

Statement showing the objection of the consumers/public, GESCOM's response and the Commission's Views

Objections relating to Tariff Issues:

<p>1. As per Regulation 2.7.1 of MYT Regulations 2006, an application for determination of Tariff for any financial year shall be made not less than 120 days before the commencement of such financial year. This should have been filed on or before 30.11. 2017 which has not been done. (Done on 04.01.2018). On this count this Application is not maintainable.</p>	<p>GESCOM has filed Tariff Application for approval of APR for FY17, ARR and revision of tariff for FY19 on time i.e., on 30.11.2017.</p>
<p>Commission's views: GESCOM's reply is acceptable.</p>	
<p>2. GESCOM should have clearly indicated steps taken for the improvement of efficiency indicating the efficiency gains of GESCOM.</p>	<p>GESCOM has taken various steps (like creation of new substations, increasing the HT line, addition of transformers etc.) for improving the efficiency by carrying out various improvement activities in its jurisdiction and due to the efforts of GESCOM, losses have come down from 26% in year FY08 to 17.33% by the end of FY17. Further, it has planned to reduce the distribution loss to 16.80% at end of FY18 and 16.50% by FY19. The details are also explained in the tariff petition.</p>
<p>Commission Views: GESCOM should make more efforts to improve the efficiency particularly in the matter of bringing in improvements in billing and collections and improve its cash inflows in order to make timely payment of its payables.</p>	

<p>3. As per the Tariff Policy, the cross subsidy should be within +/- 20% of the cost of supply and the tariff determination should be based on cost to serve. The average cost of supply is being taken as the basis of seeking tariff revision. The cost to serve a HT installation is much less compared to an LT installation. The tariff should be fixed based on cost to serve and the tariff of HT 2(a) will have to be brought down by 50%. Hon'ble APTEL has held that cost of supply is not the same as average cost of supply (Appeal No. 93 of 2007 SIEL Ltd., Vs. PSERC).</p> <p>ESCOMS have pleaded that the cost of supply requires a steady of baseline data over several years and are taking average cost of supply as the basis for seeking tariff revision.</p> <p>Cost of supply should be the basis for determination of tariff for each category of consumers and determination of tariff should be on the basis of supply voltage. The tariff fixed for Industrial Consumers is highly distorted on account of cross subsidy element.</p>	<p>Preparation of Cost of supply is not yet done. The fixation of Tariff depends upon the Expenditure and Revenue of GESCOM. The Gap in the expenditure and income for the Year-2018-19 is Rs.1160.02 Crores. Accordingly, the hike of Rs.1.62/unit in the Tariff is proposed in existing tariff to fill the gap of Rs.1160.02 Crores.</p> <p>GESCOM has obligation to serve all categories of consumers from BPL households to Industries and commercial installations. As a Distribution Licensee, GESCOM has to maintain infrastructure to distribute electricity for all categories of consumers in its jurisdiction. For the purpose of procuring and distribution electricity, GESCOM has to purchase power from the Govt. generating stations and other private generators. Considering these aspects, the GESCOM has proposed the Tariff revision.</p> <ul style="list-style-type: none"> ✓ The new formula prescribed in Tariff Policy 2016 is comparatively balanced in factoring the cross subsidizing factors. Hence, Commission may consider the surcharge formula prescribed in Tariff Policy 2016, as proposed by GESCOM in the petition. ✓ As the distribution loss for different ESCOMs are different it may be appropriate to adopt differential cross subsidy surcharge for the ESCOMs. ✓ Generally, the HT-2a, HT-2b and HT-2c consumers are opting for open access / wheeling. Hence, the factor 'T' in the new surcharge formula may be considered with the aggregate average realization rate of these categories only.
<p>Commission's views: This aspect is dealt in the relevant chapter of this Order.</p>	
<p>4. The supply to agricultural pump sets is increasing year on year. Since the metering of IP sets is still under progress in all the ESCOMs,</p>	<p>The metering of individual IP Set is not practicable, hence the specific IP Set consumption is being arrived on segregated</p>

<p>the actual consumption from IP Sets is not transparent which is affecting the industrial category. Supply to IP sets constitutes 33% of total energy sales in Karnataka.</p> <p>The cost of power used by IP sets is subsidized by other categories of consumers mainly from industrial sector. Though the Government is committed to provide power to IP sets, the ESCOM is recovering the above cost by charging consumers from other categories.</p> <p>Installation of meters for IP Sets is not progressing as committed and hence with no meters, the assessment of IP Set consumption made on the basis of sample meter is questionable. This will result in incorrect line losses, subsidy, forecast of power sector planning. The Commission should order for completion of metering before considering tariff increase.</p> <p>172192 BJ/KJ installations and a huge number of street lights and IP set installations are unmetered. 55-60% of the sale of energy by GESCOM is sold without meters, leading to suspicion that GESCOM is manipulating figures to hide excessive T & D losses and pilferage. There is no explanation from GESCOM as to how they have computed the consumption of energy of 1,72,192 unmetered installations of BJ/KJ and also consumption of unmetered street light installations. Commission should direct the GESCOM to meter all installations of BJ/KJ and street lights in time-bound manner, without further delay.</p>	<p>independent 11 KV IP Set feeder and removing all other categories of load and transferring all other loads on NJY feeder. The aggregate data of separate IP Set feeders will be the actual IP Set consumption and the same is being considered.</p> <p>The Tariff proposed for FY19 to the LT-4(a) IP Sets is Rs.7.13 per unit which is more than the cost of supply.</p> <p>The supply to IP Sets constitutes 47.69% of total energy sales in GESCOM. To have a balance and for social justice, rich category of consumers should share the burden of the poor farmers as they help the nation in growing food for the people at large.</p> <p>The BJ/KJ installations are subsidized by GoK upto 40 units per month. If the BJ/KJ Consumer consumes more than 40 units, he is billed under LT-2(a) category. The IP Set consumption of installations having CD of less than 10 HP is subsidized by the GoK. The Commission has issued directions to segregate all IP Set installations from 11 KV feeder under NJY Scheme. The specific consumption arrived from the segregated 11 kV independent feeder is nearer to actual consumption of IP Set. The assessment of consumption is done by taking reading from the station on that particular 11 kV feeder. The street light installations are maintained by ULB and Panchayats.</p>
<p>Commission's views: The reply furnished by the GESCOM is noted.</p>	
<p>5. In terms of the KERC Regulations, regarding the manner of payment of subsidy by State Government, GOK is required to pay subsidy in</p>	<p>Even though GoK is releasing the subsidy towards IP Set installations under LT-4(a) category and BJ/KJ installations under LT-1</p>

