & Director (M) Noida

Sub: - Proper evaluation and utilization of electric connection and its consumption- Reg.

Ref: - (1) This office letter dated 26.09.2019.

Sir/Madam,

In continuation to this office letter dated 26.09.2019 it is again reiterated that during the inspection of various ESI Hospitals by CAG audit team it has been noticed that actual electric consumption was much below the contract demand. Despite instructions have been issued by this office, it has been observed that many offices/locations have not taken corrective measures in this regard. In order to save the excess expenditure towards unused contract demand, there is an acute need to examine the contract demand vis-à-vis the actual consumption of electricity and take appropriate action in the matter.

In addition, the necessary action/corrective measures are given below for strict compliance:-

1. Optimizing Contract Demand

It is crucial to assess a contract demand that maximizes the utilization of power resources to meet operational needs efficiently. If the actual maximum demand (MD) is consistently lower/higher than the contracted demand, it is inevitable to adjust the contract demand to reflect actual consumption patterns. This adjustment helps in avoiding unnecessary charges and ensures cost-effective energy use. Accordingly, the concerned hospital authority may intimate to concerned State distribution company for reduction in excess contract demand.

Note-A specimen copy of procedure for reduction of contract demand /connected load (Bihar Electricity supply code 2007) is attached for reference.

2. Maintaining an Optimal Power Factor

Due diligence must be exercised to maintain the power factor between 0.9 and 1.0. A power factor within this range is essential for efficient energy usage, reducing losses, and avoiding penalties. Regular monitoring and corrective measures should be undertaken to ensure that the power factor remains within a permissible limit. Therefore, appropriate measures shall be taken as required to ensure the proper maintenance & monitoring of APFC Panels and their log books. There should be proper register for daily log book of electrical substation and any electrical outage recorded in the register must match with diesel log book and it should be verified by the JE (E) /AE (E) periodically so the any misuse may be avoided.

3. Adhering to Regulatory Tariff Norms.

The electricity tariff (HT/LT) for the connection should strictly adhere to the norms set by the concerned State Electricity Regulatory Commission. Compliance with these norms is necessary to avoid legal issues and ensure that the organization benefits from the applicable tariff structures. The competent authority may explore electricity board/DISCOM policy for essential services and whether concessions are available for hospitals, dispensaries etc.

It should also be ensured by concerned MS/RD that there should be separate electrical connection for staff quarter of applicable tariff category (as per norms of concerned Electricity company/Board) for each staff/allottee through separate feeder pillar and service lines/meters.

4. Timely Electrical Connections for Capital Projects

For ongoing capital construction projects, such as hospitals, medical colleges, Regional Offices (RO), Sub-Regional Offices (SRO), and District Centre Branch Offices (DCBO), it is recommended to

obtain/charge/energize the electrical connection at a stage close to the project's completion/inauguration. This approach minimizes the expenditure on fixed charges, ensuring that financial resources are utilized efficiently and for this purpose committee comprising of PMU members for deciding to take the electricity connection at appropriate stage so that any wastage of revenue towards the utilized maximum demand may be saved in future.

5. Payment Procedures for Electrical Connections for newly constructed projects.

Payments for obtaining electrical connections should be carried out in accordance with the guidelines issued by the ESIC Headquarters Office letter dt 24.03.2008 regarding Statutory payments during construction. This responsibility falls under the purview of the Medical Superintendent and the Regional Director concerned, who must ensure that, minimum contract demand as per use when the hospital is about to inaugurate and all the upcoming/succeeding electricity bills has to be paid by MS/RD concerned.

This advisory emphasizes the importance of strategic planning in power management, regulatory compliance, and financial stewardship. By following these guidelines, organizations can optimize their energy consumption, reduce costs, and ensure compliance with regulatory standards.

All the units are requested to examine the pattern of actual consumption of electricity, contract demand and electricity bills and submit the action taken report to this office within 15 days.

This is issued with the approval of the competent authority.

Encls: As Above

Yours Sincerely

Shiv Shankar Mandal
CHIEF ENGINEER

Copy to:

1. PS to CE for information.
2. AC(Finance)/DD(Finance) of units/Audit Branch for information.
3. ALL EEs/AEEs/AEs/JEs, ESIC hqrs office for information and necessary action.
4. ALL EEs/AEEs/AEs/JEs, posted at ESIC ROs, Hospitals, Medical Collages office for information and necessary action.
5. Website content manager for uploading on website.

CHIEF ENGINEER