

APPENDIX

NEW DIRECTIVES AND REVIEW OF COMPLIANCE OF PREVIOUS DIRECTIVES ISSUED BY THE COMMISSION

The following new directives are issued by the Commission:

i. Directive on conducting Consumers' Interaction Meetings in the O & M sub-divisions for redressal of consumer complaints:

During the Public Hearings held by the Commission to hear the consumers on the ESCOMs' Tariff applications, it was brought to the notice of the Commission that the Consumer Interaction Meetings chaired by the Superintending Engineers, in the O&M sub-divisions are not being conducted by the ESCOMs regularly, thus denying them of the opportunity to attend such meetings to get their pending complaints pertaining to supply of electricity resolved. Further, the consumers have urged the Commission to impose penalty on the ESCOMs for their failure to conduct Consumer Interaction meetings at the sub-divisional level to address the consumer grievances.

The Commission also is of the view that if the ESCOMs conduct consumer interaction meetings regularly, most of the grievances of the consumers could be redressed in such meetings, to ensure better and satisfactory service to the consumer.

Hence, the Commission hereby directs the MESCOM to conduct Consumer Interaction Meetings chaired by the Superintending Engineers, in the O&M sub-divisions according to a published schedule, once in every three months with a view to providing a forum to the consumers to get their grievances resolved. Further, the consumers shall be invited to

such meetings in advance through emails, letters, local newspapers etc., to facilitate maximum consumers' participation in such meetings. The MESCOM is also directed to videograph the proceedings of such meetings and to upload them on its website, for the information of consumers.

Compliance in this regard shall be reported once in three months to the Commission, indicating the name of the sub-division, the number of consumers attending such meetings and the status of redressal of their complaints.

If the MESCOM fails to conduct the Consumer Interaction Meetings for redressal of consumer grievances as directed, the Commission may consider imposing penalty of Rs one lakh on MESCOM for such non-compliance, on case to case basis and the penalty shall be recovered from the concerned Superintending Engineer who fails to conduct such meetings, in the O&M sub-divisions.

ii. 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 has noticed that, year on year, there has been a substantial increase in the number of EHT and HT consumers of the distribution licensees opting for open access involving huge volume of energy being procured through Power Exchanges, which requires greater care by the SLDC, in the grid management.

Further, in accordance with the stipulations in Clause 6.3 (f) of the Karnataka Electricity Grid Code (KEGC),2015, under Operation Planning chapter regarding demand estimation for operational purpose, the distribution licensee shall provide to the SLDC, on a day ahead basis, at

09.00 hours each day, their estimated demand for each 15-minute block, for the ensuing day. The distribution licensee shall also provide to the SLDC, the estimates of loads that may be shed, when required, in discrete blocks, with the details of arrangements of such load shedding. To comply with this also, ESCOMs need to prepare monthly energy bills in respect of EHT/HT consumers importing power through power exchange under Open Access, by considering 15 minute's time block.

In view of this, the Commission directs the MESCOM to prepare 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. The MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted monthly from May, 2017 onwards, to the Commission, regularly.

2. *Review of Compliance of Existing Directives:*

The Commission had in its earlier Tariff Orders and other communications issued several directives for compliance by the MESCOM. While reproducing such directives, the compliance of the directives as reported by the MESCOM is analyzed in this Section.

i. *Directive on Energy Conservation:*

The Commission had directed the ESCOMs to service all the new installations only after ensuring that the BEE *** (Bureau of Energy Efficiency five-star rating) rated Air Conditioners, Fans, Refrigerators, etc., are being installed in the applicant consumers' premises.**

Similarly, all new streetlight/high mast installations including extensions made to the existing streetlight circuits shall be serviced only with LED lamps/energy efficient lamps like induction lamps.

Further, the Commission had directed the ESCOMs to take up programmes to educate all the existing domestic, commercial and industrial consumers, through media and distribution of pamphlets along with monthly bills, regarding the benefits of using five-star rated equipment certified by the Bureau of Energy Efficiency in reduction of their monthly electricity bills and conservation of precious energy.

Compliance by the MESCOM:

The MESCOM has already distributed more than one lakh LED bulbs of 9W capacity to its consumers. The MESCOM is also informing the applicants seeking power supply, to use the BEE star rated electrical appliances in their installations. A circular dated 26.07.2016 was issued to the field engineers to ensure that energy efficient BEE 5 star rated electrical appliances are used by the applicants.

The MESCOM has requested all the Municipal / local bodies to mandatorily install LED streetlights for new installations and adopt retrofitting of fluorescent lamps/sodium vapour lamps, in their jurisdiction to enable saving the maximum quantum of energy.

Further, the MESCOM has sent a MoU to BEE, New Delhi, to study and in turn submit a proposal of DSM project suitable for the MESCOM. In reply, the BEE has stated that MESCOM will be included in the new scheme, in future. In the meanwhile, TERI, New Delhi, has come forward for conducting a system study/load survey of 11kV feeders for proposing a suitable model project for the MESCOM. Therefore, the work of system study and load survey covering the entire geographical area of the MESCOM has been entrusted to TERI in line with KERC, DSM Regulations, 2015 and the data is being collected for the study.