<p>advance, every quarter. The non-release of timely subsidy by GOK, has created financial problems for ESCOMs. Both in terms of said regulations and the tariff order, the distribution licensee is required to raise the bill as individual consumer. The bills are never being raised on subsidized category which has led to the consequence of interest payable by ESCOMs. GoK is not paying any interest on the late payment.</p>	<p>category, GESCOM is requesting for release the subsidy on top priority. Further GESCOM has also pleaded with the Commission to recommend to GoK to release the balance subsidy without delay.</p>
<p>Commission's views: The reply of GESCOM is noted.</p>	
<p>6. As per the KERC (Security deposit) Regulations 2007, consumers opting to take supply through prepaid meters are not required to pay 2-month security deposit to ESCOM. If power supply through pre-paid meters is introduced by GESCOM, and the consumer is prepared to take the supply through a pre-payment meter, consumer would not be required to give security deposit and also he would get back the security deposit already deposited, as provided under Section 47(5) of the Act. Hence, a direction may be issued to GESCOM to adjust Security Deposit in future bills of those consumers, who are opting to take the supply through a pre-payment meter.</p>	<p>Presently prepaid meters are not available in GESCOM. However, Commission had passed an order in OP No. 89/2017 dated 30th January 2018 permitting to collect the meter rental charges, at the rate of 75/- (Rupees Seventy-Five) per week for a Single Phase pre-paid Meter and 100/- (Rupees One Hundred) per week for a three Phase pre-paid Meter, from the LT-7 consumers, in respect of the pre-paid Meters installed by the Distribution Licensees.</p>
<p>Commission's views: The consumers opting for pre-paid meters should be provided with the same and the GESCOM should initiate action on this, immediately.</p>	
<p>7. ESCOMs are levying penalty in case of power factor falling below 90%. It would be fair if the ESCOMs give some incentives for maintaining power factor above 90%.</p>	<p>By maintaining power factor above 90%, the consumers are benefited in saving of energy which is in itself an incentive.</p>
<p>Commission's views: The reply is acceptable.</p>	
<p>8. In the current financial year about 1% consumers coming under HT category contribute revenue of more than 50% but face unscheduled load shedding resulting in production losses. HT/LT 5(a) sales has been reducing over the years. This shows the negative trend in the manufacturing sector in the State and it directly affects the job creation. Instead of giving relief to above sector in the tariff revision by reducing the</p>	<p>The HT consumers are less than 0.1% and not 1% of total consumers and revenue demand is Rs. 873 Crores as against Rs. 3773 Crores. Due to open access the HT demand is reduced. The hike in tariff will be decided by the Commission. The consumption by the small scale industries is less compared to large scale industries. GESCOM has proposed benefit of reduced slabs in the Tariff for the users who are consuming more than One Lakh units.</p>

<p>cost of power, ESCOMs are seeking increase in the tariff to job creators such as foundry, forging shops, heat treatment shops, steel mills, etc. These industries are facing existence crisis due to the high power cost and huge competition from neighboring states. These sectors require substantial reduction in tariff.</p>	
<p>Commission's views: The reply furnished by the GESCOCOM is acceptable.</p>	
<p>9. The revenue realization from vigilance cases booked earlier are not included in the tariff petition. All ESCOMs should publish list of defaulters and take action to recover the dues from them.</p>	<p>GESCOCOM requests the Commission to pass orders for the revenue realization from vigilance cases booked. About Rs. 69 Crores from the back billing cases will be an added revenue to GESCOCOM.</p>
<p>Commission's views: The revenue realized from Vigilance cases is included in the revenue of GESCOCOM in the respective years. It is the responsibility of the GESCOCOM to realize the revenue by taking prompt administrative action like disconnection etc. Since this is an internal administrative matter concerned with procedure of collection of bills, Commission is unable to issue any order on this issue.</p>	
<p>10. Electricity theft is rampant in connivance of the Officers of GESCOCOM.</p>	<p>GESCOCOM has registering cases against the concerned and taking action in theft cases. In FY15 Rs. 1469.09 lakhs, in FY16 Rs. 2457.25 lakhs, in FY17 Rs. 3229.31 lakhs and in FY18 (up to September, 2017) Rs.2050.45 lakhs are collected as penalty in theft cases.</p>
<p>Commission's views: Stringent action should be taken by the GESCOCOM to curb theft in its area. Specific cases coming to the knowledge of the consumers should be brought to the notice of the higher authorities , to initiate action against the culprits.</p>	
<p>11. ESCOMs should initiate additional resource mobilization by charging people using electrical installations like poles for advertising cut outs and from cable/dish TV operators. Similarly, the ESCOMs should explore additional resource mobilization from its assets and its premises to reduce its losses. These additional revenues collected ESCOMs can be passed on to the consumers.</p> <p>ESCOMs are demanding tariff revision to the extent of over 20%, year on year, but are not transparent about the revenue collection from the non-tariff revenue. The revenue deficit can be off-set by effective improving non-tariff</p>	<p>Due to shortage of employees GESCOCOM is concentrating only tariff income and it has not thought of non-tariff income like advertising cut outs like cable / dish TV operation and additional resource mobilization from its asset. GESCOCOM is a public utility and looks after public services and does not divert it attention to commercial activities. The Commission has created a category of Tariff as LT-7(b) under temporary supply to Advertising by fixing higher Tariff of Rs. 10.00 per unit.</p>

revenue collection.	
Commission Views: The reply furnished by the GESCOM is noted.	
<p>12. The Commission has given directions to ESCOMs to complete the installation of meters at the DTC level on or before 31 Dec, 2010. However, till October, 2016 only 44% was completed. Even in these metered DTCs, the Commission, in its last tariff order observed non-compliance. Instead of metering and monitoring the losses at the DTC level, ESCOMs are resorting to annual tariff revision. Commission should give directions to ESCOMs to comply with its earlier directives before asking for this tariff revision. As on December, 2017, there are 90,991 DTCs and only 69,663 are metered, and 21,334 are un-metered (23.44%) and 6000 are MNR. The energy audit of DTC meters was not carried out completely.</p>	<p>Out of existing 90997 DTCs, metering of 60123 DTCs has been carried out up to Dec,2017. Due to non-tagging of installations to the DTC, there is a slow progress in Energy Audit of DTCs. Out of 90997 DTCs, on an average 13583 DTCs per month are being audited. The feeder/ DTC- wise enumeration of IP sets using GPS survey in GESCOM area has been awarded to M/s. Steslite. About 33475 IP sets have been covered under survey.</p>
Commission's views: GESCOM has to expedite the process. After the metering of DTCs, energy audit has to be carried out in respect of such metered etc. and wherever the losses are found to be abnormally high, immediate remedial action shall be taken by the GESCOM.	
<p>13. The directive on separation of feeders in Nirantara Jyothi and IP Sets is still not complied with. This causes revenue loss to the ESCOMs.</p>	<p>Out of 1770 11 kV feeders, it was planned to separate 344 11 kV feeders, separation of 327 feeders has been completed and balance of 17 which were left over, are being taken up under IPDS programme and will be completed during 2018-19.</p>
Commission's views: GESCOM has to expedite the process and compute the IP set consumption the meter reading data of the segregated feeders only.	
<p>14. Commission has been allowing Rs.1.00 Crore to each ESCOM for consumer education programs. ESCOMs are limiting their activities for publication small handouts/books - more in the nature of FAQs rather than giving details which are required by different class of consumers.</p> <p>Also, some cursory interaction meetings are held at sub-division levels and in very few cases grievance redressal is done. There is a definite need of educating Industrial and Commercial consumers for better appreciation</p>	<p>GESCOM is conducting interaction meeting at Sub-division level. GESCOM appreciates the willingness of participants to organize awareness programs in Karnataka.</p>

