

APPENDIX

REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

The Commission, in its Tariff Order dated 30th May 2019, and in its earlier Tariff Orders, had issued several Directives. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance. The same are discussed below:

1) Directive on conducting Consumers' Interaction Meetings (CIMs) in the O & M sub-divisions for redressal of consumer complaints:

The Commission had directed that the Hukeri RECS shall ensure that Consumers' Interaction Meetings (CIM) chaired by the Manager Director, are conducted in each of its O&M sections according to a pre-published schedule, at least once in every three months. Further, the consumers were to be invited to such meetings giving advance notice through emails, letters, Hukeri RECS's website, local newspapers etc., to facilitate participation of maximum number of consumers in such meetings. **The Hukeri RECS was required to ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers.** Compliance in this regard was to be reported once in three months to the Commission, indicating the dates of meetings, the number of consumers attending such meetings and the status of redressal of their complaints.

If Hukeri RECS were to fail to ensure the conduct of the Consumers' Interaction Meetings as directed, the Commission had declared to consider imposing a penalty of up to Rs. One lakh per O&M sub-division / section per quarter for each instance of non-compliance and also directed that such penalty shall be recovered from the Managing Director who fails to conduct such meetings.

Compliance by the Hukeri RECS:

It is submitted that Hukeri RECS has been conducting Consumer Interaction Meeting in head office at Hukeri chaired by the Managing Director, Hukeri RECS by giving paper notification. Hukeri is a taluka place, similar to that of sub-division is in an ESCOM. Therefore, meeting is conducting at Hukeri RECS head office Hukeri. Previously meeting was conducted on 30.9.2019 and compliance report sent to the Commission on 04.11.2019 in the prescribed format along with a copy of the proceedings of the meeting. The meeting is also scheduled in the month of December-2019 and proceedings will be submitted thereafter. In future also quarterly meeting proceedings and details in the prescribed format will be submitted to the Hon'ble commission.

Commission's Views:

The Hukeri RECS has submitted the details (summary) of consumer's interaction meetings conducted in its jurisdiction during 1st and 2nd quarter of FY20 only in its replies to preliminary observation. The Hukeri RECS was directed to submit the details of the CIMs conducted in the prescribed formats. In its Filing, Hukeri RECS has submitted that, is a small distribution utility, hence has conducted the CIM in the Head Office at Hukeri

The Commission had reiterated its directions to the Hukeri RECS to conduct the consumer interaction meetings in the sections chaired by the Managing Director, Hukeri RECS to effectively redress the consumer grievances. The Commission notes from the submissions made by Hukeri RECS that, such meetings are being conducted on a single day in the Head Office only. **The Commission directs HRECS to explore the possibility of conducting the CIMs at different places at section offices, instead of conducting at its Head Office in all the quarters, so that the maximum number of consumers can participate and take advantage of getting their grievances resolved.**

The Commission is of the view that the dates of such meetings indicating the venue shall be arranged in a quarter, in such a way that the Managing Director can chair the meetings and is able to redress all the complaints

relating to supply of electricity effectively. Accordingly, the Hukeri RECS is directed to conduct consumer interaction meetings at the HO / other venues/ section offices on different designated dates. Further, **the Commission desires that, such meetings are strictly chaired by the Managing Director and not by any other officer.** The Commission also decides that, if the consumer interaction meetings are conducted without the participation of the Managing Director, then it will be considered as non-compliance of the Commission's directives and the Commission would consider imposing a penalty of up to Rupees One lakh per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the Managing Director towards non-conduct of such meetings.

Hukeri RECS to conduct consumer interaction meetings once in a quarter, to redress the consumer grievances relating to supply of electricity. Advance notices shall be sent to the stakeholders by email / website and through SMS (wherever they are in the consumer database) well in advance. A compliance report (Quarterly) shall be submitted to the Commission regularly in the format given in the previous Tariff Order, along with a copy of the proceedings of each meetings.

2) Directive on preparation of energy bills on monthly basis by considering 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access:

The Commission had directed the Hukeri RECS to ensure preparation of energy bills on monthly basis by considering the 15-minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access. That, the Hukeri RECS shall implement the directive forthwith and the compliance regarding the same shall be submitted quarterly to the Commission, regularly.

Compliance by the Hukeri RECS:

It is submitted that the Hukeri RECS, in its jurisdiction, has 42 numbers of HT installations and none of them are availing Open Access. Therefore, Hukeri

RECS is not in a position to submit details in this regard. However, in future, if any of the HT consumers in jurisdiction of Hukeri RECS, source power through Open Access, then the Hukeri RECS will implement this directive and submit compliance to the commission.