Commission's Views:

The Commission notes that, the MESCOM has not submitted the compliance regularly on implementation of the directive. It is also observed from the MESCOM's compliance that it has merely issued a circular to all its field engineers to ensure that BEE five-star rated energy efficient appliances are used by the applicants. The Commission is of the view that, merely issuing a circular is not enough and that the MESCOM needs to verify whether there is any real progress made in the field in servicing of the BEE star rated Air Conditioners, Fans, Refrigerators, etc., in the applicant consumers' premises. In this regard, the MESCOM shall review the progress/status of implementation of the directive with the field officers periodically.

Further, it is also important that the MESCOM takes up continuous awareness programmes to educate the consumers about the benefits of using the energy efficient appliances in their premises to ensure that penetration of energy efficient appliances is increased significantly, in its jurisdiction.

The Commission reiterates that the MESCOM shall service all the new installations only after ensuring that the BEE *** (Bureau of Energy Efficiency five-star rating) rated Air Conditioners, Fans, Refrigerators, etc., are being installed in the applicant consumers' premises and the compliance thereon shall be reported to the Commission once in a quarter regularly.**

ii. Directive on implementation of Standards of Performance (SoP):

The Directive was:

"The MESCOM is directed to strictly implement the specified Standards of Performance while rendering services related to supply of power as per

the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the MESCOM is directed to display prominently in Kannada the details of various critical services such as replacing the failed transformers, attending to fuse off calls / line breakdown complaints, arranging new services, change of faulty energy meters, reconnection of power supply, etc., rendered by it as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 and Annexure-1 of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004, on the notice boards in all the O & M sections and O & M sub-divisions in its jurisdiction for the information of consumers as per the following format.

Nature of Service	Standards of performance (indicative minimum time limit for rendering services)	Primary responsibility centres where to lodge complaint	Next higher Authority	Amount payable to affected consumer
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The MESCOM shall implement the above directive within one month from the date of the order and report compliance to the Commission regarding the implementation of the directives."

Compliance by the MESCOM:

It is submitted that, the MESCOM has displayed the details of specified standards of performances for the information of the consumers and public, on the notice boards of all the O&M section and sub-division offices. The MESCOM is also adhering to the specified Standards of Performance while rendering services to consumers to ensure that complaints are being attended to in a time bound manner as per the KERC (Licensee's Standards of Performance) Regulations, 2004.

Further, the MESCOM has already submitted the compliance for the 1st and 2nd quarter of FY17, to the Commission and the 3rd quarter report will be submitted during January 2017.

Commission's Views:

The Commission notes that the MESCOM has reported that it has complied with the directive by displaying the details of SoP in all its O&M offices for the information of the consumers.

However, the consumers participating in the Public Hearings held on the MESCOM's Tariff revision proposals have stated that the MESCOM, contrary to its submission before the Commission on compliance of directive issued by the Commission, in reality has not displayed the details of SoP on the notice boards in O&M offices. They have sought the intervention of the Commission to ensure that the MESCOM comply with the directive on SoP in toto.

The Commission views seriously the non-compliance of its directive by the MESCOM and also considers this as a deliberate attempt on its part to mislead the Commission by incorrect reporting. The Commission warns that in future any such incorrect reporting will not be tolerated and dealt with seriously. The Commission directs the MESCOM to strictly monitor for implementation of the directive on SoP in all its O&M offices within one month from the date of issue of this Order and compliance reported thereon to the Commission immediately thereafter. If the MESCOM fails to implement the directive within the time period allowed, the Commission would be constrained to initiate penal proceedings against the MESCOM under section 142 of the Electricity Act, 2003, for non-compliance.

The Commission reiterates its directive to the MESCOM to continue to strictly implement the specified SoP while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. The compliance regarding the same shall be submitted to the Commission, regularly.

iii. Directive on use of safety gear by linemen:

The Directive issued was:

"The Commission directs the MESCOM to ensure that all the linemen in its jurisdiction are provided with proper and adequate safety gear and also ensure that the linemen use such safety gear provided while working on the network. The MESCOM should sensitise the linemen about the need for adoption of safety aspects in their work through suitably designed training and awareness programmes. The MESCOM is also directed to device suitable reporting system on the use of safety gear and mandate supervisory/higher officers to regularly cross check the compliance by the linemen and take disciplinary action on the concerned if violations are noticed. The MESCOM shall implement this directive within one month from the date of this order and submit compliance thereon to the Commission."

Compliance by the MESCOM:

The MESCOM has provided all its 3,294 linemen with safety gear such as rubber hand gloves, earthing rod, safety belt, rain coat etc., to use in line work and has also initiated to provide additional safety tools to linemen to facilitate them to carry out their work safely. Further, instructions have been given for compulsory usage of safety equipment while working on the network and supervisory officers have been instructed to verify this during surprise visits to work spots.

Further, the MESCOM has taken steps to increase the frequency of imparting training to linemen so that adherence to safety aspects becomes part of their routine. A training programme was arranged on 05.11.2016 at Attavar, Mangaluru, to all Supervisory level Engineers. Regular training programme to linemen is being conducted at HRD center, Mangaluru, under REC Programme.

