

HRECS

Replies to Preliminary Observations on Application for Approval of APR for FY17 and Revision of Retail Supply Tariff & ARR for FY19 Hon'ble KERC

I. Annual Performance Review for FY-17

Observation of the Commission:

A. Sales- other than IP sets:

The Commission in its Tariff Order dated 30.03.2016, had approved total sales to various consumer categories at 2458.22 Lakh units for FY17, against the HRECS proposal of 2648.56 lakh units [excluding sales to AEQUS]. The actual sales of the HRECS as per the current APR filing [D-2 FORMAT] is 2538.92 Lakh units indicating an increase in sales to an extent of 80.69 Lakh units with respect to the approved sales.

The Commission notes that, as against approved sales of 629.44 Lakh units to categories other than BJ/KJ and IP sets, the actual sales achieved by the HRECS is 683.59 Lakh units, resulting in an increase of sales to these categories by 56.36 Lakh units. It is observed that this increase is mainly in HT-2a industrial category to an extent of 39.65 lakh units. On the other hand, the HRECS has sold 1855.33 Lakh units to BJ/KJ and IP category against approved sales of 1828.78 Lakh units resulting in increased sales to these categories by 24.34 Lakh units. The increase is mainly in IP sets to an extent of 21.43 lakh units. The Commission's observation on IP set consumption is dealt in the subsequent paragraphs.

The HRECS shall analyze and report the reasons for increased sales in HT-2a category.

The Applicant HRECS Replies :

It is respectfully submitted before the Hon'ble Commission that the consumption by HT-2a category consumers have gone up in the year 2016-17 owing to increased industrial activities in Hukeri RECS area. It is ascertained that the industrial consumers have utilized electricity consequent to increased demand for their products .

B. Sales to IP Set:

Observation of the Commission:

It is noted that the overall sales have increased by 21.43 lakhs units (1.1%) as against the approved sales of 1828.78 lakhs units as per the Tariff Order dated 30th March 2016 for FY17. Further, the Commission had approved a specific consumption of IP-sets as 7,341 units / installation / annum for FY17. As per the consumption reported in Format- D-2 of the filing, the specific consumption works out to 7,329 units / installation/annum for FY17. This indicates an increase of 12 units / installation/annum in specific consumption for FY17. Further, the actual number of installations for FY17 has increased by 800 numbers when compared to the approved number of installations of 25,016. The HRECS shall furnish the reasons for increase in specific consumption as well as total IP consumption for FY17.

The Commission in its Tariff Order dated 30th March 2015 had directed HRECS to furnish feeder wise IP-set consumption based on meter data of the feeders to the Commission, every month in respect of agriculture feeders segregated under NJY. The HRECS has not submitted in its application the consumption data of agricultural feeders indicating the losses in 11 kV, distribution transformers & LT system which are deducted from the gross consumption, to arrive at the net consumption and the methodology adopted to arrive at the loss figures for FY17.

The HRECS shall furnish necessary data to justify the IP-consumption claimed for FY17 as per the format given below in the subsequent paragraph.

The Applicant HRECS replies:

It is bring to the notice of the Hon'ble Commission that there is a decrease of 216 units/installation/annum for FY 17 in specific consumption and not otherwise. Increase in overall consumption is owing to addition of IP sets installations during FY 17 is 1533 Nos.

During FY 17, the IP set consumption was assessed on the basis of sample reading taken on 249 IP sets spread across Hukkeri Taluka.

Necessary data to justify IP consumption claimed for FY 17 is placed elsewhere in the replies.

C. Capital Expenditure for FY17:

Observation of the Commission:

The Commission had approved a capital expenditure of Rs.346.51 Lakhs for FY17, against which, the HRECS has indicated an actual capital expenditure of Rs.491.30 Lakhs in Format-D-17 of the APR application. The HRECS has shown a capital expenditure of Rs.1127.52 Lakhs as the asset categorized in Format- D-17. HRECS has not submitted the category-wise expenditure for FY17. Hence, the same shall be furnished in the format given below:

| Amount in Rs. Lakhs | | | |
|---------------------|-------------------|-------|---|
| Sl. No | Particulars | FY17 | Actual Expenditure during FY17 Rs. Lakhs |
| 1 | H.T Lines | | |
| | a) 11 KV Lines | 68.38 | |
| 2 | L.T Lines | | |
| | a) 3 Phase 5 wire | – | |
| | b) 3 Phase 4 Wire | 27.72 | |
| | c) 1 Phase 3 Wire | 9.61 | |

| | | | |
|---|-------------------------------|---------------|--|
| | d) 1 Phase 2 Wire | 16.79 | |
| 3 | Transformer Centres | | |
| | a) 500 KVA Transform Centre | - | |
| | b) 250 KVA Transform Centre | - | |
| | c) 200 KVA Transformer | - | |
| | d) 150 KVA Transform Centre | - | |
| | e) 100 KVA Transform Centre | 27.06 | |
| | f) 63/50 KVA Transform Centre | 53.31 | |
| | g) 25 KVA Transform Centre | 26.89 | |
| | h) Others (10 & 15 KVA) | - | |
| 4 | Service connection | | |
| | a) Agriculture -HT | - | |
| | b) Industrial -HT & others | - | |
| | c) Agriculture -LT | 16.83 | |
| | d) Industrial -LT | 2.43 | |
| | e) Domestic | 14.24 | |
| | f) Commercial | 1.20 | |
| | g) Street Light Brackets | - | |
| 5 | Improvement Works | | |
| | a) 11 KV Line | 41.03 | |
| | b) 100 KVA Transform Centre | 22.55 | |
| | c) LT Line 3 Ph.4 Wire | 18.48 | |
| | Total | 346.51 | |

The HRECs is required to furnish the details of actual expenditure and the reasons for increase/decrease in capex in each category of works during the FY17 with reference to the approved capex.

