

**MINUTES OF THE SPECIAL MEETING OF THE COMMISSION ADVISORY
COMMITTEE
HELD ON WEDNESDAY, THE 25TH APRIL 2001 IN THE COURT HALL OF THE
COMMISSION AT MAHALAXMI CHAMBERS, BANGALORE.**

The names of the Committee members who were present at the meeting are at Annexure-I.

At the outset the Chairman welcomed the Committee Members who were present. He mentioned that this Special Meeting of the Committee was convened as per the request made by the Committee Members Sri M S Shankarikoppa and Sri S Munnegowda through their letters addressed to the Commission to discuss about measures to improve the quality of supply to rural areas and particularly to IP sets in rural areas. Chairman also mentioned that the Commission had sought the information requested by Sri M S Shankarikoppa from KPTCL and that the status reports on power supply to rural areas had been received on the previous day. The copies of status report were handed over to the Members who were present as directed by the Chairman. Thereafter, Chairman requested Sri M S Shankarikoppa to present the subject and initiate discussions.

Sri M S Shankarikoppa, highlighted the problems of IP consumers from rural areas because of poor quality of power supply. He stressed that quality of power should be satisfactory for all classes of consumers and especially for IP sets good quality supply is required even if it is for a short duration. He further stated the poor quality may be due to inadequate transmission/distribution network and it therefore called for improvement of the system by seeking loan from financial institutions. He opined that the ordinary (small) farmers are not aware of the poor financial health of the KPTCL in tackling this problem and also it is inevitable for the Government to come forward to the assistance of KPTCL. He further stated that all the IP sets should be metered and stressed the importance of a time bound programme to improve the quality of service and to achieve complete metering of IP sets by the Govt./KPTCL. He was clear that metering, increased tariff and perceptibly improved quality of service should go hand in hand.

He also opined that, large number of unauthorized connections have come up purely because of the inordinate delay and difficulties in getting new connections. He stated that the farmers have therefore resorted to taking un-authorized connections, which could be got regularized later. He stated that the proper solution should be found for this problem to prevent un-authorized connections coming up.

He also desired to know the reasons for allowing the dues of IP set

consumers to accumulate beyond one year and stated that there are certain cases where arrears have accumulated for as long as 12 years.

He also stressed the need to prevent theft of electricity, which has become very rampant. He said if the theft at least is properly tackled, then much of the shortages can be met.

He stated that in view of all the above factors, a workshop should be arranged to deliberate on these issues with a view to (i) identify all the measures that are needed to be taken to improve the quality of supply in rural areas (ii) achieve complete metering of IP set installations, (iii) prevention of un-authorized connections, theft of power, etc., and also to identify as to who shall be responsible for carrying out the remedial measures.

He emphasized the fact that the farmers of all sections and geographical areas need a lot of convincing and dedication to achieve the desired goal envisioned by him and also to appreciate the genuine and practical difficulties being met by the KPTCL.

Sri S Munne Gowda mentioned that the quality of power supply was satisfactory about 20 years back and at that time all the IP sets were also metered. He stated that the blame for not providing quality supply should not be laid at the doorsteps of KPTCL alone. Govt. policy and lack of supervision by KPTCL due to inadequate staff is responsible for problems faced by farmers. He suggested that the Committee should identify the problems and try to find solutions for the same.

In the matter of subsidy to farmers Sri S Munne Gowda, stated that the subsidy must be extended only to the poorer section of farmers. In this connection, he stated that the Govt. has classified the farmers into five categories as under:

- a. Large farmers who own 25 acres & above
- b. Medium farmers who own 4 – 10 acres
- c. Semi medium farmers who own 2-4 acres
- d. Small farmers who own 1-2 acres
- e. Marginal farmers who own less than one acre

He was of the view that subsidized power supply should not be given to large/medium farmers. He also suggested that all the farmers should be advised during the meetings convened by Grama Sabha and other local agencies to pay the arrears. He also wanted to know the reasons for high T & D losses in the system.