In this regard, compliance is being furnished to the Commission on quarterly basis to review meetings.

Commission's Views:

The Commission notes that the MESCOM has provided safety gadgets to its linemen and initiated steps to provide additional safety tools to facilitate them to carry out their work safely. The MESCOM should attach paramount importance to focus on safety aspects with a view to reduce the electrical accidents occurring due to non-adherence to safety procedures while working on the network. Further, the linemen should be given training on adherence to safety aspects so that it becomes part of their routine.

The Commission reiterates its directive that the MESCOM shall ensure that all the linemen in its jurisdiction are provided with proper and adequate safety gear and the linemen use such safety gear provided to them while working on the network. The compliance in this regard shall be submitted once in a quarter to the Commission regularly.

iv. Directive on providing Timer Switches to Streetlights by the ESCOMs

The Commission directs the MESCOM to install timer switches using own funds to all the streetlight installations in its jurisdiction wherever the local bodies have not provided the same and later recover the cost from them. The MESCOM shall also take up periodical inspection of timer switches installed and ensure that they are in working conditions. They shall undertake necessary repairs / replacement work, if required and later recover the cost from local bodies. The compliance regarding the progress of installation of timer switches to streetlight installations shall be reported to the Commission.

Compliance by the MESCOM:

As per the directives, the MESCOM has requested the Municipal/local bodies, to service new streetlight installations and any

extension/modification to be carried out to the existing streetlight installations only with timer switches. Further, local bodies have provided 1,773 of timer switches to streetlights out of total 18,989 streetlight control points. The MESCOM has also invited tender for fixing timer switches along with RRAMR meter to all streetlight control points during 2016. However, no bids were received till the closure date of tender. Therefore, the MESCOM is planning to call retender for providing timer switches along with RRAMR meter to all remaining 14,833 control points suitably designing the specifications for the tender. This will also include remote reading of meters for billing and energy audit.

Commission's Views:

It is noted that the MESCOM has not installed timer switches to streetlight installations in its jurisdiction for ensuring prompt control by switching "ON" & "OFF" at scheduled time and avoidance of wastage of electricity.

The Commission reiterates that the MESCOM should install the timer switches at its cost and recover the amount from the concerned local bodies later. Further, persuading the local bodies to fix timer switches at their own cost availing funds / grants received from Government and other agencies for such programmes / works should also be explored seriously. However, it seems that the MESCOM has not taken the work of installation of timer switcher in its jurisdiction seriously, going by the poor progress of the same.

The Commission reiterates its directive to MESCOM to provide timer switches to the existing street lights and also directs MESCOM to ensure that, all the new streetlight installations to be serviced and any extension/modification to be carried out to the existing streetlight installations shall be serviced only with timer switches besides taking necessary action.

v. Directive on load shedding:

The Commission had directed that:

1. Load shedding required for planned maintenance of transmission / distribution networks should be notified in daily newspapers at least 24 hours in advance for the information of consumers.
2. The ESCOMs shall on a daily basis estimate the hourly requirement of power for each sub-station in their jurisdiction based on the seasonal conditions and other factors affecting demand.
3. Any likelihood of shortfall in the availability during the course of the day should be anticipated and the quantum of load shedding should be estimated in advance. Specific sub-stations and feeders should be identified for load shedding for the minimum required period with due intimation to the concerned sub-divisions and sub-stations.
4. The likelihood of interruption in power supply with time and duration of such interruption may be intimated to consumers through SMS and other means.
5. Where load shedding has to be resorted to due to unforeseen reduction in the availability of power, or for other reasons, consumers may be informed of the likely time of restoration of supply through SMS and other means.
6. Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders.
7. The ESCOMs should review the availability of power with respect to the projected demand for every month in the last week of the previous

month and forecast any unavoidable load shedding after consulting other ESCOMs in the State about the possibility of inter-ESCOM load adjustment during the month.

8. The ESCOMs shall submit to KERC their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval.
9. The ESCOMs shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means.
10. The ESCOMs shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month.

The Commission had directed that the ESCOMs shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated to review the compliance of directions on a monthly basis for appropriate orders.

Compliance by the MESCOM:

It is submitted that, three phase and single phase power supply is being arranged in all the districts of the MESCOM area, as per the GoK order. Regarding scheduled load shedding for planned maintenance of distribution networks, prior notification is being given in daily newspapers for the information of the consumers and week ahead district-wise planned maintenance of distribution networks is also being published in the MESCOM website regularly. As per the directive, MESCOM has taken

care to avoid frequent load shedding of 11 kV feeders to avoid inconvenience to consumers/public.

Further, based on projections / availability of power as per the real time data collected by the ALDC, the next day availability of power is contemplated by the MESCOM. HT consumers are being informed about future load shedding. The mobile numbers of all consumers is being collected and after that the consumers affected by power supply due to unavoidable load shedding will be informed through mass messages.

