

APPENDIX

REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

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

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

The Commission in its Tariff Order dated 14.05.2018 and the earlier Tariff Orders had directed that the MESCOM shall ensure that Consumers' Interaction Meetings (CIM) chaired by the Superintending Engineers, are conducted in each O&M Sub-Division according to a pre-published schedule, at least once in every three months. Further, the consumers shall be invited to such meetings in giving advance notices through emails, letters, local newspapers, notices on its website etc., to facilitate participation of maximum number of consumers in such meetings. **The MESCOM shall ensure that the proceedings of such meetings are recorded and uploaded on its website, for the information of consumers.** Compliance in this regard shall be reported once in three months to the Commission, indicating the date, the number of consumers attending such meetings and the status of redressal of their complaints.

It was declared that, if MESCOM fails to ensure conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of up to Rs. One Lakh per O&M Sub-Division per quarter for each instance of non-compliance, as per Section 142 and 146 of the Electricity Act

2003, and also directed that such penalty shall be recovered from the concerned Superintending Engineer, who fails to conduct such meetings.

Compliance by the MESCOM

Consumer Interaction meetings are being regularly conducted at Sub-Division level under the chairmanship of Superintending Engineer (EI) of concerned O&M Circle / Executive Engineer (EI) of O&M Division. Wide publicity is being given in advance on conduction of consumer interaction meetings through leading newspapers and local announcements.

MESCOM is having 60 O&M Sub-Divisions. During the year 2018-19, consumers interaction meetings have been conducted in all the Sub-Divisions. In the meetings, about 1729 complaints were brought to the notice of MESCOM for redressal, out of which 1411 complaints were disposed. MESCOM has furnished the details relating to the period 2018-19 and 2019-20 (up to Sept-2019).

Certain complaints of the consumers are of the nature which requires company procedures/regulations to be followed to redress them. Such, complaints are being attended subsequently. Further, details are being submitted to the Hon'ble Commission on quarterly basis for review.

In addition to this, as per the directive, Assistant Executive Engineer (EI) are being conducted CIM in Sub-Divisional level on 3rd Saturday of every month and the details are furnished.

Commission's Views:

The MESCOM has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY19 and FY20 till September 2019.

The Commission had directed the ESCOMs to conduct the consumer interaction meetings in the Sub-Divisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer to effectively redress the consumer grievances. The Commission notes the submission made by MESCOM that, such meetings are being conducted every Quarter in its

entire area covering all Sub-Divisions. In the preliminary observations, the Commission had raised the concern on, non-submission of the data every quarter in the prescribed format as directed by the Commission. The Commission had directed MESCOM to furnish the details, indicating the dates on which the meetings were conducted. MESCOM furnished the details in its replies. From the data it is observed that the CIMs are not conducted in Kadaba, Bantwal, Moodabidri, Sullia and Ullal Sub-Divisions during the 4th Quarter of FY19 and Kavoov, Kulashekara, Puttur Rural & Urban, Attavara, Vittal, Mannagudda, Belthangady, Kaikamba, Surathkal & Mulky, Sullia & Subramanya Sub-Divisions during the 1st Quarter of FY20 with the reasons mentioning "code of conduct".

The action of the MESCOM in not conducting quarterly consumer interaction meetings in some of the Sub-Divisions is not acceptable, keeping in view the importance of addressing the grievances of the consumers is extremely important and it has to be accorded top priority. The Commission notes with displeasure that the fact that MESCOM is not serious in conducting the meetings to resolve the complaints as per the directives issued. If the consumer interaction meetings are not held in the Sub-Divisions or if such meetings are held without the participation of the Superintending Engineer (EI) (SEE) or the Executive Engineer (EI) (EEs) then it will be construed that the MESCOM is not serious in complying with the directives issued by the Commission.

Accordingly, the MESCOM is directed to conduct consumer interaction meetings at all the Sub-Divisions without fail. Further, the Commission desires that, **such meetings are strictly chaired by the Officer not below the rank of, either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer. Also, the Commission informs that, if the consumer interaction meetings are conducted in the Sub-Divisions without the participation of the Superintending Engineers or the Executive Engineers, then it will be considered as non-compliance of the directives of the Commission** and the Commission would consider imposing a penalty of up to Rs. One lakh per O&M Sub-Division

per quarter for each instance of non-compliance and also direct that such penalty shall be recovered from the concerned Superintending Engineer, as the case may be, who fails to conduct / organize such meetings.

The Commission also reiterates its directive to the MESCOM to conduct consumer interaction meetings chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer once in a quarter, to redress the consumer grievances relating to supply of electricity. Advance notice shall be sent to the stakeholders by email / website and through SMS (by maintaining / updating the consumer database) well in advance. Information on the schedule of the Consumer Interaction Meeting, date, time, venue etc., shall be published in the form of news item in the leading local / regional newspapers, at least 3 days prior to the conduct of the meeting, to ensure that more number of consumers take part in such meetings.

In addition to the quarterly meetings chaired by the Superintending Engineer (EI) (SEE) or the Executive Engineer (EI) (EEs), the concerned Asst. Executive shall conduct the CIM on third Saturday of every month so as attend to the grievance of the consumers, as is being done in other ESCOMs.

A compliance report (Quarterly) shall be submitted to the Commission regularly in the format given in the previous Tariff Order, along with the copy of the proceedings of each meeting.

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

The Commission notes that due to implementation of billing based on 15 minutes' time block, there is a substantial increase in the revenue to the MESCOM from the HT consumers, who are drawing energy through open access and directed the MESCOM to continue the efforts effectively.

The Commission had directed MESCOM to ensure 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. That, the MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted quarterly to the Commission, regularly. The Commission also directed the MESCOM to quantify the billing and report.

Compliance by the MESCOM:

As per the directive, MESCOM has been ensuring preparation of energy bills on monthly basis by considering the 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access.

In its replies to the preliminary observations, MESCOM furnished the month-wise details of number of Open Access consumers sourcing power from power exchange, open access units scheduled / consumed in MU and inadvertently banked energy.

During 2018-19, inadvertently banked energy is 12.20 MUs amounting to Rs.8.235 Crores at the Retail tariff of Rs. 6.75.

Commission's Views:

The Commission notes that the MESCOM has complied with the directive by initiating preparation of energy bills on monthly basis considering the 15 minute's time block period in respect of EHT / HT consumers importing power through power exchange under Open Access. It is seen that the introduction of 15 minute's billing has resulted energy saving of 12.20 MU during FY19. The stand taken by the Commission in directing the MESCOM to prepare monthly EHT / HT consumer bills on 15 minute's time block period has prevented a revenue loss of Rs.6.75 Crores to MESOM during FY19 from the consumers who took advantage of its laxity in enforcing correct billing. The MESCOM is required to adhere to the directive and submit regularly month-wise details of

number of open access consumers, open access energy scheduled / consumed and illegally banked energy if any along with the details of revenue gain.

The Commission reiterates its directive that the MESCOM shall continue to prepare the energy bills on monthly basis considering the 15 minute's time block period in respect of the EHT / HT consumers importing power through power exchanges under open access and submit quarterly compliance thereon, regularly to the Commission.