Further, the HRECS shall furnish the details of the works which are being funded through grants/loans from the Gol, GoK and financial institutions along with the details of amounts sanctioned, utilized and the balance yet to utilized, in the following format:

Amount in Rs. Lakhs

| Sl No | Type of work | Total Cost of the Project | Cost of works award | Sanctioned source of Funding | | Actual amount received/availed | | Cost of the completed work | Cost of works which are in progress (WIP) |
|-------|-----------------|---------------------------|---------------------|------------------------------|--------|--------------------------------|--------|----------------------------|---|
| | | | | Loan | Grants | Loan | Grants | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | RAPDRP | | | | | | | | |
| 2 | DDUGJY | | | | | | | | |
| 3 | IPDS | | | | | | | | |
| 4 | | | | | | | | | |
| | | | | | | | | | |
| | Any other works | | | | | | | | |

| Cost of Balance works | Scheduled /targeted date of completion | Actual date of completion of work | Delay if any | Whether the grant has been converted to Loan due to delay | Amount of loan converted to loan | Interest on the converted grant into loan | Reason for the Delay |
|-----------------------|--|-----------------------------------|--------------|---|----------------------------------|---|----------------------|
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

The Applicant HRECS replies:

The category wise Capital expenditure for the FY 17 are as below

| Sl. No | Particulars | FY17 | Actual Expenditure during FY17 Rs. Lakhs |
|--------|----------------|-------|--|
| 1 | H.T Lines | | |
| | a) 11 KV Lines | 68.38 | 41.67 |
| 2 | L.T Lines | | |

| | | | |
|---|-------------------------------|---------------|---------------|
| | a) 3 Phase 5 wire | - | |
| | b) 3 Phase 4 Wire | 27.72 | 79.31 |
| | c) 1 Phase 3 Wire | 9.61 | 27.49 |
| | d) 1 Phase 2 Wire | 16.79 | 48.04 |
| 3 | Transformer Centres | | |
| | a) 500 KVA Transform Centre | - | |
| | b) 250 KVA Transform Centre | - | |
| | c) 200 KVA Transformer | - | |
| | d) 150 KVA Transform Centre | - | |
| | e) 100 KVA Transform Centre | 27.06 | 3.58 |
| | f) 63/50 KVA Transform Centre | 53.31 | 132.03 |
| | g) 25 KVA Transform Centre | 26.89 | 17.59 |
| | h) Others (10 & 15 KVA) | - | |
| 4 | Service connection | | |
| | a) Agriculture -HT | - | |
| | b) Industrial -HT & others | - | |
| | c) Agriculture -LT | 16.83 | 1.79 |
| | d) Industrial -LT | 2.43 | 3.78 |
| | e) Domestic | 14.24 | 10.78 |
| | f) Commercial | 1.20 | 1.30 |
| | g) Street Light Brackets | - | 0.12 |
| 5 | Improvement Works | | |
| | a) 11 KV Line | 41.03 | 40.03 |
| | b) 100 KVA Transform Centre | 22.55 | 73.26 |
| | c) LT Line 3 Ph.4 Wire | 18.48 | 10.53 |
| | Total | 346.51 | 491.30 |

The expenditure mainly exceeded in strengthening the distribution of transformers.

The details of the works which are being funded through grants/loans from the Gol, GoK and financial institutions along with the details amount sanctioned, utilized and balance yet to to utilized are furnished below in the format.

Amounts in Rs. lakhs

| Sl No | Type of work | Total Cost of the Project | Cost of works award | Sanctioned source of Funding | | Actual amount received/availed | | Cost of the completed work | Cost of works which are in progress (WIP) |
|-------|-----------------|---------------------------|---------------------|------------------------------|--------|--------------------------------|--------|----------------------------|---|
| | | | | Loan | Grants | Loan | Grants | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | RAPDRP | - | - | - | - | - | - | - | - |
| 2 | DDUGJY | 700.00 | 700.00 | - | 420.00 | - | - | - | - |
| 3 | IPDS | - | - | - | - | - | - | - | - |
| 4 | | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - |
| | Any other works | | | | | | | | |

| Cost of Balance works | Scheduled /targeted date of completion | Actual date of completion of work | Delay if any | Whether the grant has been converted to Loan due to delay | Amount of loan converted to loan | Interest on the converted grant into loan | Reason for the Delay |
|-----------------------|--|-----------------------------------|--------------|---|----------------------------------|---|----------------------|
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |

Note: Project was sanctioned during 2016-17 and funds only 10 % was released during 2017-18.

II. Annual Revenue Requirement for FY19

Observation of the Commission:

A. Sales- other than IP sets:

1. The HRECS, in its application, has stated that the estimates for FY18 is based on the actual data for April, 2017 to September, 2017 and the estimates for October, 2017 to March, 2018 is made on the basis of growth from September 16 to March 17 over April 16 to September 16.

The Applicant HRECS replies:

Yes as observed by the Hon'ble Commission.

Observation of the Commission:

2. Further, it is stated that for FY19, the number of installations and the energy sales is worked out considering the CAGR for the period FY14 to FY18 and that, while estimating the number of installations and sales, the negative growth rates are not considered.

The Applicant HRECS replies:

Yes as observed by the Hon'ble Commission

Observation of the Commission:

3. The Commission notes that the HRECS, while computing the CAGR, has included the year FY18 data also, which itself is an estimated figure. Therefore, the HRECS should have considered the actual data available up to FY17 for estimating the CAGR to arrive at the actual growth rates.

The Applicant HRECS replies:

It is respectfully bring to the notice of the Hon'ble Commission that in the assessment of future sales, the past period's actual data is taken. Since six months sales in the year FY 18 is only taken on the basis of realistic basis.

Observation of the Commission:

4. The table indicating the growth rates for the no. of installations is furnished below:

| Category | Percentage Growth Rates | | | |
|--------------|-------------------------|-------------------------|-----------------------|--|
| | 2011-12 to 2016-17 CAGR | 2013-14 to 2016-17 CAGR | FY17 growth over FY16 | Growth rate proposed by HRECS for FY19 |
| LT-2a | 2 | 2 | 2 | 2 |
| LT-2b | 5 | 4 | 3 | 3 |
| LT-3 | 2 | 3 | 2 | 2 |
| LT-5 | 5 | 5 | 5 | 5 |
| LT-6 WS | 2 | 1 | -2 | 1 |
| LT-6 SL | 8 | 1 | 1 | 1 |
| HT-1 | 15 | 15 | 0 | 27 |
| HT-2 (a) | 15 | 26 | -9 | 33 |
| HT-2 (b) | -4 | 0 | 0 | 0 |
| HT-2 (c) | - | 19 | 0 | 0 |
| HT-3(a)& (b) | 5 | 8 | 25 | 33 |

It is noted that the growth rate considered for HT-1, HT-2a and HT-3 is higher and for LT-2b and HT-2c it is lower compared to the normal growth rates based on CAGR. The HRECS shall reconsider revising the estimates to these categories.