<p>of the provisions of the Act and KERC Regulations. Effective programmes can be conducted in collaboration with industrial bodies / Associations like LUB.</p>	
<p>Commission's views: GESCOM has to be more consumer friendly and proactive in educating the consumers besides attending to and solving the grievances brought to the notice of the GESCOM.</p>	
<p>15. Though the functioning of CGRF forum is reasonably good in urban areas, the dispensation of justice by forums in district headquarters are wanting due to Lack of knowledge about the availability of the forum for redressal of grievance, lack of information to the consumer on procedural aspects of filing complaints, Non-redressal of grievances within 60 days of filing of complaint, issuance of non-speaking order resulting in appeal before Ombudsman and other forums. The members require to be trained.</p>	<p>The Notification regarding formation of CGRFs at District levels along with its CGRF Members was published in the leading newspapers of both Kannada and English for the benefit of the electricity consumers to get their grievances redressed. Further, GESCOM intends to give wide publicity in the media. With respect to training the members, necessary programmes have already been conducted. The suggestion of conducting refresher courses to its members is welcome.</p>
<p>Commission's views: GESCOM should consider these suggestion seriously and implement them.</p>	
<p>16. The vigilance squad is visiting Industrial units and booking cases under Section 126 of the Act, read with clause 4.2.02 of the Conditions of Supply, in the guise of classifying them under commercial category. The Electricity Act, 2003 and the regulations issued by this Commission does not provide any definition for commercial activities. Therefore, the Commission should provide tariff categorization based on definition of commercial establishment as provided for, in Section 4 of the Shops and Commercial Establishments Act.</p> <p>The Vigilance squad is not the authorized agency to issue any demand notice in respect of unauthorized use of energy under Sec 126. In terms of GOK notification No: DE87PSR2003/28, dated 5.01.2004, assessing officer for the purposes of Sec 126 of the Act is AEE (Electrical) in charge of O&M sub-division. The vigilance squad is authorized for the</p>	<p>As per clause 42.02 of Condition of Supply and Section 126 of the Electricity Act, the demand notice in respect of unauthorized use of electricity has to be issued by local billing authority viz., the Asst. Executive Engineer of O&M of GESCOM. As per clause 42.02 of CoS and Section 135 of the Act,, the authorized officer will issue notice.</p> <p>The vigilance staff detects the case, prepares assessment and informs the same, along with details of the case and documents to local O&M sub-division which is the billing authority for serving to the consumer.</p>

purpose of Sec, 135 of the Act as provided under regulation 2.09 of CoS.	
Commission's views: The provisions of the Electricity Act, 2003 and the relevant Regulations have to be followed in the matter of booking the cases for theft or un-authorized use of power.	
17. The persons heading the sub-divisions are not conversant with the regulations issued by the Commission which has resulted in unnecessary litigations & disruption of work. Every officer of a sub division should be exposed to rigorous training followed with an examination.	Training to the Officers and Workmen is being conducted on regular basis at the training centres under HRD of GESCOM.
Commission's views: GESCOM's reply is noted.	
18. The power supply situation & quality of power supply in rural areas have deteriorated during the current year. Compliance of other directives is also very poor and no tangible results have come out so far. On these aspects also the ERC and Tariff filings, are defective and liable to be dismissed as not maintainable.	Supply position and quality of supply has improved and interruptions are reduced as compared to the previous year. Further, the hours of power supply to the non-agricultural loads in rural areas is now on par with urban areas by implementation of Niranthara Jyothi Yojane. As a result of the implementation of NJY, the IP set consumers are also provided with quality power supply. Hence taking the above into consideration the present revision of Tariff has been filed.
Commission's views: GESCOM's reply is noted.	
19. GESCOM has stated that Timer Switches are yet to be provided to street light installations. Though more than four years have lapsed, ESCOMs are yet to arrange timer Switches to street light installations.	CMC and ZP of Gulbarga have taken up work under self-execution to fix timer switches to the street lights in extension and layout areas.
Commission's views: GESCOM's reply is noted. The matter should be pursued with the civic authorities in order to ensure compliance of the Commission's directive on this issue.	
20. Independent feeders are required for Industries to avoid interruptions and load shedding.	GESCOM has taken measures to create independent feeders to industries. Out of total 1770 of 11 kV feeders existing in GESCOM, 72 are independent industrial feeders.
Commission's views: GESCOM's reply is noted. More feeders may be provided based on the requirement.	
21. Segregation of Commercial and Technical	The calculation for segregation of commercial

losses as stipulated in the tariff policy is not done by ESCOM.	and technical loss is being furnished regularly in the prescribed A to F formats suggested by KERC.
Commission's views: The reply is noted.	
22. The fatal and non-fatal accidents are on increase. The ESCOMs are not properly educating the consumers regarding prevention of accidents, More than Rs. 100 cr. has been spent in the past 3 years towards prevention of Accidents. GESCOM should have properly analyzed the causes of accidents in each case and the CAPEX should have been targeted to avoid the electrical accidents case by case. GESCOM has not taken action to sensitize the linemen about the need for adoption of safety aspects and is not monitoring the use of safety gadgets by Linemen. The Commission has to conduct safety audit by independent agency and should order for disciplinary action against officials responsible for accidents due to their negligence.	Rs. 20.42 Crores has been allotted in Capital Budget for taking necessary safety measures for system improvement to avoid accidents. Line men are given safety gadgets and are trained to attend the line fault and maintenance using safety gadgets. The programme of educating non – departmental persons during interaction meetings is taken up and public are requested not to play with live lines.
Commission's views: GESCOM's reply is noted.	
23. GESCOM has not effectively implemented Standard of Performance as directed by the Commission.	The S.O.P are displayed in every section office of GESCOM. This helps the public to take up the issues with the concerned Section Officer.
Commission's views: GESCOM's reply is noted. by GESCOM in letter and spirit. Nevertheless, the SOP has to be implemented	
24. Limiting the period for utilizing Banked energy to 3 months is not practicable as the energy requirement for the manufacturing Industries is dynamic in nature and depends on the market demands.	Recently, the KERC has passed an order in the matter on 09.01.2018 in OP Nos. 90/16, 100/16, 104/16, 47/17 and 130/2017 providing for 6-months as banking period.
Commission's views: The reply of GESCOM is accepted.	
25. ESCOMs are charging full cost of Meter/Metering equipment as security with the application. In spite of this, there is shortage of meters resulting in late release of connections and late replacement of burnt meters/ defective meters.	The energy meters can be purchased from the retail supply outlets approved by GESCOM.
Commission's views: GESCOM's reply is noted. The timelines fixed in the Regulations /CoS for giving power supply or for replacing meters should be followed strictly.	
26. The Commission should direct the ESCOMs to	The list of cases pending will be given in due

