

APPENDIX-1

Gist of the objection of the consumers / public, GESCOM's Response and the Commission's views thereon.

	Objections	Replies by GESCOM
GA-01		
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 th Nov 2019 which has not been done. (Done on 08-01-2020) On this count this Application is not maintainable.	GESCOM has filed Application for Determination of Tariff FY-21 in time i.e., on 29.11.2019.
Commission Views: The reply filed by GESCOM is acceptable.		
2.	GESCOM should have clearly indicated steps taken for improvement of efficiency since the date of previous order and earlier orders issued by Hon'ble Commission indicating the efficiency gains, which could be ultimately transferred to the consumers proportionately. In the absence of any specific gains the application is not maintainable.	<p>GESCOM has submitted the details of loss reduction of 2% year on year and improvement in other performance parameters such as metering, continuous supply of power, customer complaint handling etc. in the petition filed before the Commission. The Annual Accounts of GESCOM for FY19, during which the Company has earned profit at operational levels, is part of the tariff petition. The tariff petition and the APR filed on 29/11/2019 is in the formats prescribed by the Commission and Replies of GESCOM to the preliminary observations on the tariff petition are also part which are to be read along with the original petition.</p> <p>Supply position and quality of supply have improved and interruptions <u>have</u> reduced as compared to 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 DDUGJY/NJY schemes. As a result of the implementation of DDUGJY/NJY, the IP set consumers are also provided with quality power supply. Hence, taking into consideration of the above, the present revision of Tariff has been</p>

		<p>filed as per Tariff Regulations 2006 and Order No. D/01/6 dated 31.05.2006.</p> <p>GESCOM has taken various steps for improving the efficiency by carrying out various improvement works in its jurisdiction. As a result of efforts put forth by GESCOM the distribution losses have come down from 26% in year FY08 to 14.41% at end FY19. The Distribution loss has been reduced to 11.45% at the end of December-2019. GESCOM is Planning to further reduce the distribution loss by the end of FY20.</p> <p>GESCOM has undertaken several measures to improve the infrastructure and consumer satisfaction. As a result of various schemes implemented, such as construction of new substations, 11KV link lines, additional distribution transformers, reconductoring etc. GESCOM has also implemented the Central Govt. sponsored IPDS (Integrated Power Development Scheme) in towns/cities and DDUGJY in the rural areas. and electrification of all BPL/APL households in Soubhagya Yojane.</p> <p>GESCOM has transferred the efficiency gains to the consumers duly following the directives set by KERC. The GESCOM has submitted details in the petition filed before the commission.</p>						
	<p>Commission views: The replies furnished by GESCOM are noted. The sharing of efficiency gains have been discussed in the order.</p>							
3.	<p>GESCOM has stated that the Gap for FY21 is Rs. 602.03 Crores which includes Gap for FY19 as Rs.19.34 crores. (Surplus) and the gap for FY21 as Rs.621.37 crores and hence has requested Commission to hike the tariff by 74 paisa per unit for all category of consumers.</p> <p>Growth of HT installations is stated to be 6.0%. But sales are declining to -0.13%. This is a clear indication that HT consumers are leaving the grid due to</p>	<p>The actual growth of HT installations is about 4.24% in FY20 over FY19. Further, as per the petition filed by GESCOM (Format D-2) the sales in HT 2a category are as follows:</p> <table border="1" data-bbox="841 1566 1393 1654"> <thead> <tr> <th>Category</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>HT-2a</td> <td>897.53 MU</td> <td>1144.22 MU</td> </tr> </tbody> </table> <p>The HT industrial (HT-2a) growth in FY19 over FY18 has been significant i.e., 27.49%, <u>which</u> was due to some of the open access consumer opting to GESCOM.</p>	Category	2017-18	2018-19	HT-2a	897.53 MU	1144.22 MU
Category	2017-18	2018-19						
HT-2a	897.53 MU	1144.22 MU						

	high HT tariff. If HT tariff is not reduced many more HT Consumers may leave. This is a serious matter. This should be considered by the Commission.	
	Commission views: The sales to various consumers and the tariff for HT consumers are discussed in the relevant chapter of this Tariff order.	
4.	As per the tariff policy any tariff to be fixed should be within +/-20 % of cost to serve. GESCOM has not submitted "cost to serve" to the Commission. As cost to serve has not been finalized by the Commission, it is not possible to verify whether the proposed tariff is within the limits. Cost to serve is very important parameter. The cost to serve a HT installation is very much less compared to LT power. If cost to serve is found out and tariff is fixed as per cost to serve, the tariff of HT 2 (a) will have to be brought down by 50%, which KASSIA is trying to justify. GESCOM is giving non-convincing replies. At least in case of HT 2 (a) category cost to serve should be worked out. Hence this Tariff Application should be rejected. In the last tariff revision fixed charges were raised from 75% to 85% on contract demand which was unjustified as GESCOM has not spent anything for improving the quality. Hence fixed charges should be reversed back to 75%. It appears GESCOM wants to earn all its annual revenue requirement by increasing the fixed cost of HT/LT industries without rendering any service.	<p>Cost to serve model is not yet finalized. The present tariffs are based on the Economic conditions and paying capacity of the consumers.</p> <p>The Demand charges, are claimed as per the Tariff Order approved by the commission and as per the Conditions of Supply.</p> <p>The increase in Demand Charges i.e fixed cost is to cover the fixed charges claimed by the power generators and to meet other fixed costs such as O & M Expenses, loan repayment, Interest & Finance Costs & Depreciation. The present total fixed cost is much lower and still does not cover <u>the total</u> fixed costs. Hence, a marginal increase is sought. The Tariff approved by the Hon'ble Commission has ensured that the Cross subsidy is +/- 20 of the Average Cost of Supply.</p>
	Commission views: The Commission takes note of the observation and reply provided by GESCOM.	
5.	As per section 23 of the Act, load shedding should be done with the approval of KERC. Unscheduled load shedding have adversely affected the Industries. KERC should take appropriate action in this regard. For planned	Scheduled load shedding is done as per Commission's norms. Unscheduled load shedding is resorted to only in case of unforeseen situations. For planned maintenance it is published in the newspapers at least 24 hours before and the scheduled is also intimated to the HT consumers.

	<p>maintenance, it should be published in the newspapers least 24 hours before, which is not done. In such cases GESCOM should resort to Spot purchase of power through Energy Exchanges, which is not done. GESCOM is resorting to load shedding without the approval of KERC and without making alternate arrangements.</p>	<p>Hence GESCOM has not violated in the subject matter.</p>
	<p>Commission views: The Commission notes the reply provided by GESCOM. GESCOM shall be guided by the directive of the Commission on load shedding.</p>	
6.	<p>Average cost of supply is Rs. 4.53 but IP sets are charged only Rs.2.38 per Unit. Who pays the difference amount of Rs.2.15 per Unit? It is being recovered from other consumers through cross subsidization. That means a large part of the cost of unmetered free power (of 39 per cent) is being borne by the other consumers through cross subsidies though the Govt. claims the burden is entirely on its account. This is a clear case of regularization of dues of the Govt.</p>	<p>The above figures do not pertain to GESCOM either for FY19 (APR) or FY21 tariff petition. Hence not responded.</p>
	<p>Commission's Views: Since the figures quoted by the Objector are not relevant to GESCOM, it is unable to furnish its reply. Objectors are advised to raise issues relevant to the respective ESCOMs.</p>	
7.	<p>Since, the applicant has totally failed to improve the efficiency of its operations by implementing the directives issued by the Commission to that effect; the hike in tariffs sought by the petitioner through the impugned, petition is not justified and also not maintainable. In fact, the earlier increase in tariffs should be reversed. The power supply situation and quality of power supply in rural areas have deteriorated further during the current year. The objector submits that 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</p>	<p>As explained in 2.2 (objection no-2) above and the compliance to the Commission's Directives is submitted in chapter-4 (page 111 – page 157) of the Tariff petition providing detailed explanation about the actions initiated by GESCOM on all the Directives during the year. The conditions of the power supply situation and quality of power in both urban and rural areas has significantly improved. The filings of the Company are not defective in any manner.</p>

	and liable to be dismissed as not maintainable.																									
	Commission views: The reply furnished by the GESCOM is noted.																									
8.	Commission approved 1602 HT installations for FY19, But actually HT installations in FY19 are only 1552. Thus, HT installations got reduced by 150. It clearly shows many HT industries have left GESCOM due to higher HT tariff. Commission should consider reducing HT tariff so that HT consumers don't move away from Karnataka.	The total no of existing HT installations in GESCOM at the end of FY19 is 2514 No's and the HT installations have increased to 2637 No's at the end of January-2020 and got increased by 123 No's compare to the preceding Year FY19.																								
	Commission views: The reply furnished by GESCOM is noted. The approved figures are based on estimates which are based on certain assumptions and comparing it with actual figures and coming to conclusion that HT consumers are leaving the grid is not correct.																									
9.	By completing HVDS and by improving HT:LT ratio it is possible further reduce the losses. GESCOM may give attention to this aspect.	<p>The Commission has directed not to process and hence HVDS has not been taken up and dropped.</p> <p>GESCOM has taken up DDUGJY/IPDS and various system improvement works, wherein new 11 KV independent feeders were constructed. By commissioning these feeders, the HT:LT ratio has been reduced considerably. The Year-wise HT:LT ratio is furnished below.</p> <table border="1"> <thead> <tr> <th>Sl. No</th> <th>Year</th> <th>HT:LT ratio</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2013-14</td> <td>1:1.82</td> </tr> <tr> <td>2</td> <td>2014-15</td> <td>1:1.74</td> </tr> <tr> <td>3</td> <td>2015-16</td> <td>1:1.58</td> </tr> <tr> <td>4</td> <td>2016-17</td> <td>1:1.56</td> </tr> <tr> <td>5</td> <td>2017-18</td> <td>1:1.49</td> </tr> <tr> <td>6</td> <td>2018-19</td> <td>1:1.47</td> </tr> <tr> <td>7</td> <td>2019-20 (Up to Jan-20)</td> <td>1:1.34</td> </tr> </tbody> </table> <p>Further GESCOM is also taking up construction of new link lines wherever new substations and also new 11KV lines are constructed for bifurcation of overload/lengthy feeders under ongoing schemes such as IPDS, DDUGJY etc. that would contribute to reduction of HT: LT ratio.</p>	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	1:1.49	6	2018-19	1:1.47	7	2019-20 (Up to Jan-20)	1:1.34
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10.	<p>The Commission approved power purchase cost of Rs. 3266.74 crores. But GESCOM has purchased power of Rs.3949.24 crores. Thus GESCOM has purchased more power of Rs.682.50 crores. GESCOM could have controlled the power purchase by controlling the supply to various categories of consumers. GESCOM has failed to regulate the consumption by various consumers. Extra purchase is loaded on to the consumers. It is wrong. This should be paid by the Govt.</p>	<p>Power Purchase Expenditure is un-controllable expenditure as per the tariff regulations. The additional power purchase is made to meet the power demands of the HT consumer which has increased by 23.91% in FY 19 and other consumers also. Controlling the power purchase could lead to Load shedding which is not an option of the Distribution Company and could cause lot of inconvenience to the Consumers. Hence, The Company has kept the interest of the Consumers in view and was able to purchase additional power to meet customer's requirement.</p>
<p>Commission views: The reply furnished by the GESCOM is noted and the power purchase quantum and cost is discussed in the relevant chapter of this order.</p>		
11.	<p>TOD: GESCOM has stated that there is surplus <u>generation</u>. Hence GESCOM may supply TOD power to HT industries at lesser rate at least Rs. 2 less than the normal tariff.</p>	<p>Incentives as approved by the Commission are being extended to the HT consumers. Presently, HT industries are given special incentive schemes to those who opt for ToD tariff. Under the Special incentive scheme consumers are being charged Rs. 1 & Rs. 2 less than the normal Tariff for usage of energy over and above the base consumption for time period between 10 to 18 and between 22 to 06 Respectively. Relaxation to the ToD usage during morning peak between 06.00 AM to 10.00 AM will be examined based on the grid constraints.</p>
<p>Commission views: The Commission notes the observation and reply provided by GESCOM.</p>		
12.	<p>Time Switches: GESCOM has stated that there are 13,175 street light installations and Time Switches are provided for 1607 (12%) street light installations. Yet 11568 installations (88%) are to be provided with time Switches. Time switches help to bring down the peak load. The purpose of bringing down the peak load has not been pursued with all seriousness. Though more than five years have lapsed GESCOM is yet to arrange time Switches to street light installations. Then how peak load can be brought down? Thus GESCOM has failed to implement</p>	<p>GESCOM has addressed letters to The Chief Executive Officer, Zilla Panchayat / The Commissioners of City Corporation / Municipal Commissioners of City Municipality of GESCOM Jurisdiction for fixing the timer switches for the street light installations and same is pursued by the Executive Engineers in the respective Divisions and also all the Executive Engineers of O&M in GESCOM are instructed to follow up with the local municipal authorities to take action for avoiding the burning of street lights during day time.</p>