Sri Rangaswamayya, Member, drew the attention of the Committee about the extremely poor quality of power supply to IP sets/rural areas when compared to urban areas. He suggested that the quality of supply

should be improved and the overloaded transformers should be replaced. He further stressed the need of recovery of IP set arrears by identifying some agency to take care of this issue as the laxity of the staff is also one of the major factors contributing to the present condition.

Sri H R Gopal, Member wanted to know whether the farmers' representatives are agreeable for metering of IP sets. Sri Rangaswammayya agreed that metering of IP sets is necessary. Sri M S Sankarikoppa, and Sri S. Munne Gowda also endorsed the same view.

Sri M K Ramachandra Rao, Member, opined that KPTCL should complete metering of IP sets by December 2001, seeking assistance from the World Bank. He desired to know the present status of the progress. He suggested that at least 50 paise per unit should be charged to IP set consumers. He desired that KERC must recommend for exploitation of hydro sources of generation through KPCL and to convene a seminar for discussion of the aspects relating to generation/transmission/distribution.

Sri K N Jayalingappa wanted to know the no. of IP sets for which meters have been provided so far and the time frame required for completion of metering. He opined that assistance from World Bank should be sought for improvement of quality of power supply in rural areas. He suggested that all consumers should be treated uniformly.

Dr Ananth Huyilagol felt that the financial situation of KPTCL would improve, in case free power supply to their employees is withdrawn. He opined that a workshop should be arranged by KERC to find practical solutions for the problems faced by all classes of consumers.

The Chairman, KERC, clarified that general seminars on subjects like this are ineffective and suggested that a workshop participated by professional persons would be more desirable.

Sri M K Ramachandra opined that the idea of charging rich farmers could be discussed. Representative of Sri Ravi Uppal felt that the idea of conducting workshop is good. He suggested that care should be taken to make a study of the alternative sources of generation, medium and long term planning, development of rural industrial sector and distributed generation concepts. He felt that the farmer is also as good as any other consumer. He suggested to have periodical meetings to bring in accountability and discipline among employees of KPTCL.

Chairman & Managing Director, KPTCL during the course of answering the various queries of the Members stated that unless the problems of IP consumers are solved, no improvement is possible in the power sector. He stressed that quality of power supply, should not be linked with tariff, as unless the system is improved, no quality service is possible. He said that

unless farmers come forward to pay arrears, KPTCL cannot promise to provide better service.

He clarified that poor voltage conditions at receiving stations, drilling of bore wells in dark/grey taluks, and connecting the same unauthorisedly to the system are the main causes leading to poor quality of power supply to the rural sector. However, he clarified that KPTCL after having made Division wise/feeder wise analysis of rural feeders., is preparing itself to provide quality power supply during nights (i.e. 10 pm to 6 am) from 1st of May 2001, and KPTCL is able to supply 50% of the IP set consumers covered under the Districts Kolar, Bangalore (Rural), Tumkur, Chitradurga, Gulbarga and Raichur.

Chairman, KERC wanted to know, whether KPTCL can guarantee uninterrupted power supply during the night hours. CMD/KPTCL clarified that the daily consumption of power has come down to 65 MU/day as against 95 MU/day because of good rains and in view of this KPTCL is providing electricity to farmers for almost twelve hours. He drew the attention of representatives of farmers to organize/form societies and enlighten/advise the farmers to arrive at a consensus to stagger the working of pump sets especially during non-monsoon period i.e. January to March to have comparatively better voltage conditions and reliable power supply

CMD/KPTCL also mentioned that 43 nos. of new sub stations have been commissioned during the previous year in addition to 10,000 nos. more distribution transformers. Another 10,000 nos. of distribution transformers are proposed to be provided during 2001-02.

CMD/KPTCL clarified that replacement/repair of faulty/failed transformers is being done within 3-7 days, in cases where the IP set consumers connected to such transformers pay the dues/arrears. CMD stated that 47,000 nos. of un-authorized IP sets have been regularized till now and action has been initiated to disconnect the un-authorized IP sets in spite of resistance by defaulters and hurdles faced by KPTCL employees. However, he clarified that Govt. has extended the period for regularization of un-authorized IP sets in white taluks under 'Tatkal scheme' by collecting the necessary charges.