Commission's Views:

The Commission notes that at present the Hukeri RECS doesn't have any HT consumer sourcing power through open access. However, in future, if any of the HT consumers in its jurisdiction source power through Open Access, then the Hukeri RECS should implement this directive and submit compliance thereon once in a quarter regularly.

3) Directive on Energy Conservation:

The Commission had directed that, Hukeri RECS to service new installations only after ensuring that the equipment installed in the consumer's premises are BEE ***** (Bureau of Energy Efficiency five-star rating) rated viz., Air Conditioners, Fans, Refrigerators, etc., are energy efficient.

On similar lines, Hukeri RECS was directed to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that LED lamps / energy efficient lamps like induction lamps are provided to the street light points.

Also, the Commission had directed the Hukeri RECS to take up programmes to educate all the domestic, commercial and industrial consumers, through the media and by distributing pamphlets giving details on the benefits of using five star rated equipment certified by the Bureau of Energy Efficiency in reducing their monthly electricity bills and conservation of precious energy along with monthly bills.

Compliance by the Hukeri RECS:

The Hukeri RECS submits that all section officers have inspected new installations to insist gadgets like fans, refrigerators, air conditioners etc., which

confirms the BEE (Bureau of Energy Efficiency five-star rating) and also inspected street light points which confirms BEE (Bureau of Energy Efficiency five-star rating). The compliance regarding this is also submitted to the commission on 21.08.2019. Further as per the commission's directive, the compliance will be submitted regularly. The same is cross checked regularly by Resident Engineer from Hukeri head office as Hukeri jurisdictional is limited to a Taluka.

Commission's Views:

The Commission observes from the compliance submitted by the Hukeri RECS that, it has not submitted any fresh details for having implemented the directive. It is noted that the same status is being furnished to the Commission as was submitted in the previous Tariff Order proceedings, which means that Hukeri RECS has not made any fresh progress on the ground. In this regard, the Hukeri RECS should verify whether there is any progress made in the field in servicing of the BEE star rated Air Conditioners, Fans, Refrigerators, etc., in the consumers' premises. The Hukeri RECS is directed to implement this programme by reviewing the current progress / status of implementation.

The Commission observes that the Hukeri RECS has not submitted the compliance regularly on implementation of the directive. Further, it is also observed that Hukeri RECS has merely stated that it is insisting on servicing the consumer installations with 5 star rated equipment without elaborating on this or submitting the detailed progress made in detail. The Hukeri RECS needs to review the implementation of the directive with the field officers periodically to know about the progress.

The Commission notes that the Hukeri RECS has not submitted the compliance in respect of ensuring and providing of LED lamps / energy efficient lamps while servicing of new streetlight / high mast installations including extensions made to the existing streetlight circuits. This shows that the Hukeri RECS has not implemented the directive in its letter and spirit, to take forward the initiative of conservation of energy.

To start with, Hukeri RECS could have issued instructions to all its officers to ensure use of BEE five-star rated Energy Efficient Appliances in their offices. Hukeri RECS has not submitted the details / current status of the scheme in its tariff filing. On the whole, the Commission finds that the progress in implementation of this directive is very poor. Therefore, the Commission directs Hukeri RECS to focus on effective implementation of this directive by reviewing periodically the progress of implementation in the field and take necessary corrective steps.

Further, the Commission directs Hukeri RECS to conduct the awareness programs to the consumers / public, for use of LED bulbs, energy efficient electrical equipment etc., by making use of the fund reserved for customer relation / consumer education program. Hukeri RECS shall use only energy efficient bulbs and appliances in some of its offices and demonstrate their benefits to the general consumers.

Looking into the practical difficulty, by partially modifying the directive, the Commission reiterates its directive with the directions to service all new streetlight / high mast installations including extensions made to the existing streetlight circuits, only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis. Inspection by jurisdictional Assistant Executive Engineers / Executive Engineers / Resident Engineers of new installations, selected on random basis shall be undertaken to cross check adherence to the directive by the field offices.

4) Directive on Nirantara Jyothi – Feeder Separation:

The Commission had directed the Hukeri RECS to implement Nirantara Jyothi Yojana in its jurisdiction and furnish quarterly reports to the Commission regarding the progress of its implementation.

The Hukeri RECS was directed to furnish to the Commission the programme of implementing 11 KV taluk-wise feeders' segregation with the following details:

- a) Number of 11 KV feeders considered for segregation.
- b) Month-wise time schedule for completion of envisaged work.
- c) Improvement achieved in supply after segregation of feeders.