	Demand Side Management.															
	Commission views: The reply furnished by the GESCOM is acceptable.															
13.	Independent feeders are required for Industries. There are interruptions and load shedding. Industries are suffering a lot. KASSIA insists that independent feeders should be provided for feeding to the industries.	GESCOM has taken measures to create independent feeders to industries wherever required. Out of total of 1952 No. of 11 kV feeders existing in GESCOM, 106 Nos. are independent industrial feeders. Based on the requirements independent industrial feeders will be created.														
	Commission's Views: The reply furnished by the GESCOM is acceptable.															
14.	Solar Heating greatly helps in bringing down the morning peak load. Hence present solar rebate should be continued. GESCOM has not given the details of how many installations are yet to be serviced with solar water heaters.	GESCOM has not proposed discontinuation of solar rebate. Prior to servicing of the installation the consumers should produce the installation certificate for having installed the Solar water heater, which is mandatory in line with the regulation laid down by the Commission. Providing the information i.e. how many installations are yet to be serviced with solar water heaters is not prerequisite for filing the petition.														
	Commission's Views: The reply furnished by the GESCOM is <u>noted</u> . Nevertheless, GESCOM shall maintain the details of installations which are having solar heaters, in order to assess the quantum of energy conserved by installation of solar heaters.															
15.	Niranthara Jyoti (NJS): GESCOM has stated that NJS is to be implemented in balance 26 feeders. It has not indicated when the remaining works will be completed. Further, GESCOM has not quantified the improvement in power supply to rural areas in terms of <u>loss reduction</u> . Further Niranthara Jyoti exercise is being done as per the Govt directions to enable it to <u>supply power</u> , better to the rural consumers. It is a welfare activity by the Govt. Hence the entire cost of Niranthara Jyoti should be borne by the Govt. It should not be loaded on to the consumers.	<p>The details of feeders completed and commissioned under NJY and DDUGJY for bifurcation of agriculture and non-agriculture load are as follows.</p> <table border="1"> <thead> <tr> <th>Sl.No</th> <th>Name of the scheme</th> <th>No of feeders completed and commissioned</th> <th>No of villages covered</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NJY Phase-1</td> <td>246</td> <td rowspan="3">3852</td> </tr> <tr> <td>2</td> <td>NJY Phase-2</td> <td>105</td> </tr> <tr> <td>3</td> <td>DDUGJ Y</td> <td>154</td> </tr> </tbody> </table> <p>The remaining 26 feeder's work is covered under DDUGJY.</p> <p>The following are the improvements after implementation of feeder segregation under NJY</p>	Sl.No	Name of the scheme	No of feeders completed and commissioned	No of villages covered	1	NJY Phase-1	246	3852	2	NJY Phase-2	105	3	DDUGJ Y	154
Sl.No	Name of the scheme	No of feeders completed and commissioned	No of villages covered													
1	NJY Phase-1	246	3852													
2	NJY Phase-2	105														
3	DDUGJ Y	154														

		<p>and DDUGJY schemes.</p> <ol style="list-style-type: none"> 1) Before bifurcation of agricultural and non-agriculture load the power supply was arranged to rural areas for 16 to 17Hrs per day. After successful implementation of NJY and DDUGJY scheme quality power supply is given for 22 to 24 Hrs per day for NJY feeders and 7 Hrs continuous supply for EIP feeders. Since power supply to IP set consumers is restricted to 7Hrs per day, the consumers of other category are relieved from paying for the excess drawl by IP set consumers. 2) The failure rate of DTCs coming under NJY and EIP feeder has significantly reduced. 3) Un-scheduled interruptions have been reduced significantly. 4) The tail-end voltage improved. 5) In respect of NJY and EIP feeders the losses have come down. <p>DDUGJY scheme is sponsored by GOI with support of 75% grants 25% financed as long term loan availed from REC. Major portion of the scheme is borne by GOI.</p>
<p>Commission views: The reply provided by GESCOM is noted. As provided by GESCOM in its reply to preliminary observations, in respect of DDUGJY scheme, 10% of the cost has need to be contributed from GESCOM, the Govt. grant is to the extent 60% and 30% is loan. GESCOM is directed to analyze and provide the deatils of improvement achieved . For example, losses in the feeders before bifurcation and after bifurcation and likewise comparison of other parameters need to be provided with specific statistics instead of defining the objectives in a general way.</p>		
16.	<p>GESCOM, in 2013 had proposed replacement of less efficient pump sets by high efficient pump sets. This will save about 30% of IP energy consumption and will reduce the demand. But work has not started even in 2018. GESCOM has not stated anything in this regard. GESCOM has not done DSM at all. GESCOM has stated that Solar PV power is provided to IP sets. This is only to provide cheap solar power during day time. It is not DSM. This will not reduce any load. During day time there is no peak.</p>	<p>In view of conserving energy and to reduce subsidy burden on Government and cross-subsidizing consumer, GESCOM has identified 11KV Chincholli IP feeder in Afzalpur Sub-Division to take up Agri-DSM initiative on pilot project basis which have 758 IP sets in this feeder for the Replacement of old, inefficient pump sets with BEE (four/five) Star rated Energy Efficient Pump Sets (EEPS) to the farmers under Ag.DSM. In this regard GESCOM prepared a Detailed Project Report (DPR) with the annual energy savings 1243 MWh and Initial investment of Rs. 3.88 Crores. The other details are already furnished in the Tariff revision application</p>

	Solar power can be stated as standalone power supply to IP sets. It is not DSM. GESCOM has not reported anything on DSM implementation.	submitted on 29.11.2019 (page No: 145). Since the capital expenditure is to be borne by GESCOM, the same is yet to be taken up.												
Commission views: The replacement of energy efficient motors requires huge capex and the same is a policy matter to be decided by the Government. If the consumers desire to replace them at their cost, they can come forward voluntarily.														
17.	Metering of DTCs: Commission has directed GESCOM to complete the work of metering of DTCs by 31-12-2010. There are 105296 DTCs. Meters are provided to 83436 DTCs. Today, still 21860 DTCs are to be metered. Number of DTCs having losses more than 10% are 3954. At this rate metering may take more than 5 years. In those DTCs improvement works should be carried out to bring losses below 10%.	<p>Regarding DTC metering, in GESCOM there are 18716 un-metered DTCs of various categories excluding IP Set DTCs. Work is under progress for metering of 4841 Nos of DTCs under DDUGJY. Tender also invited for metering of 1725 un-metered DTCs. Further, the ESCOMs were directed in 58th Advisory Committee Meeting not to take up the DTCs metering works until completion of energy audit work in respect of DTCs already metered and the same will be complied by GESCOM for metering of balance un-metered DTCs.</p> <p>Out of 27205 metered DTCs energy audit of 15,000 Nos of DTCs (on an average) is being carried out on monthly basis.</p> <p>The abstract of percentage wise losses of 15255 Nos of DTCs audited for the month of Nov-19 is as follows.</p> <table border="1" data-bbox="836 1281 1453 1438"> <thead> <tr> <th>Loss percentage</th> <th>< 6 %</th> <th>> 6% to < 10%</th> <th>> 10 to < 15%</th> <th>> 15 %</th> <th>Total No. of DTCs Audited</th> </tr> </thead> <tbody> <tr> <td>No of DTCs</td> <td>2517</td> <td>2342</td> <td>6432</td> <td>3964</td> <td>15255</td> </tr> </tbody> </table> <p>Further, GESCOM has instructed all its field officers vide letter No. 57493-519 to carry out the energy audit of all the metered DTCs every month mandatorily and also instructions have been issued vide letter No: 58202-28 to closely monitor the DTCs having more than 10% losses and take corrective measures for loss reduction.</p>	Loss percentage	< 6 %	> 6% to < 10%	> 10 to < 15%	> 15 %	Total No. of DTCs Audited	No of DTCs	2517	2342	6432	3964	15255
Loss percentage	< 6 %	> 6% to < 10%	> 10 to < 15%	> 15 %	Total No. of DTCs Audited									
No of DTCs	2517	2342	6432	3964	15255									
Commission views: The reply furnished by the GESCOM is <u>noted</u> . GESCOM is directed to <u>focus</u> on the DTCs having higher losses and investigate the reasons for higher losses besides taking														

	remedial measures to arrest/ reduce the losses immediately.	
18.	<p>Energy Audit: The losses are more than 10% in 18 towns out of 21 towns. Almost 90% towns have losses above 10 %. Losses are more than 15% in 172 feeders this clearly shows the concerned officers have not made any attempts to get the Energy Meters calibrated and efforts to reduce the losses.</p>	<p>GESCOM conducts feeder-wise energy audit every month through its energy audit cell created for the purpose of assessing, monitoring and analysing the energy audit of 11KV feeders and initiating suitable actions on high loss feeders.</p> <p>The 21 RAPDRP towns are being fed by 162 nos of 11kv feeders of various categories. Wherever losses are more than 10% GESCOM has already initiated action for reducing the losses through various methods such as,</p> <ol style="list-style-type: none"> 1. Vigilance activities: <ul style="list-style-type: none"> • In Raichur town the distribution losses are on higher side. To reduce the losses entire vigilance staff was deputed to Raichur town for conducting the Mass Raids under the supervision of SP(Vigilance) during November-19. • From October-19 to January-2020, 472 Nos of theft cases have been booked and for which BBC amount of Rs3106415/- was claimed and Rs 10343601/- has been collected including arrears. • Similarly in Kalaburgi City Mass Raid was conducted during December-19 and 100Nos of theft cases booked amounting to BBC of Rs 492332/- out of which already amount recovered from 25 cases amounting to Rs 92777/- • During monthly review meeting of all O&M Divisions at Corporate Office, booking of theft cases by Section Officers is reviewed and each Section Officer is assigned with a target of 5 cases per month. • Wherever the losses are found beyond permissible limit the concerned Section Officer is served with show cause notice. 2. Shifting of meters from inside the consumer premises to outside the

		<p>premises. 149322 Nos of meters have been shifted as on 31.01.2020 under DDUGJY and IPDS.</p> <p>3. Replacement of DC/MNR/Electro-mechanical meters by electrostatic meters to enable accurate recording of consumption. 420778 Nos of meters are replaced as on 31.01.2020 under DDUGJY and IPDS.</p> <p>4. Reconductoring of HT and LT lines. At the end of 31.01.2020, reconductoring of 266 Kms of HT line is carried out under IPDS.</p> <p>Regarding calibration of energy meters, the Energy meters of 11KV feeders emanating from 33/11KV stations are regularly calibrated by RT wing of GESCOM and energy meters of 11KV feeders emanating from 66KV,110KV and 220KV stations are regularly calibrated by RT wing of KPTCL. Energy meters of LT and HT installation of various categories are tested for accuracy by LT rating and HT rating wings of GESCOM as per KERC norms.</p>
	<p>Commission views: The reply furnished by the GESCOM is noted. The Commission appreciates the steps taken by GESCOM but directs it to quantify the results in terms definite statistics to showcase its achievements.</p>	
19.	<p>Accidents: GESCOM has stated that during FY19, 232 accidents have happened. This is much more than last year's figures. GESCOM has only narrated the proposed action plan to reduce accidents. Even action plan has not been implemented. Only emergency works have been carried out. GESCOM has not been able to do periodical maintenance. Live wires on the road, open junction boxes and short circuits in transformer wiring are usual hazards which GESCOM has not attended. It has resorted to third party for maintenance of equipments. GESCOM has not given the accident figures of FY19. The accidents may be more than FY18. Hence all proposed action plans are only on paper. The accidents have increased. What is the explanation of GESCOM? GESCOM has no value for the life. Consumers don't want to know what GESCOM wants to do. GESCOM should prove that accidents have come down, which GESCOM has not done. In its replies to our objections, let GESCOM give the accident figures.</p> <p>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 (11 KV) lines safe vertical clearance is 3.7 meters and safe horizontal clearance is 2 meters. We see along the roads these safe distances are not maintained and accidents are happening. Concerned Officers should be held responsible.</p>	

GESCOM Reply: In GESCOM feeder-wise safety audit has been conducted to identify the hazardous locations and action has been taken for their rectification. For FY20, in order to ensure safety to life and property of public, GESCOM has allocated Rs.38.07 Crores under SDP for Rural areas only for rectification of hazardous installations. With regards to RAPDRP towns and cities GESCOM has allocated Rs.20 Crores under Capex for rectification of hazardous installations. Also GESCOM has given more emphasis on rectification of hazardous locations coming in/around the premises of schools, colleges, hostels. In rural areas 1564 Nos of hazardous location are identified as on 31.01.2020 and rectified 759 locations. An expenditure of 19.33Cr has been incurred out of SDP budget. In respect of towns and cities, 1296 Nos of hazardous locations have been identified as on 31.01.2020, and rectified 742 locations, for which an expenditure of Rs.13.88 Crores has been incurred out of Capex. Rectification of balance identified hazardous location is under progress and will be completed on top priority.

SL no	Particulars	Budget Details s. Crores			Hazardous location Details No.s		
		Allocated	Utilized	Balance	Identified	Rectified	Balance
1	Capex	20.00	13.88	6.12	1295	742	553
2	SDP	38.07	19.33	18.74	1564	759	805

To ensure safety to its staff, GESCOM has imparted training to the maintenance staff of all the O&M divisions. GESCOM has provided sufficient safety tools and gears to the maintenance staff. The staff is strictly instructed to adhere to safety norms before taking up any work.

Accidents		2017-18	% of accident	2018-19	% of accident	2019-20 (up to Dec-19)	% of accident	Total
1	2	3	4	5	6	7	8	9=3+5+7
Fatal	Reason attributable to GESCOM	20	21.98	22	22.45	16	16.33	58
	Reason not attributable to GESCOM	71	78.02	76	77.55	82	83.67	229
Non-Fatal	Reason attributable to GESCOM	21	25.93	19	19.39	19	23.46	59
	Reason not attributable to GESCOM	60	74.07	79	80.61	62	76.54	201
Total	Reason attributable to GESCOM	41	23.84	41	20.92	35	19.55	117
	Reason not attributable to GESCOM	131	76.16	155	79.08	144	80.45	430

Analysis of Accident occurred during last three years shows the accidents are mostly not due to GESCOM's fault. Percentage of accidents occurred due to GESCOM's fault is 23.84% in FY18 ,20.92% in FY19 and 19.55% in FY20 and percentage of accidents not due to GESCOM fault is 76.16% in FY18, 79.08% in FY19 and 80.45% in FY20.