3) Directive on Energy Conservation:

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

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

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

Compliance by the MESCOM:

It is submitted that MESCOM has discussed and sent a MoU to BEE, New Delhi for study and submission of a proposal of DSM project suitable for MESCOM. In reply, BEE has stated that MESCOM will be included in the new scheme in

future. In the meanwhile, TERI New Delhi has come forward for System study / Load survey of 11kV feeders in MESCOM area for proposing suitable model project for MESCOM. Work of system study and load survey covering entire geographical area of MESCOM is entrusted to TERI in line with KEREC, DSM regulations 2015. The data is being collected for the study. Under DELP, more than 1 Lakh LED Bulbs of 9W were distributed to consumers of MESCOM and the details thereon have been furnished by MESCOM.

MESCOM has been requesting all the Municipals & other local bodies to mandatorily install LED streetlights for new installations and retrofitting of fluorescent lamps / sodium vapour lamps required in order to save the maximum quantum of energy during the night time.

For public awareness, Audio jingles are being announced in people concentrated areas like 19 KSRTC Bus stations in MESCOM jurisdiction. Further, MESCOM has been requesting the prospective consumers to use / install star rated equipment's such as Air Conditioners, Fans, Refrigerators etc., in order to conserve the electrical energy. Utilization of star rated equipment by the consumers are not in the hand of distribution licensee, hence, it is requested to Hon'ble KEREC to drop this directive in future.

MESCOM is insisting the consumers to use star rated appliances while communicating power sanction. However, MESCOM is finding it difficult to enforce the use of star rated appliances since at the time of service the consumers might not have connected any appliances to the electrical system. Further, inculcating the consumers for use of standardized appliances is also a market driven issue. Unless there is a situation that only standardized appliances are available in the market, the people will be inclined to buy the low-cost appliances, as a money saver, irrespective of the fact whether such appliances are standardized or not. Hence, MESCOM is requesting the Hon'ble Commission to divest it from this directive.

Commission's Views:

The Commission observes that, the MESCOM has not submitted the compliance regularly on implementation of the directive. MESCOM has not issued any Circulars towards implementation of the directive. Further, it is also observed that MESCOM has merely stated that it is insisting on servicing the consumer installations with 5 star rated equipment without elaborating on this or submitting the detailed progress made in detail. The Commission is of the view that, merely insisting the consumer to install 5 star rated equipment without actually doing nothing in the field is highly misleading and amounts to non-compliance of the directive by the MESCOM. The MESCOM needs to verify factually as to whether there is any progress made in the field in servicing of the BEE 5-star rated equipment such as Air Conditioners, Fans, Refrigerators, etc., in the consumers' premises. Also, The MESCOM needs to review the implementation of the directive with the field officers periodically to know about the progress.

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

MESCOM could have issued instructions to all its officers to ensure use of BEE five-star rated Energy Efficient Appliances in their offices. MESCOM also has not mentioned about the steps taken in the field to ensure that all new installations are serviced only when the BEE five-star rated Air Conditioners, Fans, Refrigerators, etc., are installed in the consumers' premises. It is also noted that the MESCOM has implemented "Hosa Belaku" and "Pavan" programme under which it is distributing energy efficient lamps, fans, etc., to the consumers which appears to have had limited success. MESCOM has not submitted even the details / current status of the scheme in its tariff filing. With this, the Commission finds that the progress in implementation of this directive is very poor. Therefore, the Commission directs MESCOM to focus on effective

implementation of this directive by reviewing periodically the progress of implementation in the field and take necessary corrective steps.

Further, the Commission directs MESCOM to conduct the awareness programs to the consumers / public, for use of LED bulbs, energy efficient electrical equipment etc., by making use of the fund reserved for customer relation / education program.

Considering the practical difficulty in implementing the directive, the Commission partially modifies the directive that: "MESCOM, at the time of servicing new street light/ high mast street lights shall ensure that such installations including extensions made to the existing streetlight circuits, are serviced with LED lamps / energy efficient induction lamps and the compliance thereon shall be submitted to the Commission once in a quarter on a regular basis". MESCOM shall also ensure inspection of all such installations, by jurisdictional Executive Engineers / Superintending Engineers/ other field officers selected on random basis, to check adherence to the directive by the said field offices.

4) Directive on implementation of Standards of Performance (SoP):

The MESCOM was directed to implement the Standards of Performance strictly as specified, while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the MESCOM was directed to display prominently, in both Kannada & English languages on the Notice Boards in all the offices in all the O & M Section and O & M Sub-Divisions, in its jurisdiction for the information of consumers, as per the format given in the previous Tariff Order. The Notices shall contain details of the various critical services such as arranging power supply to new installations, replacing the failed transformers, attending to fuse off call / line breakdown complaints, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-I of the KERC (Licensees' Standards of Performance) Regulations, 2004 and Annexure-I of the KERC (Consumer Complaints Handling Procedure) Regulations, 2004.

Compliance by the MESCOM:

As per the directive, MESCOM has taken action to display, in the prescribed format, in each of the Section Office and Sub-Division Office in a visible place, which can be viewed by all the visitors to the Office and also for the information of the consumers, Handbook on SoP is displayed in the official website of MESCOM.

MESCOM has educated for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non- adherence to the SoP during its regular training by HRD wing. MESCOM has published the "HAND BOOK" (KAIPIDI) in Kannada on the SoP and distributed to all the staff and stake holders. The copy of the same is published in the MESCOM website for the consumers.

MESCOM has to adhere to the specified Standards of Performance while rendering services to ensure that consumer complaints are attended to in a time bound manner as per the KERC (Licensees' Standards of Performance) Regulations, 2004. MESCOM has displayed the SoP in the hobli level / taluk level offices i.e., O&M Sections & O&M sub Division offices. MESCOM has published the "Hand Book in Kannada on the SoP and distributed among all the Sub-Divisions and sections to easily available for consumers in suitable locations. Consumer Handbook is already uploaded in the website for the information of the consumers.

Commission's Views:

In view of the surplus power situation in the State, the Commission is of the view that supply of quality and reliable power to consumers should be the utmost priority of ESCOMs. Hence the Standards of Performance (SoP) for Distribution Licensees specified by the Commission need to be implemented in its letter and spirit.

The Commission while noting the compliance, reiterates that the MESCOM shall continue to adhere to the specified standards of performance in rendering various services to consumers in a time bound manner.

It has come to the notice of the Commission that the consumers are generally not aware of the SoP prescribed by the Commission and as a result, the consumers are still facing difficulty in getting the services attended promptly. As per the submissions made by MESCOM in its Tariff Filing, in spite of the directives issued, the Commission has noted with displeasure that, MESCOM has failed to furnish the details on the conduct of the awareness campaigns on SoP for consumers at Hobli level and not informed anything on the conduct of a single orientation program for its field staff.

Hence, the Commission while noting the MESCOM's compliance, reiterates that the MESCOM shall continue to adhere to the directives on the specified Standards of Performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the MESCOM to carry out effective supervision over the functioning of field offices particularly in rendering services to the consumers, relating to supply of electricity. The Commission also directs MESCOM to submit the details of number of violations of SoP by officers, Sub-Division-wise, month-wise, amount of penalty levied on the officers and the amount paid to the consumers on these instances.

The Commission also directs MESCOM to take action to display the SoP in the format mentioned in the previous Tariff Order in its official web site at an appropriate place, for information of the consumers.

SoP should be displayed in each of the Section Office and Sub-Division Office, in a conspicuous place, which can be viewed by all the visitors to the Office. At the end of SoP, it should be mentioned that, consumers can claim the compensation from the concerned officer by filing a complaint before the

CGRF in the Form- A, available in the KERC (CGRF and Ombudsman) Regulations, 2004.

