

CHAPTER – 3

PUBLIC CONSULTATION

SUGGESTIONS / OBJECTIONS & REPLIES

3.0 As per the provisions of Section 64 of the Electricity Act, 2003, the Commission has undertaken the process of public consultation, inviting suggestions/ views/objections from the interested stakeholders and the general public on the application filed by BESCOM for Annual Performance Review for FY18, approval of ARR for the next control period FY20-22 and determination of Retail Supply Tariff for FY20. In the written submissions filed as well as during the public hearing, the stake-holders and the public have raised several objections/ made suggestions, on the BESCOM's Tariff Application dated 30.11.2018. The names of the persons who filed written objections and made oral submissions are given below:

3.1 List of persons who have filed written objections

Sl. No	Application No.	Name & Address of Objectors
1	AE-01	Ms. Shruti Bhatia, Indian Energy Exchange.
2	BB-01	Shri. G.N.Krishnappa, Energy Engineering, Bengaluru.
3	BB-02	ACC Limited, Chikballapur District
4	BA-01	Shri. P.B.Mahesh, Tumkur
5	BA-02	Shri. Ravikiran Kulkarni, Hon. General Secretary, KASSIA
6	BA-03	Shri. Arif H.M., Hon. Secretary, Peenya Industries Association.
7	BA-04	Shri. Rakshit Chaudhary, Ambrosia Products, Bengaluru
8	BA-05	Shri. SavithaPrabhu, Mountain Blossoms.
9	BA-06	Shri. Sudhakar S Shetty, Hon. President, FKCCI
10	BA-07	Shri Y.G.Muralidharan, Coordinator, Karnataka Electricity Governance Network.
11	BA-08	Shri. Shridhar Prabhu, Advocate, M/S Toolcomp Systems Private Limited

The objections/suggestions mainly pertain to:

- a. Tariff;
- b. Quality of Power Supply and Service;
- c. Compliance of Commission's directives; and
- d. Certain specific requests.

The summary of the objections, the BESCOM's reply and the Commission's view are annexed as Appendix-1 to this Order.

3.2 List of the persons, who made oral submissions during the Public Hearing, held on 04.02.2019.

SL. No.	Names & Addresses of Objectors
1	Shri. T.V. Mohandas Pai, Vice President, B.PAC
2	Shri. S.M. Hussain, KASSIA
3	Shri. Lakshmikantha, Peenya Industries Association
4	Shri. M.G. Prabhkar, Chairman FKCCI, Bangalore
5	Shri. K. Gnanamani, Toyota Kirloskar Motors Pvt Ltd
6	Shri. Y.R. Gurudath, Manjushree Technopack Ltd
7	Shri. H.R. Giridhar, Advocate BWSSB
8	Shri. Anand R.
9	Shri. Naveen
10	Shri. R Arumugam, ACC Ltd
11	Shri. Shridhar Prabhu, Advocate for M/S Toolcomp Systems Private Limited
12	Shri. Channegowda, The Nurserymen Co-operative society Lalbagh
13	Shri. N.C. Sundramurty, Editor
14	Shri. S.V. Nesargi, DGEPL
15	Shri. Shivaprakash, KIADB Association, Malur
16	Shri. G.N. Krishnappa, Electrical Contractor
17	Shri. Rakshit Chaudhary, Ambrosia Products
18	Shri. P.B. Mahesh, Kunigal Taluk
19	Shri. R. Ravi Kumar

3.2 The summary of the additional points raised during the Public Hearing is as follows:

- 1) BESCOM has proposed massive increase in tariff. Any increase in tariff will have a detrimental effect on the industries.
- 2) The half-yearly results of BESCOM show a small deficit and it may end up in small surplus as well. Hence, there is no case for tariff increase.
- 3) Entrust the Management of BESCOM to some Public/Private bidder who can supply energy at low tariff to the consumers.
- 4) BESCOM has projected an increase in power purchase cost of KPCL thermal units from Rs. 4.32 per unit in FY18 to Rs. 6.36 per unit in FY20, though coal prices have come down. Though, KPCL is regulated entity, there is no transparency.
- 5) The online registration for power sanction is taking two months whereas earlier it was taking only 20 days.
- 6) Distribution losses over and above the approved values should be disallowed.
- 7) Fixed cost in the Tariff should not be increased as the industries are creating infrastructure and transferring the assets to the ESCOMs and pay the Maintenance charges.
- 8) Increase in Fixed charges proposed should be justified by scientific study reports.
- 9) The ESCOM should follow the directives given by the Commission on reliability indices (SAIFI and SAIDI) and submit its compliance to KERC regularly.
- 10) BESCOM is failing to replace faulty transformers on time.
- 11) Reduction in O&M expenses will ensure that there is no need for any tariff revision for BESCOM.
- 12) Officers of BESCOM are not fully aware of the Orders/Regulations issued by the Commission, from time to time.
- 13) The BESCOM has indicated that, IP Set consumption has gone up and other categories consumption reduced. But in fact, BESCOM is unable to reduce theft and distribution losses and the same is being charged to the unmetered sales.