The Applicant HRECS replies:

It is respectfully bring to notice of the Hon'ble Commission that growth rate in the number of installations may not entirely reflect in the growth of sales and may not be advisable to revise the estimates. However any

projection in the sales is subject to Annual Performance Review by the Hon'ble Commission.

Observation of the Commission:

5. The table indicating the growth rates for the energy sales is furnished below:

| Category | Percentage Growth Rates | | | |
|-----------------|-------------------------|-------------------------|-----------------------|-------------------------------|
| | 2011-12 to 2016-17 CAGR | 2013-14 to 2016-17 CAGR | FY17 growth over FY16 | Growth rate proposed by HRECS |
| LT-2a | 6 | 6 | 8 | 5 |
| LT-2b | 5 | 1 | 6 | 4 |
| LT-3 | 8 | 9 | 8 | 7 |
| LT-5 | 3 | 4 | 11 | 5 |
| LT-6 WS | 4 | 3 | 9 | -1 |
| LT-6 SL | 2 | 2 | 6 | -1 |
| HT-1 | 3 | 5 | 12 | 11 |
| HT-2 (a) | 12 | 4 | 34 | 18 |
| HT-2 (b) | -2 | 5 | -11 | -0.5 |
| HT-2(c) | - | 5 | 12 | 7 |
| HT-3(a)& (b) | -7 | -8 | 24 | 83 |

It is noted that the growth rates considered for LT-2a, LT-3, LT-6WS & SL are lower and incase of LT-5, HT-1, HT-2a and HT-3, the growth rates are higher as compared to the normal growth rates. Further in the case of HT-2b & HT-2c, in spite of number of installations remaining same, the energy sales are decreasing in case of HT-2b and increasing in case of HT-2c. Also in case of LT-6 WS & SL, even though there is positive growth in number of installations, sales are decreasing. The HRECS shall furnish the reasons for the same.

The Applicant HRECS replies:

It is true that the growth rates considered for LT-2a, LT-3, LT-6WS & SL are lower and incase of LT-5, HT-1, HT-2a and HT-3, the growth rates are higher as compared to the normal growth rates. It is respectfully submitted before the Hon'ble Commission that the Applicant HRECS sticks to sale forecast made in

Table 5 page no 30 of the filing. Further sales forecast for FY 19 is subject to Annual Performance Review For FY 19.

Observation of the Commission:

6. Sales to AEQUS: The energy sold to AEQUS as per the HRECS filing and as filed by AEQUS is indicated below:

| Year | As filed by HRECS | As filed by AEQUS |
|------|-------------------|-------------------|
| FY17 | 117.39 | 133.39 |
| FY18 | 202.49 | 173.90 |
| FY19 | 293.96 | 207.80 |

The HRECS shall reconcile the data pertaining to AEQUS.

The Applicant HRESC replies:

It is respectfully submitted before the Hon'ble Commission that the consumption for FY 17 of AEQUS, it is submitted that upto the period ending July 2016, the reading was taken in the consumer premises. There after as per the decision of the Hon'ble Commission, the reading is taken at sending end i. e. Inter-face point in 110 KV station, Hattaragi. However the Applicant HRECS will reconcile with AEQUS regarding the variation for FY 17 and projection is based on CAGR for FY 18 and FY 19.

Observation of the Commission:

7. The HRECS shall furnish the details of BJ/KJ installations as on 30.11.2017 in the following format:

| Particulars | No. of Installations | Consumption in MU |
|--|----------------------|-------------------|
| Installations Consuming up to 40 Units | | |
| Installations consuming more than 40 units and build under LT-2a | | |

The Applicant HRECS replies:

The details of BJ/KJ installations as on 30.11.2017 in the format below

| Particulars | No. of Installations | Consumption in MU (Apr 17 to Nov 17) |
|--|-----------------------------|---|
| Installations Consuming up to 40 Units | 11898 | 2.05 |
| Installations consuming more than 40 units and build under LT-2a | 548 | 0.33 |

Observation of the Commission:

1. To validate the sales, category wise information in the following format shall be furnished:

i. No. of Installations

| Category | 2015-16 Actuals | | 2016-17 Actuals | | 2017-18 | |
|-----------------|---------------------------------------|---|---------------------------------------|---|---------------------------------------|--|
| | As on 30th Nov 2015 | As on 31st March 2016 | As on 30th Nov 2016 | As on 31st March 2017 | As on 30th Nov 2017 | As on 31st March 2018 (Estimate) |
| LT-2a | | | | | | |
| LT-2b | | | | | | |
| LT-3 | | | | | | |
| LT-4 (b) | | | | | | |
| LT-4 (c) | | | | | | |
| LT-5 | | | | | | |
| LT-6 | | | | | | |
| LT-6 | | | | | | |
| LT-7 | | | | | | |
| HT-1 | | | | | | |
| HT-2 (a) | | | | | | |
| HT-2 (b) | | | | | | |
| HT2C | | | | | | |
| HT-3(a)& | | | | | | |
| HT-4 | | | | | | |
| HT-5 | | | | | | |

| | | | | | | |
|----------------------------|--|--|--|--|--|--|
| Sub Total (Other | | | | | | |
| BJ/KJ | | | | | | |
| IP | | | | | | |
| Sub Total (BJ/KJ and IP) | | | | | | |
| Grand Total | | | | | | |

The Applicant HRECS replies:

The number of installations as per the above format is furnished below.

