

KARNATAKA ELECTRICITY REGULATORY COMMISSION

Philipose Matthai,
Chairman

Coffee Board Building 5th Floor,
No.1, Dr. Ambedkar Veedhi,
Bangalore-1.

3rd, July, 2000

FOREWORD

The Karnataka Electricity Regulatory Commission represents a major constituent element of the Government of Karnataka's reform process relating to the Electricity Sector. The Commission has the objectives of assuring a fair deal to investors operating at high efficiency levels, while at the same time protecting the interests of consumers.

The Commission has been working to a well defined agenda and time schedule since its constitution. This being the first year of the Commission's existence, the Commission has faced its normal share of the difficulties involved in a start up of this type. Nevertheless, the Commission looks back with satisfaction on the activities of the last 7 months, since these activities have, in the Commission's opinion, laid the foundation for a fair, transparent and objective regulatory process in Karnataka.

The Annual Report of the Commission for the year 1999-2000 actually brings the account of activities of the Commission up-to-date. This has been done because substantial progress on various items of works has been achieved after March 2000 and it would have presented a very incomplete picture if,

writing **in the beginning of July** 2000, the report did not make reference to this progress. In future years, the Commission hopes to bring out this Annual Report by the 1st week of April each year and cover activities upto the end of March each year.

The electricity sector in Karnataka is going through a fundamental transition. Old and well-worn methods of work and traditional authority structures have to now give way to an intensely professional and customer friendly electricity sector operating under a Regulator with a wide ranging and comprehensive legislative mandate. It is only to be expected that various agencies dealing with the sector would take a considerable amount of time to understand, come to terms with, and operate the new system. In its endeavours, the Commission has received enormous support from the Government of Karnataka, especially at the highest levels. The Commission has, however, not obtained the response it would have desired from the KPTCL. The Commission hopes, however, that this is purely a transitory phase.

On behalf of the Commission, I would like to take this opportunity to reiterate the Commission's commitment to its objectives of **providing** a fair return to investors, protection of consumer interests, **ensuring high quality and safe supply of power and making the electricity sector financially viable and healthy.**

Sd/-

(Philipose Matthai),

Chairman

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CHAPTER-1

OVERVIEW

1.01 KARNATAKA has many firsts to its credit in the country in the power sector:

- Karnataka was the first to recognize hydro power potential and embarked on a survey of hydro power resources in 1898.
- The Shivasamudram hydro power station commissioned in 1902

was the largest hydel Power Station in Asia at that time.

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CHAPTER-II

REFORMS

2.01 Govt of Karnataka has issued a Reforms Policy Statement for the energy sector vide order No DE 99 PPC 96 dated 30-1-1997 with the following objectives:

- Attracting enough private investment to the sector in generation, transmission and distribution to meet the growing demand for power;
- Establishing a regulatory environment which will ensure that generation costs are kept at minimum through a process of competitive bidding for setting up of capacity and also ensure that adequate incentives are provided for improvement in operational efficiency, cost reduction and enhancement in the quality of customer service in the transmission and distribution sectors;
- Providing incentives for energy conservation;
- Releasing scarce Government resources which are now deployed in the power sector for being used in other areas of greater priority (i.e., where private investments will not be available).

2.02 In accordance with the Reforms policy, the Karnataka Electricity Reform Act 1999 has been promulgated which came into effect from **1st June, 1999**. The Act provides for:

- the constitution of an Electricity Regulatory Commission for the State;
- restructuring of the electricity industry in the State;
- the corporatisation of the Karnataka Electricity Board;
- the rationalization of the generation, transmission and distribution and supply of electricity in the State;
- avenues for participation of private sector entrepreneurs in the electricity industry in the state and
- generally for taking measures conducive to the development and management of the electricity industry in the State in an efficient, economic and competitive manner to provide reliable quality power and to protect the interest of the consumer;
- vesting in the Commission the powers to regulate the activities of the power sector in the State .