In FY20 lot of efforts have been taken to strengthen distribution System like stringing of loose span conductors, fencing of Distribution transformers, providing intermediate poles, replacing old aged poles by good one and Rectifying Hazardous Location etc. in DDUGJY, IPDS, and UNIP infrastructure creation works and other system improvement works.

While creating new infrastructure GESCOM is maintaining safe vertical and Horizontal clearance as per IE Rules.

Actions Taken to Prevent Accidents:

- All field officers are instructed for proper supervision of installation and construction of electric lines/apparatus. And EEs/SEE/CEEs are monitoring the works.
- Awareness being created among consumers and field staff to maintain healthy service wires and see that service wires swaying in air don't come in contact with metal sheets/rods/angles/stone roof which will cause damage to service wire and may lead to electrical accidents.
- All field staff working on lines/apparatus is provided with safety tools and equipment's like gloves, Safety belts, Shoes, Helmets, Earthing rods, Ladders, Line live testers.
- Field staff trained in safety workshops held at divisional levels and mock drills to use safety gear and maintain safety equipments in sound and working condition.
- Field staff trained periodically to use safety gear and work on lines by creating safety zones.
- GESCOM has taken action by instructing O&M CEE/SEE/EEE/AEEEs and Vigilance SP/DySP/PSI to conduct surprise inspections to monitor use of safety tools and devices and practicing of safe methods by field staff. Erring field staff are penalized for violation of safety procedures.
- Field staff and supervising staff are directed to increase the efforts to identify and rectify hazardous locations on all feeders and take up suitable action to maintain distribution system as per norms by providing intermediate poles/l-beams/towers wherever necessary to maintain clearances of overhead lines from ground/buildings as per norms.
- Awareness among general public created through advertisements of Do's and Don'ts of safety through daily newspaper and special issue magazines, pamphlets, radio jingles, street campaigns/Suraksha jatha, painting competitions and exhibition of paintings at school/colleges.
- To maintain clearances of buildings from overhead lines & apparatus, DTCs etc as per norms.
- GESCOM following practice of constructing electric lines, establishing new DTCs duly maintaining adequate clearances as per norms.
- Awareness being created to transport materials near overhead lines only after

	<p>informing GESCOM staff and do not store materials near/below overhead lines which may lead to electric accident/ fire.</p> <ul style="list-style-type: none"> • Awareness among general public created through advertisements to not to use grid AC supply for electric fencing. • Discussions held with customers at regular customer interaction meetings regarding electrical safety, Electricity conservation etc. • GESCOM will continue to put all efforts to create awareness among general public and maintenance staff and aims to become accidents free utility. • GESCOM has taken up system improvement works to prevents accidents like replacing damaged poles, re-stringing of loose spans, replacing iron poles, providing intermediate poles, reconductoring of LT/ HT lines, Distribution Transformer fencing, shifting of Hazardous locations etc. under Capex, SDP etc. programs. GESCOM has internal quality check and works monitoring system like Internal Audit and Technical Audit and Quality Control (TA&QC) wings. These teams monitor that the works are carried out as per approval/sanctioned estimates. 	
	<p>Commission views: The Commission takes note of improvement shown by GESCOM in reduction of accidents. Nevertheless GESCOM shall quantify the achievements after taking the above measures. The reply should be specific about the facts and figures on the action taken and the achievements therefrom.</p>	
20.	<p>GESCOM has not given the details as to how many DTCs are there feeding to IP sets this year. They are simply repeating (since some years) that metering is done in 44 DTC. Why additional DTCs are not provided with meters. GESCOM has not stated when all DTCs are going to be metered. At present IP sets consumption is calculated based on sample metering. IP sets consumption is being manipulated to show that losses have come down.</p>	<p>Total No of DTC's Feeding to exclusively IP sets are 56211. Out of which 14115 DTCs are metered at present exclusively IP set feeders are metered at substation point and consumption of all IP sets connected to the feeder are recorded at substation metering point only. Hence balance DTCs are not metered. There is no question of manipulating the IP set consumption to show that the losses have come down.</p>
	<p>Commission views: The matter has been dealt with the respective chapter dealing with IP set sales.</p>	
21.	<p>Reliability Index: It is obligatory for GESCOM to give annual abstract of reliability Index of feeders. For how many feeders the index is within the permissible limits and for how many it is beyond limits. For how many feeders there is improvement in reliability Index. GESCOM has not given this information. Consumers will not know if there is improvement in quality of supply. GESCOM is hiding this information. It appears there is no</p>	<p>Reliability index worksheets for 11 KV feeders pertaining to District, Taluk Head Quarters and Rural feeders are being submitted to KERC and also it is available on GESCOM website.</p>

	improvement in quality of supply. 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 is making false claims.	
	Commission views: The reply provided by GESCOM is acceptable. The details of ESCOM-wise reliability indices are also available on KERC website.	
22.	GESCOM has not given the number of IP sets after enumeration. To what extent this number differs from DCB figures. Whether enumerated figures are incorporated in DCB. How it affects the subsidy calculations. Getting it checked by third party can be decided later. But present impact due to the difference has not been worked out.	As per the Enumeration/Survey of IP Set data, Total Number of Installations found in the field are 4.14 lakhs. Of this around 40 thousand are reported to be unauthorized and 16645 are defunct/closed/ not in use. The Enumeration work is carried out by outside agency hence, third party verification may not be required. There is no impact on the subsidy claims as the Subsidy claim is as per the Installations on Books. Detailed reply regarding the IP Set enumeration has been submitted by GESCOM in replies to the preliminary observations of the Commission.
	Commission views: The reply provided by GESCOM is <u>noted</u> . The issue has been dealt with in detail in the relevant chapter of this Order.	
23.	Unauthorized IP sets are a drain on GESCOM. Their connected load in terms of HP is not known. Their consumption is not known. GESCOM can manipulate their numbers, consequently their consumption, subsidy amount and the percentage of losses. GESCOM has not regularized those unauthorized IP set which were identified about a year back. GESCOM is not serious. GESCOM wants to misuse the numbers by manipulation. Last year 24,874 unauthorized IP set were to be regularized. GESCOM has not stated how many unauthorized IP sets are there in FY18.	Though, the objection is factually correct to the extent that Unauthorized IP Sets are a drain on the resources of the Company but it is also incorrect while stating that GESCOM can manipulate the numbers, consumption and percentage losses. The IP Set consumption has been considered as per the methodology by the Commission i.e. all the IP Set Feeders are metered and the IP Set consumption is computed based on the consumption of these Independent IP Set feeders for assessment and the entire data duly matching with the total IP Set Consumption has been submitted to the Commission. There is no possibility for manipulation for the Company and also in the replies to the preliminary observation of the Commission, in the matter of Specific Consumption of IP Sets, proper justification has been made with respect to the IP Set Consumption correlated with the Agricultural output data obtained from the Department of Agriculture from respective Districts

		where the consumption is on the rise. <u>ln</u>
	Commission views: The reply provided by GESCOM is acceptable. The issue has been dealt with in detail in the relevant chapter of the Tariff order.	
24.	Metering of IP sets; In the case of metering of IP sets the progress is very poor. This is a clear violation of section 55 of EA 2003. This section mandated that by 2005 all installations should be metered. GESCOM has not committed any date for completing the metering of IP sets. Because of no meters, the assessment of IP sets consumption made on the basis of sample meters is questionable. This will result in wrong line losses, wrong subsidy, wrong forecast of power sector planning. GESCOM should be ordered to complete metering of IP sets at least by the end of 2020.	At present exclusively IP set feeders are metered at substation point and consumption of all IP sets connected to the feeder are recorded at substation metering point only. Per IP set consumption is arrived based on this consumption.
	Commission views: The reply provided by GESCOM is noted. Metering of a the IP_sets is a policy decision to be taken by the Government, which is subsidizing the entire IP sets consumption.	
25.	GESCOM has given details of number of failed transformers. But has not given the expenditure for repairs. It is learnt the failure rate is 9%. Few years back it was 0%. This high failure is due to No proper maintenance. There is huge cost to repair the failed transformers. GESCOM has not stated what is the expenditure in repairing these failed transformers. How they would reduce the failures and bring down the expenditure.	These numbers do not pertain to GESCOM tariff petition and hence not responded.
	Commission views: : The figures quoted by the Objectpor are not relevant to GESCOM, hence the Objector is advised to raise issues relevant to the respective ESCOMsby giving correct details .	
26.	GESCOM is quoting only distribution losses but not ATC losses. ATC losses are targeted at 13.72%. GESCOM has not said anything in this regard. GESCOM wants to implement Simulation type to find out losses. This will not be realistic. If the field details are not properly entered	The Commission in the Tariff Order has given Distribution loss level targets for which the compliance by the company has been in the tariff petition. For FY19 the Distribution loss levels were 14.89 which has been achieved by the Company. The target of 13.72% in AT& C loss is not given to GESCOM. Hence not responded on the same.

	or deliberately not added the findings of Simulation will be wrong and misleading. Simulation should be abandoned. Actual losses should be automated.	
	Commission views: The Commission notes the reply submitted by GESCOM. It may be noted that substantial portion of revenue is realized from IP set subsidy and revenue from urban and rural bodies which have substantial arrears. Since, the AT & C losses are computed considering the revenue realization, they will not reflect the true picture of performance in case there considerable arrears to be received towards of Subsidy and dues from ULBs and UDD.	
27.	It is stipulated that the banked energy should be used in three months. Otherwise it will lapse. This is wrong. The banked energy should be allowed to be used in the next 12 months.	As per the KERC order dated 09.01.2018 the banking period is 6 months for both solar and Non-solar as below <ol style="list-style-type: none"> From January to June and July to December, in respect of wind and Mini-Hydel Power Projects. From April to September and October to March, in respect of Solar power Projects. The above order is pending in the court, so at present one year banking period from April to March is considered for solar and wind projects and from June to May is considered for mini hydel power projects. The copy of the KERC letter No: 867 dated 10.10.2019 is enclosed in Annexure-1 .
	Commission views: The Commission notes the reply provided by GESCOM. The matter is sub-judice since the same is <u>under legal review</u> by the Courts.	
28.	Implementation of Standards of Performance. GESCOM has stated that instructions are issued. GESCOM cannot absolve its responsibility by merely stating that instructions are issued. GESCOM has not monitored the implementation. GESCOM has not mentioned in how many cases GESCOM Officers failed, how much penalty was imposed etc.	For implementation of SOP GESCOM has taken the following activities <ul style="list-style-type: none"> ▪ GESCOM has implemented Standards of Performance (SoP) and is being practiced in offices of GESCOM to deliver quality service to its customers. ▪ SOP Boards have been displayed at GESCOM's Section, Subdivision, Division, Circle, and Zonal Offices ▪ GESCOM conducted orientation programme for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non – adherence to the SoP. ▪ GESCOM published the "HAND BOOK" in Kannada & English on the SoP and distributed to all the staff and stakeholders (sample copy enclosed).
	Commission views: The Commission notes the reply of GESCOM. The Commission has notified	

	the Standards of Performance Regulations applicable to the ESCOMs, prescribing time frame for attending to various types of services in the O & M subdivision. If these standards are not complied with, the ESCOMs shall pay compensation for the delay and the consumers are free to claim the compensation for the delay in giving service at the rates specified in the said Regulation.	
29.	<p>Other Directives</p> <p>a) Consumers not being informed regarding load shedding.</p> <p>b) Hourly based day ahead projections for each substation is not informed</p> <p>c) Specific Substations and feeders are not identified and informed.</p> <p>d) Interruptions in power supply with time and duration are not informed to the Consumers.</p> <p>e) Likely time of restoration is not informed to the Consumers.</p> <p>f) Load shedding is done more on industrial consumers.</p> <p>g) There is no co-ordination among the ESCOMS. Each ESCOM wants to draw more power.</p> <p>h) GESCOM is not putting on its website the demand and availability.</p> <p>i) GESCOM is not putting on its website how much spot purchase of power is done.</p> <p>j) GESCOM is not putting on its website the substation-wise and feeder-wise interruptions every month.</p>	<p>a. Wherever there is a scheduled load shedding in GESCOM area the timing is being intimated to GESCOM consumers through SMS by URJA MITRA App and also through paper notification.</p> <p>b. SLDC will give day ahead Energy/Load allocation of GESCOM every day. Accordingly, GESCOM is re-allocating power to all the 220KV sub-stations and informing the same.</p> <p>c. All the 220KV sub-stations are being informed about hourly load allocation day ahead and also the concerned the Chief engineer (Electy).., O&M Zones are re-allocating load to their 220 KV stations as per the necessity.</p> <p>d. No load-shedding is being done on industrial feeders.</p> <p>e. At present GESCOM is not putting Demand and Availability on in its Website. Action will be taken to host the information at the earliest.</p> <p>f. At present GESCOM is not putting details of purchase of power, in its website. Action will be taken to host the information at the earliest.</p> <p>g. GESCOM is putting on its website the substation-wise and feeder wise interruptions every month.</p>
	Commission views: The reply of GESCOM is noted. It is directed that GESCOM shall provide the reply point wise to the observations.	
30.	KASSIA respectfully submits that the "Directives issued by the Commission in the Tariff Order are of continuing nature and are to be treated as directives in the subsequent Tariff Orders also. The Commission has put the ESCOMs on notice that the compliance to directives is an essential part to consider future tariff revision proposals". (Power Sector reforms in Karnataka 1999/2004-Page 48).	GESCOM is complying with the directives of the Hon'ble Commission and compliances are being furnished to the Commission regularly and reviewed by Commission in the review meetings.