| Category | 2015-16 Actuals | | 2016-17 Actuals | | 2017-18 | |
|----------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|--|
| | As on 30 th Nov 2015 | As on 31 st March 2016 | As on 30 th Nov 2016 | As on 31 st March 2017 | As on 30 th Nov 2017 | As on 31 st March 2018 (Estimate) |
| LT-2a | 72483 | 73486 | 74464 | 74733 | 74088 | 74600 |
| LT-2b | 76 | 76 | 78 | 78 | 78 | 78 |
| LT-3 | 5463 | 5570 | 5659 | 5677 | 5719 | 5750 |
| LT-4 (b) | 9 | 9 | 9 | 9 | 9 | 9 |
| LT-4 (c) | 2 | 2 | 2 | 4 | 4 | 4 |
| LT-5 | 2114 | 2140 | 2201 | 2252 | 2322 | 2359 |
| LT-6 | 602 | 609 | 609 | 595 | 595 | 595 |
| LT-6 | 363 | 366 | 367 | 368 | 368 | 364 |
| LT-7 | 40 | 70 | 90 | 131 | 45 | 90 |
| HT-1 | 5 | 6 | 6 | 6 | 9 | 11 |
| HT-2 (a) | 10 | 11 | 10 | 10 | 10 | 12 |
| HT-2 (b) | 5 | 5 | 5 | 5 | 5 | 5 |
| HT2C | 5 | 5 | 5 | 5 | 5 | 5 |
| HT-3(a)& | 4 | 4 | 5 | 5 | 5 | 6 |
| SEZ | 0 | 0 | 1 | 1 | 1 | 1 |
| HT-5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (Other | 81181 | 82359 | 83510 | 83879 | 83263 | 83889 |
| BJ/KJ | 10759 | 10316 | 10303 | 10484 | 11898 | 12132 |
| IP | 24206 | 24283 | 25260 | 25816 | 26704 | 27052 |
| Sub Total (BJ/KJ and IP) | 34965 | 34599 | 35563 | 36300 | 38602 | 39184 |
| Grand Total | 116146 | 116958 | 119074 | 120179 | 121865 | 123073 |

Observation of the Commission:

ii. Energy Sales

Energy in Million Units

| Category | 2015-16 Actuals | | 2016-17 Actuals | | 2017-18 | |
|--|--|--|--|--|--|---|
| | 1 st April 2015 to 30 th Nov 2015 (cumulative) | 1 st Dec 2015 to 31 st March 2016 (cumulative) | 1 st April 2016 to 30 th Nov 2016 (cumulative) | 1 st Dec 2016 to 31 st March 2017 (cumulative) | 1 st April 2017 to 30 th Nov 2017 (cumulative actuals) | 1 st Dec 2017 to 31 st March 2018 (cumulative Estimate) |
| LT-2a | | | | | | |
| LT-2b | | | | | | |
| LT-3 | | | | | | |
| LT-4 (b) | | | | | | |
| LT-4 (c) | | | | | | |
| LT-5 | | | | | | |
| LT-6 | | | | | | |
| LT-6 | | | | | | |
| LT-7 | | | | | | |
| HT-1 | | | | | | |
| HT-2 (a) | | | | | | |
| HT-2 (b) | | | | | | |
| HT2C | | | | | | |
| HT-3(a)& (b) | | | | | | |
| HT-4 | | | | | | |
| HT-5 | | | | | | |
| Sub Total (Other than BJ/KJ and IP) | | | | | | |
| BJ/KJ | | | | | | |
| IP | | | | | | |
| Sub Total (BJ/KJ and IP) | | | | | | |
| Grand Total | | | | | | |

The Applicant HRECS replies:

The energy sales as per the above format is furnished below.

| Category | 2015-16 Actuals | | 2016-17 Actuals | | 2017-18 | |
|-------------------------------------|--|--|--|--|--|---|
| | 1 st April 2015 to 30 th Nov 2015 (cumulative) | 1 st Dec 2015 to 31 st March 2016 (cumulative) | 1 st April 2016 to 30 th Nov 2016 (cumulative) | 1 st Dec 2016 to 31 st March 2017 (cumulative) | 1 st April 2017 to 30 th Nov 2017 (cumulative actuals) | 1 st Dec 2017 to 31 st March 2018 (cumulative Estimate) |
| LT-2a | 17.00 | 8.91 | 19.46 | 8.67 | 19.18 | 8.20 |
| LT-2b | 0.10 | 0.06 | 0.12 | 0.06 | 0.13 | 0.07 |
| LT-3 | 4.11 | 2.23 | 4.62 | 2.23 | 4.77 | 2.20 |
| LT-4 (b) | 0.02 | 0.03 | 0.01 | 0.03 | 0.02 | 0.04 |
| LT-4 (c) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LT-5 | 3.05 | 1.65 | 3.45 | 1.78 | 3.67 | 1.84 |
| LT-6 | 3.63 | 1.89 | 4.08 | 1.94 | 3.56 | 1.83 |
| LT-6 | 1.42 | 0.80 | 1.54 | 0.82 | 1.49 | 0.69 |
| LT-7 | 0.02 | 0.03 | 0.04 | 0.02 | 0.01 | 0.06 |
| HT-1 | 2.86 | 1.49 | 3.25 | 1.63 | 3.49 | 2.87 |
| HT-2 (a) | 10.88 | 6.51 | 8.21 | 3.63 | 8.10 | 3.31 |
| HT-2 (b) | 0.45 | 0.24 | 0.46 | 0.16 | 0.44 | 0.09 |
| HT2C | 0.24 | 0.14 | 0.29 | 0.15 | 0.31 | 0.16 |
| HT-3(a)& (b) | 0.99 | 0.37 | 0.55 | 1.14 | 0.39 | 0.82 |
| HT-4 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| HT-5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SEZ | 0.00 | 0.00 | 7.00 | 4.75 | 11.73 | 8.52 |
| Sub Total (Other than BJ/KJ and IP) | 44.77 | 24.35 | 53.08 | 27.01 | 57.29 | 30.70 |
| BJ/KJ | 0.99 | 0.53 | 1.06 | 0.52 | 2.05 | 0.87 |
| IP | 121.74 | 71.95 | 109.87 | 74.08 | 120.08 | 81.50 |
| Sub Total (BJ/KJ and IP) | 122.73 | 72.48 | 110.93 | 74.60 | 122.13 | 82.37 |
| Grand Total | 167.50 | 96.83 | 164.01 | 101.61 | 179.42 | 113.10 |

9 Wheeling charges & Cross subsidy surcharge:

Observation of the Commission

HRECS shall furnish the details of wheeling charges & cross subsidy surcharge applicable for FY-19 along with the working details.

Applicant HRECS Reply:

Hukeri RECS has no consumer who are eligible or willing to wheel electricity at 11 KV level and therefore it would be unnecessary to determine the wheeling charges. The Applicant wish to bring to the kind notice that the Hon'ble Commission generally determine wheeling charges & cross subsidy surcharge on the basis of same formula which are applied in HESCOM for segregating the ARR between distribution business and retail supply business. Therefore it is respectfully submitted that the same may kindly be followed for FY-19.