2.03 The Karnataka Electricity Board was authorised by the Government vide G.O.No DE 4 PSR 99 dated 16-7-99 to incorporate a Company, namely the Karnataka Power Transmission Corporation Ltd. (KPTCL), under the Companies Act 1956 for transmission and

distribution of power in the State and another Company, namely, Visvesvaraya Vidyuth Nigama Ltd (VVNL) for handling its existing generating stations with its associated units.

2.04 Govt of Karnataka has issued orders outlining the steps for inviting private sector participation in power distribution in the State vide GO No DE 17 PSR 99 dated 27-1-2000.

2.05: Several aspects of the reform process in the electricity sector now under way require regulatory approval. The Commission is of the view that these approvals are best sought through a process of continuing and consultative dialogue with the Commission instead of through presenting a final proposal after working out the entire package of steps. The Commission, however, notes that such a dialogue has not commenced.

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CHAPTER-III

THE COMMISSION

3.01 The Govt of Karnataka, in exercise of the powers conferred under the Karnataka Electricity Reform Act 1999, established the Karnataka Electricity Regulatory Commission (KERC) vide Notification No DE 3 PSR 99(1) dated 28th August 1999. The Commission consists of three members one of whom is nominated as Chairman. The Commission has the powers and is responsible for the discharge the functions conferred on it under the provisions of the Karnataka Electricity Reform Act 1999.

As specified under the Reform Act, the functions of the commission are:

a) to regulate the purchase, distribution, supply and utilization of electricity, the quality of service, the tariff and charges payable keeping in view the interest of the consumer as well as the consideration that the supply and distribution cannot be maintained unless the charges for the electricity supplied are adequately levied and duly collected;

b) to promote efficiency, economy and safety in the use of the electricity in the State including and in particular in regard to quality, continuity and reliability of service, the standard of performance by the units engaged in the electricity supply industry in the State, the efficient utilization and conservation of energy, appropriate demand side management and reduction of waste and losses in the use of electricity and to enable all reasonable demands for electricity to be met;

- c) to issue licenses in accordance with the provisions of the Act and determine the conditions to be included in the licenses;
- d) to regulate the working of the licensees and to promote their working in an efficient, economical and equitable manner;
- e) to regulate the assets, properties and interest in properties concerning or related to the electricity industry in the State.
- f) To aid and advice, in matters concerning electricity, generation, transmission, distribution and supply in the State;
- g) To promote competitiveness and progressively involve the participation of private sector, while ensuring fair deal to the consumers;
- h) To collect data and forecast the demand for and use of electricity and to require the licensees to collect such data and forecast;
- i) To require licensees to formulate prospective plans and schemes in co-ordination with others for the promotion of generation, transmission, distribution and supply of electricity;
- j) To set appropriate codes of conduct and standards for the electricity industry in the State and standards of service to the consumers by licensees;
- k) To arbitrate or to nominate arbitrator(s) in matters of dispute and difference between licensees in accordance with the provisions of the Act;
- l) to co-ordinate with environmental regulatory agencies and to evolve policies and procedures for appropriate environmental regulations of electricity sector and utilities in the state; and
- m) to undertake all incidental or ancillary functions connected with the electricity sector.

It is further specified in the said Act that the Commission shall always act in a manner consistent with the objectives and purposes for which the Commission has been established as an independent statutory body corporate and all acts decisions and orders of the Commission will be pursuant to achieving and shall seek to achieve such objectives and purposes. The Commission has the

power to act as an Arbitrator, nominate Arbitrator or Arbitrators to adjudicate and settle disputes arising between licensees.