	<p>In the light of the above, the KASSIA would like to submit that the important directives in respect of the universal metering, cost of supply, paying capacity, and pre-paid meters which were the significant directives issued by the Regulatory Commission are yet to be implemented. In the absence of compliance to directives the whole exercise of filing ERC would be futile and the petition is liable to be rejected on this ground itself.</p>	
	<p>Commission views: The Commission notes the observation and reply provided by GESCOM.</p>	
31.	<p>GESCOM cannot cite other States and demand higher demand charges. GESCOM should justify for the increase. MD billing is already as per half hourly indicated MD. Why add 85% billing. If no justification is given, we propose the 75% may be brought down to 70%. When the HT Consumer has not utilized why bill him 85%. It is only to make more money through MD billing. It does not help technically. Rather to support technically, the billing MD may be brought down to 70%.</p>	<p>MD charges form part of the Fixed charges which has been explained in detail in the reply to 2.4 (Objection no-4) above. The same reply applies to this para also.</p>
	<p>Commission views: The Commission notes the reply of GESCOM.</p>	
32.	<p>The proposal is ridiculous. 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 hour MD shoot is ridiculous. It should be dropped.</p>	<p>MD charges are claimed as per the approved tariff order and Conditions of Supply approved by the Hon'ble Commission. Justification for the claim of MD charges which are part of the Fixed charges which has been explained in detail in the reply to similar para above.</p>
	<p>Commission views: The Commission notes the reply of GESCOM.</p>	
33.	<p>The Service of reconnection should be free. Existing Reconnection charges are nominal and quite comparable to services rendered. Existing Reconnection charges should be continued or they</p>	<p>Existing Reconnection charges are continued or may be enhanced.</p>

	should be dropped as a matter of service to the consumers.	
	Commission views: The GESCOM shall be guided by KERC's regulation, "Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka" and its amendments from time to time.	
34.	The paying capacity of some category of Consumers like Software Companies' is good. Hence these Companies should be brought under Commercial tariff.	The decision of the Hon'ble Commission will be final in the matter.
	Commission views: The Commission notes the observation.	
35.	To encourage solar water heaters rebate should be continued and Enhanced to Rs.100/- .It is green energy and should be encouraged.	The decision of the Hon'ble Commission will be final in the matter.
	Commission views: The Commission notes the observation. The Solar Water heaters are made mandatory . As such enhancing the rebate is not considered. However, as an encouragement, the existing rebate is continued.	
36.	GESCOM has not produced subsidy allocation letter.	The aspect has been responded by the Company in the replies to the preliminary observation of the Hon'ble Commission in Page No: 57.
	Commission views: The Commission notes the reply of GESCOM.	
37.	GESCOM has stated that 26070 un-authorized IP sets are planned to be serviced. GESCOM has not given how many un-authorized IP sets are there. How many remain to be serviced. This figure can be misused in working out IP sets consumption.	As per the Enumeration/ survey of IP Set there are 40417 unauthorised installation. These consumers have not paid the requisite regularization fee of 10000/- and hence could not be serviced, These numbers (26070) do not pertain to GESCOM.
	Commission views: The Commission notes the reply of GESCOM and the matter is dealt in the relevant chapter of this order.	
38.	Specific consumption of IP sets for FY-19 is taken as 8000 Units/IP set/annum. Thus specific consumption is a figure at the whims and fancy of GESCOM to adjust the losses and to adjust the consumption to adjust the purchase of MU. The whole thing is a manipulation. We get a doubt whether the tariff revision petition is a realistic picture of working of GESCOM or	These numbers do not pertain to GESCOM. A detailed reply to this matter has been given in the preliminary observation of the Hon'ble Commission.

	manipulated picture of GESCOM.	
	Commission views: The Commission notes the reply of GESCOM <u>and the matter is dealt in the relevant chapter of this order.</u>	
39.	GESCOM has not achieved segregation of technical and commercial losses as per the tariff policy announced in 2006.	Segregation of technical and commercial loss is being done as per the Hon'ble Commission direction. Action being initiated to upgrade the distribution system, emphasize more on maintenance to reduce Technical losses and stringent action, regulations, inspections on field by vigilance wing & O&M field officers are being taken up to reduce Commercial losses.
	Commission views: The GESCOM is guided by the Commission's directive on Energy Audit.	
40.	GESCOM has not supplied details of average number of interruptions per consumer and average duration of interruptions per consumer.	The annual average number of interruption per feeder is about 59 Nos. and average hours of interruptions is approximately 32 hours per feeder for the year 2019-20 (upto Dec-2019).
	Commission views: The Commission notes the reply of GESCOM.	
41.	Though consumer indexing was started by GESCOM many years back it has not completed the same.	Out of 32.23 Lakhs installations consumer indexing is completed for 26.23 Lakhs and for indexing balance installation provision is made for indexing in new tender which is under process.
	Commission views: The progress of consumer indexing by GESCOM is not satisfactory.	
42.	Geographical positioning system though started many years back has not been completed. This again reflects inefficiency of GESCOM. And for balance 6 Lakhs.	GESCOM has conducted the asset mapping in RAPDRP towns and enumeration of DTC's and IP sets by using GIS, however for balance 6 Lakhs the data does not pertain to GESCOM, hence not replied.
	Commission views: The details of GPS survey of IP sets has been furnished while validating the IP set sales. The same has been discussed in the relevant chapter of this Tariff Order.	
43.	Vigilance cases are booked by the Police. This is wrong. Cases should be booked by the Assessing Officer. Commission may send Clear directions in this regard.	As per Electricity Act 2003 theft cases are detected and booked by the inspecting/assessing officer.
	Commission views: The Commission notes the reply of GESCOM.	
44.	GESCOM had to pay interest for the delayed payments to the Generators.	Due to non-receipt/delay in receipt of subsidy from GoK /dues from UDD/RDPR/ dues from Govt.

	Such interest for the delayed payment made to the Generators should not be passed on to the Consumers.	installations, the power purchase dues to the generators are delayed.
	Commission views: The Commission is not allowing <u>interest</u> on belated power purchase payments in view of the fact that <u>interest</u> on working capital is being allowed as per the provisions of the MYT Regulations.	
45.	Govt of India has come out with Debt Restructuring Scheme called Ujwal Discoms Assurance Yojana (UDAY). GESCOM has not accepted the Scheme. Why?	All ESCOMs of Karnataka including GESCOM are part of UDAY for operational performance and performance monitoring in this regards is being done by both State/Central Government on a regular basis.
	Commission views: The Commission notes the reply of GESCOM.	
46.	The average cost of hydel power is 84.31 paise per unit. The average cost of Thermal power is 435.51 paise per unit. Hence GESCOM should utilize more and more Hydel Power.	GESCOM is procuring power from CGS, SGS & IPPs as per the allocation of power from Energy Department GoK and arranging payment to the generator as per the tariff approved by the Hon'ble KERK, Bengaluru from time to time. However, the GESCOM has requested to the Energy Department, GoK, Bengaluru vide Ltr Dated 27.08.2019 and 29.01.2020 for re-allocation of Hydel Source of Energy available from Various sources to GESCOM in place of high cost energy.
	Commission views: The Commission notes the reply of GESCOM. The limited hydel energy has to be used by all the ESCOMs and GESCOM alone cannot claim a major share from the hydel sources. In order to balance the costs, the State Government is re-allocating the share of power available from different sources.	
47.	Small Scale Industries are suffering a lot. Many have been closed. The total consumption of Small Industries has come down. They are bearing the load of cross subsidy. They have to compete in the Global Market. Their cost of production should be at par with Global Manufacturers. Keeping all these issues in mind it is submitted that there should be a separate tariff for Small Scale Industries and this tariff should be Rs.1 less than the other Tariffs. Only then Small Scale Industries can survive in the Global Market and contribute for the	There is no decrease in the Industrial consumption under both LT & HT Category in GESCOM jurisdiction. The incentives given to the HT Industries is already replied in question No 4.1 (Objection no-11 above).

	development of the State.	
	Commission views: The Commission notes the reply of GESCOM pertains to HT industries only. However, the cross subsidy has endeavored to limit the level of cross subsidy to LT industries within the permissible limits prescribed in the Tariff Policy of Plus/ minus 20%, to keep the tariff reasonable.	
48.	The % of HT consumers is only 0.06. But they are giving revenue of 17%. The unscheduled load shedding and frequent interruptions have caused unbearable loss to the industries. Many industries have closed due to unreliable power supply. Though it costs less to supply to the industrial consumers, than the residential consumers, industries are charged the highest. This is total violation of the Electricity Act 2003. The consumption growth of HT industries is - 0.13%. This clearly indicates that HT consumers are not availing GESCOM power and are availing, power from Non-GESCOM suppliers. This is a serious matter .This has not been addressed by GESCOM.	The HT Consumers and Consumption has increased during FY19 as per the audited figures of GESCOM, the details of the increase in installations and consumption are given in similar Para above.
	Commission views: The Commission notes the reply of GESCOM. The objectors are advised to rely on facts and desist from making such irrelevant comments.	
49.	Since the passing of KER Act 1999 whenever there is tariff revision there is always upward increase. Never the tariff has been reduced. In the earlier revisions the hike was small and bearable. But now a days the hike happening is more often. The hike has resulted in reduction in industrial consumption and some of the small industries have been closed down. Every year all ESCOMS together are servicing new connections to the tune of about 500 MW. Three year back the shortage was about 3000 MW. Last three years ESCOMS have added about 1500 MW load. Today the shortage in the installed capacity is about 4500MW. With redundant power, the deficit is about	At present the allocation of energy from SLDC is in the range of 30 MU to 36 MU per day and the utilization of energy is in the range of 26 MU to 29 MU. And also the allocation of power demand per day is in the range of 760 MW to 1780 MW, whereas the actual utilization of power demand is about 500 MW to 1650 MW per day. Hence, GESCOM has not implemented any scheduled or un-scheduled load shedding.

<p>6,000 MW. Daily consumption has increased to about 180 MU. This daily consumption will continue to increase as new loads are being added. No new Generating stations are being erected. In the next four years there is not going to be any additional generation. Then what will be scenario? ESCOMS have to supply power to the existing and new consumers. When there is no additional domestic generation then ESCOMS will be compelled to buy power from outside. The outside power is definitely costlier than the domestic generation. ARR of all ESCOMS will increase. ESCOMS will approach Commission for increase in tariff to pay for domestic and outside power purchase.</p> <p>This scenario will be quite disastrous to the industries. Commission should order ESCOMS to come out with short term and long term solutions. Short term solution can be distributed generations with short gestation period like Diesel Generators or Gas Turbine Generations. Gestation period of these Generators is about one year compared to four years gestation period of hydel and thermal Generators. If drastic action is not taken by the State Govt. to increase domestic generation, Consumers of Karnataka will have to suffer untold misery. During September 2015, this has happened. There was scheduled 2 hours load shedding and more than 2 hours of unscheduled power cut. The condition of Industries was pathetic and miserable. Many Industries have incurred heavy losses.</p>	
<p>Commission views: The Commission notes the reply of GESCOM. As there is surplus power in the State the question of establishing new generating stations will not arise. However, GESCOM is directed to ensure un-interrupted power supply in the wake of higher availability of power than the demand. To ensure this it should ensure proper maintenance of its distribution network besides requesting KPTCL to ensure the required availability of the transmission network in</p>	

	GESCOM area.	
50.	<p>Advisory functions of the Commission. Under Section –86(2)(iv) of EA 2003, one of the functions of the State Commission is to advise the State Govt on matters concerning generation. There is a provision in EA 2003, that Distribution Company can have its own Generation and it will supply exclusively to GESCOM Consumers. This will help to reduce load shedding and cheaper power to GESCOM Consumers. GESCOM will call Competitive bidding. GESCOM will not invest the cost of the Project. GESCOM will only purchase power from the Competitive bid Generating Company.</p> <p>This power will be much cheaper than the Raichur Power. A decision may be taken in this regard. Commission may advise the Govt in this regard.</p>	<p>Hon'ble KERC is reviewing the Power situation in the State from time to time. Directions from the Hon'ble Commission/GoK will be followed in this regard.</p>
	<p>Commission views: The Commission notes the reply of GESCOM. In view of ESCOMs entering into long-term power purchasing agreements (PPAs) with KPCL and the CGS, they are bound to comply with the conditions of such PPA. If they do not comply with the PPAs they may have to pay fixed costs even if they do not draw power. Hence, in a power surplus situation, the question of purchasing power through competitive bidding will not arise.</p>	
51.	<p>PREPAID METERS: The applicant has not disclosed any plan for the introduction of pre-paid meters as provided under Section 47(5) of the Electricity Act, 2003. If power supply through pre-paid meters are 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. Since GESCOM has not arranged for supply through pre-payment meters, even after 15 years from coming into force of that provision, the applicant should not be allowed to take</p>	<p>The proposal for providing smart meters with prepaid functionality for 2000 Nos of temporary installations in Kalaburagi and Raichur urban division is under process.</p>