The Commission reiterates and directs MESCOM to conduct awareness campaign at the Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. MESCOM shall conduct necessary orientation programmes for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non-adherence to the SoP.

Further, the Commission directs MESCOM to publish and keep circulating the "HAND BOOK" (Kaipidi in Kannada) in Kannada on the SoP and arrange to distribute to all the staff and stake holders.

On any failure to implement this direction within 3 months of the issue of this order, the Commission would be constrained to initiate penal proceedings under Section 142 of the Electricity Act, 2003, against the MESCOM officials, for noncompliance of the Commission's Directives.

At the same time the Commission has noted that, MESCOM has not furnished any information on the implementation of a kind of a system to recognize best performing officers / offices in its jurisdiction to incentivize better performance. MESCOM shall consider and bringing in a system of recognizing the best performing Sub-Division / section in terms of adherence to SoP and publicize such recognition so as to incentivize better performance from the officers / personnel concerned.

The Commission reiterates that, the MESCOM shall continue to strictly implement the specified SoP while rendering services related to supply of electricity as per the KERC (Licensee's Standards of Performance) Regulations, 2004. For this purpose, the SEEs and the EEs during their inspections to the Sub-Divisions, shall ensure that this directive is being complied without any let up. The compliance in this regard shall be submitted once in a quarter to the Commission, regularly.

5) Directive on use of safety gear by linemen / Power men:

With a view to reduce the electrical accidents to the linemen working in the field, the Commission had directed 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 while working on the network. The MESCOM was directed to sensitize the linemen about the need for adoption of safety aspects in their work through suitably designed training and awareness programmes. The MESCOM was 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 was directed to implement this directive within one month from the date of this order and submit compliance report to the Commission.

Compliance by the MESCOM:

MESCOM has provided safety gadgets to its all power men. MESCOM has spent Rs.3.174 Crores (FY18, FY19 & FY20) towards providing safety gears to linemen / power men. In order to avoid occurrence of electrical accidents in the distribution system, imparted training to all the field staffs on safety aspects periodically through HRD wing. MESCOM has taken initiative to increase the frequency of imparting training to linemen so that adherence to safety aspects becomes part of their routine.

Every Monday Safety meeting is being conducted in every section of MESCOM and taking oath for using safety gears and creation of Safety zone while working. MESCOM has been ensuring that all the linemen are provided with proper and adequate safety gear and that the linemen use such safety gears provided to them, while working on the distribution system.

MESCOM has taken more attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non-adherence of safety procedures by the field staff while carrying out the work on the

distribution network. MESCOM has appointed Chief Engineer (Elec) of the O&M, Zone as 'Electrical Safety Officer' and has issued necessary instructions to take all the safety measures.

MESCOM has given suitable instructions to all the linemen and provided with adequate safety gear and the linemen are using the same while carrying out the work in the field.

MESCOM has submitted that 4,192 Nos of Power men working in MESCOM. All of them are provided with complete set of safety gears and the same information has also been brought to the notice of Hon'ble commission while furnishing data for ESCOMs review meeting. Presently, MESCOM is contemplating to procure 3,700 Nos of hand gloves & 500 Nos of Safety Belts for replacements.

Commission's Views:

It has been brought to the notice of the Commission by the consumers and also report of the CEIG on accidents that the safety gears / equipment are not being used by all the linemen at work in the field and hence the number of electrical accidents are increasing every year. The Commission considers that not providing appropriate safety gear / equipment to the staff at work place amounts not only to non-compliance of Commission's Directives but also a serious violation of human rights by MESCOM.

The Commission notes that the MESCOM has provided safety gadgets to its linemen. The Commission further notes that electrical accidents are occurring in the distribution system mainly due to non-adherence to safety procedures by the field staff, while working on the distribution network. Therefore, it is very important that the MESCOM should focus on safety aspects in its operations with a view to reduce or minimize the electrical accidents. Also, imparting training to all the field staff on safety aspects periodically should become part of the routine.

The Commission while taking note of the MESCOM's compliance on the directive, stresses that the MESCOM should continue to give attention to safety aspects in order to reduce and prevent electrical accidents occurring due to negligence / non adherence of safety procedures by the field staff while carrying out the work on the distribution network. MESCOM should continue to give training to the linemen periodically on adherence to safety aspects / procedure, so that they carry out their work safely / effectively.

Adequate quantity of all safety gears / equipment shall be procured periodically and sufficient inventory of these materials shall also be maintained. MESCOM should take action to empanel suppliers of safety gear / equipment, so that the procurement / replacement is quicker.

The Commission reiterates its directive that the MESCOM shall continue to ensure that, all the linemen and other field staff are provided with adequate and appropriate safety equipment and the linemen and other field staff use the same while carrying out the work in the field. The compliance in this regard shall be submitted once in a quarter to the Commission regularly. Protocols should be drawn on procedures to be adopted / roles and responsibilities fixed in respect of all those involved in working on (live) lines / installations for repairs etc., based on case studies.

6) Directive on Providing Timer Switches to Streetlights by the MESCOM:

The Commission had directed 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 street light installations shall be reported to the Commission within three months of the issue of this Order.

Compliance by the MESCOM:

As per the directives MESCOM has requested the Municipal / local bodies to install timer switches, while servicing new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches.

In response to MESCOM letter, Mangalore Municipal Authorities confirmed that, replacement work of existing public streetlight by LED works and timer switches in 60 Wards of Mangalore will be carried out through Public Private Partnership (PPP) by Mangalore Smart City Project work involves fixing Centralized Control and Monitoring System (CCMS).

Also, Shivamogga Smart City Limited Shivamogga Authorities confirmed that Shivamogga City is controlled with 1,081 switching points which will be replaced with smart energy meters by the concessionaire. The static smart energy meters are specific streetlights control points will be equipped with communicable equipment (GSM / GPRS) & their operation will be controlled at the Centralized Control and monitoring System (CCMS).

MESCOM has ensured that all the of new Streetlight installation are being serviced with timer switches and that all local bodies have reacted positively in this regard and local bodies were informed about the rectification of hazardous streetlight installations under their control. Hence, MESCOM has requested the Commission to drop this directive in future.

MESCOM has already requested Municipality authorities and local bodies to provide the existing streetlight control with Timer switches and also provide streetlight control with timer switch in future. MESCOM has given strict instructions to all the field officers to service the streetlight installation with timer switches.

MESCOM has submitted that providing streetlights and its maintenance is solely the responsibility of local bodies such as Mahanagar Palike,

Municipalities, Town Panchayat, Taluk Panchayat & Gramapanchayat. Hence, MESCOM is requesting once again to the Commission to drop this directive.

Commission's Views:

As per the statistics furnished for the ESCOMs Review Meeting it is said to be 365 number of Street Light (SL) installations are serviced during the 1st quarter of FY20, whereas only 117 number of SL installations are serviced with timer switches. From the above, it can be seen that, MESCOM is servicing the SL installations without the timer switches, in spite of the directives. The number of actual SL installations at the end of FY19 are 21,621 as compared to 20,856 installations as at the end of FY18, which means 765 installations were added during FY19, which have not been provided with the timer switches. This shows that the MESCOM has not given focus to this issue and has not coordinated with the concerned local authorities in installation of timer switches while servicing the new street light installations. MESCOM is not insisting on the municipal authorities to provide timer switches, at least while servicing the new SL installations. MESCOM has not provided any substantial reply to the above observations made by the Commission.