3.02 **Appointment of Members of the Commission:**

The Govt of Karnataka appointed the following persons as Chairman and Members of the Commission vide notification No DE 11 PSR 99 dated 6th Oct 1999:

- | | |
|--------------------------------------|----------|
| (i) Sri Phillipose Matthai | Chairman |
| (ii) Sri H.R.Gopal | Member |
| (iii) Dr.(Smt.) Rangaswamy Vedavalli | Member |

3.03 Sri Phillipose Matthai and Sri H.R.Gopal **were sworn in by His Excellency the Governor of Karnataka as Chairman and Member of the Commission respectively** on 15-11-99. Dr.(Smt.) Rangaswamy Vedavalli did not assume office and her appointment was subsequently cancelled vide Govt of Karnataka notification No DE 11 PSR 99 dated 18-1-2000.

3.04 **Appointment of Secretary of the Commission:**

Govt of Karnataka appointed Sri R.Sridharan, I.A.S. as the Secretary of the Commission vide GO No DE 10 PSR 99 dated 6-10-99. He assumed office on 7-10-99. His appointment as Secretary has been approved and ratified by the Commission in its first meeting.

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CHAPTER-IV

ACTIVITIES

4.01 **Meetings:**

Six Commission meetings were held from Nov 99 to March 2000. **The first meeting of the Commission was held on 15th November, 1999, immediately after the Chairman and Member were sworn in.** All activities of the Commission have been systematically reviewed at each of these meetings and follow up action taken.

4.02: **Establishing office for the Commission:**

The Commission has taken on rent temporary office accommodation at 5th Floor of Coffee Board, Dr Ambedkar Veedhi, Bangalore -560 001 and started functioning. Required Office equipments such as Computers, Xerox machines and Fax have been procured and installed and new telephones connections were taken.

The Commission arranged for office accommodation on a permanent basis by taking premises on rent at 6th and 7th Floors, Mahalaxmi chambers, M.G.Road, Bangalore-1. The lease Registration formalities were completed (subsequent to 31st March) and interior decoration work is to be got done, for which necessary steps have been taken.

4.03. **Appointment of various officers to the Commission:**

The Commission has initially taken on deputation a few officers/staff from the State Govt, KPTCL and KPCL and the Commission's work has been started. The Commission formulated **Karnataka Electricity Regulatory Commission (Recruitment and Conditions of Service of Officers and Employees) Regulations 1999** and approved the same in the 2nd meeting of the Commission held on 20-12-99. The said Regulations was sent to the Govt for approval on 22-12-99 in terms of Sections 8(3) & 8(5) of the Karnataka Electricity Reform Act 1999. However approval of the Govt was not received till the end of the financial year and as a result the Commission was handicapped to a great extent since the required staff could not be appointed in the absence of approved Regulations. The Commission had to manage its affairs with the skeleton staff. The Regulations were approved by the Govt vide order No DE PSR 99 dated 15-4-2000 and the commission has initiated action for taking the required officers/staff on deputation from the Govt/public sector and/or on contract.

4.04: **Engagement of Consultants on various matters:**

In order to prepare various Regulations/Codes and Standards, the Commission has engaged the services of three retired officers of KPTCL/KPCL on contract

basis so that their practical experience in the field could be availed of and they have been entrusted the task of preparing various Regulations/Codes.

The Commission, in order to have the benefit of outside expertise in the power sector, invited competitive bids from outside consultants to avail their services in the following matters:

1. Assisting the Commission in preparing a Tariff philosophy document.
2. Assisting the Commission in preparing policy statement on captive power plants.
3. Metering loss estimation and costing
4. Assisting the Commission at the first Tariff hearings.
5. Assisting the Commission in formulating guidelines to specify the manner in which Generating Companies can enter into agreements with any licensee or other purchasers of power.

Bids received were evaluated by a 'Steering Committee' of experts constituted by the Commission. Tata Energy Research Institute have been chosen as the Consultants for Tasks 1, 2, 4 and 5 while a Consortium of Capital Fortunes Ltd., and MECON have been chosen for Task 3.