<p>advantage of its own lapses to its advantage.</p> <p>Prepaid metering is a simple and effective way to improve consumer services. Prepaid metering allows the consumers to pay for electricity before it is consumed. It offers benefits such as pay-as-you -go, no billing problems, defined cash flows. and demand management for utilities. Prepaid metering eliminates the need for meter reading, billing, bill printing, distribution and collection. This in turn reduces the operational costs for utilities, ensures better revenue collection.</p> <p>Twelve Utilities have already implemented prepaid meters. North Delhi has installed about 5000 prepaid meters.</p> <p>In Vijayaa Steels Vs GESCOM, the Court has held that if the Consumer is willing to take supply through a pre-paid meter the GESCOM should adjust Security Deposit in future bills of those consumers. In spite of that, GESCOM has not implemented pre-paid meters. And the present ERC is silent about it. Even after 15 years, GESCOM does not want to implement Pre-paid meters. What is the intention of GESCOM and why Commission is silent.</p>	
<p>Commission's Views: The Commission has noted the concerns of one of the objector. The Commission has disposed of the petition OP89 of 2017 by fixing the rent to be collected in case of the use of pre-paid energy meters for providing supply to the consumers installation. Vide the 7th Amendment to the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka, the Commission has made the optional use of pre-paid energy meters for Government offices, public water supply and public lamp installations. Further, as the implementation requires appropriate technology and suitable network and involves huge capex, the costs thereon will result in further increase in tariff. Hence the same has to be done in a phased manner over a period of time.</p>	

52.	<p>Universal Metering: Section 55 of Electricity Act has stipulated no installation would be Serviced without a meter after 10th June 2005. ESCOMS are still servicing Installations without meters.100% metering has not been achieved. This is a clear violation of the Act and Directive of the Commission. Any supply without a meter is illegal. Any estimation based on an illegal Transaction cannot be deemed to be the basis for tariff determination. Hence Hon'ble Commission should not allow the cross subsidy in respect of un-metered category.</p>	<p>All new installations except IP sets are serviced with meters.</p>
<p>Commission views: The metering of IPsets is a policy matter to be decided by the Government, since it is fully subsidizing the IPset consumption.</p>		
53.	<p>Energy intensive units: Foundries, Forging Shops, Heat treatment shops, Blow moulding units and Steel Mills in Karnataka which are highly energy intensive and are under serious threat of closure due to high power cost which has made manufacturing activity very prohibitive due to competition from neighbouring states. A substantial reduction in tariff is required to ensure survival of these Industries in Karnataka.</p>	<p>GESCOM is following the directions of Hon'ble KERC.</p>
<p>Commission views: The Commission, time and again has reiterated that the consumers are expected to pay the cost of supply being incurred by the ESCOMs and if any concession has to be given in tariff, the same has to be met either by the Government through subsidy or the other consumers have to bear the same. Hence reduction of tariff is not a viable/ practical solution. For encouraging consumption by the industries, the Commission has introduced incentive schemes and has also relaxed the morning ToD usage.</p>		
54.	<p>Generation by GESCOM: Any generation made by KPCL or any other Private Generation gets divided in to five Companies. GESCOM should have its own generation. Under Section 51 of 2003 EA 2003, Distribution Company can have its own generation. Hence Commission may direct GESCOM to have its own</p>	<p>Under IPDS Scheme total 77 GESCOM/Govt buildings are provided with solar roof top with total capacity of 1670 KWp. Under 13th Finance Commission Budget for providing 2442 KWp is under process. GESCOM already have long-term PPA and medium-term PPA and PPAs with RE sources and it is adequate for the GESCOM's requirement of power. The necessity of going for its</p>

	<p>generation to the extent of 2000MW in the Tariff Order 2016 GESCOM has stated that it won't be able to fund for installation of Generation facility. GESCOM has not understood our suggestion. We have suggested Competitive tariff bidding. GESCOM will not fund the Generation Station. Bidder will establish the Generation Station and will only sell energy exclusively to GESCOM at the competitive tariff.</p>	<p>own generation will not arise.</p>
	<p>Commission views: The Commission notes the reply of HESCOM. In view of ESCOMs entering into long-term power purchasing agreements (PPAs) with KPCL and the CGS, they are bound to comply with the conditions of such PPA. If they do not comply with the PPAs they may have to pay fixed costs even if they do not draw power. Hence, in a power surplus situation, the question of purchasing power through competitive bidding will not arise.</p>	
55.	<p>Cross-Subsidy: Consumption, which is not metered, is being worked out based on sample survey. This is subsidized by the Government. In addition to this, industrial Consumers are cross-subsidizing certain categories of Consumers. Most of the time any residual energy that needs to be accounted will be booked under IP set consumption. Similarly, T&D losses are also booked under IP set consumption.</p> <p>At this point, the KASSIA would like to submit that the Industrial consumption in respect of HT-2(a) has steadily declined and that of IP set consumption projections are indicating higher requirement. Since industrial Consumers are the one who are cross-subsidizing other categories of Consumers, any reduction in consumption of Industry and increase of consumption of other Non-paying class of consumers would not only place an additional burden on the State Government for subsidizing other class of consumers but also on industrial consumers.</p>	<p>As already stated, the decline in HT category is not visible in GESCOM area as of now. There has been increase in sales to HT category in FY19 over FY18. Details of increase is already provided in earlier replies. As regards the accuracy of assessment of IP Set consumption and accounting of residual energy in IP Set consumption, a detailed reply has already been given in the earlier paras and also given a detailed explanation regarding IP Set consumption assessment, loss incurred by the Company on account of Subsidy due to unauthorized IP Set has been submitted to the Commission, in the reply to the preliminary observations, which is now part of the tariff petition.</p> <p>GESCOM has filed the tariff petition to cover its GAP due to the legitimate increase in the input cost and allowable expenses. We humbly request the Commission to consider the same and approve the tariff hike so as to meet our deficit for FY21.</p>

<p>KASSIA is of the apprehension that if tariff proposal is allowed to pass through, it would cause irreparable losses to Industrial Consumers, whose consumption has been shown to be declining steadily due to higher cost and non-availability of QUALITY POWER. It is also estimated that about 4682.91 MU are generated by captive Generation and it is likely that industrial consumers will further move away from the grid.</p> <p>It is pertinent at this point of time to say that the deposits held as security deposits will also further get reduced on account of reduced consumption. Presently only about 35% of consumers are meeting the entire tariff requirements</p> <p>The objector further submits that on the issue of cross-subsidies, the Commission had stated, "The Hon'ble Commission would endeavour to balance the cross-subsidy appropriately while determining the tariff in the next filing. (Tariff Amendment Order, 2003 – Para 18.10).</p> <p>It may be noted that with the present tariff revision and proposed hike by 74 paise per unit will be a big blow to manufacturing sector. By increasing the tariff, objective of conducting power sector business in economical and efficient manner will not be met for the aforesaid reasons. The present proposals do not reflect the factors which would encourage efficiency, economic use of resources, good performance and optimum investment, which the Commission considers appropriate for the purpose of Act.</p> <p>As per Section 27 of KER Act and Section-</p>	
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<p>61G of Electricity Act-2003, Tariff should reflect cost of supply, which would reduce cross-subsidy progressively at an adequate and improving level of efficiency. Section-28(2) of Electricity Regulatory Commission Act-1998 (14 of 1998) had used the word average cost where as Electricity Act-2003 has used the word Cost of supply. Cost of supply should have been the basis of tariff determination proposed by GESCOM. This has not happened even after previous tariff revisions sought by the licensee.</p> <p>The promise of supplying the power at economic and efficient levels has not happened after the restructuring of Power Sector in Karnataka. Note: Since formation of separate distribution companies, total fixed expenses have gone up enormously. The inference that can be made from the above is that formation of 5 companies have not resulted in any efficiency gain and on the contrary expenses have gone up enormously which is adding to the burden on customers.</p> <p>KASSIA humbly submits that allocation of expensive PPA's to GESCOM is not in accordance with National Electricity Policy. Customers of these companies are discriminated and are made to purchase high cost energy.</p>	
<p>Commission's Views: The details of sales to IP sets and the procedure for arriving at the same is explained in detail in the relevant chapter of this Order. In view of separation of feeders, the IP set consumption is arrived at with reference to the meter reading data of the 11 KV IP set feeders. Hence the conclusion that the residual energy is accounted against IP set is not correct. Further, in view of the abnormal increase in power purchase cost, the increase in tariff is inevitable. The reallocation of energy is done to ensure uniform tariff in the state and all the consumers, except in Bangalore and city corporation areas, are paying a uniform tariff, Hence the question of discrimination against GESCOM consumers does not arise.</p>	

56.	Hydel Power: It is to be observed that the cost of hydro power is 52.24 paise per unit on the average with a minimum of 12.6 paise (Sharavathy), 56 paise (Varahi) per unit with a maximum of 120 Paise per unit and hence we should utilize hydel power fully. It is felt that the two major Hydro stations namely Sharavathy and Nagajhari Power Houses have been fully depreciated and KPCL should reduce the cost of Generation.	GESCOM is procuring the power/energy from various sources as per Energy Department, GoK order and payment is made as approved by Hon'ble KERC. The percentage of allocation for Sharavathy Station for FY18-19 is 15.59% and for FY 1920 is 15.77%, for varahi Station the allocation for FY 1819 is 24.42% and for FY 1920 is 15.00%, However, the GESCOM has requested to the Energy Department, GoK, Bengaluru vide Letter dated 27.08.2019 and 29.01.2020 for re-allocation of Hydel Source of Energy available from Various sources to GESCOM in place of high cost energy.
Commission views: The limited hydro resources have to be shared among all the ESCOMs and to ensure uniform tariff, allocation of energy from generation sources is being done by the Government. As regards reduction of tariff of old hydro stations, the KPCL has to incur considerable expenditure for maintenance of these stations and also due to increase in employee cost, the tariff is bound to increase.		
57.	Open access may be extended to the consumers drawing power below 1 MW also.	In the above matter GESCOM will abide the decision of Hon'ble Commission.
Commission views: Open Access is extended to consumers of one MW and above, as per the Provisions of section 42 of the EA 2003. Hence the proposal is not as per law.		
58.	For security deposits, bank guarantee should be accepted. Cash payment should not be insisted.	As per the <u>Commission</u> regarding collection of security deposits vide No: KERC/D/1/17-18/ Dated: 26.12.2017 the security deposit shall be collected only in the form of Cash/DD/bankers Cheque in favor of licensee. GESCOM will abide the decision of Hon'ble Commission.
Commission views: The Collection of deposit by cash is in terms of Regulations issued by the Commission.		
59.	GESCOM has proposed flat hike of 74 paise for all categories. This is not justified at least in case of Small Scale Industries (LT 5 and HT 2 (a) categories.). They are subjected to load shedding, unscheduled interruptions. This has resulted in loss of man hours, loss of production. Very survival of small Scale Industries in the competitive world is at stake. It is submitted that, for Small Scale	GESCOM has filed the tariff petition to cover its GAP due to the legitimate increase in the input cost and allowable expenses. We humbly request to consider the same and approve the tariff hike so as to meet our deficit for FY21.

	Industries the present tariff may not be increased and in order to encourage Small Scale Industries the tariff may be brought down.	
	Commission views: The Commission takes note of the reply furnished by GESCOM. The reasons for increase in tariff are discussed in detail in the Tariff Order. However GESCOM is directed to ensure quality and reliable power supply to small scale industries. In view of surplus power unscheduled load shedding shall be minimized.	
60.	Rural Industries are suffering a lot due to scheduled and unscheduled power cuts, interruptions, low voltage, delay in resuming power supply whenever there are faults etc. GESCOM should be instructed to supply quality power to the rural areas. Though certain relief is given to them as 5 paise reduction and 15 paise reduction, this appears to be very meager. Further reduction may be given.	In rural area GESCOM has created independent 11KV feeders to supply power to the Villages under NJY/DDUGJY schemes on par with urban consumers with an intension to provide continuous power supply to the industries and Villages.
	Commission views: The Commission notes the reply provided by GESCOM and GESCOM shall ensure continuous and quality power to the small industries by taking remedial measures.	
61.	The Commission should publish Annual Reports of ESCOMS mentioning therein the breakup of accumulated losses, efficiency, improvements etc. for the information of Public.	Annual Reports are published every year. The Annual Report for FY19 audited by both the Statutory Auditors and C&AG is hosted on the GESCOM website. The Annual Accounts is also part of the Tariff Petition as a supporting document for Annual Performance Review for FY19.
	Commission views: The Commission notes the reply provided by GESCOM.	
62.	Comparison with other States is necessary. Major generation in Karnataka is Hydel and Hydel is much cheaper than thermal or Nuclear or Renewables. Hence tariff in Karnataka should be lower than in other States. But the tariff in Karnataka is more. It means Karnataka is charging more to the Consumers than other States.	All the details of the power purchase cost from all the sources, have been enclosed vide Format D-1 which is part of the tariff petition. The same is as per power allocation by the Government and the GESCOM specific PPA. Consequent to increase in the input cost and other expenses due to inflation, GESCOM is seeking hike in tariff. There is no overcharging of to the Consumers of GESCOM.
	Commission views: Reply furnished by GESCOM is noted. The power purchase quantum and cost is discussed in the relevant chapter of this Order.	