Commission's Views:

The Commission notes that the MESCOM has not taken any definite action for providing information to the consumers through SMS regarding the time and duration of interruptions occurring due to various reasons. As seen, there is no change in the status as compared to the status in the last year and in reality MESCOM has not made any headway in the matter. The MESCOM should expedite this process as the consumers need to be informed through SMS in addition to notification in newspaper media regarding load shedding due to reasons such as system constraints, breakdown of lines/equipment, maintenance etc. Further, it is also necessary to avoid load shedding involving the same sub-stations/feeders and the load shedding should be carried out on rotation basis to avoid inconvenience to consumers/public.

The Commission directs the MESCOM to submit its projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month, to the Commission regularly.

The Commission reiterates that the MESCOM shall comply with the directive on load shedding and submit compliance reports to the Commission regularly.

vi. Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints:

The directive was:

“The MESCOM is directed to put in place a 24x7 fully equipped Centralized Consumer Service Center at its Headquarters with a state of the art facility/system for receiving consumer complaints and monitoring their redressal so that electricity consumers in its area of supply are able to seek and obtain timely and efficient services/redressal in the matter of their grievances. Such a Service Center shall have adequate number of desk operators in each shift so that consumers across the jurisdiction of MESCOM are able to lodge their complaints directly with this Centre.

Every complaint shall be received on a helpline telephone number by the desk operator and registered with a docket number which shall be intimated to the Consumer. Thereafter, the complaints shall be transferred online / communicated to the concerned field staff for resolving the same. The concerned O&M / local service station staff shall visit the complainant's premises / fault location at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. In turn, the call centre shall call the complainant and confirm with him whether the complaint has been attended to. The complaints shall be closed only after receiving consumer's / complainant's confirmation. Such a system should also generate daily reports indicating the number / nature of complaints received, complaints attended, complaints pending and reasons for not attending to the complaints.

The MESCOM shall publish the details of the complaint handling procedure / Mechanism with contact numbers in the local media periodically for the information of the consumers. The compliance of the

action taken in the matter shall be submitted to the Commission within two months from the date of this Order.

Further, the Commission directs the MESCOM to establish/strengthen 24x7 service stations, equipping them with separate vehicles & adequate line crew, safety kits and maintenance materials at all its sub-divisions including rural areas for effective redressal of consumer complaints".

Compliance by the MESCOM:

The MESCOM has taken initiative to ensure prompt response by its officials to consumer complaints regarding interruptions in power supply due to breakdown of lines/equipment, failure of transformers etc.

Consumer Interaction meetings are being regularly conducted at sub-division levels under the chairmanship of Superintending Engineer (Elec.) of the concerned O&M circle. Further, wide publicity is being given in advance on conduction of consumer interaction meetings, through leading newspapers and local announcements. The MESCOM has conducted 60 Consumer Interaction meetings at the sub-divisions during the period from April to October, 2016.

Further, to address the issues/complaints raised by the consumers and to create awareness among them, the MESCOM has conducted awareness programme during FY15. Also, the MESCOM has published a Kannada Hand Book and the same was distributed to its consumers for creating awareness among them. Wide publication of 'Do's & Don'ts of electricity usage are also being given in daily newspapers and Audio jingles are being announced in people concentrated areas like KSRTC Bus-stations in MESCOM jurisdiction.

The MESCOM is conducting interaction meetings involving HT consumers and Independent Power Producers every year to resolve their grievances.

Also, personal invitations in writing are extended to the consumers/generators for such meetings.

The MESCOM has already established 39 full-fledged 24 hours' service stations and 6 number of 12 hours' service stations by providing men, material and vehicle to redress the consumer complaints effectively.

The MESCOM has established a 24*7 Centralized Consumer Service Centre at Mangaluru and the complaints are being received from all the consumers of MESCOM at this centre only. However, it will be fully operational in January-February 2017 to receive complaints from consumers. The consumers are requested to call short code number '1912' to lodge their complaints related to electricity. Further, the MESCOM has taken appropriate measures to popularize the same through local newspapers and local TV channels. The MESCOM has issued suitable instructions to its field officers to attend to the complaints efficiently avoiding deliberate delay on their part.

Commission's Views:

The MESCOM should continue to focus on improving the consumer services to reduce the consumer complaint downtime so as to ensure that prompt services are extended to them. In this regard, prompt response by the MESCOM is the need of the hour for attending to consumer complaints regarding breakdown of lines/equipment, failure of transformers etc., resulting in interruptions in power supply. In addition to this, MESCOM should take up necessary action to continuously sensitize its field staff so that they gear up for discharging their work efficiently and effectively.

The Commission reiterates its directive to the MESCOM to publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media and other modes

periodically for the information of the public and ensure that all the complaints of consumers are registered only through the centralized consumer service centre for proper monitoring of disposal of complaints registered. The compliance in this regard shall be furnished regularly, to the Commission.

vii. Directive on Energy Audit:

The Commission had directed the MESCOM to prepare a metering plan for energy audit to measure the energy received in each of the interface points and to account for the energy sales. The Commission had also directed the MESCOM to conduct energy audit and chalk out an action plan to reduce distribution losses to a maximum of 15 per cent wherever it was above this level in towns/cities having a population of over 50,000.