4.05 Formulation of various Regulations/Codes/Standards:

The Commission has taken on priority preparation of various Regulations, Codes and Standards. The details of the Regulations/Codes initiated by the Commission during the year are as follows:

1. Karnataka Electricity Regulatory Commission (General and Conduct of Proceedings) Regulations – Since gazetted
2. Karnataka Electricity Regulatory Commission (Recruitment and Conditions of Service) Regulations – Since gazetted
3. Karnataka Electricity Regulatory Commission (Licensing) Regulations 2000 – Since gazetted
4. Karnataka Electricity Regulatory Commission (Tariff) Regulations 2000 – Since gazetted

5. Karnataka Electricity Regulatory Commission (Electricity Supply & Distribution) Code 2000 – draft prepared for public consultation.
6. Karnataka Electricity Regulatory Commission (Consumer's Right to Information) Regulations 2000 – draft prepared for public consultation
7. Karnataka Electricity Regulatory Commission (Conduct of Meetings) Regulations 2000 – since gazetted

The status on the above Regulations/Codes are discussed in detail under Chapter-V.

4.06 Matters relating to issue of Licence:

State Govt has granted KPTCL a provisional licence for Transmission and Bulk Supply of Electricity and Distribution and Retail Supply under Section 18(4) Karnataka Electricity Reform Act 1999. As per the 18(4) of KER Act and the conditions of provisional licence, KPTCL is required to place the provisional licence before the Commission for issue of a regular licence. KPTCL had not placed the provisional licence before the Commission and as such KPTCL was directed to do so in January 2000. Accordingly KPTCL made a formal application in February 2000. Since the application for grant of licence was incomplete, KPTCL has been directed to comply with all the requirements and the matter is in correspondence.

4.07 Review of T & D loss of the licensee (KPTCL):

The Commission had, even at the outset, identified T&D losses as an area of critical focus for its activities. In the first stage, the Commission wanted to establish a reasonable approximation of T&D losses being incurred given the inadequate coverage of metering and other practical problems being faced by the KPTCL. Having obtained these T&D loss figures disaggregated by voltage level and geographical regions, the Commission set for itself the task of working closely with the licensee to formulate action plans for a progressive reduction of T&D losses in the medium term.

With these objectives in view, the Commission first took up an examination of the actual figures of T&D losses reported by the KPTCL. It was noticed that while the T&D losses reported up to the year 1997-98 were fairly low, the reported loss for 1998-99 has been suddenly increased to 30.19%. The

Commission found, however, that the KPTCL did not have even a reasonably acceptable explanation for the numbers that have been used in arriving at the overall figure of 30.19%. Since the estimation of T&D losses is in-extricably linked with the estimation of energy consumption by unmetered consumers, the Commission took up energy audits of Bangalore Metropolitan Area (BMA) and 45 towns and cities with population exceeding 50,000 in order to eliminate, to the maximum extent possible, the effect of consumption by un-metered consumers. The data collected from KPTCL in respect of the BMA region and other towns and cities over a period of 6 months revealed wide variations in the figure of T&D loss from month to month and from town to town, as also very high losses in absolute terms.

The Commission has, over the past 7 months, made several suggestions to KPTCL on steps that could be taken by the KPTCL to get reasonably reliable estimation of T&D losses. Unfortunately the response from the KPTCL has been one of saying that no **estimation** of T&D losses is possible without complete metering of all installations. While the metering of all the installations is a desirable step, the Commission is of the opinion that estimation of T&D losses need not and should not wait for this process to be completed.

The dialogue with the KPTCL on the estimation of T&D losses is continuing. Since practically very little progress has been achieved even in estimation, the Commission has not been able to make any headway at all in asking the licensee to draw up plans for the progressive reduction of such losses in the medium term.