63.	<p>Comparison with other Nations- United States: 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 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 at par with others. Hence HT tariff should not be increased.</p>	<p>Major component of the Power Tariff is Cost of power which is to a tune of Rs 5.01 as projected for FY21. Other overheads are thoroughly validated by the Commission and only valid expenses are allowed. Hence, the tariff charged to the Consumers is derived from the input costs.</p>
<p>Commission views: The reply furnished by GESCOM is noted. The comparison of rates with other nations is not appropriate as the input costs differ from place to place and country to country.</p>		
64.	<p>Entrusting management of GESCOM to the bidder through tariff competitive bidding. Every year GESCOM has been demanding increase in tariff. Last year GESCOM demanded hike of 82 paise per Unit. This year GESCOM is demanding hike of 74paise per Unit. It has become routine to ask for steep hike. GESCOM has not arrived at cost to serve. GESCOM has not improved HT:LT ratio and has not reduced losses. GESCOM has not reduced the failure of distribution transformers and repair cost is loaded on to the Consumers. Time switches are not provided and energy is wasted. DTC wise energy audit is not done and losses are not monitored. HV DS lines are not laid and losses are not reduced. Capital Expenditure is more than the double of the Commission approved. Demand side Management is not done. Thus the entire inefficiency of GESCOM is loaded on to the Consumers. In the light of above narrations, it is prayed that the Management of GESCOM may be entrusted to any Public/Private bidder who can supply energy to the consumers at the least tariff. It is possible some bidder will come forward and the Consumers need not pay for the</p>	<p>Cost to serve model is not yet finalized. GESCOM as stated in Para 3.2 that HT/LT ratio has improved, the distribution losses, failure rate of transformer are also reduced compared to preceding years. The matter of providing time switches is pursued with municipal/ZP/TP authorities. GESCOM is conducting Energy Audit and have separate Energy Audit cell. The directive of implementation of HVDS is dropped by Hon'ble Commission. GESCOM has proposed DSM in Agriculture and project will be taken up after the approval of commission. The efficiency improvement has been achieved in several aspects of the operations and also financial parameters are available for assessment. The fact that Company has indicated profit of Rs 19.34 Crores at operational level during FY19 is proof that there is overall improvement in all aspects. The objector's claim that the inefficiency of GESCOM is loaded on to consumers is factually incorrect. GESCOM has filed the tariff petition to cover its GAP due to the legitimate increase in the input cost and allowable expenses. We humbly request to consider the same and approve the tariff hike so as to meet our deficit for FY21.</p>

	inefficiency on GESCOM.																																											
	Commission views: The reply furnished by GESCOM is <u>noted</u> . The Government is the owner of the GESCOM, <u>any</u> decision to hand over the management to private agencies shall have to be taken by the Government.																																											
GA-02																																												
65.	UNMETERED DTC:																																											
	Percentage and numbers of unmetered DTCs on following categories of feeders excluding IP sets DTC (other than IP set DTC) is as under																																											
	<table border="1"> <thead> <tr> <th>SI No</th> <th>Category of Feeder</th> <th>Total DTC</th> <th>Metered</th> <th>Un Metered</th> <th>Percentage of Un metered</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rural</td> <td>15531</td> <td>4940</td> <td>10592</td> <td>60.19 %</td> </tr> <tr> <td>2</td> <td>Water Supply</td> <td>879</td> <td>458</td> <td>421</td> <td>47.90 %</td> </tr> <tr> <td>3</td> <td>Urban</td> <td>17421</td> <td>11261</td> <td>6160</td> <td>35.36 %</td> </tr> <tr> <td>4</td> <td>Industrial</td> <td>2706</td> <td>1845</td> <td>862</td> <td>31.90 %</td> </tr> <tr> <td>5</td> <td>NJY</td> <td>9380</td> <td>8700</td> <td>679</td> <td>7.80 %</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>5917</td> <td>27204</td> <td>18714</td> <td>40.75 %</td> </tr> </tbody> </table>		SI No	Category of Feeder	Total DTC	Metered	Un Metered	Percentage of Un metered	1	Rural	15531	4940	10592	60.19 %	2	Water Supply	879	458	421	47.90 %	3	Urban	17421	11261	6160	35.36 %	4	Industrial	2706	1845	862	31.90 %	5	NJY	9380	8700	679	7.80 %		TOTAL	5917	27204	18714	40.75 %
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	<p>From above it is clear that GESCOM cannot find out /detect actual losses on such a huge number of unmetered DTCs. It follows that input energy versus billed energy losses arising out of theft revenue loss cannot be properly/correctly assessed. Hence distribution loss shown in GESCOM's petition is based on presumption</p> <p>Even energy audit of DTCs which are metered was not carried out properly, Reports generated are also erroneous</p> <p>The above facts will have direct bearing on distribution losses. The corresponding benefits are denied to the consumer and actual losses are hidden by GESCOM</p> <p>Hon'ble commission has repeatedly said that all DTCs should be 100% metered. But GESCOM has not achieved 100% DTCs metering. Because of this it will be very difficult to find out proper revenue loss, theft etc. on unmetered DTCs. In turn it will not be possible to take necessary remedial measures.</p> <p>The Commission is requested to take action in this regard</p>																																											
	<p>GESCOM Reply: GESCOM conducts feeder-wise energy audit every month through its Energy Audit cell created for the purpose of assessing, monitoring and analysing the energy audit of 11KV feeders and initiating suitable actions on high loss feeders. As on December-2019 energy audit of total existing 1967 Nos of 11KV feeders of various categories has been carried out. Feeder-wise losses are arrived as per the actual consumption recorded at 11KV feeder level at various sub-stations with sales made on respective feeders. Hence the computed losses are based on actual meter reading only and are not based on presumption. High loss feeders</p>																																											

have been inspected and efforts have been made to reduce the distribution loss through various methods as follows:

1. Vigilance activities.

- In Raichur town the distribution losses are on higher side. To reduce the losses entire vigilance staff was deputed to Raichur town for conducting the Mass Raids under the supervision of SP(Vigilance) during November-19.
- From October-19 to January-2020, 472 Nos of theft cases have been booked and for which BBC amount of Rs3106415/- was claimed and Rs 10343601/- has been collected including arrears.
- Similarly, in Kalaburgi City Mass Raid was conducted during December-19 and 100Nos of theft cases booked amounting to BBC of Rs 492332/- out of which already amount recovered from 25 cases amounting to Rs 92777/-
- During monthly review meeting of all O&M Divisions at Corporate Office, booking of theft cases by Section Officers is reviewed and each Section Officer is assigned with a target of 5 cases per month.
- Wherever the losses are found beyond permissible limit the concerned Section Officer is served with show cause notice.

2. Shifting of meters from inside the consumer premises to outside the premises. 149322 Nos of meters have been shifted from inside to outside as on 31.01.2020.

3. Replacement of DC/MNR/Electro-mechanical meters by electrostatic meters to enable accurate recording of consumption. 420778 Nos of meters are replaced as on 31.01.2020 under DDUGJY and IPDS.

4. Reconductoring of HT and LT lines. As on 31.01.2020, reconductoring of 2286 Kms of HT line and 541Kms of LT line is carried out under DDUGJY and IPDS.

Regarding DTC metering, in GESCOM there are 18716 un-metered DTCs of various categories excluding IP Set DTCs. Work is under progress for metering of 4841 Nos of DTCs under DDUGJY. Tender also invited for metering of 1725 un-metered DTCs. Further, The ESCOMs were directed in 58th Advisory Committee Meeting not to take up the DTCs metering works until completion of energy audit work in respect of DTCs already metered and the same shall be complied by GESCOM. Out of 27205 metered DTCs energy audit of 15,000 Nos of DTCs (on an average) is being carried out on monthly basis in KERCA to F format. The abstract of percentage wise losses of 15255 Nos of DTCs audited for the month of Nov-19 is as follows.

Loss percentage	< 6 %	> 6% to < 10%	> 10 to < 15%	> 15 %	Total No. of DTCs Audited
No of DTCs	2517	2342	6432	3964	15255

Further GESCOM has instructed all its field officers vide letter no. 57493-519 to carry out the energy audit of all the metered DTCs every month mandatorily and also instructions have been issued vide TO Ltr No: 58202-28 to closely monitor the DTCs having more than 10% losses and take corrective measures for loss reduction.

	Commission views: Reply furnished by GESCOM is noted. GESCOM is directed to focus on reduction of losses in feeders having high losses in view of the fact that majority of the feeders are showing more than 10% losses.																																		
66.	UNMETERED SALE OF BK/KJ: There are a total of 597675 installations of BK/KJ under GESCOM out of which 166660 are unmetered and percentage-wise this comes to 27.88 % (unmetered). For these installations even if they consume more than 40 units (per installation) there is no way for billing it and this burden get shifted on to paying consumer. The question is a why should paying consumer fall prey for mismanagement of GESCOM for this Hon'ble commission has to initiate the action on GESCOM.	At present GESCOM has given more emphasis on metering of DC/MNR/electro-mechanical meters of high revenue yielding installations such as LT-2, LT-3, LT-5, LT-6(W/S), LT-6(Street light) for accurate recording of consumption. 319689 meters have been replaced as on 31.01.2020. Further action will be taken to replace DC/MNR meters of BJ/KJ installations ensuing financial year.																																	
	Commission views: The Commission takes note of the reply of GESCOM. The consumers who consume more than 40 units are treated as domestic consumers and billed as per LT2-A tariff. For the BJ/KJ consumers consuming up to 40 units per month, the Government pays full subsidy. Hence there is no question of other consumers bearing the burden on this account. . GESCOM is directed to strictly monitor the BJ/ KJ consumption and take needful action.																																		
67.	Some Category Of Items Under Capex Exceeded Above The <u>KERC</u> Approval: GESCOM has exceeded Capital Expenditure for FY19 on some category of items above the KERC Approval																																		
	<table border="1"> <thead> <tr> <th>Sl no</th> <th>Particulars</th> <th>Approved by KERC in Crores</th> <th>Actual Spent above the KERC Approval</th> <th>Amount Exceeded over above KERC Approval</th> <th>Percentage of Exceeded</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Shifting of meters inside to outside</td> <td>10</td> <td>23.86</td> <td>13.86</td> <td>138.6</td> </tr> <tr> <td>2</td> <td>Replacement of failed Transformer</td> <td>20</td> <td>31.7</td> <td>11.7</td> <td>58.5</td> </tr> <tr> <td>3</td> <td>Ganga Kalyan</td> <td>50</td> <td>79.11</td> <td>29.11</td> <td>58.22</td> </tr> <tr> <td></td> <td>Total</td> <td>80</td> <td>134.67</td> <td>54.67</td> <td>68.33</td> </tr> </tbody> </table>					Sl no	Particulars	Approved by KERC in Crores	Actual Spent above the KERC Approval	Amount Exceeded over above KERC Approval	Percentage of Exceeded	1	Shifting of meters inside to outside	10	23.86	13.86	138.6	2	Replacement of failed Transformer	20	31.7	11.7	58.5	3	Ganga Kalyan	50	79.11	29.11	58.22		Total	80	134.67	54.67	68.33
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2	Replacement of failed Transformer	20	31.7	11.7	58.5																														
3	Ganga Kalyan	50	79.11	29.11	58.22																														
	Total	80	134.67	54.67	68.33																														
	The capital expenditure amount over and above the approved of KERC on above items should not be allowed																																		
	GESCOM Reply: Reply for Some category of items under Capex exceeded above the KERC approval:																																		
	1) Shifting of meters inside to outside: The budget was exceeded above the KERC approved budget as expenditure for the meter shifting works awarded in FY18 are booked during FY-19. Meter shifting works amounting to Rs.50.22 Crores were awarded during FY18. But no expenditure was booked for FY18. All the works spilled over to FY19. During FY19 (143103 Nos) of installation were shifted from inside to outside the premises of consumers resulting in																																		

exceeding the allocated budget. However, for FY-19 GESCOM has incurred total expenditure of Rs.691.54 Crores and has not exceeded the KERC approved budget of Rs.845 Crores.

- 2) **Replacement of failed transformers:** The budget was exceeded above the KERC approved budget as replacement of failed distribution transformer by new transformers and repaired good transformer are booked under Capex. However, GESCOM has issued strict guidelines to all its O&M divisions to book replacement of failed transformers by repaired good transformer under revenue budget. However, for FY19 GESCOM has incurred total expenditure of Rs.691.54Cr and has not exceeded the KERC approved budget of Rs.845Cr. The details of Number of DTCs failed during FY19 and replacement of failed DTCs by new and repaired good DTC and expenditure booked are enclosed as Annexure-1.
- 3) **Ganga Kaylan(GK):** Ganga Kalyan being govt flagship scheme, needs to be taken up on priority as and when applications are received. During FY18, 5419 Nos of GK beneficiaries of various corporations are serviced. During FY19 GESCOM received 8397 GK applications out of which 6429 Nos of beneficiaries have been energized, as against the target of 3000Nos. Hence the expenditure booked has exceeded the allocated GK budget. Since GK is a social obligatory work which has to take up on priority. However for FY19 GESCOM has incurred total expenditure of Rs.691.54 Crores and has not exceeded the KERC approved budget of Rs.845Cr.

Commission views: The Commission notes the above reply provided by GESCOM and has discussed the CAPEX in the relevant chapter of this Order.

68. GESCOM has paid for some power Generating Stations above and over the power cost for FY-19 approved by KERC as under:

Sl No	Particular of Generating Company	Power Purchase in MU	KERC Approved rate in Tariff Order 2018 for FY 19	Actual Amount paid in Crores	Amount would have paid as per KERC Approval in Tariff Order 2018	Excess paid	Rate per Unit In Rs
1	BTP III	20.86	3.12	36.79	6.508	30.282	17.63
2	YTPS	45.65	2.34	68.04	10.682	57.358	14.90
3	JURALA HYDRO	9.92	4.10	14.33	4.067	10.263	14.44
4	UPCL	526.96	FC 129.27+3.15	324.89	165.69 129.27 294.96	29.93	6.16

The amount paid to above Generating Stations is very much in excess. Amount paid above and over the approval by KERC should not be allowed.