10 RPO Compliance:

Observation of the Commission

HRECS shall furnish the details of RPO complied for FY-17 and the action plan for meeting RPO of FY-19.

Applicant HRECS Reply:

Hither to, the RPO obligation of HESOM used to be examined to verify RPO obligation of the Applicant as power purchase from HESOM by the Applicant used to be at the weighted average rate of power purchase of HESOM. Obviously if HESCOM complied RPO obligation, the Applicant is also deemed to have complied RPO obligation of the Applicant. Further the Applicant is exploring the possibility of putting up solar power plant of 10 MW with the consulting assistant from IDECK.

B. Sales to IP sets:

Observation of the Commission

1. The Commission in its Tariff Order dated 30th March 2016 had directed HRECS to furnish the consumption of IP-sets every month based on the readings from the meters provided to 11 kV agricultural feeders at the Sub-stations duly deducting the 11 kV and LT distribution system losses.

But, the HRECS has not submitted the monthly IP-set consumption based on the exclusive agricultural feeders reading data regularly to the Commission. Thus, the HRECS shall justify its projection of IP-sets consumption for FY19, as per the energy recorded in the segregated agricultural feeders.

Therefore, the HRECS shall submit the month-wise consumption of all the agricultural feeders segregated under NJY Scheme for FY17 and also for FY 18 (from April to November 2017) in the following format, clearly indicating the energy input to the feeders on the basis of energy meters reading data (initial reading-final reading* constant).

| Month | Name of section | Name of Segregated Agriculture Feeders in the section | Initial energy meter reading in the feeder | Final energy meter reading in the feeder | Meter constant | Monthly Consumption in MU as recorded in all the agricultural feeders at the section | Distribution loss (11kV line, DTCs, & LT line) Plus sales to other consumers if any, in MU (losses in all the agri. feeders only to be considered) | Net consumption duly deducting the Distribution loss (11kV & LT) & any other loads if any | No. of IP sets (total-dried up) connected to the agri. feeders in section | | | Average consumption of IP / month (specific cons in units /IP/month) | Total no of IP sets in the subdivision (as per DCB) | | | Total sales of IP sets in MU |
|----------------------|---------------------|---|--|--|----------------|--|--|---|---|------------------------------|---------------|--|---|------------------------------|--------------|------------------------------|
| | | | | | | | | | Beginning of the month | Serviced at the end of month | Mid- month | | Beginning of the month | Serviced at the end of month | Mid- month | |
| 1 | 2 | 3 | 3a | 3b | 3c | 4 = (3b-3a) *3c | 5 | 6=(4-5) | 7a | 7b | 7c= (7a+7b)/2 | 8=6/7c | 9a | 9b | 9c=(9a+9b)/2 | |
| April 2016 To Mar-17 | Section -1 section3 | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |
| April 2017 To Nov-17 | Section -1 section3 | | | | | | | | | | | | | | | |

Applicant HRECS Reply:

The energy input to the feeders on the basis of energy meters reading data is shown as below

| Month | Name of section | Name of Segregated Agriculture Feeders in the section | Initial energy meter reading in the feeder | Final energy meter reading in the feeder | Meter constant | Monthly Consumption in MU as recorded in all the agricultural feeders at the section | Distribution loss (11kV line, DTCs & LT line) Plus sales to other consumers if any, in MU (losses in all the agri. | Net consumption duly deducting the Distribution loss (11kV & LT) & any other loads if any | No. of IP sets (total-dried up) connected to the agri. feeders in section | | | Average consumption of IP / month (specific cons in units /IP/month) | Total no of IP sets in the subdivision (As per DCB) | | | Total sales of IP sets in MU |
|------------|-----------------|---|--|--|----------------|--|--|---|---|------------------------------|---------------|--|---|------------------------------|----------------|------------------------------|
| | | | | | | | | | Beginning of the month | Serviced at the end of month | Mid- month | | Beginning of the month | Serviced at the end of month | Mid- month | |
| 1 | 2 | 3 | 3a | 3b | 3c | 4 = (3b-3a) *3c | 5 | 6=(4-5) | 7a | 7b | 7c= (7a+7b)/2 | 8=6/7c | 9a | 9b | 9c = (9a+9b)/2 | |
| April 2017 | Hidk al Dam | K-Yalla pur | 6117.0 | 6382.6 | 2000 | 0.5312 | 0.0639 | 0.4673 | | 541 | | 863.77 | | | | 0.5312 |
| | Huke ri ll | Madi halli | 38743.5 | 38987.4 | 2000 | 0.4878 | 0.0554 | 0.4324 | | 433 | | 998.61 | | | | 0.4878 |
| | Sulta napu r | Shira gao n | 15017.60 | 15238.6 | 2000 | 0.442 | 0.041 | 0.400 | | 851 | | 471.21 | | | | 0.44 |
| | Sank eshw ar | Nida soshi ar | 14307.3 | 14684.6 | 1000 | 0.377 | 0.036 | 0.340 | | 508 | | 671.25 | | | | 0.377 |
| | Yam akan mard i | Nag anur K M | 2360.0 | 2523.8 | 2000 | 0.3276 | 0.035 | 0.2926 | | 411 | | 711.92 | | | | 0.3276 |

Observation of the Commission:

- As per Format-D-2 of its Tariff application, the HRECS has projected a specific consumption of at 7,713 units/installation /annum for FY19, as against the specific consumption of 7,341 units / installation/annum approved by the Commission for FY18. Further, the HRECS on the basis of specific consumption of 7,713 units/installation /annum has projected a consumption of 212.58 MU for FY19. The HRECS is required to furnish the rationale for projecting IP-consumption for FY19.

The Applicant HRECS replies:

It is respectfully submitted before the Hon'ble Commission that Hukeri RECS has projected IP consumption for FY 19 on a randomly selection of segregated NJY agriculture feeder which comes to 7573 units per installation

per annum and not 7713 units per installation per annum as observed by the Hon'ble Commission. The Hon'ble Commission is requested to allow the specific consumption per IP set per annum as allowed to HESCOM by the Hon'ble Commission, since HESOM is within the same geographically area.