The Commission's analysis of such data as has been made available so far clearly indicates that a substantial portion of the reported losses is represented by commercial losses that can be significantly reduced, if not completely eliminated, by better management and without any investment. The Commission believes that tariff increases that do not reckon with the scope for such reduction or elimination of commercial losses would not be acceptable to consumers or fair to them. Not reducing such losses would lead to unreasonably high increases in Tariffs all of a sudden.

4.08: Dues from Government departments and Quasi-Government bodies:

The Commission noted that the KPTCL has large amounts due from Government and Quasi-Government bodies and that Tariff revisions that do not

address this problem are likely to be ineffective. The Commission addressed the Chief Minister of Karnataka, who also holds the Finance portfolio, before the presentation of the Budget for 2000-01 to make specific provisions in the budgets of the concerned departments to discharge their dues to KPTCL.

4.09: Review of Electrical accidents and follow-up action:

The Commission has noted that the number of fatal accidents in the Electricity Sector in Karnataka in recent years has been one of the highest in India. The Commission reviewed all these fatal accidents covering the following areas:

- a) Causes of accidents;
- b) Remedial action taken by KPTCL;
- c) Grant of solatium to the families/next of kin of the deceased;
- d) Enquiries conducted by the Electrical Inspectorate.

The Commission's findings on these issues are that the statutory enquiries required to be conducted by the Electrical Inspector in every case of fatal accident are inordinately delayed, that virtually no action is taken on such defects and violations of safety rules as are pointed out by the Electrical Inspectorate in their Safety Reports and that there is virtually no supervisory control over the activities of the Electrical Inspectorate in this regard.

Government of Karnataka was addressed by the Commission to ascertain action taken by the Government on (a) the inordinate delays in furnishing inquiry reports and (b) remedial action taken by the KPTCL for preventing the recurrence of such accidents. Unfortunately, there has been no reply from the Government.

The Commission has noted this as one area that requires to be relentlessly pursued by the Commission in order to ensure a reduction in the number of accidents.

4.10: Policy on Captive Power Plants:

The Commission has prepared a discussion paper on the policy on captive power plants and issued the same for circulation inviting comments and

suggestions.

4.11: Guidelines for preparation of Load Forecasts, Power Procurement Plan and power Procurement Procedure:

The Commission first issued a draft discussion paper on this subject inviting comments and suggestions. The Commission has formulated these guidelines to bring about transparency and objective decision making, anchored in a well-founded medium term perspective, to an area that has been largely characterized by adhoc and opaque procedures. After considering suggestions received, the Commission has finalized the guidelines which provide for:

- annual load forecast filing by the licensee
- power procurement planning
- transmission plan
- distribution plan
- investment plan
- power procurement procedure

4.12: Matters relating to Consumer's rights:

One of the mandates of the Commission is to ensure a fair deal to the Consumers. The licensee is obliged to inform its consumers their rights with regard to the code of practice on payment of bills, complaint handling procedure and the tariff schedule. There is no readily available information to the Consumers at present on all these matters. The Commission reviewed the position and has initiated action to prepare Regulations on the Consumer's right to information.

4.13. Consumer Grievance Handling Procedure:

The Commission receives a large number of grievances/complaints from the consumers against KPTCL. Such grievances are being referred by the

Commission to KPTCL and reports called for wherever required. The response of KPTCL on such grievances is not encouraging. It is generally observed that the consumers also approach the Commission directly without exhausting the avenues available in KPTCL for redressal of such grievances. The Commission felt that there should a systematic and time bound schedule for redressal of grievances in the Commission and also for response by KPTCL. The Commission has prepared a Grievance Handling Procedure.

4.14.COMPLAINT HANDLING PROCEDURE:

The Licensing Regulations require that the Licensee shall establish a Complaint Handling Procedure for handling complaints from the consumers. There is no comprehensive complaint handling procedure available in KPTCL at present. The commission has initiated action to prepare such procedure duly categorizing the nature of complaints, the responsibility center for handling such complaints in KPTCL and the time frame within which such complaints have to be attended by the KPTCL. A draft discussion procedure has been prepared by the Commission in this regard and has been circulated for public comment.