Thus, the inaction by the MESCOM has actually resulted in increase of number of street light installations requiring timer switches. This is a continuous action, and if timely action is not initiated, it results in wastage of electricity and the very purpose of installing timer switches to conserve energy is defeated.

Thus, the inaction and failure of the MESCOM has actually resulted in increase in the number street light installation requiring timer switches. Failure to remedy this situation would not only result in wastage of electricity, but also shorter life of the installations and resultant avoidable expenditure on their replacement. Hence, **MESCOM should seriously pursue this matter with the concerned local authorities strictly ensure fixing of timer switches while servicing the new installations.** Therefore, going by the progress, the Commission is of the view that the MESCOM is not serious in complying with the directive to install the timer switches.

It is the inbound duty of the Distribution Licensee to service the new installations by following the directions of the Commission. The Commission notes that, providing the timer switches to the street light installations falls under the purview of the BBMP / Municipal Administration. At the same time, it is the duty of the Distribution Licensee to adhere to the directives of the Commission while servicing the new or the extended circuit of the street light installations by getting the timers switches installed. This shows utter negligence on the part of MESCOM in complying with the directives of the Commission.

In the previous Tariff proceedings MESCOM had informed that the authorities of Smart City projects will be installing Centralized Control and monitoring System (CCMS) for efficient management of Street Lights, but MESCOM has never informed the date of commissioning of such a system. Also, MESCOM has not informed anything on the attempts made to take up the directive on Corporate Social Responsibility and availing the services of EESL etc.,

Therefore, the Commission with a **partial modification to the directive, reiterates that the MESCOM shall ensure that, the new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches. The compliance in this regard shall be submitted once in a quarter, regularly, to the Commission.**

7) Directive on load shedding:

In respect of Load Shedding, the Commission had directed that:

- i) 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.
- ii) The MESCOM shall, on a daily basis estimate the hourly requirement of power for each sub-station in its jurisdiction based on the seasonal conditions and other factors affecting demand.
- iii) 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.

- iv) The likelihood of interruption in power supply with time and duration of such interruptions may be intimated to consumers through SMS and other means.
- v) Where load shedding has to be resorted 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.
- vi) Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders.
- vii) The MESCOM 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.
- viii) The MESCOM shall submit to the Commission 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.
- ix) The MESCOM 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.
- x) The MESCOM 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 MESCOM shall make every effort to minimize inconvenience to consumers by strictly complying with the above directions. The Commission had indicated that it would review the compliance of directions on a monthly basis for appropriate orders.

Compliance by the MESCOM:

MESCOM has submitted that, 3 phase & single phase power supply is being arranged in all the districts of MESCOM as per the GoK Order. Scheduled outage for planned maintenance of distribution networks prior notification is being given in daily newspapers for the information of the consumers and also week ahead district wise planned maintenance of distribution networks planned maintenance of distribution networks is being publishing 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.

MESCOM has taken pro-active measures to provide information to the consumers through SMS about the time and duration of interruptions in power supply due to various reasons. MESCOM is using "URJA MITRA", the mobile based and web based application, developed and deployed by the RECTPCL under the initiative of Ministry of Power and base data required by the application is updated in the database of the application, for dissemination the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the information of the consumers through SMS it is more useful on prevent inconvenience / disruption caused to the consumers. Presently, 6.08 Lakhs consumers of MESCOM are registered and getting outage information through URJA MITRA applications.

MESCOM is striving hard to minimize power interruptions and ensure continuous power supply to its esteemed consumers. MESCOM has conducted orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply at the earliest and strictly adhering to the SoP. MESCOM has taken up strict supervision over repairs to the transformers and ensure good quality repairs.

Further MESCOM has developed in-house software for Customer Care Centre and has been publishing scheduled and unscheduled interruption details regularly helping consumers to know which type of interruption occurred and expected restoration time, etc.

MESCOM is furnishing day-ahead energy requirement in 96 blocks to SLDC Bangalore before 11 am of previous day on daily basis, duly considering previous 3 years consumption, previous day consumption, present weather conditions and any special occasions etc. Further, SLDC is giving entitlement at 5 pm on same day.

For submission of 30 Days power requirements in advance to KERC, MESCOM can consider only previous 3 years consumption data without any adjustment factor relating to weather conditions and any other special occasions which will vary instantly.

Commission's Views:

The Commission notes that, MESCOM is making use of the URJA Mitra App developed by RECTPCL for emanating messages to provide the information of scheduled and unscheduled power outages, emergency outages, restoration time, power outage extension time, etc., due to reasons such as system constraints, breakdowns of lines / equipment, maintenance etc., to the consumers through SMS. MESCOM has to take further steps to update the database with the entire consumer strength of the Company to make the App effective.

MESCOM shall extensively use the URJA Mitra mobile application, which can be used as a link between MESCOM field staff and citizens to facilitate dissemination of information on outages to all consumers through SMS. The application can also be integrated with any other system. This would significantly address the “consumers’ dissatisfaction” on this issue and prevent inconvenience / disruption caused to the consumers especially the industrial consumers. MESCOM can also save money required for development of similar software.

Further, the Commission has noted with concern that, the number as well as the duration of interruptions are increasing, causing inconvenience to the consumers. The Commission notes that, even though the power availability has improved resulting in surplus power situation, the distribution network reliability has not similarly improved, causing frequent disruptions in power supply, which causes hardship to the consumers and also revenue loss to the MESCOM. The Commission directs MESCOM to take remedial measures to minimize power supply interruptions and ensure 24 x 7 power supply. MESCOM shall submit the action plan in this regard to the Commission within 3 months of this order.

Further, it has come to the notice of the Commission that one of the main reason for power disruption is due to the failure of the Distribution Transformers. The Commission has set the SoP – an Indicative Maximum time limit for rendering service as, to restore power supply due to DTC failure within 24 Hours in City and Town areas and within 72 Hours in Rural areas. It is noted during the public hearing that the consumers have complained that the MESCOM is not adhering to the SoP fixed by the Commission. The consumers have complained on the inaction by the field officers in not attending to the minor faults and are taking longer durations for restoring the power supply. It is further noted that, poor quality of repairs also has contributed for increase in number of failure of Distribution Transformers.

Hence, the Commission directs the MESCOM to conduct orientation programmes to the field staff towards motivating them to attend to the minor faults in the field itself and restore the power supply as early as possible. MESCOM is also directed to take up strict supervision over repairs to the transformers and ensure good quality repairs and fix personal responsibility on the erring staff / officer.

While MESCOM has not mentioned anything on the conduct of orientation program / workshops to the field staff to equip and motivate them to attend to the minor faults at site itself wherever possible and restore power supply as

early as possible and the action taken on the on the erring staff / officer in case of poor maintenance and poor quality of repairs. Instead, *it is said that, MESCOM is conducting the orientation program in the field itself to attend to the minor faults.* The Commission has noted with displeasure such a vague reply by MESCOM.

Further, the Commission observes that despite directions to do so, the MESCOM is not submitting 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 MESCOM is directed to submit the same regularly to the Commission without fail.

Therefore, the Commission reiterates that the MESCOM shall comply with the directive on load shedding and submit monthly compliance reports thereon to the Commission regularly.

8) Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints

As per the directive of Commission, MESCOM has established a 24X7 Centralized Consumer Service Centre at Mangaluru and the complaints are being received from all the consumers of MESCOM at this customer care center. The consumers are requested to lodge their complaints related to electricity using helpline number '1912' For better utilization of services of customer care center and resolve their complaints. The Consumer Care Centre activities overall supervision being done by the SEE, SCADA&DCC and daily activities will look after by their subordinates.

MESCOM has developed in-house software for Customer Care Centre and is maintained by MESCOM itself and also made provision for consumers to register the complaints through this web application as 'Quick complaints.

The MESCOM has given suitable instructions to its field officers to attend the complaints efficiently in order to avoid delay.

MESCOM has provided training on 02-05-2019 to all the field staffs those who are working in the Consumer Service Centre an how to attend phone calls or complaints behave with consumer politely and also it is made tradition to give training on every month through teleconference to its field staff.

Further, MESCOM has conducted training programs to all the Power men, Section officers and Sub Divisional officers in the month of March-19 and April-19 regarding how to behave with the consumers politely and Consumer Complaint redressal mechanism through '1912' effectively.

MESCOM has already established 53 Nos of full-fledged 24 Hours service stations and 2 Nos of 12 Hours service stations have been established by providing men, material and vehicle to redress the consumer complaints.

The MESCOM has taken appropriate measures to popularize the same through local newspapers and local TV channels. Additionally, MESCOM has extended the following services to its esteemed consumers.

- **WhatsApp: 9483041912**
- **Facebook: www.facebook.com/mescomkarnataka.**
- **Twitter: www.twitter.com/MESCOM_official**
- **Website: www.mesco.in**

For public awareness, wide publicity is also being given in daily newspapers and Audio jingles are being announced in people concentrated areas like 19 KSRTC Bus stations in MESCOM jurisdiction. MESCOM has taken action to reduce average time taken to attend to the complaints and the efforts are being made to reduce the downtime.

Commission's Views:

The Commission notes that the MESCOM has established necessary infrastructure for effective redressal of consumer complaints. While taking note of the efforts made by MESCOM, it is observed that, the number of complaints are increasing year on year.

The Commission appreciates that MESCOM has developed in-house software for Customer Care Centre (CCC) and is maintaining it. The Commission, while appreciating the works of MESCOM directs other ESCOMs to take similar action which reduces the cost of development as well as the costs of maintenance.

It had come to the notice of the Commission that, complaints have poured in on the behavioral attitude of such executives working in the CCC and deployed through the Outsourcing Agency. The Commission is not happy with the reply furnished by MESCOM in respect of imparting training to the executives working in CCC. However, MESCOM shall instruct the agency to impart suitable training and continue to impart such trainings to such executives, on public relations and behavioral aspects, human relations etc., The Commission directs MESCOM to deploy Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials.

MESCOM shall bring in a system of recognizing the best performing customer care executive every week / fortnight / month and publicize such recognition so as to incentivize better performance from them. The Commission directs MESCOM to deploy a Senior Level Officers to supervise and review all the activities of the CCC, and shall take disciplinary action against erring officials / executives.

The Commission directs MESCOM that it should continue its efforts to further improve the delivery of consumer services, especially to further reduce the time required for resolving consumer complaints regarding breakdowns of lines / equipment, failure of transformers etc., resulting in interruptions in power supply. These complaints should be given prompt and effective response. The Commission also directs MESCOM to analyze the nature of complaints registered and take action to minimize the number of complaints.

It is also imperative that necessary steps are taken to continuously sensitize the field-staff about efficient handling of consumer complaints apart from improving their general efficiency.

The Commission reiterates its directive to the MESCOM to periodically publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, continue to host it on its website and also publish it through other modes, for the information of public and ensure that all the complaints of consumers are registered only through the Centralized Consumer Service Centre for proper monitoring and disposal of complaints registered. The compliance in this regard shall be furnished once in a quarter regularly, to the Commission.

9) Directive on Energy Audit:

The Commission had directed MESCOM to prepare a metering plan for energy audit to measure the energy received in each of the Interface Points and to account 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 percent in the towns / cities having a population of over 50,000, where it is above this level.

The Commission had earlier directed the MESCOM to complete installation of meters at the DTCs by 31st December, 2010. In this regard the MESCOM is 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 the work.

Compliance by the MESCOM:

MESCOM has furnished the details of Division-wise energy audit for FY19. It is found that the distribution losses of O&M Divisions of Chickamagalur, Kadur and Koppa are more than 15% and that of Bantwal is near 15%.

It is submitted that energy audit of Cities / Towns is being carried out regularly in MESCOM and the loss levels of all City / Towns except Sagar and Bantwal are below 10%.

Feeder level energy audit of MESCOM as at the end of Mar-19 and Aug-19 are furnished. Loss level of about 25 feeders is between 20% to 30% during FY19 and 30 feeders during FY20 as on August 2019.

Energy loss levels of 137 DTCs are more than 20% during FY19 and 268 DTCs during FY20 as on August 2019.

44,971 DTCs are metered out of 79,808 DTCs.

Further the following measures are being taken to reduce the distribution losses;

- Various system improvement works like re-conducting of HT / LT lines, bifurcation of feeders, construction of link lines, adding of Distribution Transformers etc.,
- replacement of old / mechanical meters by static meters are being carried out;
- Periodical maintenance on distribution lines and DT centers is also being carried out regularly.
- Action is being taken to meter the remaining DTC's in a phased manner depending on the capex proposed /approved by the Commission.
- All the field staff are directed to carry out DTC-wise tagging of installations and to submit energy audit of all metered DTCs every month.
- All the SEEs of the O & M circle have been instructed to review energy audit in monthly review meeting and to analyze the data and to take necessary action in this regard.
- Action has been taken to replace MNR meters / faulty meters and faulty CT / PTs so as to get the accurate DTCs consumption.

Commission's Views:

The Commission notes that the distribution losses in respect of Chikkamagalur, Kadur, Koppa and Bantwal Divisions and that of Bantwal Town are on higher

side and therefore, the MESCOM needs to initiate specific remedial measures to bring down the loss levels in respect of these Divisions and Towns.

The Commission had directed MESCOM to submit the monthly energy audit reports of cities / towns with detailed analysis regularly, to the Commission. However, the Commission notes with displeasure that MESCOM has not submitted the monthly energy audit reports regularly to the Commission. The MESCOM needs to conduct energy audit of identified cities / towns and on the basis of energy audit results, initiate necessary action to reduce the distribution losses and improve collection efficiency so as to achieve the targeted AT & C loss of less than 15 per cent. The MESCOM is directed to conduct such energy audit and submit compliance thereon every quarter, regularly to the Commission.

It is observed that despite providing meters to large number of DTCs, MESCOM has failed to take up DTC-wise energy audit of all the DTCs where metering is completed. The Commission notes that, though MESCOM has already provided meters to 44,971 number of DTCs, it is not known as to what prevents MESCOM from taking up DTC-wise energy audit. This shows that the MESCOM is not serious in taking up the energy audit at DTC level, despite taking up metering of the DTCs at a huge capex. MESCOM has also not submitted the compliance regarding DTC-wise energy audit. 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 Commission notes that substantial quantity of such metered DTCs are provided with Automatic Metering Infrastructure (AMI) in towns where RAPDRP works and works in other towns are completed. MESCOM has to resolve the problems with communication, incomplete tagging of consumer installations in the respective feeders / DTCs, software integration issues and other issues. Similarly, MESCOM has not furnished the information on the energy audit of all the 11 kV lines operating in its jurisdiction. The MESCOM is directed to take up

DTC-wise energy audit to facilitate initiating remedial measures for reducing distribution losses, wherever the losses are on a higher side.