Observation of the Commission:

3. Further, the HRECS was directed to take up enumeration of IP-sets to identify defunct/dried up wells in the field and take further necessary action to arrive at the correct number of working IP-sets on the basis of enumeration report. The HRECS has not complied with this direction. The HRECS shall furnish compliance on this, in order to arrive at the correct number of IP-set installations/consumption and also for projecting the correct number of installations/consumption for FY19.

The Applicant HRECS replies:

It is respectfully submitted before the Hon'ble Commission that all field officers were deployed to undertake survey of IP sets which are in use. On the basis of these reports it is seen that there are 26704 as on November 2017.

C. Capital expenditure of HRECS for FY19:

Observation of the Commission

The Commission had approved capex of Rs.283.48 Lakhs for F19 as per the MYT Order. Against this, the HRECS has proposed a revised capex of Rs.1113.05 Lakhs for FY19. The HRECS has stated that the increase is due to increase outlay for the DDUGJY works to an amount of Rs.699.99 Lakhs in addition to some modifications to other categories of works proposed for FY19.

The details of the capex program of HRECS is stated below:

| Amount in Rs. Lakhs | | | |
|---------------------|---|---|-------------------------|
| Sl. No | Particulars | Capex approved for FY19, As per MYT Order | Capex Proposed for FY19 |
| 1 | H.T Lines | | |
| | a) 11 KV Lines | 54.70 | 79.97 |
| 2 | L.T Lines | | |
| | b) 3 Phase 4 Wire | 18.48 | 27.34 |
| | c) 1 Phase 3 Wire | 9.61 | 21.32 |
| | d) 1 Phase 2 Wire | 16.79 | 28.57 |
| 3 | Transformer Centers | | |
| | e) 100 KVA Transform Center | 31.57 | 21.06 |
| | f) 63/50 KVA Transform Center | 27.57 | 49.38 |
| | g) 25 KVA Transform Center | 20.17 | 17.78 |
| 4 | Service connection | | |
| | c) Agriculture -LT | 17.67 | 30.54 |
| | d) Industrial -LT | 2.61 | 3.33 |
| | e) Domestic | 14.69 | 19.52 |
| | f) Commercial | 1.23 | 2.01 |
| 5 | Improvement Works | | |
| | a) 11 KV Line | 27.35 | 53.31 |
| | b) 100 KVA Transform Center | 22.55 | 31.59 |
| | c) LT Line 3 Ph.4 Wire | 18.48 | 27.34 |
| 5 | DDUGJY Scheme | | |
| | a) 11 KV Line Feeder Separation | - | 200 |
| | b) 11 KV Line System Strengthening | - | 75.48 |
| | c) 11 KV Line Re_Conductor | - | 124.51 |
| | d) No of 1-ph Meter (5-30 A) replacement Electro Mechanical Energy Meter by Electro Static Energy Meter | - | 281.1 |
| | e) No of 3-ph Meter (5-30 A) replacement Electro Mechanical Energy Meter by Electro Static Energy Meter | - | 18.9 |
| | Grand Total | 283.48 | 1113.05 |

From the above table it is noted that, the HRECS has proposed Rs.829.57 Lakhs in addition to the already approved capex of Rs.283.48 Lakhs, which is almost three times the approved capex resulting in increase of capex by four times the overall capex approved for FY19. The HRECS shall explain the reasons for

proposing the increase or decrease in capex for each of the categories of work as per the above Table.

It may be noted here that, the HRECS has proposed DDUGJY scheme which includes 11kV Line Feeder separation, 11kV line system strengthening and 11kV Line Reconductoring at Rs.699.99 Lakhs. The HRECS shall explain as to whether these works are being taken up afresh for FY19 or it has started the DDUGJY program in FY18 and it is likely to be continued for FY19 as well. The HRECS shall furnish the basis for proposing such a huge capex and furnish the status of preparation of DPRs, Tendering process, financing plan of the proposed capex. It should also indicate the time frame for starting and completing all major capital works, besides indicating the benefits envisaged from the projects etc.,

The HRECS has not indicated as to whether, it has complied with the “**Capital Expenditure Guidelines for ESCOMs**” issued by the Commission, while proposing the capex for FY19. The HRECS shall explain the capex priorities, it proposed to adopt, while undertaking the new capex for FY19.

The HRECS shall furnish the details of the spill-over works of the previous years and the details of capex required to meet such works, during FY19.

Further, the HRECS shall furnish the details of the works which are being funded through grants/loans from the GoI, GoK and financial institutions along with the details of amounts sanctioned, utilized and the balance yet to utilized, in the following format:

Amount in Rs. Crores

| SI No | Type of work | Total Cost of the Project | Cost of works award | Sanctioned source of Funding | | Actual amount received/available | | Cost of the completed work | Cost of works which are in progress (WIP) |
|-------|--------------|---------------------------|---------------------|------------------------------|--------|----------------------------------|--------|----------------------------|---|
| | | | | Loan | Grants | Loan | Grants | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | RAPDRP | | | | | | | | |
| 2 | DDUGJY | | | | | | | | |
| 3 | IPDS | | | | | | | | |
| 4 | NJY | | | | | | | | |
| 5 | HVDS | | | | | | | | |

| | | | | | | | | | |
|---|-----------------|--|--|--|--|--|--|--|--|
| 6 | Any other works | | | | | | | | |
|---|-----------------|--|--|--|--|--|--|--|--|

| Cost of Balance works | Scheduled /targeted date of completion | Actual date of completion of work | Delay if any | Whether the grant has been converted to Loan due to delay Y/N | Amount of Grant converted to loan | Interest on the converted grant into loan | Reason for the Delay |
|-----------------------|--|-----------------------------------|--------------|---|-----------------------------------|---|----------------------|
| | | | | | | | |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

The HRECS shall also submit the physical and financial progress of works as on 31st October, 2017 (or latest by 30th November, 2017) for all major works being undertaken against the approved capex for FY18, in the format approved for FY18, indicating the capex incurred against each category.

The HRECS shall furnish the details of high value works proposed for FY19, indicating the number of DPRs prepared, Tendered /ready to be tendered, cost of each project and the timelines within which the works are going to be completed.

The HRECS shall also furnish the sources of funding such as loans, grants from Central/ State Governments, internal sources, borrowings and equity, to meet the capex for FY19.

The Applicant HRECS replies:

The Hukeri RECS under takes all capital works as per the guidelines issued by the Hon'ble Commission.