The Commission had earlier directed all the ESCOMs to complete installation of meters at the DTCs by 31st December, 2010. In this regard, ESCOMs were required to furnish to the Commission the following information on a monthly basis:

- a) Number of DTCs existing in the Company.
- b) Number of DTCs already metered.
- c) Number of DTCs yet to be metered.
- d) Time bound monthly programme for completion of work.

Compliance by the MESCOM:

As per the directions of the Commission, intensive energy audit is being conducted at the selected cities / towns. The distribution losses in respect of the selected 7 cities are less than 5 per cent whereas in 12 cities the loss is between 5-10 per cent. The details of distribution loss in the selected cities/towns in FY16 and FY17 (up to July16) are as below:

Sl. No.	City/Town	FY16	FY17 (up to July'16)
1	Mangaluru	4.17	1.46
2	Udupi	5.15	2.28
3	Shivamogga	7.72	8.92
4	Bhadravathi	9.21	8.24
5	Sagar	6.59	10.84
6	Chikamagaluru	10.44	8.35
7	Puttur	7.46	2.83
8	Bantwal	9.70	10.20
9	Shikaripura	10.50	4.62
10	Kadur	9.15	6.63
11	Tarikere	8.81	10.59
12	Beltangady	4.77	5.19
13	Sullia	7.46	2.14
14	Kundapura	4.08	6.63
15	Karkala	5.31	5.55
16	Soraba	10.08	13.32
17	Hosanagar	5.68	8.61
18	Thirthahalli	6.16	6.29
19	Mudigere	4.00	3.39
20	Koppa	4.72	5.40
21	Sringeri	4.80	4.70
22	NR Pura	4.85	5.29

The MESCOM has also issued work award for providing meters to 27,300 DTCs with automatic meter reading protocols. Hence, the MESCOM is emphasizing the metering of DTCs for the feeders which are having the losses above 15 per cent to take up the energy audit on top priority in phased manner. The MESCOM is carrying out the energy audit at division level & 11kV feeder level, monthly and submitting the report regularly to the Commission. Further, efforts are being made to reduce the losses below 11.05 per cent as fixed by the Commission.

The energy audit of 11KV feeders, as per the formats prescribed by the Commission, has already been submitted up to July, 2016. The work of providing RRAMR meters to 27,301 DTCs of non-APDRP area was awarded to M/s Asian Fabtech, Bengaluru, at a cost of Rs 133 crore. As of now, 19,884 meters have been fixed to DTCs and the energy audit of 2,401 DTCs is being carried out to know the DTC-wise loss levels, out of which 79 DTCs are showing 15-20 per cent of losses. Field officers

have been directed to analyze further to find out the reasons for abnormal losses and to take remedial measure to reduce the same.

Commission's Views:

The Commission notes that the distribution losses in respect of Chikkamagaluru, Bantwal, Soraba, Tarikere and Sagar towns are more than 10 per cent and the MESCOM shall initiate measures to bring down the loss levels further downwards in respect of these towns and compliance regarding the specific remedial measures initiated to reduce the losses shall be submitted to the Commission every month regularly. It is also observed that in a few divisions namely Udupi, Puttur and Sullia the losses are less than 3%. The correctness of the losses arrived at need to be checked as the distribution losses cannot be below the minimum technical losses, particularly in the Rural areas.

Further, the Commission notes that the MESCOM has not taken up DTC-wise energy audit in spite of providing meters to 19,884 DTCs. The MESCOM has taken up energy audit of only 2,401 DTCs and out of this 79 DTCs are showing the losses in the range of 15-20 per cent. The higher losses may be due to improper tagging of consumer installations with the concerned DTCs or any other reasons and the MESCOM needs to examine and take corrective action including proper tagging. Hence, the MESCOM is directed to take up energy audit of DTCs for which meters have already been installed and also initiate remedial measures for reducing distribution losses wherever they are above the targeted level.

The MESCOM shall also expedite metering of remaining DTCs and complete the same at the earliest so as to take up DTC-wise energy audit to facilitate initiating remedial measures for reducing distribution losses wherever they are on higher side. The compliance in respect of

DTC-wise energy audit conducted with analysis and the remedial action initiated to reduce loss levels, shall be submitted every month, regularly to the Commission.

Further, the MESCOM is directed to submit to the Commission the consolidated energy audit report for the FY17, as per the formats prescribed by the Commission vide its letter No: KERC/D/137/14/91 dated 20.04.2015, before 15th May 2017.

viii. Directive on Implementation of HVDS:

In view of the obvious benefits in the introduction of HVDS in reducing distribution losses, the Commission had directed MESCOM to implement High Voltage Distribution System in at least one O&M division in a rural area in its jurisdiction by utilizing the capex provision allowed in the ARR for the year.

Compliance by the MESCOM:

As per the Commission's guidelines, F-7-Doddapattanagere feeder, in Kadur sub-division, Kadur division, has been selected for implementation of HVDS scheme as it is having the highest distribution loss in Kadur sub-division. In this regard, the DPR is prepared at a cost of Rs 873.87 lakh with a BCR as 1.38 and payback period as 2.66. The work involves the replacement of 63 and 100 KVA DTCs by 25KVA. The DPR is under scrutiny/verification and will be submitted to the Commission for approval.