The above facts, clearly indicate that the MESCOM is not serious about conducting energy audit of 11 kV lines and DTC level energy audit and running its business on commercial principles. This further, shows that the MESCOM is not interested in early resolution of the issues relating to tagging / software integration (even though it is the universal fact with all the ESCOMs, MESCOM has not spelt any strategy to resolve these issues) and to adopt accounting / auditing of energy as its core function, in spite of spending huge money on RAPDRP, TRM and many other software projects. The action taken by the MESCOM so far is not satisfactory and the Commission views with displeasure the delay in completing the tagging of consumer installations and taking up energy audit of all the feeders and metered DTCs.

The MESCOM is directed to take up energy audit of all the 11 kV feeders, DTCs, which are metered and the energy audit of major Cities / Towns and take remedial measures for reducing energy losses in the high loss-making distribution areas. The compliance in respect of energy audit conducted, with the details of analysis and the remedial action initiated to reduce loss levels shall be regularly submitted to the Commission on a quarterly basis.

Further, in spite of the Directives of the Commission, MESCOM has not furnished the details on the conduct of workshops at the Division Office level, educating the officers of all cadres on the importance of conducting feeder-wise, DTC-wise energy audit. The Commission directs MESCOM to conduct workshops at the Division Office level, educating the officers of all cadre on the importance of conducting the energy audit, feeder-wise, DTC-wise etc., and initiating the action to reduce the losses in their areas, by addressing the issues viz., consumer tagging, importance of energy metering and maintaining them in good condition, servicing all the installations strictly by providing appropriate energy meters, provide meters to the DTC's and maintain the meters in good condition, Metering of Street light installations, Replacement of electro

mechanical meters etc. An action plan on conducting such workshops shall be submitted by MESCOM within 60 days from the date of this order.

The feeder-wise and DTC-wise energy audits shall be reviewed in the review meetings at the Circle levels every month. The Copy of the proceedings of such meetings shall be submitted to the Commission, for information and further review.

The Commission notes with displeasure the non-compliances of the Directive for conducting the energy audit in respect of 11 kV lines, DTC's and LT lines and directs MESCOM to carry out the audit and submit a consolidated energy audit report for the FY20 within three months in the prescribed Formats by the Commission.

10) Directive on Niranthara Jyothi – Feeder Separation:

In view of the obvious benefits in the introduction of HVDS in reducing distribution losses, the Commission had directed the MESCOM to implement High Voltage Distribution System (HVDS) 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. It was not implemented in other MESCOM.

Compliance by the MESCOM:

MESCOM has submitted that while reviewing the compliance of the directive on '**Nirantara Jyothi – Feeder Separation**' in Tariff Order of 2019, the Commission has observed that MESCOM has taken up feeder segregation works under DDUGJY and the work needs to be expedited for early completion in order to achieve the benefits envisaged in the DPR. Further, it has also been directed to submit the 'action plan for segregation of IP feeders in remaining Circles of its jurisdiction'.

In this regard, MESCOM submitted the following details before the Commission on 13-08-2019.

- MESCOM has taken up feeder segregation works in 124 rural feeders in six taluks of Shivamogga and Chikkamagaluru Districts under DDUGJY

scheme. The target date set by the REC for completion of the works was March 2019. Later, the REC has revised the target date as September 2019. MESCOM has taken up all the measures and pursuing the agencies to complete the said work within targeted time. However, considering the practical difficulties being encountered while carrying out the works, REC has been requested to extend the target date for completion up to March 2020.

- Further, in order to implement the same in the remaining taluks of Shivamogga (Sagar, Hosnagara & Thirthahalli) and Chikkamgaluru (Chikkamgaluru, Sringeri, Koppa, Mudigere & N.R. Pura) Districts it is found that about 105 new feeders are to be proposed at a capital cost of about Rs. 985 Crores. Further, these taluks being in the Malanad areas, due to corridor constraints new HT & LT lines have to be drawn parallel to the existing lines as both IP and Non-IP loads are found together. As such, it is felt necessary to explore whether the consumers in these areas can be provided with 24x7 power supply without segregation of feeders.
- In this regard, a field report has been obtained. As per the report, 15 new substations and augmentation of 20 existing substations with appropriate re-conductoring along the corridors will possibly render MESCOM to provide 24x7 power supply with an approximate capital cost of Rs.226 Crores.
- The Energy Department, GOK, has also been informed of these facts and sought directions of the Government in this regard vide letter No. MESCOM/MD/PS/SE(Proj)/2018-19/816-823/c.29-03-2019.
- Further, in respect of Mangaluru and Udupi districts, the households are scattered and also exist in agriculture lands / farms. Moreover, these districts are already being provided with 24x7 power supply. Hence, segregation of IP and Non-IP feeders in these districts appears to be not feasible and not required.

Out of 679 Nos of Rural feeders existing in the MESCOM, 124 Nos are proposed under Nirantara Jyothi feeder segregation which is included under DDUGJY project. Presently, 54 (32+22) feeders are already commissioned, 13 Nos of feeders work completed, but yet to be commissioned. In respect of 53 Nos of feeders the work is under progress. Reasons for delay of project is due to RoW issues for drawing HT/LT line, heavy rainfall, forest/railway approvals, constraints on issuing continuous line clear etc.,

MESCOM has taken up Feeder Segregation works in Shivamogga District covering Shivamogga, Bhadravathi, Soraba & Shikaripura taluqs and in Chikkamagaluru District covering Kadur & Tarikere taluqs under DDUGJY scheme.

M/s. REC has extended the time lines for completion of said work till March 2020, considering the huge scope of work, procedural delays in Railway crossing, KPTCL approvals, forest clearances, RoW issues etc.,

Hence all measures have been taken to complete this Feeder Segregation work by March 2020.

Commission's Views

The Commission notes that the progress of work in respect of segregation of agricultural feeders is very poor and slow. MESCOM has taken up feeder segregation works under NJY / DDUGJY and the work needs to be expedited for early completion in order to achieve the benefits envisaged in the DPR, after completion of the project. The MESCOM is once again directed to complete the work within the extended period approved by the REC, without seeking further extension of time.

The Commission had directed MESCOM to submit the action plan for segregation of IP feeders in remaining Circles of its jurisdiction. The Commission takes note of the reply furnished by MESCOM in taking up the segregation works in the remaining parts of its jurisdiction and directs it to explore all possible ways of doing the work in an economical way and submit a report within 3 months from the date of this order.

Segregation of agricultural feeders is of utmost importance for reliable power supply and also helpful in assessing the energy sales to IP sets. In the absence of bifurcation of agricultural feeders, MESCOM is assessing the energy sales to IP sets on the basis of the energy meters provided to pilot DTCs predominantly feeding the IP sets. But the Commission has observed that, MESCOM has not maintained most of the energy meters feeding predominant IP sets in a good working condition. In view of the above fact the Commission hereby directs MESCOM to completed the work of segregation of agricultural feeders on time.