<p>submit affidavit giving the detailed list of consumers whose cases are pending with courts, consumer forum, national commission, dispute settlement committees, forum for redressal of consumer grievances, Ombudsman, APTEL, Commission, Supreme Court, Special Court, assessing officers under Section 126 & Appellant authority U/s 127 by giving the details of amount pending in these cases.</p>	<p>course.</p>
<p>Commission's views: GESCOM's reply is noted.</p>	
<p>27. Prudence check should be conducted by Commission and special Audit be got done in respect of consumption by Seasonal Industries, Temporary Connections, Service charges collected through bills, Service rent collected through bills, Wheeling charges and Cross subsidy surcharges.</p>	<p>The accounts of GESCOM are audited by qualified registered auditor.</p>
<p>Commission's views: GESCOM's reply is not appropriate. The suggestion is for on conduct prudence check of various activities of GESCOM. The Commission has been conducting prudence check of the capex incurred and material procurement by the GESCOM. The other aspects raised by the stakeholder are part of the administrative actions to be carried out by the licensees and cannot be made part of the Commissions prudence check.</p>	
<p>28. ESCOMs should disclose surplus lands, guest houses, details of encroached lands, surplus assets, assets owned by ESCOMs but used by Government for other purpose, vehicles & equipment which are not in use, damaged transformers, waste material, oil & damaged assets.</p>	<p>Separate asset registers are maintained in all the Division Offices for fixed assets.</p>
<p>Commission's views: GESCOM's reply is noted.</p>	
<p>29. An amount of Rs. 773.20 crores is receivable from the Government of Karnataka towards subsidy dues outstanding and accumulated since 2008 to 2016-17. An interest of Rs. 1079.69 Cores should have accrued to the GESCOM for the period 2008-2016, at 12% per annum. There is no provision to give concession for dues to be collected from the Government and there is no provision in the Electricity Act, 2003 that Government should be exempted from levying interest on their dues. GESCOM collects interest on dues from</p>	<p>As per the instructions issued by GoK, interest is not to be levied on belated payments of Subsidy releases (G.O. dated 12.05.2011). Hence, interest on arrears of subsidy is not claimed.</p>

<p>its customers. Similarly, it should have collected interest on dues from the Government. This issue was raised in previous year's objections petition for which Commission stated that the issue would be examined and appropriate action will be taken. However, directions in this regard are yet to be issued to GESCOM.</p>	
<p>Commission's views: The reply is noted. The matter of charging interest on subsidy dues shall be taken up by the GESCOM with the Government, as non-release of subsidy results in borrowing from other sources by paying necessary interest to pay its liabilities which cannot be passed on to the consumers.</p>	
<p>30. Prior to 2008, there were dues from IP set consumers, which were to be recovered directly from them. This due as on 31.3.2013 was Rs. 774.12 Crores (Principal + Interest). The GESCOM has stopped levying interest on outstanding arrears of Rs.774.12 Crores. (Total receivable as on 31st March 2017 with interest works out to Rs. 1218.07 crores). The Interest of Rs. 443.95 Cr. should not be passed on to other consumers. GESCOM should collect the interest from IP set consumers.</p>	<p>In view of observation issued by the AG Audit on IP Set dues/Subsidy releases, change in the Accounting Policy in the Financial Year 2013 was proposed & approved by GESCOM's Board, subsequent to which levy of interest on arrears of the IP Set consumers having load upto & inclusive of 10HP was discontinued and GESCOM stopped levying interest on arrears of IP consumers from 01.04.2013 (Arrears as on 31/03/2013 is Rs.774.12. Cr. Principal Rs.390.84 Cr and Interest Rs.383.28 Cr).</p>
<p>Commission's views: The reply is noted.</p>	
<p>31. The KERC has approved the distribution loss of upto 17% for FY17. GESCOM has exceeded this limit. The distribution loss is 0.33% more than the approved limit. Considering the capital expenditure incurred in the past and present, the reduction in distribution loss is not commensurate with the investment (CAPEX). The real distribution loss is much more than what is being shown. 50 to 55% of the sale of energy is unmetered in GESCOM. In the unmetered sales, there is a possibility of showing excess sale to cover up the excess loss. The excess loss should not be passed on to consumers.</p>	<p>The KERC has allowed the maximum limit as 17.5% and GESCOM is within the upper level of loss approved by the KERC. The vigilance activities have been increased to arrest the pilferage of power. The distribution loss is reduced from 18.93% during FY15 to 18.10% during FY16 and initiatives have been taken to reduce the loss to 17.60 % in FY17 and it is projected to reduce the loss to 17.00 % in FY18.</p>
<p>Commission's views: This aspect is dealt with in the relevant chapter of this Order. In case the losses are beyond the approved levels, the Commission imposes penalty for excess losses.</p>	
<p>32. In towns like Bhalki, Wadi, Gulbarga, Bellary CSC, Shahabad, Shahapur, the distribution</p>	<p>A Budget of Rs. 486.61 Crores is prepared for carrying out the Capital Works. New 33 kV</p>