Details of the work which are funded through grants/loans from the GoI, GoK are as below.

Amount in Rs. crores

| SI No | Type of work | Total Cost of the Project | Cost of works award | Sanctioned source of Funding | | Actual amount received/availed | | Cost of the completed work | Cost of works which are in progress (WIP) |
|-------|-----------------|---------------------------|---------------------|------------------------------|--------|--------------------------------|--------|----------------------------|---|
| | | | | Loan | Grants | Loan | Grants | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | RAPDRP | | | | | | | | |
| 2 | DDUGJY | 7.00 | 7.00 | 2.80 | 4.20 | - | - | - | - |
| 3 | IPDS | - | - | - | - | - | - | - | - |
| 4 | NJY | - | - | - | - | - | - | - | - |
| 5 | HVDS | - | - | - | - | - | - | - | - |
| 6 | Any other works | - | - | - | - | - | - | - | - |

| Cost of Balance works | Scheduled /targeted date of completion | Actual date of completion of work | Delay if any | Whether the grant has been converted to Loan due to delay Y/N | Amount of Grant converted to loan | Interest on the converted grant into loan | Reason for the Delay | |
|-----------------------|--|-----------------------------------|--------------|---|-----------------------------------|---|----------------------|----|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |

D. Distribution Loss:

Observation of the Commission:

1. The actual distribution losses reported by the HRECS for FY17 is 14.93% as against 14.25% approved by the Commission in its Order dated 30th March, 2016. The actual distribution loss of 14.93%, as reported by the HRECS for FY17 is higher by 0.44% than the approved loss level. As discussed in the

observations on sales to IP Sets, the Commission notes that, there is increase in IP-Set consumption and the metered sales under other Categories of consumer. Since the sale to IP Set is not backed up by the consumption figures on the basis of segregated feeder-wise data under NJY, the Commission is unable to accept the distribution loss figures claimed by the HRECS. Hence, feeder wise number of IP sets along with consumption, based on segregated feeders, besides Division wise data of numbers and consumption of IP sets as per DCB, shall be furnished, along with connected load.

The Applicant HRECS replies:

It is respectfully submitted before the Hon'ble Commission that for FY 17 the actual specific consumption is 7125 units per IP Set per annum as against approved specific consumption of 7341 units which is less than approved numbers. The over all sales have gone up because of servicing additional Ip sets during the reporting year FY 2017. Feeder wise data of numbers and consumption of IP set along with connected load will be sent separately.

Observation of the Commission:

2. The Commission, in its Order dated 30th March, 2016 has fixed the distribution losses at 14% and 13.75% for FY18 and FY19. The HRECS, in the present filing, has projected the revised distribution losses as 15.09% and 15.06% for FY18 and FY19. Considering the capital investment incurred in the recent past and proposed Capex for FY18 and FY19, and the achievement made in reduction of distribution loss levels in FY16 and FY17, the HRECS has projected higher losses and is required to reassess the distribution losses for FY18 and FY19.

The Applicant HRECS replies:

It is respectfully submitted before the Hon'ble Commission that it is very difficult to reduce the loss beyond 15% drastically.

Observation of the Commission

3. Further, the HRECS shall furnish the data of Energy Audit for Hukkeri Town and large O & M sections of the Society in the following format considering the annual energy sale and input energy at the feeder levels:

| Name of the Town/ Section | FY17 | | | FY18 (Cumulative as at the end of Nov, 2017) | | |
|------------------------------|--------------------|-------------------|-----------------------|---|-------------------|-----------------------|
| | Energy Input in MU | Energy Sold in MU | % Distribution Losses | Energy Input in MU | Energy Sold in MU | % Distribution Losses |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

The Applicant HRECS replies:

The data of energy audit for Sankeshwar town is as detail below in the format prescribed by KERC.

| Name of the Town/ Section | FY17 | | | FY18 (Cumulative as at the end of Nov, 2017) | | |
|------------------------------|--------------------|-------------------|-----------------------|---|-------------------|-----------------------|
| | Energy Input in MU | Energy Sold in MU | % Distribution Losses | Energy Input in MU | Energy Sold in MU | % Distribution Losses |
| | | | | | | |
| Sankeshwar | 14.22 | 12.18 | 14.33% | 9.94 | 8.44 | 15.12% |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

E. Observations on Revenue & Expenses:

Observation of the Commission

1. The HRECS in its filing under format D-6(O&M expenses), has factored Rs.1.85 Crores as the additional employee's cost for the recruitment of 104 employees and confirmation of 152 temporary employees for FY19. The number of employee's proposed for recruitment along with the confirmation of temporary employees are considered as very high when compared with the geographical area, number of consumers and the network system of the

HRECS. The HRECS shall re-examine the proposal and justify its claims besides submitting the breakup of costs and computation sheet thereon.

The Applicant HRECS replies:

The current level of expenditure is made out at D-6. However detail calculation sheet showing details of expected is shown in a sheet placed along side the reply as annexure A.

Observation of the Commission:

2. The HRECS in its filing in page No.98, has indicated the details of Distribution transformers for FY17 and up to September, 2018 are as detailed below:

| Sl. No. | Year | No. of Transformer centres | No. of Transformer failed and repaired | % of failure |
|---------|---------|----------------------------|--|--------------|
| 1 | 2016-17 | 2204 | 583 | 26.45 |
| 2 | 2017-18 | 2317 | 326 | 14.07 |

The number and the rate of transformers failure during FY17 and in the first 6 months during FY18 is very high, considering the number of transformer centres existing in the HRECS. The HRECS shall furnish a section-wise detailed analysis for the failure of the transformers and the action taken for the reduction of failure rate.