4.15. Computerisation and Website:

The Commission has decided to computerize all the activities in the Commission. Computers have been procured and provided to all the officers and staff. Training has also been arranged on the computers. In order to create suitable data bases in the Commission, action has been initiated to engage outside Consultants for development of suitable software programmes.

The commission has launched its website through NIC at the following address:

www.kar.nic.in/kercc. All the Regulations of the Commission, the Reform Act, draft regulations/ codes etc., are available on this website. The Commission has also availed an internet connection.

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CHAPTER-V

REGULATIONS

5.01. Karnataka Electricity Regulatory Commission (General and Conduct of Proceedings) Regulations:

The Commission has approved and issued the General and Conduct of Proceedings Regulations vide notification dated 10-1-2000. The Regulations provide for matters relating to Commissions offices, office hours and sittings, Language of business, Procedure for conduct of business, functions of the Secretary, proceedings before the Commission, investigation, inquiry, collection of information etc.

5.02 Karnataka Electricity Regulatory Commission (Recruitment and Conditions of Service of Officers and Employees) Regulations 1999:

The Commission prepared these regulations **and** approved the same in the 2nd meeting of the Commission held on 20-12-99. The said Regulations was sent to the Govt for approval on 22-12-99 in terms of Sections 8(3) & 8(5) of the Karnataka Electricity Reform Act 1999. However approval of the Govt was received only in April 99. The Regulations provide for the following:

- cadre strength of the Commission
- method of recruitment
- minimum qualification
- procedure for appointment on contract basis
- other service matters

Since the approval of the Govt was not received till the end of the financial

year the Commission was handicapped to a great extent since the required staff could not be appointed in the absence of approved Regulations.

1.03. Karnataka Electricity Regulatory Commission (Licensing) Regulations 2000:

The Commission approved the draft Regulations in the meeting held on 27-3-2000 and has issued the same for wide circulation inviting comments and suggestions from the Licensee (KPTCL), KPCL, Industrial and Consumer associations, Institutions and other bodies and the general public. After considering the various suggestions received, the Regulations have been finalized and issued. The Regulations includes provision for the following:

- Procedure for issue of license
- Preparation and submission of accounts by the licensee
- Prescribing model conditions for supply of power and operation and maintenance of power systems and electric supply lines
- Regulation of licensee's purchase of power
- Arbitration of disputes between licensees

1.04. Karnataka Electricity Regulatory Commission (Tariff) Regulations 2000:

The Commission approved these draft Regulations also in the meeting held on 27-3-2000 and issued the same for wide circulation inviting comments and suggestions. After considering the various suggestions received, the Regulations have been finalized and issued.

The Regulations provide for the following:

- Annual filing by the licensee of the Expected Revenue from changes
- Tariff filing by the licensee
- Various formats for the expected revenue charges and tariff filings
- Procedure of Publication of the petition for tariff revision

And public hearings, etc.,

1.05. Karnataka Electricity Regulatory Commission (Electricity Supply & Distribution) Code 2000:

The Commission had invited comments and suggestions from the public on the Electricity Supply Regulations issued by the erstwhile KEB. A number of suggestions have been received. The Commission is preparing KERC(Electricity Supply & Distribution) Code 2000 to replace the old Regulations. The same will be widely circulated inviting further comments and suggestions and thereafter it will finalized.