GESCOM Reply:

Power Purchase: - GESCOM Reply

Sl No	Source	GESCOM share of allocation in %	Approved by KERC	Actual	Remarks
			Energy in MU	Amount in Crs	Rate P/U
1	BTPS-III	6.60	52.80	16.47	3.12
2	YTPS	6.60	105.60	24.72	2.34
3	Jurala	24.4284	26.87	11.02	4.10
4	UPCL	10.790	724.22	344.73	4.76

Remarks:-

1. BTPS-III- During FY19, BTPS-III has generated & exported the energy to the state grid only during April-2018 and May-2018. And for remaining period of the year (i.e 10 months) not generated & exported the energy to state grid. GESCOM has received 20.86 MU's energy against the energy 52.80MU's approved by the KERC and which is less than the approved by KERC. During the non-generation period the ESCOMS/GESCOM has to pay the Fixed cost as per PPA terms & conditions on Adhoc tariff till the determination final tariff by the KERC. As per the PPA clause 5.1.3 Adhoc tariff defined as below.

"Seller shall approach KERC for determination of Tariff before commercial Operation Date of first unit of the station. In case this Tariff is not determined for any reasons by KERC prior to commencement of commercial operation of such unit of the station, the parties agree that billing and payment shall be done on adhoc basis as per the proposal of seller submitted to KERC. Seller shall inform buyers of such adhoc tariff and pending determination of such tariff by KERC billing on provisional basis would be carried out, subject to adjustment along with applicable interest as and when such tariff is determined by KERC".

Hence, there is a variation in approved rate per unit by KERC and actual rate per unit admitted and paid by GESCOM.

2. YTPS:- During FY19, YTPS has generated & exported the energy to the state grid & GESCOM share is to an extent of 45.65 MU's against the approved by the KERC is 105.60 MU's. But the YTPS has generated the energy during April-18, May-18, June-18, July-18, Oct-18 & Nov-18 and remaining months (i.e 6 months) YTPS unit has not generated & exported to the state grid. During non-generation period the ESCOMS/GESCOM has to pay the Fixed cost as per PPA terms and conditions on Adhoc tariff till the determination of final tariff by the KERC. Hence, there is variation in approved rate per unit by KERC and actual rate per unit admitted and paid by GESCOM.
3. Jurala:- During FY19, Priyadarshini Jurala has generated & exported the energy to the state grid and GESCOM share is to an extent of only 9.92 MU's against the approved energy 26.87 MU's during the month of July-18, Aug-18 and Jan-19. But remaining months (i.e 9 months) the Jurala project has not generated & exported the energy to all ESCOMS/GESCOM. However, during the non-generation period the ESCOMS/GESCOM has to pay the Fixed cost as per PPA terms & conditions as approved by the Hon'ble KERC. Hence, the average actual rate per unit works out to Rs. 14.44 P/U against the Rs 4.10 P/U approved by the KERC due to payment of Fixed Cost during non-generation period.

	<p>4. UPCL:- During FY19, M/s. UPCL has generated & exported the energy to the state grid & GESCOM share is to an extent of 526.96 MUs against the approved energy by Hon'ble KERC is 724.22 MU's. The energy received by GESCOM is less than the approved energy to an extent of 197.26 MU's. Due to payment variable cost to UPCL, the actual rate per unit is more than the approved cost Hence, there is variation in approved rate per unit by the KERC and actual rate per unit admitted and paid by GESCOM.</p>																								
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69.	<p>It is shown in D-1 format (power purchase) for FY19 (at SL No.36-page No.241) of GESCOM petition dated 28/11/2019 in respect of Varahi unit 3&4 energy received is shown as nil. Amount paid was Rs 9.97 cr . This Rs.9.97 should not be allowed</p> <p>GESCOM Reply: In the D-1 format vide SI No.28 and SI No.36 are pertaining to M/s. Varahi valley projects, and the amount of Rs. 9.97 Crs shown in SI No.36 is a typographical error but it is to be included in SI No.28 of Rs. 30.60 Crs and read as actual total amount of Rs. 40.57 Crs of M/s. Varahi valley projects.</p> <p>The statement showing the details of M/s. Varahi valley project as approved by the KERC and Actual admitted by the GESCOM for the FY-19 is as follows:</p> <p style="text-align: center;"><u>Approved by the KERC:</u></p> <table border="1"> <thead> <tr> <th>Name of the Generating station</th> <th>% share of energy allowed</th> <th>Energy allowed in MU</th> <th>Total cost (Rs in Crs)</th> <th>Per unit rate (Rs/Kwh)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>M/s. Varahi Valley Project (4x115+2x4.5)</td> <td>24.4284</td> <td>252.62</td> <td>30.65</td> <td>1.21</td> <td></td> </tr> </tbody> </table> <p><u>Actual bills admitted by GESCOM:</u></p> <table border="1"> <thead> <tr> <th>Name of the Generating station</th> <th>% share of energy allowed</th> <th>Energy allowed in MU</th> <th>Total cost (Rs in Crs)</th> <th>Per unit rate (Rs/Kwh)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>M/s. Varahi Valley Project (4x115+2x4.5)</td> <td>24.4284</td> <td>306.61</td> <td>40.57</td> <td>1.32</td> <td></td> </tr> </tbody> </table>	Name of the Generating station	% share of energy allowed	Energy allowed in MU	Total cost (Rs in Crs)	Per unit rate (Rs/Kwh)	Remarks	M/s. Varahi Valley Project (4x115+2x4.5)	24.4284	252.62	30.65	1.21		Name of the Generating station	% share of energy allowed	Energy allowed in MU	Total cost (Rs in Crs)	Per unit rate (Rs/Kwh)	Remarks	M/s. Varahi Valley Project (4x115+2x4.5)	24.4284	306.61	40.57	1.32	
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71.	<p>Direct the Government of Karnataka to pay interest on arrears of subsidy:</p> <p>An amount of Rs. 1065.63 crore's dues receivable from Government of Karnataka towards subsidy dues which are outstanding and have accumulated over a period of time from 2008 to 2019-20 up to Nov 2020 the details are as under:</p> <table border="1" data-bbox="350 1283 1409 1883"> <thead> <tr> <th>Year</th> <th>Opening Balance</th> <th>Claim of Subsidy</th> <th>Released</th> <th>Closing Balance</th> <th>Interest @ 12% per annum to be collected, but not levied by GESCOM</th> </tr> </thead> <tbody> <tr> <td>2007-08</td> <td>274.75</td> <td>514.40</td> <td>261.68</td> <td>527.55</td> <td>63.30</td> </tr> <tr> <td>2008-09</td> <td>527.55</td> <td>672.39</td> <td>285.59</td> <td>914.35</td> <td>109.72</td> </tr> <tr> <td>2009-10</td> <td>914.35</td> <td>567.36</td> <td>424.07</td> <td>1057.64</td> <td>126.55</td> </tr> <tr> <td>2010-11</td> <td>1057.00</td> <td>793.67</td> <td>844.42</td> <td>1006.89</td> <td>120.82</td> </tr> <tr> <td>2011-12</td> <td>1006.89</td> <td>1052.82</td> <td>982.64</td> <td>1077.07</td> <td>129.24</td> </tr> <tr> <td>2012-13</td> <td>1077.07</td> <td>1154.03</td> <td>1333.11</td> <td>897.00</td> <td>107.64</td> </tr> <tr> <td>2013-14</td> <td>897.99</td> <td>1207.56</td> <td>1207.55</td> <td>898.00</td> <td>107.76</td> </tr> <tr> <td>2014-15</td> <td>898.00</td> <td>1320.86</td> <td>1235.43</td> <td>983.43</td> <td>118.01</td> </tr> <tr> <td>2015-16</td> <td>983.43</td> <td>2045.41</td> <td>1918.36</td> <td>1110.48</td> <td>133.25</td> </tr> <tr> <td>2016-17</td> <td>1110.48</td> <td>1363.46</td> <td>1700.74</td> <td>773.20</td> <td>92.78</td> </tr> <tr> <td>2017-18</td> <td>773.20</td> <td>1628.45</td> <td>1739.83</td> <td>661.82</td> <td>79.41</td> </tr> <tr> <td>2018-19</td> <td>661.82</td> <td>2219.53</td> <td>1697.29</td> <td>1184.06</td> <td>142.08</td> </tr> </tbody> </table>		Year	Opening Balance	Claim of Subsidy	Released	Closing Balance	Interest @ 12% per annum to be collected, but not levied by GESCOM	2007-08	274.75	514.40	261.68	527.55	63.30	2008-09	527.55	672.39	285.59	914.35	109.72	2009-10	914.35	567.36	424.07	1057.64	126.55	2010-11	1057.00	793.67	844.42	1006.89	120.82	2011-12	1006.89	1052.82	982.64	1077.07	129.24	2012-13	1077.07	1154.03	1333.11	897.00	107.64	2013-14	897.99	1207.56	1207.55	898.00	107.76	2014-15	898.00	1320.86	1235.43	983.43	118.01	2015-16	983.43	2045.41	1918.36	1110.48	133.25	2016-17	1110.48	1363.46	1700.74	773.20	92.78	2017-18	773.20	1628.45	1739.83	661.82	79.41	2018-19	661.82	2219.53	1697.29	1184.06	142.08
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2019-20 (up to Nov 2019)	1184.06	1221.70	1340.13	1065.63	127.87
				Total interest to be collected	1458.43 crores

Receivable subsidy with interest work out to Rs. 2,524.06 Crores

Details are as under:

Subsidy receivable	1065.63 cr
Interest to be collected	1458.43 cr

Total: Rs 2,524.06 Crores

It could be seen in column No.6 an interest of Rs.1458.43 Crores should have accrued to the GESCOM for the period 2008-2020 even it was levied at a minimum Rate of 12% per annum. The hike in tariff petition as sought by GESCOM would not have been necessitated / arisen

In Electricity Act 2003 there is no provision to give concession for dues to be collected from Government or there is no provision in Electricity Act 2003 that government dues should be exempted from levying interest on their dues.

Not collecting the interest (carrying cost) on government's long standing dues and passing on it to other honest consumer is highly objectionable.

GESCOM collects interest on its dues from its customers. Why then they should not have collected any interest on dues on part of Government. This is not justifiable and it is also unfair. There can be no concession for dues to be collected from the Government. There should not any a partiality for any class of debtors.

This issue was raised in previous objection dated 30-1-2018 for which Hon'ble commission clearly stated in its Tariff order 2018 at page No 206 that" 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 others sources by paying necessary interest to pay its liabilities which cannot be passed on to consumers "The copy of same is enclosed

After the direction issued by the Hon'ble commission in its order 2018 (at page No 206} pursuant to it the GESCOM had written a letter dated 28/05/2018 addressed to the Energy Department GoK, with a request to release the interest on arrears of subsidy accumulated since FY-2008 to FY 2017. In response Energy Department replied with a lame excuse denying releasing interest on arrears of subsidy. As Energy Department did not respond properly to the GESCOM's letter dated 28/06/2018 and did not release interest on arrears of subsidy, GESCOM in its previous Application 2018 at page no 174 has requested to Hon'ble commission to issue

	<p>direction to GoK to release the interest on arrears of subsidy.</p> <p>The KERC (Manner Of Payment Of Subsidy By The State Government) Regulation, 2008 clearly says that the Government shall release subsidy in advance, further Regulation 6(3) of KERC (manner of payment of subsidy by the state The Government) Regulation, 2008 say that in case the subsidy paid in advance based on estimates is less than the actual requirement for the quarter, the Government shall make good the deficit amount in the next quarter.</p> <p>For all these years from 2008 to till date the GoK is violating the provisions of The KERC (Manner Of Payment Of Subsidy By The State Government) Regulation, 2008.</p> <p>Attention of Hon'ble commission is invited towards the Tariff order dated 19/04/2018 of Punjab state electricity regulatory commission in matter of Punjab state Power Corporation limited (PSPCL) in respect of application for APR of FY 2017-18 and Revised Estimate for FY18-19, wherein Government of Punjab has been directed as under.</p> <p>“Interest on delayed payment of subsidy: The GoP has paid Rs 5600.70 crore subsidy to PSPCL during FY 2016-17 in staggered instalments. The Commission observed that there was delay in payment of subsidy to PSPCL in FY 2016-17. With a view to compensate PSPCL on this account, the Commission levies interest on the delayed payment of subsidy @9.70% (effective rate of interest on working capital loan) which works out to Rs.307.79 crore.”. The copy of same is enclosed herewith for your perusal.</p> <p>The situation of GESCOM and GoK in matter of delay in release of subsidy Amount is similar to that of Punjab thus the GoK Shall be directed to bear the carrying cost on all delays in release of subsidy from GoK to GESCOM.</p> <p>The principle in case of Punjab is also definitely applicable to present case also Government is not above the law</p> <p>Therefore, please issue direction to GoK to release the interest on arrears of subsidy and initiate action against the government for violating provisions of The KERC (manner of payment of subsidy by the state Government) Regulation, 2008.</p>	<p>GESCOM's Reply: A letter addressed to Energy Department request for payment of interest on Subsidy Arrears payable to GESCOM Vide Ltr No: GESCOM/ SPS/CA/DCA/AO/AAO(DCB)/2018-19/14843 Dated: 28.06.2018.</p> <p>The Under Secretary, Energy Department GoK has replied vide Ltr No: EN100/PSR2018 Dated: 16.07.2018 that there is no provision for the payment of interest on subsidy arrears under state consolidated fund, also GESCOM will request and pursue the GOK to include interest on arrears of subsidy in the budget and arrange to release the same.</p> <p>Commission views: The Commission notes the observation and reply provided by GESCOM.</p>
72.	Replacement of meters and trouble	Reply for Replacement of meters and trouble