Further, as a practice of adoption of high voltage distribution system, higher capacity distribution transformers are being replaced by smaller capacity transformers duly ensuring proper load balancing which also results in improving HT/LT ratio.

The physical progress achieved during 2015-16 and 2016-17 (upto October 2016) is given below:

Sl. No.	Year	250 KVA replaced	No. of transformers installed at load centers by replacing 250 KVA			100 KVA replaced	No. of transformers installed at load centers by replacing 100 KVA	
			100 KVA	63 KVA	25 KVA		63 KVA	25 KVA
1	2015-16	17	12	29	0	27	28	11
2	2016-17 (up to October 2016)	1	1	1	2	4	6	4

Commission's Views:

The Commission notes that the status of implementation of HVDS in the MESCOM remains the same as the previous year. The MESCOM needs to speed up finalization of the DPR for implementation of HVDS in F-7-Doddapattanagere feeder in Kadur sub-division and submit the same to the Commission for its approval before taking up the proposed work.

Further, it is important that the MESCOM shall expedite implementation of HVDS in its jurisdiction under an action plan for timely completion of the same and to derive the benefits that are envisaged on implementation of the scheme.

The Commission, with a view to minimize the cost, has issued revised guidelines for implementation of HVDS in sub-divisions/feeders having the highest distribution losses, so that a higher loss reduction could be achieved on implementation of HVDS at a reasonable cost. The MESCOM shall follow the revised guidelines issued by the Commission and implement HVDS programme in Kadur sub-division and submit the progress/compliance thereon once in a quarter to the Commission regularly.

ix. Directive on Niranthara Jyothi Feeder Separation:

The ESCOMs were 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 MESCOM:

The MESCOM has taken up feeder segregation works in Chikkamagaluru and Shivamogga districts under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and M/s REC has communicated sanction amounting to Rs.265.30 crore to this scheme.

Further, a total number of feeders covered under this scheme in Chikkamagaluru and Shivamogga districts are 56 and 68 respectively (Totally 124 feeders). The likely time of completion of the project is 24 months from the date of issue of DWA as per the guidelines issued by the REC. However, the DPR has been revised in accordance with the change in guidelines issued by GoK / GoI / REC. The tender was called on 20.10.2016.

Commission's Views:

The Commission, notes that there is no progress of feeder segregation work in MESCOM and the status is no different than the last year. Therefore, the MESCOM is directed to expedite implementation of feeder segregation work without any further delay, so as to derive the benefits envisaged in the DPR on completion of the project. The MESCOM is directed to submit progress/compliance thereon to the Commission

regarding the time bound schedule to complete the targeted works, regularly once in a quarter.

Further, after segregation of the feeders under DDUGJY is completed, the MESCOM shall compute the IP-set consumption on the basis of energy meter readings available in the exclusive agricultural feeders at the sub-station levels.

The Commission reiterates its directive that the MESCOM shall expedite implementation of feeders' segregation work and compliance thereon shall be submitted to the Commission once in a quarter regularly.

x. 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 MESCOM to take up replacement of inefficient pumps with energy efficient pumps approved by the Bureau of Energy Efficiency, at least in one sub-division in its jurisdiction.

Compliance by the MESCOM:

The MESCOM had requested BEE, New Delhi, to include the MESCOM in the BEE funded DISCOM DSM scheme. However, BEE has informed that the MESCOM is not included in this scheme. Further, M/s TERI, New Delhi, was requested to carry out system study / load survey of 11 KV feeders in MESCOM area to develop a suitable DSM for predominately feeding load of domestic / commercial / agriculture. The TERI has accepted the MESCOM's request and the data is being collected by it for selection of feeders to have base line data before implementing the programme.

Commission's Views:

The Commission notes that there is no progress in implementation of DSM in agriculture by the MESCOM. The Commission observes that the

MESCOM has not taken any concrete action to take forward the implementation of DSM measures in its jurisdiction. The MESCOM needs to expedite DSM measures otherwise its action on this so far can be termed as merely rhetoric without any action on the ground. The Commission is of the view that there is a huge potential for energy saving in the agricultural sector which needs to be tapped by implementing the scheme as early as possible and to derive the benefits on completion of the same. In this regard, strong emphasis should be given for implementation of DSM measures to conserve energy and also precious water for the benefit of farmers.

Further, the Commission while emphasizing the need for implementation of DSM in agriculture during its review meetings held with the ESCOMs has been directing them to initiate DSM measures in any one sub-division/taluk in order to assess the results of such measures before the same is scaled up in whole of its jurisdiction.

The Commission directs the MESCOM to expedite the implementation of DSM measures in its jurisdiction and complete the same at the earliest and compliance thereon shall be submitted to the Commission within three months from the date of this Order.

xi. Directive on Lifeline Supply to Un-Electrified Households:

The Commission had directed the ESCOMs to prepare a detailed and time bound action plan to provide electricity to all the un-electrified villages, hamlets and habitations in every taluk and to every household therein. The action plan was required to spell out the details of additional requirement of power, infrastructure and manpower along with the shortest possible time frame (not exceeding three years) for achieving the target in every taluk and district. The Commission had directed that the data of un-electrified households could be obtained from the concerned

Gram Panchayaths and the action plan be prepared based on the data of un-electrified households.

