

## APPENDIX-1

**Statement showing the objections of the stakeholders/public, CESC's response and the Commission's View**

Objections on Tariff Issues:	
Objections	Replies by CESC
1. CESC has totally failed in implementing the directives issued by the Commission and the tariff petition liable to be dismissed as not maintainable.	CESC has implemented the directives of KERC and furnishing the Compliance to the directives of the Commission regularly.
<b>Commission's View:</b> The reply furnished by the CESC is noted. The Commission is reviewing the compliance to its directives in the KPTCL and ESCOMS in the review meetings and directing the ESCOMS' to strictly adhere to the same. The compliance to the Directives is also being reviewed during the tariff proceedings and a chapter thereon is included in all the tariff orders, issued by the Commission.	
2. CESC should regularize all the unauthorized installations.	All the installations are metered and none of the new service connections are being serviced without meter except IP set under LT 4(a).CESC has taken measures to regularize the unauthorized IP sets installations.
<b>Commission's View:</b> The Commission takes note of the reply by CESC. The Commission directs CESC to complete the enumeration and tagging of the IP Sets and consider the meter reading of the segregated feeders of IP Sets for arriving at the IP Set consumption.	
3. CESC has incurred losses year on year, which is due to unplanned purchase of high cost energy.	CESC has entered into power purchase agreement (PPAs) with various generating stations depending upon the energy requirement of CESC, as per directions of the GoK and with the

	approval of KERC. The cost of power purchase varies depending upon the type of generation, installed capacity etc.
<b>Commission's View:</b> The reply furnished by CESC is acceptable.	
4. CESC is illegally collecting the demand charges from the consumers without giving power during power shutdowns.	Unscheduled Interruption is dynamic The energy charges and fixed charges are being collected in accordance of KERC Regulations.
<b>Commission's View:</b> The reply furnished by CESC is acceptable.	
5. BWSSB already faces an increase of 50% in the cost of energy since the year 2000. CESC proposal to further enhance cost of energy from Rs.4.85 to Rs.5.68 per unit and demand charge from Rs.200 to Rs.300 per KVA will adversely affect the operation of BWSSB.	The revision of tariff is essential to bridge the gap in the expenditure and the tariff for various categories of consumers is determined by the Hon'ble Commission. CESC, Mysore abides by the orders of the Hon'ble Commission.
<b>Commission's View:</b> This Issue has been suitably dealt with in the Tariff Order.	
6. In terms of section 27 (5) (a) of the Karnataka Electricity Reform Act, 1999, the nature and purpose for which the electricity supply is required is a relevant factor for the purpose of fixing the tariff. Therefore, (BWSSB) is eminently eligible for a special treatment in order to extend the benefit	CESC has not furnished any comments on this point.

to the consumers of the objector.	
<p><b>Commission's View:</b></p> <p>As per section 61 of the Electricity Act, the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies within the period to be specified by the Appropriate Commission". The Tariff fixed for HT-1 Category (HT Water supply) is 82% of the average Cost of Supply. Based on the current tariff, the recovery from this category is only 82% and the remaining cost of 18% is being met through cross subsidies from the other consumers. To recover the increase in operational costs incurred during FY19 &amp; FY21, tariff increase to this category is inevitable, or otherwise, the burden of cross subsidy on other category of consumers will increase substantially. Increase in the current level of subsidies is not permissible as per the Electricity Act, 2003.</p>	
<p>7. The tariff for Coffee plantations is being categorised under LT 4(c)(i) and LT 4(c)(ii) and it should be included in the LT(a) category to extend the benefit of free power extended to the Coffee plantations, on par with the other agriculture activities.</p>	<p>The electricity charges under LT(a) category are fully subsidised by the Government and LT4(c)(i) &amp; LT4c(ii) categories are not subsidised by the Government. In order to consider plantations under agricultural category, the Government has to subsidise the energy sale to LT4(c) category and compensate CESC the costs incurred for such supply. The CESC has addressed a letter to Government of Karnataka for providing subsidy to Coffee, Tea and Rubber plantations on par with LT(a) category and the Government response is yet to be received.</p>

<p><b>Commission's View:</b> The reply furnished by the CESC is acceptable. The Commission, in the Tariff Order has stated that, "Coffee plantations have been given a special status as compared to other agricultural lands and therefore coffee planters cannot be treated on par with other agriculturists". Further, the issue pertaining to extending subsidy to the coffee plantations has to be decided by the State Government. Hence, the Commission reiterates its earlier stand on this issue.</p>	
<p>8. CESC should be instructed on implementation of installation of prepaid meters to all installations and should not be required to give security deposit to the prepaid meters.</p>	<p>As per the orders of the Commission, the CESC has taken steps to install prepaid meters to temporary installation and to collect weekly rent for the prepaid meters. CESC Mysore will abide by the orders of the Commission.</p>
<p><b>Commission's View:</b> In addition to the temporary installations, the Commission has issued regulations making it optional to install prepaid meters to the government water supply installation. Pre-paid metering has to be extended to other consumer categories gradually, since it involves huge capital investment by the ESCOMs.</p>	
<p>9. In order to encourage small scale Industries, the tariff may be brought down and the tariff should be at least Rs.1 less than other tariffs.</p>	<p>CESC Mysore proposed hike of 68.36 paisa per unit including fixed charges for all categories of consumers and CESC will abide by the Orders of the Commission.</p>
<p><b>Commission's View:</b> As already pointed out in case of water supply installations (Item-6), the consumer tariff should reflect the cost of supply. Any concession to any category will result in charging cross subsidies to the other paying consumers, unless the Government desires to extend subsidy for such concessional supplies. Hence, in order to keep the current level of cross subsidies at the same level, fixing concessional tariff is not desirable.</p>	

10.To encourage solar water heaters rebate should be continued and enhanced to Rs.100 to encouraged	CESC will abide by the Orders of the Commission.
<b>Commission's View:</b> The incentive for installing Solar heaters has been in force for quite some time. The incentive was initially introduced to encourage installation of solar heaters on the residential houses. Now that the same has made compulsory, the question of encouraging them, with increased incentive, will not arise.	
11.Entrust Management of CESC to some public/private bidder who can supply energy at the least tariff to the consumer.	CESC Mysore is a Company incorporated under Companies Act and is wholly owned by the Government of Karnataka and providing quality of power supply.
<b>Commission's View:</b> The reply furnished by the CESC is noted. CESC is a Distribution Licensee which is fully owned by the Government of Karnataka. The question as to whether to privatise it or other-wise shall have to be decided only by the Government.	
12.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. CESC 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.	CESC Mysore is trying its utmost best to supply power to all areas as per GoK orders. Hon'ble Commission determines the tariff for all categories of consumers. CESC Mysore will abide by the orders of the Hon'ble Commission.

**Commission's View:**

The reply furnished by the CESC is noted. The CESC is directed to make all out efforts to provide uninterrupted and quality power to its consumers by taking up regular maintenance/ improvement works in its distribution network. Also, in case of scheduled interruptions for maintenance works, etc., consumers should be informed about the same well in advance. As regards further increase in reduction in the bills, the ESCOMs should examine it and give suitable proposals while filing the tariff applications. In absence of suitable proposals, the Commission is not in a position to decide on this issue.