Compliance by the Hukeri RECS

The Hukeri RECS submits that due to heavy rain lashing in and around Hukeri Taluka and causing immense damage to the crop as well as HT and LT lines, Hukeri RECS has undertaken flood relief works of Rs 9.38 Crores on priority basis on the direction of GoK. Therefore, work on two feeders is delayed and the remaining two feeders will be commissioned very soon by December-2019 and also inspection is conducted regularly by field staff preventing any illegal tapping of NJY feeders by the farmers for running their IP sets.

As per the direction of commission, Hukeri RECS will continue to report every month, the specific consumption and the overall IP set consumption, only on the basis of the data from energy meters installed to the agricultural feeders, as per the prescribed formats.

The details of assessment of IP sets based on 17 numbers of segregated feeders will be submitted from January 2020 onwards. However, on completion of balance two feeders, the details of assessment of IP sets will also be furnished.

Commission's Views:

The Commission notes that the Hukeri RECS has commissioned 17 feeders out of 19 feeders taken up under NJY scheme. However, there has been an inordinate delay in completion of the NJY works which has resulted in nonrealization of envisaged benefits to the organization, as per the DPR.

The Commission notes that, HRECS in its earlier tariff filings, has submitted that 2 (two) NJY feeder out of 19 feeders has not been commissioned and has

committed to commission the balance 2 feeders during December 2018. In the present tariff filing, HRECS has informed that the timeline for commissioning those 2 feeders is December, 2019.

The Hukeri RECS is directed to commission the remaining two feeders taken up as committed and thereafter carry out the feeder-wise analysis to ensure that the objectives set out in the DPR are accomplished.

Further, the Hukeri RECS shall ensure that, any illegal tapping of NJY feeders by the farmers for running their IP-sets should be stopped. Failure to stop this illegal activity will defeat the very purpose of feeder segregation works undertaken at huge cost and therefore, the Hukeri RECS needs to take strict action on such offenders. Further, the field officers / officials who fail to curb illegal tapping shall be personally held responsible for these irregularities.

It is noted that the Hukeri RECS has already segregated 17 number of feeders under NJY works and consequently the energy consumed by the IP sets could be more accurately measured at the 11 kV feeder levels, at the sub-stations, duly considering the distribution losses in 11 kV lines, distribution transformers and LT lines. But, the Commission observes that, HRECS is not furnishing the assessment of IP sets based on the 17 number of segregated IP set feeders. Instead it has furnished the data based on 5 feeders till November 2018 and 10 feeders from December 2018 to March 2019. Therefore, the Commission directs the Hukeri RECS to continue to report every quarter, the monthly specific consumption and the overall IP set consumption, only on the basis of the data from energy meters installed to all the agricultural feeders, as per the prescribed formats. Hereafter, any data furnished based on other assumptions will not be considered by the Commission.

The Commission reiterates its directive to the Hukeri RECS to continue to furnish feeder-wise, month wise IP set consumption based on energy meter data taken from all the agriculture feeders segregated under NJY and other schemes, to the Commission every month.

6) Directive on Demand Side Management in Agriculture

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed the Hukeri RECS to take up replacement of inefficient Irrigation Pumps with energy efficient Pumps approved by the Bureau of Energy Efficiency, in its jurisdiction and report compliance thereon.

Compliance by the Hukeri RECS

A meeting has been conducted by the Managing Director, of Hukeri RECS with all section officers and Resident Engineer of the head office to ascertain various DSM measures. In this regard, section officers were instructed to list age-old pumps which can be replaced by star rated pumps. Initial expenditure required to replace the pump on the basis of pumps to be replaced and cable comes to Rs.300 Crores approximately. The details will be submitted to the commission for a decision. Farmers are educated to install star rated pumps for new installations. Farmers are generally inclined to replace age old pumps. Wherever secondary line / conductors are sagging, Hukeri RECS has been taking up by providing intermediate poles.

Commission's Views:

The Commission observes that the Hukeri RECS has not taken seriously the implementation of DSM measures in its jurisdiction. The compliance submitted by the Hukeri RECS is very much generic and cannot be considered as compliance.

The Commission notes that the Hukeri RECS has so far not taken any concrete action to implement the Agricultural DSM measures in its jurisdiction. The progress / status reported this year is same as that of previous years, that too without any appreciable change in the field. The Commission while emphasizing the need for implementation of DSM in agriculture, during its Review Meetings held with the distribution licensees, has been directing them to initiate DSM measures, in view of huge potential for energy savings in the agricultural sector which needs to be tapped to derive the optimum benefits

on completion of such programmes. Therefore, the Hukeri RECS is directed to implement the DSM measures aimed at conserving energy and also precious water for the benefit of farmers.