Compliance by the MESCOM:

Rajeev Gandhi Grameena Vidyuthikaran Yojana (RGGVY) XI Plan:

In MESCOM under RGGVY XI Plan Phase-I & II projects, 1,48,325 rural households including BPL households have been electrified. Further, it is proposed to cover about 83,346 rural households, including BPL households, for electrification under DDUGJ Yojana, for which tendering is in process.

New Proposals:

a. Decentralized Distributed Generation (DDG):

In MESCOM 3 villages namely Shettihalli, Chithrashettihalli and Urulugallu of Shivamogga district are left out for electrification as these villages are situated in thick forest area which could not be electrified through conventional method earlier. However, at present sanction has been communicated by the REC for electrification of these 3 villages covering 123 households for an amount of Rs 0.615 crore considering standalone solar system and the work is in progress.

b. Rajeev Gandhi Grameena Vidyuthikaran Yojana (RGGVY) XII Plan:

As RGGV Yojana has been subsumed in DDUGJY, the proposal for electrification of rural households submitted under RGGVY XII Plan has been considered to be taken up under DDUGJY. M/s REC has communicated sanction for an amount of Rs. 49.38 crore for RE component covering 83,346 rural households including BPL households to be electrified.

The MESCOM is also taking up the rural electrification works under budgetary works including electrification of hamlets, households etc., a brief progress of the same is as below:

YEAR	Electrification of hamlets/colonies			Electrification of household (BJ/KJ)		
	Special Component Plan	Tribal Sub Plan	General	Special Component Plan	Tribal Sub Plan	General
2013-14	13	4	43	198	30	264
2014-15	8	10	12	106	37	1208
2015-16	6	8	12	95	42	946
2016-17 (up to Oct'16)	7	2	1	41	21	938

Commission's Views:

The Commission expresses its displeasure over the MESCOM's tardy progress and apparent lack of seriousness in electrification of un-electrified households in its jurisdiction. Even after so many years, there are a large number of households remain without electricity, which is of serious concern.

Further, the Commission concerned with the slow pace of progress in this programme, in its previous Tariff Orders had directed the MESCOM to cover electrification of 5 per cent of the total identified un-electrified households every month beginning from April, 2015 so as to complete this programme in about twenty months. However, the progress achieved in electrification of households so far by the MESCOM remains much to be desired.

The Commission directs the MESCOM to expedite action to provide electricity to the un-electrified households and cover all the remaining households at the earliest and report compliance thereon to the Commission regarding the monthly progress achieved from May, 2017 onwards. The Commission as already indicated in the earlier Tariff Orders would be constrained to initiate penalty proceedings under section 142 of the Electricity Act, 2003, against MESCOM in the event of non-compliance in the matter.

xii. Directive on Implementation of Financial Management Framework:

The present organizational set up of the ESCOMs at the field level appears to be mainly oriented to maintenance of power supply without a corresponding emphasis on realization of revenue. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized in many cases. The continued inability of ESCOMs to effectively account the input energy and its sale in different sub-divisions of the ESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the ESCOMs, so that the field level functionaries are made accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of sub-division/ division.

The Commission had therefore directed the MESCOM to introduce a system of Cost-Revenue Centre Oriented sub-divisions at least in two divisions, on a pilot basis, in its operational area and report the results of the experiment to the Commission.

Compliance by the MESCOM:

It is submitted that, as per the directions of the Commission, MESCOM has tried to implement the SBU concept in Puttur and Shivamogga divisions. However, for putting the concept of SBU in place, functional autonomy is very vital but, practically deriving the functional independency on Puttur and Shivamogga divisions is proving non-functional. In the present system, corporate office is dealing with major aspects of power purchase, subsidy accounting and borrowings and dissection of these major expenses which involves high cost purchase/short term purchase. The dissection of subsidy/grants/capex and borrowing against these two divisions may not happen logically unless and otherwise system is in place. However, the MESCOM is working out the strategy in this regard and will submit the same to the Commission in due course.

Commission's Views:

The Commission has forwarded a report prepared by the consultants, M/s PWC regarding implementation on Financial Management Framework to bring in accountability on the performance of the divisions / sub-divisions by analyzing the quantum of energy received, sold and recovery of costs through revenue, so that the ESCOMs conduct their business on commercial principles.

However, it is observed from the MESCOM's compliance on the directive it has taken not any action for implementing this directive. The MESCOM, without actually taking any measurable action, has only repeated whatever it has submitted to the Commission last year on the directive of formation of SBUs. The Commission directs MESCOM to review the performance of the divisions & sub-divisions in respect of energy received, sold, average revenue realization and average cost of supply using the financial framework Model without giving lengthy explanation. Further, the MESCOM is directed to analyze the following parameters each month to monitor the performance of the divisions/sub-divisions at corporate level.