<p>loss has increased compared to last year. The GESCOm has not indicated the action taken to bring down the loss in the above areas. Special drive has to be conducted in such areas.</p>	<p>Stations and line improvement works are proposed which will help in reducing losses.</p>
<p>Commission's views: GESCOm should make a detailed analysis for the reasons for the increase in the losses and take effective measures in the above areas to considerably bring down the loss.</p>	
<p>33. In the petition of GESCOm, the quantum of energy sold under tariff schedule LT3 (b) is not mentioned. GESCOm is charging Hoardings and Advertisement under tariff schedule LT3 and losing Rs.1.50 to 2.50 per unit and passing the gap to other consumers.</p>	<p>The GESCOm is proposing the tariff by considering the sign boards sponsored by permanent advertising agencies / firms on permanent connection basis to be considered under LT3 tariff.</p>
<p>Commission's views: GESCOm should implement the tariff categorization as per the relevant Tariff Orders of the Commission. For any doubts, it should obtain clarifications from the Commission.</p>	
<p>34. Average cost of electricity is Rs.8.05 per unit. But IP sets are charged only Rs.2.38 per unit. The tariff for IP set category is fixed 15-20% lesser than GESCOm average cost of supply which is ultimately borne by GoK. About 3000 MUs of GESCOm sales is towards IP set category (50% of GESCOm sales) and if the rate had been fixed at average cost, additional revenue of about Rs.300 crores could have been collected. This would have avoided tariff increase and prevented consumers from availing open access.</p>	<p>The average cost of electricity for FY17 works out to Rs. 5.77 per unit and GESCOm is claiming at Rs. 5.03 per unit i.e., Commission determined tariff for IP Set. So the difference works out Rs.0.74 per unit and not Rs.5.67 per unit.</p> <p>Under the Electricity Act, 2003, a HT consumer can opt for Open Access by purchasing electricity from other generators by paying the transmission/ wheeling charges to GESCOm and KPTCL. Most of the IP Sets of less than 10 HP are subsidized by GoK. KERC has issued directions to segregate all IP Set installations from 11 KV feeder under NJY Scheme. The specific consumption so arrived on segregated 11 kV independent feeder is nearer to actual consumption of IP Sets. The assessment of consumption is done by taking reading from the station on that particular 11 kV feeder.</p>
<p>Commission's views: This aspect is dealt in the relevant chapter of this Tariff Order.</p>	
<p>35. The GoK vide Notification No. EN55PSR/2008 has extended free electricity to IP sets up to and inclusive of 10 HP w.e.f. 1.8.2008. As per the Notification, IP set which is metered only will be eligible for free supply. Persons who are</p>	<p>GESCOm is making all out efforts in collecting the accumulated arrears from all categories of consumers including the IP Sets having less than 10 HP. The energy charges in respect of BJ/KJ installations are fully subsidized by GoK.</p>

<p>Income Tax Payers, Professions Tax Payers, Government Servants/Semi Government servants are not eligible to draw electricity for IP-sets, free of cost. Such ineligible persons are also being allowed to take electricity to IP set free of cost by GESCOM. Commission should conduct an inquiry and take action against GESCOM for allowing ineligible persons to draw electricity free of cost to IP-sets.</p>	<p>As regards supply of free power to IP sets of 10 HP and below, the stipulation that income Tax Payers, Profession Tax Payers, Government Servants/Semi Government servants etc., not being eligible to free power is not in force now, though it was earlier enforced.</p>
<p>Commission's views: While providing supply to the IP sets, GESCOM should follow the stipulations in the notification of GOK and give supply to only eligible persons by restricting the duration of supply as per the decision of the Government.</p>	
<p>36. GESCOM has not furnished the break-up of fixed and variable cost paid to KPCL Hydel and thermal plants. The fixed cost paid by GESCOM to the Hydro and thermal plants of KPCL were on a higher side as compared to BESCOM.</p>	<p>The Statement showing the details of Fixed Charges & Variable Charges of KPCL for FY 2016-17 is furnished.</p>
<p>Commission's views: This aspect is dealt with in the relevant chapter of the Tariff Order.</p>	
<p>37. In the Tariff Order 2016, the Commission had specifically laid down the condition that any short term power purchase at more than Rs. 4.50/per unit would require prior approval. The GESCOM has purchased short term power from the IPPs exceeding the ceiling rate. Hence, the Commission should not allow Rs. 2.57 crores spent on this count.</p>	<p>GESCOM has purchased short-term power as per the allocation from the Energy Department, GoK. The processing of the short term power purchase was done by the PCKL on behalf of all the ESCOMs based on their requirements. The PCKL has obtained approval for procurement of power, on short-term basis, from 15.09.2015 to 31.05.2016, from the Commission.</p>
<p>Commission's views: The reply furnished by the GESCOM is noted.</p>	
<p>38. GESCOM has failed to implement of Financial Management FW prepared by KERC. The intent of direction to implement FMFW was to bring in accountability on performance of the divisions, Sub-divisions and administrative units of GESCOM and to improve its productivity and efficiency.</p>	<p>The concept of Strategic Business unit will be to be taken up from April, 2018.</p>
<p>Commission's views: The reply is noted.</p>	
<p>39. Demand Side Management activities of GESCOM are not clearly mentioned in the petition.</p>	<p>The EESL staff have collected information to prepare DPR on the two 11KV feeders in Alanda taluk and assured to start DSM Project by replacing inefficient agricultural pump sets with efficient ones. The EESL is distributing LED bulbs under DSM activity.</p>

Commission's views: The reply is noted.	
40. GESCO is not displaying PPA details / payment details on the website.	The details of the power purchases made during the year are indicated in the tariff application and the same is displayed on the website.
Commission's views: GESCO reply is noted.	
41. GESCO has mentioned that Rs. 655.98 Crores (which pertains to FY15) will be recovered in FY17. This amount should be deleted from deficit of FY19. The GESCO has spent Rs.353.47 Crores more on the power purchase cost. This extra power cost has gone to subsidised category, which should be paid by the Govt.	The deficit of Rs. 655.98 Crores for 2016-17 is as per the KERC Tariff Regulations, 2006. The consumption of subsidized category is less as compared to the year 2018-19. The Transmission cost has increased from Rs. 402.84 Crores (as approved in Tariff for year FY-17) to Rs. 589.85 Crores, i.e. 187.01 Crores. Due to trouble in Sharavathy Hydel Generator, the power purchase cost has increased from Rs. 2692.24 Crores to Rs. 2858.68 Crores. In the subsidized category such as IP Sets, and BJ/KJ, the actual usage in 2016-17 has reduced. In BJ/KJ the approved sale is 118.60 MU and the actual consumption has come down to 108.14 MU and in IP Set the approved sales is 3306.88 MU and the actual consumption for FY17 is 3122.71 MU. Hence, extra power has not gone to subsidized category.
Commission's views: The reply is noted. This aspect is dealt with in the relevant chapter of this Tariff Order.	
42. The revenue from sale of power for FY19 is shown as Rs. 6414.04 crores and approved combined ARR is Rs. 5131.40 Crores. Thus the deficit for FY19 will be Rs. 504.04 crores. GESCO has deliberately shown higher power purchase.	The Power purchase cost and purchase quantity of all the ESCOMs is being computed by the PCKL depending upon availability of power and the generation tariff approved by Commission. Hence, GESCO has not shown higher purchase cost.
Commission's views: The reply is noted. This aspect is dealt with in the relevant chapter of tariff Order.	
43. As per Section 23 of the Act, load shedding should be done with approval of KERC. The Unscheduled load shedding have adversely affected the Industries. GESCO is resorting to load shedding without the approval of KERC and without making alternative arrangements for purchase of power.	Scheduled load shedding is being done with due notice to the consumers and the unscheduled load shedding is resorted to only in case of sudden generation loss, emergent repair works and unforeseen situations.
Commission's views: The reply is noted.	