1.06. Karnataka Electricity Regulatory Commission (Consumer's Right to Information) Regulations 2000:

The Commission has brought out a draft Regulation and has widely circulated the same inviting comments and suggestions. The Regulations provide for:

- Right to information
- minimum period of notice before disconnection of installation for various reasons
- issue of orders and practice directions

1.07. Amendment to Karnataka Electricity Regulatory Commission (General and Conduct of proceedings) Regulations 2000 :

In order to incorporate provisions for Appeal against the decisions of Electrical Inspectorate, KERC has issued an amendment to the General and Conduct of Proceedings Regulations. The amendment provides for:

- the decisions of the Electrical Inspector from which appeals shall lie
- time frame for filing appeal
- form of appeal and appellate proceedings

1.08. Karnataka Electricity Regulatory Commission (Conduct of Meetings)

Regulations 2000 :

The Commission has issued the Regulations providing procedure for:

- meetings of the Commission
- Special meetings
- Quorum for the meetings
- Decision at the meetings
- Minutes of the meetings etc

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CHAPTER-VI

ADMINISTRATION

6.01: Organization:

The Commission is a statutory body comprising three members one of whom is the Chairman. The Secretary is the Principal Officer of the Commission who looks after the day to day administration of the Commission. The Commission is supported by Officers and staff taken on deputation from Government/KPTCL/KPCL. The details of the approved staff strength and the Officers and staff working in the Commission is furnished in the [Annexe A](#) & [Annexe B](#) seperately.

6.02 : Conference/Training:

The Chairman and the Member attended programme on Infrastructure Regulation and Reforms conducted by TERI at Agra. The Secretary participated in a Regulatory Staff Functions Co-Trainer Workshop in the USA for 10 days and thereafter was a Co-Trainer in a Regulatory Staff Functions Course held at ASCI, Hyderabad. A few staff members were also deputed for Computer training during the year. It is proposed to impart Computer training to all the officers and staff.

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CHAPTER-VII

FINANCE AND ACCOUNTS

7.01: In accordance with regulation 8(4) of KER Act 1999, the salaries and allowances payable to the members and the administrative expenses, including salaries, allowances and pensions payable to, or in respect of, the Secretary, Officers and other employees of the Commission shall be charged to the Consolidated Fund of the State. As per schedule to the KER Act 1999, the Commission shall submit to the State Government a statement of estimated expenditure in December of each year.

7.02: During the year 1999-2000, the Commission requested the State Government to provide a budget of Rs.122.98 lakhs which was agreed to by the Government and the full amount was provided. However, the actual expenditure to the end of March 2000 was Rs.49.48 lakhs only. The major reasons for the savings are as follows:

1. Advance rent to an extent of Rs.29.35 lakhs and interior decoration of building Rs.20 lakhs was not spent during the year as the Registration formalities of the new office accommodation could not be finalized as on 31/03/2000. There is also savings in the rent to an extent of Rs.4.38 lakhs for the same reason.
2. Savings under purchase of cars is Rs.9.78 lakhs since one car was not purchased due to the vacancy in the office of a Member.
3. There is savings under the establishment expenses to the extent of Rs.4.98 lakhs as the total required staff were not appointed due to non-receipt of approved staff regulations from the Government.

7.03: As per schedule to the KER Act, the Commission shall prepare an annual statement of Accounts in such forms as may be prescribed in consultation with the Accountant General, Karnataka. The matter was taken up with the AG, Karnataka through the State Government for prescribing the form of accounts to be maintained by the Commission. The same is in correspondence with the AG and is yet to be approved.

7.04: Pending approval of the form of accounts to be maintained, the Commission has maintained the accounts under double entry system on cash basis under the Budget Heads as in the State Govt. A statement showing the budget provision and actual expenditure during 1999-2000 is placed at [Annexe C](#).