After the work of segregation of the feeders under NJY / DDUGJY is completed, MESCOM shall compute the IP-set consumption on the basis of energy meter readings obtained from the meters installed to the exclusive agricultural feeders, at the sub-station level. **If MESCOM fails to complete this work within the time as stipulated by REC i.e., March 2020 and do not maintain sufficient / large number of energy meters provided to DTCs of predominantly feeding IP sets, the Commission would restrict the sales to IP sets to FY19 level or any level as per its discretion and no claims in this by MESCOM will be entertained.**

Therefore, the MESCOM is directed to commission all the remaining feeders taken up at the earliest and thereafter to carry out the feeder-wise analysis to ensure that the objectives set out in the DPR are accomplished.

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

The Commission reiterates its directive that the MESCOM shall expedite implementation of feeders' segregation work and compliance report thereon shall be submitted to the Commission once in a quarter regularly, without fail.

11) 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 Irrigation Pumps with energy efficient Pumps approved by the Bureau of Energy Efficiency, at least in one Sub-Division, in its jurisdiction and report compliance thereon.

Compliance by the MESCOM:

In order to implement the agricultural DSM in MESCOM, dedicated agricultural feeders are not available. Further, under DDUGJY the feeder segregation activities have been taken up in Shivamogga and Chikkamagaluru Districts for separation of agricultural and non-agricultural loads. At present, the works are under progress.

Further, in order to replace existing inefficient irrigation pumps with energy efficient pumps, huge capex has to be made. Since, the farmer is the beneficiary, they may not be willing to share / borne the cost of energy efficient irrigation pump set, have entire cost of energy efficient pumps has to be borne by MESCOM which may in turn burden the other category of consumers.

Further, for taking up the DSM activities, MoU has been signed between BEE, KREDL and MESCOM for implementation of various activities under "Capacity Building of DISCOMs" programme of BEE which includes carrying out load research activity i.e., load survey etc., by taking up field survey etc., and to develop DSM action plan. As part of DSM activity, conducting capacity building workshops and imparting training to the MESCOM officials on DSM activities, is in progress.

Further, the load research activity has been initiated in MESCOM. With the available load survey data, MESCOM will consider best suitable model for implementation which will be beneficial to both MESCOM and farmers.

As per Govt. Order No. EN 17 VSC 2017 dated 23.11.2017, scheme of '**Off- Grid Solar Water Pumpset**' is being undertaken by Karnataka Renewable Energy Development Limited(KREDL), the responsibility of identification of beneficiaries, Supervision of the work, evaluation and inspection processes is vested with the Distribution Companies. Initially, 25 Nos of beneficiaries in each taluk of Kadur and Tarikere are allocated.

Further, KREDL has intimated, vide letter No. KREDL/07/Solar-51/SWP/SOG-02/2018/ 4232 dtd. 14.06.2018 that, the allotment made was extended to taluks throughout the State and applications registered online on Karnataka Renewable Energy Development Limited website. As on 30-10-2019, 332 Nos of Solar Water Pumps were commissioned in MESCOM jurisdiction. On behalf of all the ESCOMs, the Energy Department has taken initiative on DSM in agriculture through KREDL by providing Solar Water Pumps.

Commission's Views:

The Commission notes that the MESCOM has so far not taken any concrete action to implement the Agricultural DSM measures in its jurisdiction. The progress / status reported this year is the same as that of previous two years, that too without any appreciable change in the field. The MESCOM needs to expedite implementation of DSM measures in its jurisdiction without any further delay. There is a huge potential for energy saving in the agricultural sector which needs to be tapped as early as possible to derive the benefits of the same on completion of the project. Therefore, the MESCOM should lay strong emphasis for implementation of DSM measures with a view to conserve energy and also precious water which is of greater advantage to the farmers.

Therefore, the MESCOM should take up Agricultural DSM initiatives in its jurisdiction and submit suitable proposals to the Commission for approval as per the DSM Regulations

12) Directive on Lifeline Supply to Un-Electrified households:

The Commission had directed the MESCOM 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, shortest possible time frame (not exceeding three years) for achieving the targets, in every taluk and district. The Commission had directed that the data of un-electrified households could be obtained from the concerned Gram Panchayats and the action plan be prepared based on the data of un-electrified households.

Compliance by the MESCOM

MESCOM has identified 38,639 numbers of households to be electrified. Out of this total, it is contemplated to cover 32,971 numbers under DDUGJY scheme and remaining 5,668 numbers under Saubhagya scheme.

The number of Households electrified as at the end of the Oct-2019 is 32,300 under DDUGJY & 5,668 under Saubhagya (including 207 households are electrified through Solar Standalone system) respectively. The remaining 671 nos. of households to be electrified under DDUGJY is pending due to Corridor problem (objection by the Forest Authorities). MESCOM is striving hard to resolve the corridor issue and will be completed during Dec-2019. Progress will be submitted to Hon'ble commission at a later date.

Commission's Views:

The Commission takes note of the progress achieved in electrification of un-electrified households under DDUGJY scheme. The MESCOM needs to hasten up the progress of electrification of un-electrified households for completion of the project as stipulated by the project sanctioning / monitoring authority. If the work is not completed as per the target, it results in a substantial number of households remaining without electricity. The MESCOM should speed up the electrification work of un-electrified households and implement this programme with vigor by obtaining appropriate approvals to complete the task within the timeframe, in order to ensure that the people are provided with the basic need of electricity. The RoW issues need to be resolved by personally pursuing the matter with the revenue authorities

The MESCOM is therefore, directed to expedite the task of providing electricity to all the un-electrified households within the targeted period and report compliance to the Commission giving the details.

13) Directive on Implementation of Financial Management Framework:

The present organizational set up of the MESCOM at the field level appears to be mainly oriented towards maintenance of power supply without a corresponding emphasis on realization of revenue against the power supplied to the consumers. This has resulted in a serious mismatch between the power supplied, expenditure incurred and the revenue realized in many cases. The continued inability of the MESCOM to effectively account the input energy and its sale in different Sub-Divisions of the MESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the MESCOM, 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:

As per the directions of the Hon'ble Commission, stringent actions have been initiated by the Company with respect to Fixing of Targets, Recovery of Revenue Arrears, reduction of distribution losses, energy audit etc. The progress achieved by the Divisions are being reviewed by the higher authorities on monthly basis.

Revenue demand:

The Commission has approved the ARR of Rs.7.13 per unit for FY 2018-19. Instructions have been issued to the Divisions to achieve the targeted ARR by

100 percent metering and billing. The achievement against the targets up to 2nd quarter of FY 2019-20 are submitted by MESCOM.

On evaluation, it is observed that, in some of the Divisions where the percentage of IP set Consumers is more, the targeted ARR could not be achieved.

Revenue Collections

It is submitted that MESCOM has given target to ensure 100 percent meter reading, billing and collection of the revenue demanded in each month and has achieved collection efficiency of 99.81% during FY 2018-19. The Closing Balance Ratio of the Company is 0.99 as on 31.03.2019. Division-wise Collection efficiency and Closing balance ratio for FY 2018-19 and 2019-20 (up to October 2019) have been furnished by MESCOM.

It is evident from these details that, Company is very much nearer to achieving the target fixed for the revenue collection. The least collection is recorded in Bhadravati Division with highest CB ratio because of non-collection of demand from the Mysore Paper Mill which is a Govt. installation.

However, Company will put forth more efforts with all available resources for further reduction in Closing Balance by increasing collection efficiency.