44. Form No. D-18 containing Details of Demand, Collection and Balance is illegible. Consumers are not aware of the efficiency of collection.	Form No. 18 is submitted in Tariff Filing and the soft copy of the format is also available on the website.
Commission's views: The reply is noted.	
45. Capital expenditure approved by Commission was Rs.834 crores. But GESCOM has made capital expenditure of Rs.698 crores. Tariff hike during FY17 was proposed based on approved Capital expenditure. But as Capital expenditure is less, the difference should be deducted in trueing up.	The hike in the tariff depends upon various factors. Eventhough there was reduced capex, there was increase in the other expenses such as power purchase cost, interest and finance charges, employee cost, repairs & maintenances charges and depreciation, etc.
Commission's views: The reply is noted. This aspect is dealt in the relevant chapter of this Tariff Order.	
46. There is reduction in sales of HT 2(a) due to industries opting for external purchase rather than from GESCOM. If Fixed charges are increased, then some more Industries will go away from GESCOM. GESCOM's request for higher demand charges is not justified as billing is done based on MD recorded (75%). This has to be brought down to 70%. MD recorded is only during any half an hour in the entire month. There are some instantaneous loads for very short duration. There may not be any consumption. Hence billing for energy for entire month for any half an hours MD shoot-up is not correct. It should be dropped.	The HT consumers are only less than 0.1% of total consumers. Due to open access provision the demand is reduced. The present method of collecting demand charges is acceptable to GESCOM and insists on its continuance.
Commission's views: The reply is noted.	
47. Specific consumption of IP sets is stated as 9194.20 Units / annum. In the explanation GESCOM has stated that there was failure of rainfall and water table has gone down considerably and there is decrease in overall IP sets consumption by 184.17 MU (-55%). Hence, the specific consumption is a manipulated figure to get more subsidy and to show that losses have come down.	The metering of individual IP Set is not necessary because, the specific IP Set consumption is being arrived on segregated independent 11 KV IP Set feeder by deducting all other loads.
Commission's views: The reply is not relevant. GESCOM needs to give specific reply to the point raised. However, the issue is dealt within the relevant chapter of this Tariff Order.	
48. The Commission has ordered to implement	As per the order of the Commission ToD has

<p>TOD for 500 KVA and above HT installations. This was meant to bring down the evening peak. The GESCO has requested to continue ToD. The GESCO has not given any information to what extent peak load has come down. If the peak load has not come down, the Commission may cancel compulsory TOD and make it optional. The peak due to HT should be studied separately. The study made by GESCO showing morning peak is not applicable to HT Installations. Hence, the TOD hours should remain the same and TOD should be made optional.</p>	<p>already been implemented in respect of HT installations with contract demand of 500 KVA and above for HT-2 (a), (b) and (c) and HT-1 categories only. GESCO will abide by the decision of the Commission in this regard.</p>
<p>Commission's views: The reply is noted. GESCO, besides implementing the Orders of the Commission, should study the impact of the introduction of the TOD and suggest suitable changes to the ToD metering scheme.</p>	
<p>49. Solar Heating greatly helps in bringing down the morning peak load. Hence present solar rebate should be continued. GESCO has not given the details of how many installations are yet to be serviced with solar water heaters.</p>	<p>Solar water heater is made mandatory in case of new residential installations in line with the regulation laid down by the Commission.</p>
<p>Commission's views: The reply is noted. The GESCO should give the number of solar water heaters so used by the consumers with necessary details so that it can assess its impact during the peak hours.</p>	
<p>50. GESCO had stated that by Dec. 2018, third Phase work of Nirantara Jyothi in 303 feeders will be completed. Further, GESCO has not quantified what is the improvement in power supply to rural areas and reduction of losses. Nirantara Jyothi exercise is being done as per the Government's directions for better supply to the rural consumers. Hence, the entire cost of Nirantara Jyoti should be borne by the Govt. It should not be loaded on to the consumers.</p>	<p>By implementation of NJY, the consumers are benefited. Power supply is extended from 16, Hours to 22 Hrs.</p>
<p>Commission's views: The reply is noted. GESCO should submit a detailed report on the results of the performance of the scheme in giving the benefits to the consumers, in each of the feeders.</p>	
<p>51. Implementation of HVDS (High Voltage</p>	<p>Due to many complexities involved in the</p>

<p>Distribution System) will bring down the losses by about 8-10%. Since September, 2012, the Commission has been repeatedly instructing GESCOM to implement HVDS. It is not informed by GESCOM when this will be complete in all subdivisions.</p>	<p>implementation of the HVDS scheme in GESCOM, the techno-economic analysis is necessary for arriving at the feasibility of the HVDS Scheme. The Budget provision is not made for HVDS works in Capex -2019 of GESCOM.</p>
<p>Commission's views: The reply is noted.</p>	
<p>52. In 2013, GESCOM had proposed replacement of 20,000 less efficient pump sets by high efficient pump sets, to save about 30% of IP consumption. The work has not started even in 2017. GESCOM has stated that Solar PV power is provided to 250 IP sets. This is only to provide cheap solar power during day time.</p>	<p>GESCOM has selected Two feeders feeding exclusively for IP sets in Aland Taluka of Kalaburagi district for implementation of DSM on IP set feeder and requested EESL to prepare DPR in this regard.</p>
<p>Commission's views: The reply is noted. The work has to be expedited.</p>	
<p>53. GESCOM is not carrying out periodical maintenance of network. Live wires on the road, open junction boxes and short circuits in transformer wiring are seen, which are usual hazards. As per the I E Rules, Safe vertical clearance for LT lines is 2.5 meters and safe horizontal clearance is 1.2 meters. In case of HT lines safe vertical clearance is 3.7 meters and safe horizontal clearance is 2 meters. These safe distances are not maintained resulting in accidents. Concerned Officers should be held responsible.</p>	<p>To reduce electrical accidents GESCOM has taken measures to carry out periodical and preventive maintenance works on distribution system, provide intermediate poles on LT/ HT lines, replace deteriorated conductors/broken poles in LT/HT lines and set right the slanted poles by foot concreting, re-string loose spans in HT/LT lines, provide clearance to the LT/HT Lines which are passing close to the buildings, procure safety materials for field staff, educate the field staff and public about the use of safety electric equipment and measures to be taken and rectify hazardous installations in lines and equipment. Rs.0.78 Crores is incurred for rectification.</p> <p>The details of number of hazardous installations identified and rectified in the distribution system to reduce the electrical accidents for FY17 and the action plan for remaining FY18 is furnished.</p> <p>GESCOM is continuously taking remedial measures towards prevention and minimization of electrical accidents such as providing protective gears to the maintenance staff, identifying hazardous</p>

locations and rectification, educating the GESCOM staff and the general public regarding safety precautions to be taken in handling electrical installations etc., by providing sufficient capital budget.