- 14) BESCOM has not submitted any objections towards increase in transmission tariff sought by KPTCL and thus, it has failed in its duty to serve the interest of the consumers.
- 15) Capacitors should be installed and maintained in good working condition for providing reactive compensation to the IP sets installed.
- 16) Capacitors banks, if installed can save approximately, 200 MU and thus, can bring down the cross-subsidy charges.
- 17) One farmer should be allotted only one IP set.
- 18) Capacity of IP sets installed has gone up due to decrease in water levels. BESCOM should initiate a study to analyze the capacity of IP sets installed for subsidy release.
- 19) Revenue gap on account of IP sets should not be passed on to the consumers. The same should be collected from the Government.
- 20) BESCOM has huge receivables and also huge inter-ESCOM receivables equal to 6.15 months, receivables which affects their cash flows. Commission should disallow interest of Rs.500 Crores.
- 21) The proposal for separate tariff for Metro and the non-telescopic tariff for domestic consumers acceptable.
- 22) The increase in tariff to private hospitals and educational institutions is not acceptable.
- 23) Balance Sheet of BESCOM for FY18 shows a provision for Bad Debts of Rs. 1135 Crores, which should not be allowed.
- 24) The BESCOM should procure cheaper Power from IEX, particularly during night time.
- 25) The Commission should review the short-term power purchases every month.
- 26) BESCOM should pay the average purchase cost of energy to the energy purchased from rooftop solar PV installations.
- 27) BESCOM is not taking necessary action for reduction of distribution losses in the city limits and at division level.
- 28) BESCOM has to adopt voltage-wise cost to serve principle for fixing tariff among different categories of consumers.
- 29) BESCOM has to fix separate reduced tariff for small scale industries.

- 30) Monthly MD meter recording should be done as against weekly billing in respect of temporary installations.
- 31) The quality of power supply to rural areas is deteriorating every year.
- 32) BESCOM has not taken action to conduct consumer grievance meeting at regular intervals as per the KERC guidelines.
- 33) BESCOM has spent more than Rs. 100 Crores on the DAS system, but it has not been implemented so far.
- 34) The online system for providing various services implemented by BESCOM is not effective.
- 35) The present TOD facility should be made optional and 100% DTC should be metered.
- 36) Kannada version of all the Orders and filings should be available on the website of all the ESCOMs.
- 37) Separate tariff category should be introduced for Micro, Small and Medium Enterprises (MSME) which should be voltage-wise tariff and at least be Re. 1 less than other tariffs.
- 38) Efficiency level of BESCOM is decreasing every year. Hence, proper guidelines should be given by the Commission.
- 39) The procedure for availing temporary power supply should be simplified to avoid theft.
- 40) There is no timely replacement/maintenance of transformers by BESCOM.
- 41) Billing should be done as per recorded M.D. Due to increase in billing demand from 75% to 85%, industries are becoming sick.
- 42) BESCOM is not promoting Special Incentive Scheme (SIS), as most of the BESCOM officers do not have proper knowledge about SIS.
- 43) Proper survey of IP set has not been conducted by the BESCOM.
- 44) Other consumers should not bear cost of rebate given to the consumers having Solar water heaters.
- 45) Floriculture should be brought under a separate category instead of the present industrial tariff category.
- 46) Since, BESCOM is not providing quality power to industrial consumers, the proposal for tariff hike should not be considered.

- 47) OA consumers are not getting benefits under special incentive scheme.
- 48) Consumers should be involved during prudence check of capex of ESCOMs and the reports should be available in public domain.
- 49) Lower interest rates are being paid on security deposits as compared to the interest rate paid by the consumers for taking loan for payment of security deposit, as loan.
- 50) Cost-Audit reports may be considered by the Commission while passing the tariff Order.
- 51) There has been steady decline in industrial consumption and any increase in tariff will further burden industries.
- 52) The system voltage during day time is very low and high during night time which damages equipments.
- 53) Delay in getting temporary connections is resulting in increased unauthorized tapping from the overhead electrical lines during festival season.
- 54) The loads connected in BJ/KJ homes should be monitored.
- 55) Tariff levied on IT companies should not be increased as it will hit IT sector growth in Bangalore.
- 56) Capacity addition of RE has gained pace and it is creating lot of instability and balancing cost according to industry estimates for RE works out to Rs. 3.20/unit as against CEA determined estimate of Rs. 1.10/unit. Revenue from CSS is lower than balancing costs. Therefore, firm RE generation should be encouraged.
- 57) Necessity of purchase of costly power from Jurala needs to be analyzed.
- 58) Interest incurred towards Inter-ESCOM adjustments should be disallowed.
- 59) The Commission should convene a meeting with the industry body along with BESCOM to work out a suitable mechanism to roll out SIS.
- 60) Industries located in Bidadi Industrial area and other MSMEs will not be able to absorb the increase as the industries are already suffering due to frequent and unscheduled power-cuts by depending too much on DG and alternative power sources and it would affect their survivability.

BESCOM Response:

The MD BESCOM stated that the replies to most of the issues raised in the public hearing have been furnished in the written replies. That the other issues not covered earlier would be looked into and remedial action taken.

Commission's Views:

The Commission directs BESCOM to look into the unresolved non-tariff issues and attend to them on priority.