The Commission directs the Hukeri RECS to take up the implementation of DSM on a pilot basis in a section in its jurisdiction and after its satisfactory completion can examine implementing it in the HRECS.. The compliance thereon shall be submitted to the Commission, within three months from the date of this Order.

7) Directive on Optimizing Transformer Capacities:

The Commission had directed the Hukeri RECS to undertake a systematic audit of transformer loads on a quarterly basis and ensure that transformers installed are of optimum capacity, keeping in view the load to be serviced.

Compliance by the Hukeri RECS:

The Hukeri RECS ensures that the loading on the transformers is optimized by ensuring that the transformers are optimally utilised. As soon as over load is noticed, action is being taken to balance the load. Depending upon availability of funds, transformers are taken up for optimal utilization. The compliance regarding this was submitted to the commission on 21.08.2019. it is submitted that 198 numbers of DTC which were found to be over loaded, action has been taken to ensure that they are optimally utilised. As per the commission's directives the compliance is submitted quarterly.

Commission's Views

The Commission takes note of the replies of the Hukeri RECS in respect of the directive. The Commission desires that the Hukeri RECS shall submit the audit report, at least quarterly. The Commission reiterates its directive to Hukeri RECS to ensure that the distribution transformers installed are of optimum capacity with regard to connected loads on them, to reduce energy losses prevailing in the distribution system.

The Hukeri RECS shall conduct audit of transformer loads to ensure that the loads on the transformers are optimized to reduce losses. The Hukeri RECS is

directed to report compliance thereon to the Commission, regularly, once in a quarter.

8) Directive on Service Centres for improved Responsiveness:

The Commission, with a view to improve services to the consumers, had directed that the distribution licensees to suitably re-organize their field operations. The Commission was also of the view that Hukeri RECS should introduce a system of 'Service Centres' manned by a group of 4-5 maintenance workers with appropriate transport facility to enable them to move to the affected areas quickly with necessary maintenance materials and equipment. The operational area and the level of maintenance work and complaints that can be attended to by the 'Service Centres' could also be appropriately defined. In view of the improved communication network in the rural areas, such Centres can function even in the rural areas very effectively. The maintenance crew in the Service Centres can also be utilized to keep a vigil over cases of unauthorized use of electricity and prevent theft of power by obtaining assistance from the local revenue or police authorities wherever necessary. The Commission directed that Hukeri RECS shall introduce the system of adequately equipped 'Service Centres' and report the results of its operations along with details of additional expenditure to the Commission.

Compliance by the Hukeri RECS:

The Hukeri RECS will ensure that prompt response is given to the consumer complaints regarding interruptions in power supply which may be due to breakdown of lines / equipment, failure of distribution transformers etc.

The Hukeri RECS is conducting CGRF meetings regularly for redressal of complaints by giving wide publicity in the local newspapers. Previously CGRF meeting was conducted on 23.08.2019 and compliance report sent to the Commission on 26.08.2019. Further the term of a non-official member Shri. H.I.Heddurshetty was expired. The Hukeri RECS has submitted a letter dated 30.09.2019 to continue a further term of three years. The order of the Hon'ble commission vide reference no. KERC/D/02/16-17/996 dated 12.11.2019 is

received on 16.11.2019 and the next meeting is proposed on 06.12.2019 and thereafter proceedings will be submitted to the Hon'ble Commission.

Commission's Views:

The Commission notes that Hukeri RECS has not furnished any details on the establishment of Service Centre to deal with the consumer complaints. The Commission notes the submissions made by Hukeri RECS in conducting the consumer interaction meetings for redressal of their complaints relating to supply of electricity. The Commission is of the view that the Hukeri RECS needs to ensure prompt response to the consumer complaints regarding interruptions in power supply which may be due to breakdown of lines / equipment, failure of distribution transformers etc. The Hukeri RECS is also directed to strive to reduce the time taken to attend the complaint, in order to ensure prompt response to the consumer complaints.

Further, the Commission directs the Hukeri RECS to conduct CGRF meetings regularly for redressal of complaints. Also, wide publicity should be continuously made in the local newspapers regarding the availability of CGRF mechanism in the Hukeri RECS, so that more and more consumers are able to avail its services, for redressal of their grievances relating to supply of electricity. The Hukeri RECS is directed to report the compliance thereon, to the Commission, regularly once in three months.