Commission's views: The reply is noted. This aspect is dealt with in the relevant chapter of this Order.

54. The Commission had directed GESCOM to achieve HT/LT ratio of 1:1. In this tariff petition, GESCOM has not given the HT/LT ratio. In the last tariff revision petition FY17, the GESCOM had confirmed that HT/LT ratio will be brought down to 1:1.43. But the GESCOM has not brought down the ratio resulting in high distribution loss.

The GESCOM has taken up works under the NJY, wherein new 11 KV independent feeders were constructed. By commissioning these feeders, the HT:LT ratio has been reduced considerably.

Year wise HT:LT ratio is furnished below.

Sl. No	Year	HT:LT ratio
1	2013-14	1:1.82
2	2014-15	1:1.74
3	2015-16	1:1.58
4	2016-17	1:1.56
5	2017-18 (Up-to Jan,-18)	1:1.49

Further GESCOM is also taking up construction of new link lines, new substations and under taking new schemes such as IPDS, DDUGJY etc., that would contribute to reduction of HT:LT ratio.

Commission's views: The reply is noted.

55. It is obligatory for the GESCOM to give annual abstract of reliability Indices of the feeders. The GESCOM has released to the News Papers that the reliability Index of GESCOM is 99.20%. But GESCOM has not supplied the work sheets in the tariff filing.

GESCOM has furnished the details of the reliability indices in the application and is submitting this information regularly to the Commission.

Commission's views: The reply is noted.

56. GESCOM has not given details of failures of distribution of transformers. The failure rate is

The details of transformer failed and cost incurred has been furnished, capacity-wise.

12.27% due to improper maintenance. GESCOM has not disclosed the expenditure in repairing these failed transformers and the steps to reduce the failures and bring down the expenditure.	
Commission's views: GESCOM's reply is noted.	
57. For long pending arrears, disconnection of supply should be effected.	Arrears are being collected and except for IP sets, disconnection is effected to installations with long pending dues.
Commission's views: The reply is acceptable.	
58. GESCOM is quoting only distribution losses but not ATC losses. ATC losses are targeted at 13.72%. GESCOM wants to implement Simulation type to find out losses. This will not be realistic. If the field details are not properly entered or deliberately not added, the findings of Simulation will be wrong and misleading. Actual losses should be automated.	Statement showing the AT&C Loss of GESCOM for the period from FY14 to FY17 (up to Jan,2018) is furnished.
Commission's views: GESCOM's reply is noted.	
59. The Service of reconnection should be free. Existing Reconnection charges are nominal and comparable to services rendered. Existing Reconnection charges should be continued or they should be dropped as a matter of service to the consumers.	Existing Reconnection charges should be continued.
Commission's views: The reply is noted.	
60. The paying capacity of some categories of Consumers like Software Companies is good. Hence, these Companies should be brought under Commercial tariff.	GESCOM abides by the KERC orders.
Commission's views: The categorization of consumers depends upon the nature of use apart from paying capacities.	
61. GESCOM had to pay interest for the delayed payments made to the Generators. Such interest should not be passed on to the Consumers.	The payments being made to the Generators for the supplied energy are as per the terms of the PPA.
Commission's views: The reply is noted. Any interest paid on delayed payment generators would be out of interest on working capital provided.	
62. Govt. of India has come out with Debt	GESCOM is participating in UDAY scheme

Restructuring Scheme called Ujwal Discoms Assurance Yojana (UDAY). GESCO should have accepted the Scheme.	
Commission's views: The reply is noted.	
63. The average cost of power from hydel stations is 84.31 paise per unit. The average cost of power from thermal stations is 435.51 paise. Hence GESCO should utilize more Hydel Power.	Hydel power generated in the State owned projects is being allocated by the GoK.
Commission's views: The reply is noted. This aspect is considered in the relevant chapter of this Tariff Order.	
64. The Commission should order ESCOMs to come out with short term and long term solutions for power deficit of 6000 MW in the State. Short term solutions can be, distributed generation with short gestation period like Diesel Generators or Gas Turbine Generations. GESCO can set up its own Generation and can supply exclusively to GESCO Consumers. This will help to reduce the load shedding and make cheaper power available to GESCO Consumers. GESCO need not invest in generation but it can be through bidding.	Power situation in the State is being reviewed regularly by the KERC. Presently, the PCKL purchases additional power through bidding when required. The fixation of Tariff depends upon the Expenditure and Revenue of GESCO. The Gap in the expenditure and income for the FY19 is worked out at Rs.1160.02 Crores. Accordingly the hike of Rs.1.62/unit in the Tariff is proposed in existing tariff to fill the Gap of Rs.1160.02 Crores.
Commission's views: The reply is not correct. The Commission, however notes that currently there Power deficit in the State.	
65. Open access may be extended to the consumers drawing power below 1MW also.	GESCO requests not to consider the extension of open access to consumers of below 1MW.
Commission's views: At present, the open access facility is given to consumers with contract demand of 1 MW. Extending the OA to other consumers cannot be considered for the present.	
66. Rural Industries are suffering a lot due to scheduled and unscheduled power cuts, low voltage, delay in resuming power supply whenever there are faults etc. GESCO should be instructed to supply quality power to the rural areas. Though certain relief is given to them by way of 5 paise /15 paise reduction, this is meagre. Further reduction may be given.	GESCO has already taken up NJY, a scheme for construction of 11kV independent feeders to non-agricultural loads in rural areas, which would ensure continuous power, including rural industries. This is almost on par with urban power supply.
Commission's views: The reply is noted.	