Chairman/KERC opined that the electric contractors who are indulging in arranging power supply to unauthorized IP connectors may be disqualified, as it was learnt through CMD/KPTCL that some contractors at Channarayapatna are in the practice of promoting the illegal IP connections.

CMD/KPTCL mentioned that arrears up to Rs.100 crores have been recovered from the IP set consumers, and another Rs.100 crores are expected to be recovered as the date of payment of arrears waiving the

interest has been extended upto 15th of July 2001. The monthly recovery of IP set arrears amounts to Rs.40-50 crores.

CMD/KPTCL opined that the farmers should provide quality HDPE pipes to their pumpsets for efficient functioning of the IP sets. He mentioned that capacitors totaling to a capacity of about 110 MVAR are being added to the stations to improve voltage conditions and that 70% of the said work has been completed, remaining 30% is likely to be completed very shortly. An amount of Rs.240 crores is being earmarked for distribution system improvement works under the accelerated power sector improvement programme. The scheme includes increasing of HT lines and reducing of LT lines lengths by providing additional transformers to reduce losses. A scheme is proposed for bifurcation of rural/IP set feeders separately, in addition to providing capacitors to rural feeders for improving quality power supply to rural sector.

CMD/KPTCL further stated that at least 50% cost of power supply should be recovered from the IP set consumers. He stated that out of Rs.2000 crores subsidy being received from the Government, only about 10 lakh farmers are being benefited by such subsidy. The rich/big farmers are enjoying the major portion of such subsidy.

CMD/KPTCL clarified that the new IP sets are being serviced with meters. A tender has been floated on turn-key basis for providing meters to IP sets. He also clarified that free electricity to KPTCL employees, which amounted to about Rs.8 crores is being absorbed out of the 3% returns, which KPTCL is entitled to earn.

CMD/KPTCL clarified that about 350 HT consumers like Infosys and some big hotels have come back to KPTCL grid and many more consumers are likely to come back to KPTCL because of the improvement in reliability of power supply provided to them. With this the additional revenue of about Rs.12 crores per month has been added.

CMD/KPTCL mentioned that 7% of the total generation is being added to the system through non-conventional energy projects like mini hydel, bio-mass, wind energy etc., He also clarified that about 100 employees are retiring every month whereas 1000 consumers per day are being added to the system. He stated that as per the Government directions, KPTCL has tried to get the employees from NGEF and MEI, on deputation to KPTCL and many of these employees from the said Companies are seeking postings only in Bangalore, where as the need for their services is in areas other than Bangalore wherein there is a dearth of staff.

Chairman in his concluding remarks, stated that already many workshops have been conducted in the past, to elicit the views of the respective class of consumers along with NGOs, and experts in the field. However in view of the opinions expressed by majority of the members who

participated in the discussion, it is agreed to conduct the workshop limiting to only members involving professional experts in the field along with leaders of the farmers and agricultural organizations to make recommendations to the Govt. to take appropriate measures to overcome the problems faced by the Licensee and consumers in rural areas and also to take up the larger issues of political convincing of the real problem of the poorer sections and their solutions including the question of progressively increasing agricultural tariff.

Sd/-
(Philipose Matthai)
Chairman

Secretary, KERC

Annexure 1

Names of Committee Members, who were present at the Commission Advisory Committee Special Meeting held on Wednesday, 25th April 2001.

1	Sri Philipose Matthai	Chairman
2	Sri H R Gopal	Member
3	Mrs Nalini M K Menon	Member
4	Major Gen. S G Vombatkere	Committee Member
5	Sri V Narayana Gowda	Committee Member
6	Sri S Muni Gowda	Committee Member
7	Sri K N Jayalingappa	Committee Member
8	Sri M R Rangaswamayya	Committee Member
9	Sri M K Ramachandra	Committee Member
10	Dr Anant Huilgol	Committee Member
11	Sri Ravi Uppal (By Proxy)	Committee Member
12	Sri M S Shankarikoppa	Committee Member
13	Sri K Jothiramalingam	Committee Member
14	Sri V P Baligar	Committee Member