	<p>faced by consumer: It has come to our Notice that while replacing the meters many irregularities have been committed:</p> <p>a) The reading of the old meter along with serial number is not provided to the consumer and also while fixing new meter its zero reading or actual reading is not shown to the consumer immediately after fixing the meter</p> <p>b) In many instances they have not immediately entered old reading and new reading in records and for few months they send bills as MNR</p> <p>c) Few consumers get the bill only after 2-3 month after the replacement of meter.</p> <p>d) In many instances it has been found that meter has been replaced without the knowledge of the consumer.</p> <p>The above stated fact is not with an intention to oppose replacement of meters but providing facts about the hardship the consumer are facing due to negligence of GESCOM officials in not following proper procedure.</p> <p><u>Stakeholder</u> requests Hon'ble commission to direct the GESCOM to compulsorily provide the meter reading as well as serial number of old meter. They also ensure that the new meter reads null (zero) or provide the actual reading of new meter.</p>	<p>faced by consumer: In GESCOM on a mass scale replacement of electro-mechanical meters by electrostatic meter has been taken up under DDUGJY and IPDS.</p> <p>i) Under DDUGJY the works of replacement of 434851Nos of electro-mechanical meters by electrostatic meters was awarded with a completion period of 06 months from the date of LOI. As on 31.01.2020 replacement of 319689 Nos of meters has been completed.</p> <p>ii) Under IPDS the works of replacement of 133014 Nos of electro-mechanical meters by electrostatic meters was awarded with a completion period of 06 months from the date of LOI. As on 31.01.2020 replacement of 72739 Nos of meters has been completed.</p> <p>a) It has come to the knowledge of GESCOM, that in some instances, at the time of replacement details of meters are not brought to the knowledge of the consumers. In this regard GESCOM has already issued strict instructions to all the field officers to replace the meters with due acknowledgement of consumers. The consumer is informed about the IR,FR and SI.No of meter.</p> <p>b.c.d) As GESCOM has taken meter replacement works on massive scale, the updation of released meter and new meter details are getting delayed in some cases. However, GESCOM has taken all the corrective measures to update and issue the bill in the subsequent month itself.</p>
	<p>Commission views: The Commission notes the reply provided by GESCOM and directs GESCOM to take appropriate corrective measures to see that the observations are attended to and are not repeated in future.</p>	
73.	<p>ACCIDENTS: The figures of Accidents are as under</p>	

Sl No	Types of Accidents	FY 17-18	Monthly Average 17-18	FY18-19	Monthly Average 18-19	FY 19-20 Up to Dec 9 month)	Monthly Average 19-20
1	Fatal (Non Dept. & Dept.)	88	7.33	98	8.16	98	10.88
2	Non-Fatal (Non Dept. & Dept.)	81	6.75	98	8.16	95	10.35

From the above we can see that fatal Accidents are increasing year by year and there is no drastic reduction in Accidents

From last 7 years it is observed that the commission allows some amount for prevention of Accidents under Capital Expenditure. But it is found that the amount is spent somewhere and Accidents happen somewhere else.

There is an urgent need for safety audit by third party in order to arrest the increasing trend of Accidents and based on safety audit report remedial measures can be taken

We have been insisting for third party safety audit for last three years because the Accidents are not at all reducing

The commission is requested to order for third party safety audit by independent Agency and also order for disciplinary action against official responsible for Accidents due to negligence etc.

GESCOM Reply:

Accidents		2017-18	% of accident	2018-19	% of accident	2019-20 (up to Dec-19)	% of accident	Total
1	2	3	4	5	6	7	8	9=3+5+7
Fatal	Reason attributable to GESCOM	20	21.98	22	22.45	16	16.33	58
	Reason not attributable to GESCOM	71	78.02	76	77.55	82	83.67	229
Non-Fatal	Reason attributable to GESCOM	21	25.93	19	19.39	19	23.46	59
	Reason not attributable to GESCOM	60	74.07	79	80.61	62	76.54	201
Total	Reason attributable to GESCOM	41	23.84	41	20.92	35	19.55	117
	Reason not attributable to GESCOM	131	76.16	155	79.08	144	80.45	430

Analysis of Accident occurred during last three years shows the accidents are mostly not due to GESCOM fault. Percentage of accidents occurred due to GESCOM fault is 23.84% in FY18 ,20.92% in FY19 and 19.55% in FY20 and percentage of accidents not due to GESCOM fault is 76.16% in FY18, 79.08% in FY19 and 80.45 in FY20.

In the past three years lot of new network addition has taken place during implementation of Schemes like DDUGJY, IPDS, NJY and UNIP infrastructure creation works and other system improvement works. When only accident numbers are considered it shows slightly increasing trend but when accident numbers are compared to network addition in distribution systems, we can say accidents occurrence is decreasing and not increased in proportionate to network capacity/infrastructure addition. GESCOM as a responsible public utility is putting lot of efforts to strengthen distribution System, replacing age old Lines, Poles and Rectifying Hazardous Location etc. Following measures are taken by GESCOM During FY-20 to prevent Accidents:

Actions Taken to Prevent Accidents:

- All field officers are instructed for proper supervision of installation and construction of electric lines/apparatus. And EEs/SEE/CEEs are monitoring the works.
- Operational healthiness of lines/equipment protection circuits/relays is being monitored in all periodical meetings of field officers and co-ordination meetings held with KPTCL Officers.
- Periodical calibration of all relays of 11kV, 33kV lines in GESCOM's 33/11kV sub-stations are being carried out by GESCOM RT staff. KPTCL officers are being persuaded to calibrate relays & protection systems of distribution lines at their sub-stations.
- Awareness being created among consumers and field staff to maintain healthy service wires and see that service wires swaying in air don't come in contact with metal sheets/rods/angles/stone roof which will cause damage to service wire and may lead to electrical accidents.
- All field staff working on lines/apparatus is provided with safety tools and equipment's like gloves, Safety belts, Shoes, Helmets, Earthing rods, Ladders, Line live testers.
- Field staff trained in safety workshops held at divisional levels and mock drills to use safety gear and maintain safety equipments in sound and working condition.
- Field staff trained periodically to use safety gear and work on lines by creating safety zones.
- GESCOM has taken action by instructing O&M CEE/SEE/EEE/AEEs and Vigilance SP/DySP/PSI to conduct surprise inspections to monitor use of safety tools and devices and practicing of safe methods by field staff. Erring field staff are penalized for violation of safety procedures.
- Budget of Rs 2000.33 Lakhs and Rs 3807 Lakhs under CAPEX and SDP for identification and rectification of hazardous locations by doing safety audit of distribution system. Up to Jan-2020, Rs 1375.98 Lakhs and Rs 1933.05 Lakhs expenditure made under CAPEX and SDP respectively.
- Field staff and supervising staff are directed to increase the efforts to identify and rectify hazardous locations on all feeders and take up suitable action to maintain distribution

system as per norms by providing intermediate poles/l-beams/towers wherever necessary to maintain clearances of overhead lines from ground/buildings as per norms.

- Awareness among general public created through advertisements of Do's and Don'ts of safety through daily newspaper and special issue magazines, pamphlets, radio jingles, street campaigns/Suraksha jatha, painting competitions and exhibition of paintings at school/colleges.
- To maintain clearances of buildings from overhead lines & apparatus, DTCs etc as per norms.
- GESCOM following practice of constructing electric lines, establishing new DTCs duly maintaining adequate clearances as per norms.
- Awareness being created to transport materials near overhead lines only after informing GESCOM staff and do not store materials near/below overhead lines which may lead to electric accident/ fire.
- Awareness among general public created through advertisements to not to use grid AC supply for electric fencing. Solar fencing wherever needed to be installed through reputed and authorized solar fence providing firms and maintained as per norms
- Till now Rs 42.96 Lakhs expenditure made on consumer awareness programs regarding electrical safety, Electricity conservation etc.
- Discussions held with customers at regular customer interaction meetings regarding electrical safety, Electricity conservation etc.

GESCOM will continue to put all efforts to create awareness among general public and maintenance staff and aims to become accidents free utility.

GESCOM has taken up system improvement works to prevents accidents like replacing damaged poles, re-straitening of loose spans, replacing iron poles, providing intermediate poles, reconductoring of LT/ HT lines, Distribution Transformer fencing, shifting of Hazardous locations etc under Capex, SDP etc. programs. GESCOM has internal quality check and works monitoring system like Internal Audit and Technical Audit and Quality Control (TA&QC) wings. These teams monitor that the works are carried out as per approval/sanctioned estimates.

All field staff have been instructed to do safety audit of distribution system, identify Hazardous locations. In FY20 Rs.2000.33 Lakhs in capex and Rs.3807 Lakhs in SDP has been set aside for rectification of Hazardous locations. As on date (31-01-2020) 819 numbers of Hazardous locations under capex program and 793 numbers of Hazardous locations under SDP have been rectified. Balance no of Hazardous locations identified till now (1373) and hazardous locations which will be identified during Feb & Mar-2020 will be rectified up to Mar-2020. Action will be taken for speedy rectification of the hazardous locations by utilizing extra funds wherever required.

Commission views: The Replies furnished by the GESCOM are not satisfactory. The various actions taken, as narrated above should have resulted in reduction of rate of accidents. Immediate action is required to identify the hazardous installation and rectify them without further loss of time.

74.	<p>TIMER SWITCHES TO STREELIGHT:</p> <p>Out of 13175 street lights installed only 1607 street light installations are provided with Timer Switches, remaining huge number of 11568 street light installation are without Timer Switches. Percentage wise this comes to 88% (without Timer Switches)</p> <p>Hon'ble Commission in its every and each TARIFF ORDER from 2008 to 2019 has directed GESCOM & ESCOMS for installing Timer Switches for street light installations, for switching on and off at the required time</p> <p>Since majority of the street light installations are un-metered the Panchayat/ urban local bodies are not bothered to install Timer Switches</p> <p>Our Organization requests Hon'ble Commission to come out with two types of Tariff for street lights, one with a very high Tariff for non-installation of Timer Switch and other less than high Tariff for who have installed Timer switch. this will practically make them comply the directive of Hon'ble Commission on providing Timer Switches to street lights.</p>	<p>GESCOM has sent letters to the Chief Executive Officer, Zilla Panchayat / The Commissioners of City Corporation / Municipal Commissioners of City Municipality of GESCOM Jurisdiction for fixing the timer switches for the street light installations and same is pursued by the Executive Engineers in the respective Divisions and also all The Executive Engineers of O&M in GESCOM are instructed to follow up with the local municipal authorities to take action for avoiding the burning of street lights during day time. The objector has requested Hon'ble Commission to come out with two type of Tariff for Street Lights, one with a very High Tariff for non-installation of Timer switches and other with less than Higher Tariff for Having Installed with Timer Switches. GESCOM will abide the decision of the Hon'ble Commission in the above matter. GESCOM has prayed The Hon'ble Commission in reply to the Preliminary Observation on filing of Application for APR FY-19, ARR & Retail Tariff for FY-21, the directive on providing Timer Switches to Street Lights may Kindly dropped as it comes under the purview of CMC/TMC Administration.</p>
Commission views: The Commission notes the observation and reply provided by GESCOM.		
75.	<p>REQUEST TO Create A NEW TARIFF CATEGORY FOR ELECTRIC CREMATORIUM and GRAVEYARD:</p> <p>Electric Crematorium does not run continuously for all the hours. Further these Crematoriums are run by local bodies, communities or charitable trusts. Because of the fixed cost (electricity fixed charges) it does not become viable to run them for local bodies, communities, charitable trusts are not coming forward for installing.</p> <p>In Graveyard during night time there are</p>	<p>Presently the electric crematorium are billed in the LT5 and HT2a tariff, the billing pattern is of 3 slabs compared to other existing tariff in soft category installations. In the above matter GESCOM will abide the decision taken if any, by the Hon'ble Commission.</p>

<p>no lights installed specially in rural area this create lot of inconvenience</p> <p>Because of this create a separate category tariff for electric Crematoriums and Graveyards with bare minimum fixed cost (electricity fixed charges) or nil fixed cost (nil electricity fixed cost) as well as lower energy charges.</p> <p>Reduction in rate by creating separate category for electric Crematorium would reduce usage of wood for burning Corpse. Help in saving trees. Also electric Crematoriums run by various local bodies would not find it burdensome on them to pay the electricity charges for reason the amount collected by the electric Crematorium is very meager.</p> <p>The reduction in fixed cost and energy charges also provide an incentive and encouragement for installing electric Crematorium and facilitate the Graveyards.</p> <p>The burden of this on ESCOMs and other paying category of consumer will be highly minimum but the usefulness for society will be far big.</p> <p>Therefore it is suggested that there is a need to create a separate category tariff for electric Crematoriums and Graveyards with bare minimum fixed cost (electricity fixed charges) or nil fixed cost (nil electricity fixed cost) as well as lower energy charges.</p>	
<p>Commission views: The Forum of Regulators has been insisting on tariff simplification/ rationalization. Hence the State Commissions are required to reduce the no. of categories of consumers. Hence, creating one more category of consumers will not arise, Further, for the usage of power the consumers are required to pay the average cost of supply and also the fixed cost irrespective of the usage of power. Fixed cost is required to be collected for meeting the fixed cost requirement of the ESCOMs.</p>	