67. Commission should publish Annual Reports of ESCOMs mentioning the breakup of accumulated losses, efficiency, improvements etc. for the information of Public.	Publishing Annual reports of ESCOMs by KERC does not fall under the functions of the Commission.												
Commission's views: The ESCOMs are required to publish the Annual Reports on their own.													
<p>68. Major source of generation in Karnataka is Hydel which is much cheaper than thermal or Nuclear or Renewable sources. Hence tariff in Karnataka should be lower than in other States. During 2013-14, five states – Chattisgarh, Odisha, Rajasthan, Tamil Nadu, and Uttar Pradesh have not increased industrial tariff. (Source; Power line Magazine Sept 2014). In order to encourage industries, this year there should be no hike in tariff to the industries in Karnataka.</p> <p>Comparison with other states</p> <table border="1" data-bbox="148 898 823 1216"> <thead> <tr> <th>State</th> <th>Per KVA charges</th> <th>Per Unit charges</th> </tr> </thead> <tbody> <tr> <td>Maharashtra</td> <td>Rs.150/-</td> <td>4.80 Paise</td> </tr> <tr> <td>Rajasthan</td> <td>Rs. 90/-</td> <td>4.01 Paise</td> </tr> <tr> <td>Karnataka</td> <td>Rs.180/-</td> <td>7.32 Paise</td> </tr> </tbody> </table> <p>Hence industrial tariff should be reduced.</p>	State	Per KVA charges	Per Unit charges	Maharashtra	Rs.150/-	4.80 Paise	Rajasthan	Rs. 90/-	4.01 Paise	Karnataka	Rs.180/-	7.32 Paise	The cost parameters in different states are not comparable and such comparison is not feasible.
State	Per KVA charges	Per Unit charges											
Maharashtra	Rs.150/-	4.80 Paise											
Rajasthan	Rs. 90/-	4.01 Paise											
Karnataka	Rs.180/-	7.32 Paise											
Commission's views: This aspect is considered in the relevant chapter of this Tariff Order.													
69. The average HT tariff in United States is 6 US cents/kwh(which is equivalent to about Rs.3/kwh). But in Karnataka it is Rs. 7.32/unit for HT consumers. Indian Industry has to compete in the Global Market. In order to make the cost of manufacture of Indian Industry to be competitive, tariff has to be on par with other nations. Hence HT tariff should not be increased.	The tariffs in different nations are dependent on the input costs, which tend to be different from one nation to another. Hence, comparison with other countries is not appropriate.												
Commission's views: The reply is acceptable.													
70. Post GST era, based on the principle of " one nation one tax" there can be only one tax ie. GST that can be levied on goods & services. Therefore, the Electricity tax of 6% should be removed. Suitable directions have to be given to all ESCOMs not to levy tax hence forth.	The issue of levying tax on consumers does not come under the purview of GESCOC. The appropriate authority for tax matters & the GoK.												

Commission's views: The reply is acceptable.	
71. GESCO has not taken action to run the Company as an efficient company and is seeking exorbitant hike tariff every year to load its inefficiency on consumers. The Management of GESCO may be entrusted through bidding to any Public/Private person who can supply energy to the consumers at lower tariff.	GESCO does not agree to the suggestions of entrusting management to private parties.
Commission's views: The suggestion is outside the purview of the present tariff determination exercise.	
72. GESCO has erred in calculation of wheeling charges. As against proposal of Rs.1017 Crores ARR, GESCO has considered ARR of Rs.4978.90 Crores while calculating wheeling charges resulting in erroneous 632% increase in wheeling charges.	An error in furnishing the distribution ARR in the Petition was noticed by the Commission in its Preliminary Observations. The reply has been furnished to KERC with correct Wheeling Charges and CSS.
Commission's views: The reply is noted.	
73. Detection of Power theft cases are not always the power theft cases but, mostly are the cases of disproportionate power sanctions relating to fixed charges. GESCO has to address this by identifying the consumers who are paying for the electricity charges, but while taking connections, the matching power sanctions are not taken due to innocence. Based on power consumption of consumers, the GESCO Officials may ask the consumers to get the matching power sanctioned and pay the fixed charges. This reduces the work of GESCO Officials as well as restores dignity and peace to the consumers.	For detection of connected load, new metering arrangement is provided which records the connected load of the installation. Routine inspection of installation is being carried out and action is being taken to penalize the consumers who avail more than the sanctioned load. Usage of more than sanctioned load leads to unauthorized load and attracts penalty. The same will be brought to the notice of the consumers in monthly Electricity bills in future and through notification in the Newspapers.
Commission's views: GESCO reply is acceptable.	
74. Restructuring of power tariff is required and could be done by: a. Removing the existing slab system. b. Levying of uniform tariff across all the consumers on par with telephone tariff, price of fuel such as petrol/ diesel, price of milk etc.	GESCO, in its mission statement has committed itself to achieve the mission through best standards of customer services and usage of resources for the benefit of all the customers. Therefore, slab-wise tariff has been designed to benefit the poor people and higher tariff is fixed for sustainable

<p>c. Doing away with classification of categories to stop cross-subsidization by various categories of consumers.</p> <p>d. Average cost of power supply per unit should be the power tariff per unit irrespective number of power units consumed by the consumer.</p> <p>e. The subsidies in the power tariff to the eligible categories of consumers can be extended on the lines of DBT.</p> <p>f. Consumers opting for HT Connection to tide over the deficiency of power during season from January to June has to pay unwanted power bill at the rate applicable to HT connections although the power is not utilized during off-season period. Hence, suitable concession has to be given.</p> <p>g. Upgrade LT connections of all the industries from the present 66 HP to 99 HP in order to relieve the industries from the fixed charges during off-season.</p>	<p>categories of consumers, hence, slab and category-wise system cannot be removed due to social obligation.</p> <p>The fixed charges are claimed based on investment made for infrastructure created for the consumers. Hence the consumer has to pay fix charges even though the power is not utilized. For the industries opting for 67HP and above, infrastructure such as HT line, Distribution Transformer center has to be created as LT line is not economical. Hence the LT connections to the industries is limited for below 67 HP only.</p>
<p>Commission's views: The reply is acceptable.</p>	

The following non tariff issues were raised during Public hearing:

1. Consumer interaction meetings are not conducted with prior intimation and the problems/ grievances of the consumers are not solved within reasonable time. Action taken reports are not published or made available to the consumers.
2. Transformers are purchased unnecessarily and kept in the Stores. The warranty period of such transformers expires before being put to use, resulting in wasteful expenditure.
3. Payments are made to electrical contractors even before the works are completed and without inspection of the works.
4. Electrical accidents are increasing and in electrical accident cases, compensation is not disbursed to the victims.
5. For complaints registered through telephone no. 1912, compliance reports are not given to the consumers.

6. Prompt payment incentive given to payment by ECS should be extended to other modes like RTGS, NEFT, etc.
7. The employees are paid very high salaries and bonus, which is not proper. The employee cost is a major portion of O & M expenses and this aspect needs to be examined.
8. A prescribed time should be mentioned for the public to meet the Officers/Engineers.
9. IP sets of more than 10 HP capacity have to be identified and billed.
10. The quality of paper and print of bills has to be improved.
11. 7-hour supply to IP sets is not given. It would be beneficial to farmers, if supply to IP sets is given during day time.
12. Long-standing linemen and Officers has led to inefficiency and corruption in GESCOM.
13. Hotels should be exempted from tariff hike or should be given an option of half payment of bills.
14. GESCOM should curtail its expenditure on hiring of vehicles by opting for cheaper and competitive prices.
15. Overloading and tripping of lines is common in rural areas and no remedial and timely action is taken to rectify the faults.

The Commission directs the GESCOM to look into the above suggestions and take appropriate remedial action wherever it feasible and practicable.