The Applicant HRECS replies:

The following table indicates the percentage of transformer failure rate and also reason for failure. Further during 2016-17 and 2017-18 Hukeri RECS has strengthen lower capacity of the transformers into higher capacity of the transformer by spending Rs. 73.26 lakhs over the budgeted Rs. 22.55 lakhs. Further during 2017-18 Rs. 43.05 lakhs for enhancing transformer capacities and also providing additional transformer centres to reduce the failure rate of transformer. The field staff have been advised (where failure rate is above 20%) to undertake regular topping up of oil in the transformer and balance the load.

| Sl. No. | Section | No. of Transformers existing | | Transformer failure | | % of failure | | Failure reason |
|---------|--------------|------------------------------|-------------------------|---------------------|-------------------------|--------------|-------------------------|----------------|
| | | 2016-17 | 2017-18 (upto Sep-2017) | 2016-17 | 2017-18 (upto Sep-2017) | 2016-17 | 2017-18 (upto Sep-2017) | |
| 1 | B. Bagewadi | 291 | 304 | 124 | 63 | 42.61 | 20.72 | Over capacity |
| 2 | Hukkeri I | 220 | 231 | 25 | 9 | 11.36 | 3.90 | |
| 3 | Hukkeri II | 195 | 208 | 89 | 45 | 12.82 | 21.63 | Over capacity |
| 4 | Sultanapur | 215 | 228 | 75 | 55 | 11.63 | 24.12 | Over capacity |
| 5 | Hidkal Dam | 302 | 315 | 105 | 65 | 8.28 | 20.63 | Over capacity |
| 6 | Yamakanmardi | 216 | 229 | 48 | 23 | 11.57 | 10.04 | |
| 7 | Hebbal | 217 | 230 | 38 | 30 | 11.52 | 13.04 | |
| 8 | Sankeshwar | 218 | 331 | 48 | 23 | 11.47 | 6.95 | |
| 9 | Kanagala | 230 | 241 | 31 | 13 | 10.87 | 5.39 | |

Observation of the Commission:

3. As per the information under format D-5(R&M expenses), has factored Rs.1.85 Crores as the additional employee's cost for the recruitment of 104 employees and confirmation of 152 temporary employees for FY19. The number of employee's proposed for recruitment along with the confirmation of temporary employees are considered as very high when compared with the geographical area, number of consumers and the network system of The HRECS. The HRECS shall require to re-examine the proposal and justify its claims besides submitting the computation sheet.

The Applicant HRECS replies:

The current level of expenditure is made out at D-6. However detail calculation sheet showing details of expected is shown in a sheet placed along side the reply as annexure A.

Observation of the Commission:

4. The HRECS in its filings under format D-1, has reckoned Rs.155.31 Crores as the power purchase cost for FY17 by including Rs.28.77 Crores being the difference of rate revision for FY16 and Rs 4.73 Crores of interest on power purchase. Further, the HRECS has projected Rs.136.23 Crores and Rs.157.24 Crores as power purchase cost for FY18 and FY19. There is abnormal variation in reckoning the power purchase cost for FY17 to FY19. The HRECS shall furnish the provisions for claiming the difference of rate revision for FY16 and interest on power purchase amount for FY17 and the reason for abnormal variations in projecting the power purchase cost for FY19.

The Applicant HRECS replies:

Details are made out in the APR application for FY 17 at form D-1. Further consequent increase in the sales the power requirement have been projected taking power purchase rate as approved by the Hon'ble Commission in its tariff order dated 30-03-2016.

Observation of the Commission:

5. The HRECS shall furnish the details in respect of actual amount of Rs.33 lakhs spent on advertisement for FY17.

The Applicant HRECS replies:

The details enclosed as Annexure B.

Observation of the Commission:

6. HRECS shall furnish the amount of subsidy claimed and received from GoK along with sales figures in respect of BJ/KJ and IP set installations for FY17.

The Applicant HRECS replies:

The details enclosed as Annexure C.

Observation of the Commission:

7. HRECS shall furnish the equity amount received from GoK along with Government Order number and date and the actual date of receipt during FY17 and up to November, 2017 during FY18.

The Applicant HRECS replies:

The details may kindly be taken as a nil.

Observation of the Commission:

8. HRECS shall furnish the details for the expenditure incurred towards consumer relations/education for FY17.

The Applicant HRECS replies:

The details enclosed as Annexure D.

Observation of the Commission:

9. Simplification of Tariff:

The ESCOMs in their filings have informed that the detailed report of the Simplification of Tariff Committee has been submitted to the Energy Department. The HRECS shall examine the same and furnish its comments along with its recommendations, in case it is desirous of implementing the recommendations in the ensuing year.

The Applicant HRECS replies:

The Applicant is not a party on the proposal, however Applicant HRECS will abide by the decision of the Hon'ble Commission.

Observation of the Commission:

10. The BESCOM in its Tariff application has proposed the following new proposals. The HRECS shall examine the same and offer its comments and in case it wants to implement them, it shall give justification for implementing the same, on each of the proposals:

- i. Separate Tariff for 1 MW and above consumers:
- ii. Additional charges for maximum demand exceeding the C.D:
- iii. Increase in Re-connection charges:
- iv. Billing Cycle for Temporary installations:
- v. Separate Tariff for battery charging facility for motor vehicles:

The Applicant HRECS replies:

Applicant HRECS is not in a position to comment on the above proposal immediately. However HRECS will abide by the decision of the Hon'ble Commission.

F. Compliance to directives issued by the Commission

| HRECS | | | |
|--------|--|---|---|
| Sl. No | Directives issued by the Commission | Observations made | Compliance by Hukeri RECS |
| 1 | Consumer interaction meetings at O&M sections. | <p>It was directed to conduct consumer interaction meetings at O&M sections chaired by the MD once in a quarter to redress the consumer complaints. The HRECS has conducted the consumer interaction meetings only in 3rd quarter of FY18.</p> <p>The HRECS shall furnish the reasons for not conducting consumer interaction meetings during 1st & 2nd quarter, of FY18 .</p> | <p>Here after consumer interaction meeting will be conducted every quarter. The Applicant HRECS requests for condonation of the Hon'ble Commission for not conducting consumer interaction meeting in the 1st & 2nd quarter of FY 18.</p> |

| | | | |
|----|---|---|--|
| 2. | Directive on Energy Conservation | The HRECS has not submitted the details of servicing of all streetlight installations with LED/energy efficient lamps and also the details of awareness programs being taken up in its jurisdiction. The HRECS shall submit compliance thereon. | The details will be sent by the end of Dec-2017, on receipt of information from local authorities. |
| 3 | Implementation of NJY | HRECS has submitted that still one NJY feeder out of 17 feeders has not been commissioned yet. HRECS shall furnish the reasons for inordinate delay in commissioning the feeders taken up under NJY scheme. | It is respectfully submitted before the Hon'ble Commission that the delay is on account of right of way caused by farmer and hard rock land being faced in execution. The remaining one feeder will commissioned by the end of Dec 2017. |