ANNEXE A			
SANCTIONED STAFF STRENGTH			
SL. NO.	DESIGNATION	NO.OF POSTS	SCALE OF PAY
1	2	3	4
1.	Secretary	1	14960-18720
2.	Director (Technical)	1	13820-17220
3.	Director (Tariff)	1	13820-17220
4.	Deputy Director (Administration)	1	10620-14960
5.	Deputy Director (Generation)	1	10620-14960
6.	Deputy Director (Transmission)	1	10620-14960
7.	Deputy Director (Distribution)	1	10620-14960
8.	Deputy Director (Demand Forecasting)	1	10620-14960
9.	Senior Economic Analyst	1	10620-14960
10.	Senior Financial Analyst	1	10620-14960
11.	Deputy Director (Tariff)	1	10620-14960
12.	Deputy Director (Legal)	1	10620-14960
13.	Public Relations Officer	1	10620-14960
14.	Consumer Advocate	1	10620-14960
15.	Assistant Director (Legal)	1	7400-13120
16.	Assistant Secretary	1	7400-13120
17.	Accounts Officer	1	7400-13120
18.	Manager	1	5575-10620
19.	Kannada Translator	1	Scale less post
20.	Assistants	13	4150-7800
21.	Private Secretaries	4	5575-10620
22.	Stenographers	10	3850-7050
23.	Drivers	4	2775-4950

	TOTAL	50	
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ANNEXE - B			
WORKING STRENGTH AS ON 31st MARCH 2000			

SL. NO.	NAME	DESIGNATION
01.	R.SRIDHRAN	SECRETARY
02.	G.S.SHASHIDHAR	SENIOR FINANCIAL ANALYST
03.	H.R.VIJAYAKUMAR	ACCOUNTS OFFICER
04.	R.SURIBABU	PS TO CHAIRMAN
05.	M.RAMU	PS TO MEMBER
06.	B.N.PATIL	PA TO CHAIRMAN
07.	M.L.PAI	PA TO SECRETARY
08.	R.RANGASWAMY	ASSISTANT .EXECUTIVE ENGINEER
09.	N.M.KRISHNAKUMAR	ASSISTANT ACCOUNTS OFFICER
10.	K.SREEPADA RAO	SENIOR ASSISTANT/ADMINISTRATION
11.	M.R.PRAHLAD	SENIOR ASSISTANT
12.	T.RAMAMURTHY	ASSISTANT (ACCOUNTS)
13.	K.M.C.MALLIKARJUNA	ASSISTANT

CONSULTANTS ON CONTRACT BASIS		
SL.NO.	NAME	POST HELD EARLIER
01.	M.NAGRAJ	DIRECTOR(TECHNICAL), RETAIRED KPCL
02.	P.N.LAKSHMANA REDDY	EXECUTIVE ENGINEER, RETAIRED KPTCL
03.	B.MAHADEVAPPA	EXECUTIVE ENGINEER, RETAIRED KPTCL

ANNEXE -C

**KARNATAKA ELECTRICITY REGULATORY COMMISSION
ABSTRACT OF EXPENDITURE FOR 1999-2000**

		BUDGET	ACTUALS	BALANCE
		Rs	Rs	Rs.
	ESTABLISHMENT EXPENSES			
I	a)Salary Chairman & Member	600000	289252	310748
	b)Salary Secretary & Staff	960000	841854	118146
	c)Travelling Expenses	200000	144259	55741
	d)Medical Expenses	15000	4182	10818
	e)Reimbursement of Ele. charges	5000	2124	2876
TOTAL I		1780000	1281671	498329
	OFFICE EXPENSES			
II	a) Rent for Building			438427
	b)Hire charges for cars	510000	71573	
	c)Advertisement & Publicity	100000	102924	-2924
	d)Professional & legal charges	220000	218005	1995
	e)Membership & Subscription	300000	103500	196500
	f)Telephone charges	5000	102980	-97980
	g)Training Expenses	70000	57580	12420
	h)Other office expenses	140000	85320	54680
		502000	322706	179294
TOTAL II		1847000	1064588	782412
III	OFFICE SETUP EXPENSES			
	a) Advance Rent	3100000	165000	2935000
	b)Computer & other office Equipments	3571000	1415705	2155295
	c) Purchase of cars	2000000	1021190	978810
TOTAL III		8671000	2601895	6069105

	TOTAL (I + II + III)	12298000	4948154	7349846
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