

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,
BENGALURU**

Dated : 24th March, 2016

Present:

- | | |
|---------------------------------|----------|
| 1. Sri M.K. Shankaralinge Gowda | Chairman |
| 2. Sri H.D. Arun Kumar | Member |
| 3. Sri D.B. Manival Raju | Member |

OP No.21 / 2015

BETWEEN:

Shri G. Rudresh,
Secretary,
Karnataka State Licensed Electrical Contractors
Association (R),
No.33, Avenue Road,
Bengaluru – 560 002

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PETITIONER

[Represented by Navayana Law Offices, Advocates]

OP No.22 / 2015

BETWEEN :

Shri Tushar M. Baddi,
Secretary,
Vidyuth Grahakara Hitharkshana Vedike (R),
Opp.: Town Hall,
J.C. Nagar,
Hubballi – 580 020

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PETITIONER

[Represented by Navayana Law Offices, Advocates]

AND:

- 1) Bangalore Electricity Supply Company Limited,
K.R. Circle,
Bengaluru – 560 001.

OP Nos.21 and 22 of 2015

- 2) Chamundershwari Electricity Supply Corporation Limited,
No.29, Kaveri Gramena Bank Road,
Vijayanagar, 2nd Stage,
Mysuru – 570 019.
- 3) Gulbarga Electricity Supply Company Limited,
Station Road,
Kalaburagi - 585 101.
- 4) Hubli Electricity Supply Company Limited,
P.B. Road, Navanagar,
Hubballi – 580 025.
- 5) Mangalore Electricity Supply Company Limited,
Paradigm Plaza,
A.R. Shetty Circle,
Mangaluru – 575 001.

RESPONDENTS

[Respondents common in both OP No.21/015 & OP No.22/2015.

In both the cases:

R-1 is represented by Just Law, Advocates;

R-2 and R-4 are represented by ALMT Legal, Advocates; and

R-3 is represented by Indus Law, Advocates]

COMMON ORDERS

- 1) In the both the above Petitions, the Petitioners have moved this Commission to consider certain amendments to the Karnataka Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2004 (hereinafter referred to as the 'Regulations, 2004'), as suggested by them, in the interest of justice and equity.
- 2) The amendments sought by the Petitioners are in respect of Regulations 3.1 and 3.2 of the Regulations, 2004, as detailed in the Petitions.

- 3) The Respondents have appeared through their counsel and filed their Statement of Objections, contending that the proposed amendments are not necessary and the proposed amendments would not in any way mitigate the difficulties apprehended by the Petitioners.
- 4) During the course of arguments, on 10.9.2015, the Petitioners filed a Memo, stating to limit the proposed amendments only to Regulation 3.2 of Regulations, 2004.
- 5) The Regulations, 2004, have been framed as per Section 46 read with Section 181 of the Electricity Act, 2003. Subsequently, from time-to-time, necessary amendments to the said Regulations were carried out, seven times, the latest being amendment dated 25.8.2014.
- 6) Regulation 3.2 of the Regulations, 2004 pertains to provision for low tension power supply for layouts. Earlier to the seventh amendment, self-execution of the entire work was allowed by the developer of a layout on fulfillment of the conditions stated in Regulation 3.2.1 of the said Regulations. There was no criterion, specified in the Regulations, for estimation of the required load relating to a layout for arranging supply of power, and such an estimation of load was being done, as per the guidelines issued by different Distribution Licensees. Once the estimation of load relating to a layout for supply of power was made, the cost of

work and the price of material could be estimated as provided in the prevailing Schedule of Rates prepared by the licensees.

- 7) During the seventh amendment to the Regulations, 2004, it was felt that a uniform yardstick be followed for estimation of the load, instead of allowing different Distribution Licensees to do the said exercise by following their own guidelines. The guidelines issued by different Distribution Licensees for estimation of the load in the layout were secured and after considering the same, the Commission had fixed the criteria for estimation of the load in a layout in the seventh amendment to the Regulations, 2004, as follows :

Sl. No.	Site Area (in Sq.Feet)	Estimated load (in kW)
1.	Upto 600	3
2.	Above 600 & Upto 1200	6
3.	Above 1200 & Upto 2400	8
1.	Above 2400 & Upto 4000	10
2.	Site measuring more than 4000 Sq.Feet	10 kW plus 1 kW for every additional 400 Sq. Feet.

- 8) Earlier to the seventh amendment to the Regulations, 2004, it was found that the layout developer used to instal all the transformers, at a stretch, before handing over the distribution system in the layout to the licensee, though there was no sufficient load for all the transformers due to non-occupation of certain sites in the layout. This situation led to increase in Iron losses / no load losses (energy losses) in the distribution transformers and therefore, the licensee was intended to be permitted to instal the transformers depending on the load requirement in the layout, as and when necessary. Therefore, in the seventh amendment to the Regulations, 2004, the layout developer was made to deposit with the licensee, the cost of distribution transformers and the allied material / equipment for installation. This portion of the amendment to the Regulations, 2004 was effected after following the due procedure. We found no good reason to restore earlier provision, in this regard.
- 9) The Petitioners have contended that the procedure that existed earlier to the seventh amendment to the Regulations, 2004 is to be retained. On the other hand, the Distribution Licensees have contended that the procedure as amended in the seventh amendment to the Regulations, 2004, has to be retained.

10) During the arguments, we noted that, after the seventh amendment, there was no distinction made in the Regulations, 2004, for estimation of the load of a layout in an urban area and in a rural area. In our considered opinion, the assessment of load of a layout in an urban area cannot be equated to the assessment of load in a rural area. It is a fact that the load of a layout in the urban area is much higher than the load of a layout in the rural area. This situation may lead to unnecessary burden on the site-holders in a rural area. Therefore, the Commission is of the view that necessary amendment be carried out to remove this anomaly. Except on this aspect, we are not impressed on any other amendments suggested by the Petitioners.

11) For the foregoing reasons, we pass the following :

ORDER

- (1) The Office is hereby directed to put up a proposal for fixing criteria for assessment of the load in a layout in respect of an urban area and a rural area, appropriately, for making suitable amendment to Regulation 3.2.1 of the Karnataka Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2004;
- (2) This Order shall be kept in OP No.21/2015 and a copy of this Order shall be kept in OP No.22/2015.

Sd/-

(M.K. SHANKARALINGE GOWDA)
CHAIRMAN

Sd/-

(H.D. ARUN KUMAR)
MEMBER

Sd/-

(D.B. MANIVAL RAJU)
MEMBER