- a) Target losses fixed and the achievement at each stage.
- b) Target revenue to be billed and achievement at each category.
- c) Target revenue to be collected and achievement at all categories.
- d) Targeted distribution loss reduction when compared to previous years' losses.
- e) Comparison of high performance divisions in sales with low performance divisions.

Based on an above analysis, the MESCOM needs to take corrective measures to ensure 100 per cent meter reading, billing, and collection; analysis of sub-normal consumption; replacement of non-recording meters; etc.

The Commission reiterates its directive that the MESCOM shall implement the financial management framework model in its jurisdiction at the earliest to bring in accountability on the performance of the divisions / sub-divisions in the matter of the quantum of energy received, sold and its cost so as to conduct its business on commercial principles. Compliance in this regard shall be submitted to the Commission on a quarterly basis, regularly.

xiii. Directive on Prevention of Electrical Accidents:

The directive was as follows:

"The Commission has reviewed the electrical accidents that have taken place in the State during the year 2015-16 and with regret noted that as many as **430** people and **520** animals have died in the State due to these accidents.

From the analysis, it is seen that the major causes of these accidents are due to snapping of LT/HT lines, accidental contact with live LT/HT/EHT lines, hanging live wires around the electric poles /transformers etc., in the Streets posing great danger to human lives.

Having considered the above matter, the Commission hereby directs to prepare an action plan to effect improvements in the distribution network and implement safety measures to prevent electrical accidents. Detailed division wise action plans shall be submitted by the MESCOM to the Commission."

Compliance by the MESCOM:

As per the directive, the MESCOM has made sincere efforts for identification and rectification of hazardous installations in densely populated areas /public areas and the local bodies were also informed

of the need to rectify the hazardous streetlight installations under their control. Further, in order to prevent and reduce the number of fatal electrical accidents, measures are being taken to provide HT/LT protections to distribution transformers where such protection is not satisfactory.

It is submitted that, the MESCOM has already taken initiative to circulate the manual for "Safety/Technical Audit for Power Distribution System" forwarded by the Commission to the field officers and instructions were issued to the them to follow the guidelines contained in the said manual.

Safety tools such as high voltage detectors, earthing rods, Helmets, Safety kits, etc., are provided to all the linemen of MESCOM and also periodical training is being imparted to them on safety measures by providing safety instruction manual and various field demonstrations through trained professionals.

Wide publication of "Do's & Don'ts" of electricity usage are also being given in daily newspapers and Audio jingles are being announced in people concentrated areas like KSRTC Bus-stations in MESCOM jurisdiction.

Further, hazardous installations are identified regularly by the linemen and section officers of the sub-divisions during their inspection and necessary action such as preparing estimate / sanctioning it and executing the work immediately is being taken. The progress of identification of hazardous installations is submitted monthly to the higher office and the consolidated circle-wise data of 4 circles are prepared and submitted to the Commission quarterly. Hazardous installations such as damaged / deteriorated poles, slanted poles, damaged conductors, line close to the building are identified in 6,624 locations and the same are being rectified.

Commission's Views:

The Commission has noted that the MESCOM has taken various remedial measures including rectification of hazardous installations in its distribution network. However, despite these measures being taken by the MESCOM, the number of fatal electrical accidents involving both human and livestock has increased which is a serious concern. The Commission would like to impress upon the MESCOM that the identification and rectification of hazardous installations is a continuous process, which should be regularly carried out without any let up. The MESCOM should make more concerted efforts for identification and rectification of all the hazardous installations including streetlight installations / other electrical works under the control of local bodies to prevent electrical accidents. In addition, it is also important that the MESCOM takes up awareness campaigns through visual/print media continuously about safety aspects among public to ensure that the attention on safety aspects is maintained.

During the Review meetings held with the ESCOMs, the Commission has been emphasizing that the ESCOMs should take up periodical preventive maintenance works, install LT protection to distribution transformers, conduct regular awareness programme for public on electrical safety aspects in use of electricity and also ensure use of safety tools & tackles by the field staff besides imparting necessary training to the field staff at regular intervals.

Further, the Commission is of the view that the hazardous installations in the distribution network is the result of works done shabbily without adhering to the best construction practices as per the standards, while taking up construction/expansion of the distribution network. Therefore, the MESCOM shall take adequate and effective steps in rectifying the hazardous installations to ensure that distribution network is hazardous free. In addition to this, the MESCOM also needs to conduct regular safety

audit of its distribution system and to carryout preventive maintenance works as per schedule in order to keep the network equipment in healthy condition.

The Commission has forwarded the "Safety Technical Manual" to the ESCOMs, which enumerates detailed account of the steps to be taken on each element of the distribution system which would help the engineer in the field to identify and attend to the defects. In this context, it is necessary that the ESCOMs are required to continuously monitor the implementation of the suggestions / recommendations contained in the Safety Technical Manual to ensure that distribution network is maintained properly.

The Commission, therefore, reiterates its directive that the MESCO shall continue to take adequate measures to identify & rectify all the hazardous locations/installations existing in its distribution system under an action plan to prevent and reduce the number of electrical accidents occurring in the distribution system. The compliance thereon shall be submitted to the Commission every month, regularly.