Reduction in Distribution Losses:

The Commission has approved a distribution loss of 10.95% for FY 2018-19 against which MESCOM has achieved 10.52% which is well within the approved limit. The distribution loss levels of the Divisions for last 5 years is furnished by MESCOM.

It can be seen from these details that, the distribution loss levels are showing decreasing trend. However, the Divisions in which the recorded loss is much higher than the approved limit, instructions have been issued for further reduction of loss by replacing MNR meters, detecting theft, take up the improvement works in this regard etc.,

Further, the Commission has approved the distribution loss of 11.00% for FY 2019-20 and accordingly targets were given to the Divisions. The achievements against the target up to 2nd quarter of the year 2019-20 are furnished by MESCOM.

Commission's Views:

The Commission notes that the MESCOM has implemented the Financial Framework Model, so that the performance up to the Divisions level is analyzed. The study should be linked to the quantum of energy received, sold and costs thereon and so that the MESCOM conduct its business on commercial principles.

The Commission notes that the MESCOM has submitted data on the financial framework model, on the basis of the ARR and Distribution losses approved for MESCOM in the tariff order 2019 to all the Divisions. The commercial principles for operation of the Company, envisaged in the directives are not extended to the level of the Sub-Divisions. The MESCOM is not submitting the compliance in respect of implementation of Financial Management Framework, on quarterly basis, to the Commission, as directed.

The Commission has been receiving complaints from the consumers and stake holders about the accumulation of revenue arrears and failure to recover the long- standing arrears, causing adverse financial impact on the MESCOM's Cash flows. The Commission directs MESCOM to chalk out a stringent action plan to recover the long-standing accumulated arrears.

The Commission directs the MESCOM to review the performance of the Divisions & Sub-Divisions in terms of the energy received, sold, average revenue realization and average cost of supply using the financial framework Model. Further, the MESCOM is directed to continue 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 against each tariff category of consumers.
- c) Target revenue to be collected and achievement under all tariff categories.
- d) Target revenue arrears to be collected.
- e) Targeted distribution loss reduction when compared to previous years' losses.
- f) Comparison of high-performance Divisions in sales with low performance Divisions and implementing the best practices of best performing Divisions in the low performing Divisions.
- g) Targeted achievement in performing the energy audit, feeder-wise, DTC-wise, and the performance in achieving the reduction in energy losses of feeders, DTCs by setting right the lacunae / issues viz., tagging of consumers properly, setting right the MNR meters etc.

Based on the analysis, the MESCOM needs to take corrective measures to ensure 100 per cent meter reading, billing, and collection, through identification 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, effectively, to bring in accountability in 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. MESCOM shall identify the Sub-Divisions and Divisions which are showing high distribution losses and not collecting the required rate of ARR and take remedial measures to ensure full recovery of revenue vis-à-vis the energy drawn by such Sub-Division and Divisions.

14) Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have occurred in the State during the year 2018-19, it is seen that the major causes of the accidents are due to snapping of LT / HT lines, accidental contact with live LT / HT / EHT lines / equipment in the streets, hanging live wires around the electric poles / transformers, violation / neglect of safety measures, lack of supervision, inadequate / lack of maintenance, etc., posing great danger to human lives. Considering the above facts, the Commission hereby directs the MESCOM to prepare an action plan to effect improvements in its distribution network and implement safety measures to prevent electrical accidents. A detailed Division-wise action plan shall be submitted by the MESCOM to the Commission.

Compliance by the MESCOM:

With the aim of prevention of electrical accidents, MESCOM has already taken action for distribution of manual for "Safety / Technical Audit for Power Distribution System" prepared by the commission, to all the field officers who are maintaining the distribution network of MESCOM, and instructions have been issued to follow the guidelines issued in the said manual. The Chief Engineer (Elec) of each O&M Zone of MESCOM is designated as "Electrical Safety Officer" and have issued instruction to the Electrical Safety officer to take action to prepare the action plan on prevention of electrical accidents.

Safety gears such as earthing rods, Helmets, High voltage Detectors, Safety kits, etc., are provided to all the linemen of MESCOM and periodical training is being imparted to them to use of safety gears while working in the Distribution Network by providing safety instruction manual and various field demonstrations through trained professionals through HRD Training Centre of MESCOM.

Safety awareness created amongst all HT consumers of MESCOM during HT / EHT Consumer interaction meeting conducted in Dakshina Kannada (on 14-

10-2019), Udupi (on 15.10.2019), Shivamogga (on 17.10.2019) and Chikkamagaluru District (on 18.10.2019).

For public awareness, wide publicity is also given in the daily newspapers, giving 'Do's & Don'ts' and Audio jingles are being announced in people concentrated areas like 19 KSRTC Bus stations in MESCOM jurisdiction.

In order to prevent and reduce the number of fatal electrical accidents, MESCOM has taken measures to rectify the hazardous locations / installations and providing HT / LT protections to Distribution transformer Centre where such protections are not satisfactory.

As per the Commission's directive, MESCOM has made sincere efforts for identification of all the hazardous installations in the distribution system which is a continual process. However, MESCOM has given higher priority for rectification of hazardous installations in densely populated areas / public areas. The balance 253 identified hazardous locations are rectified. Identifying and rectifying hazardous locations is a continuous process which MESCOM is ensuring with utmost priority.

Based on the report submitted by Electrical Inspectorate analyses are being done by MESCOM and following action is being taken to prevent electrical accidents in future:

- Providing suitable size of fuse wire for LT protection kit and HG fuse units of the affected DTCs.
- to maintain vertical safe clearance between line & ground in the distribution network, intermediate pole for HT / LT line are provided and tightening of guy set wherever necessary.
- deteriorated conductor are replaced by good conductor, in the distribution network.
- Replacement of earthing for Distribution Transformer Center wherever required.

Commission's Views:

The Commission takes note of the various remedial measures including rectification of hazardous installations in its distribution network taken by the MESCOM. However, despite these measures, the rate of fatal electrical accidents involving human, animal and livestock is on an increase during FY20, which is a matter of serious concern to the Commission. The frequent occurrence of electrical accidents indicates that there is an urgent need for identification and rectification of hazardous installations, more systematically and regularly. Therefore, the MESCOM should continue to focus on identification and rectification of all the hazardous installations including streetlight installations / other electrical works, under the control of local bodies to prevent electrical accidents. MESCOM should also take up continuous awareness campaigns through visual / print media on safety aspects relating to electricity among public.

MESCOM should carry out more effective periodical maintenance works, provide and install LT protection to distribution transformers, and also ensure use of safety tools & tackles by the field-staff, besides imparting necessary training to the field-staff, at regular intervals.

The Commission is of the view that the existence of hazardous installations in the distribution network is obviously due to sub-standard works having been carried out by MESCOM without adhering to the best & standard practices in construction / expansion of the distribution network. The MESCOM needs to conduct regular safety audit of its distribution system and to carry out preventive maintenance works as per schedule of the Safety Technical Manual issued by the Commission, to keep the network equipment in healthy condition.

The Commission, reiterates its directive that the MESCOM shall continue to take adequate measures to identify and 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 its distribution

system. Further, it shall also focus on rectifying the hazardous consumer installations. Any lapse on the part the concerned officers/ officials should entail them to face disciplinary action.

MESCOM shall submit an action plan for reducing the accidents in MESCOM area, within a month of the date of this Order. The compliance thereon shall be submitted to the Commission every month, regularly.