

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Sl. No	Clause No.	Preliminary Observations made by KERC	KPTCL Response
1	1.	Annual Performance Review for FY22	
2.	1(1)	The KPTCL, in its filing of APR for FY22 has indicated an amount of Rs.269.35 Crores towards R & M expenses on Plant and Machinery (Transformers) for FY22. KPTCL shall furnish the details of R&M expenditure incurred on Plant & Machinery during FY22.	The details of R&M expenditure incurred on Plant & Machinery during FY22 is enclosed as Annexure-1.
3.	1(2)	KPTCL in Format T-9 has indicated the details of both long term capital loan and working capital loan for FY22. KPTCL shall furnish the loan-wise interest rates on the amount of loan borrowed with reference to the loan details as indicated under Note 15.1-Non Current Borrowing as per Audited Accounts for FY22.	The Statement showing Loan-wise interest rates is enclosed as Annexure-2.
4.	1(3)	KPTCL, in Format T-17, has indicated an amount of Rs.3689.97 Crores as the closing balance of work-in-progress for FY22 as against Rs.3426.52 Crores for FY21. This indicates an increase of Rs.263 Crores in one year. As KPTCL is aware, delaying the projects will lead to cost overrun impacting the tariff on consumers.	The closing balance of work in progress of Rs. 3689.97 Crores is due to huge capital investment of Rs.3296.65 Crores during the year as against Rs.2599.72 Crores during FY21. It may be seen that there is an increase of Rs. 696.93 Crores (Rs.3296.65 Cr-Rs.2599.72Cr.) . The increase in closing balance of Rs.263.45 Crores in a year works out to 37.73% of increase in capital

		Hence, KPTCL shall furnish the reasons for accumulation of huge amount under this head of account, year on year besides submitting a time bound action plan to complete the Capital works under progress, and to categorize them as assets, on a priority basis.	investment. Also, KPTCL projects are long term projects which require 18-24 months for completion. Hence, CWIP of 37.73% of increase in capital investment in a year is reasonable. At the same time, it may be seen that asset categorization has also increased by Rs. 374.72 Crores compared to previous year i.e., KPTCL has categorised assets of Rs.2815 Crores as against Rs. 2441.08 Crores in the previous year. The details of CWIP is enclosed as Annexure-3 .
5.	1(4)	Format T-18 indicates that the receivable from BESCO stands at Rs.1191.11 Crores out of the total outstanding of Rs.1448 Crores as at the end of 31.03.2022. In spite of guaranteed provisions as per the transmission agreement executed with the ESCOMs, the outstanding amounts receivable from ESCOMs is showing an increasing trend affecting the finances of KPTCL. KPTCL shall furnish the reasons for accumulation of arrears from the ESCOMs and the action plan for the realization of the same.	KPTCL is pursuing with ESCOMs to pay the outstanding transmission charges and has requested Energy Department, GoK for adjusting the transmission charges on the subsidy payable to ESCOMs. The GoK has adjusted subsidies payable to ESCOMs and has paid the same to KPTCL against the receivables in the following Orders; 1.GoK Order No. Energy/189/PSR/2022 Dated :13.04.2022- -Subsidy amount of Rs.100 Crores adjusted. 2.GoK Order No. Energy/189/PSR/2022 Dated :04.05.2022- -Subsidy amount of Rs.75 Crores adjusted. 3.GoK Order No. Energy/189/PSR/2022 Dated :01.06.2022- -Subsidy amount of Rs.69.42 Crores adjusted. 4. GoK Order No. Energy/189/PSR/2022 Dated :04.07.2022- -Subsidy amount of Rs.80 Crores adjusted. 5.GoK Order No. Energy/189/PSR/2022 Dated :12.10.2022-

			<p>-Subsidy amount of Rs.50 Crores adjusted.</p> <p>6.GoK Order No. Energy/189/PSR/2022 Dated :02.11.2022-</p> <p>-Subsidy amount of Rs.25 Crores adjusted.</p> <p>Further, based on Electricity (Late Payment Surcharge and related matter) Rules, 2022, the Gok in its Order dated: 22.08.2022 has accorded approval for availing loan of Rs.1115.24 Crores to ESCOMs to clear the transmission dues to KPTCL providing the Government Guarantee.</p> <p>As per this Order of GoK, ESCOMs have to pay the Transmission dues in 48 equal installments availing the loan from REC/Commercial Banks. Hence, it will take 48 months to clear the dues to an extent of Rs.1115.24 Crores.</p> <p>Copy of the GoK Order dated is enclosed as Annexure-4(a).</p> <p>In addition to the above mentioned persuasion, KPTCL has been constantly addressing DO letters to the concerned Managing Directors of ESCOMs duly requesting to remit the outstanding transmission charges payable to KPTCL. Copy of the DO letter addressed to Managing Director, BESCO is enclosed as Annexure-4(b).</p> <p>Further, KPTCL has filed an Original Petition OP.No. 55 of 2019 against BESCO and MESCOM before this Hon'ble Commission</p>
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			<p>with a request to direct BESCO and MESCOM to pay the transmission charges only through ESCROW arrangement as per the Government Order dated: 10.05.2005 along with directions to BESCO and MESCOM to reconcile the statement of accounts from 2014-15 onwards with KPTCL and to implement the consequential effect of such reconciliation. The matter is still pending before the Hon'ble Commission.</p> <p>Even after constant persuasion, the ESCOMs are not remitting the transmission charges regularly thus affecting the financial position of KPTCL over the period.</p>
6.	1(5)	<p>KPTCL has claimed an amount of Rs.287.33 Crores towards provision for Income Tax for FY22. As per Audited accounts, KPTCL has booked Rs.198.73 Crores as Income Tax and Rs.88.59 Crores towards Deferred Tax Liability. KPTCL shall submit the computation sheet for having booked Rs.198.73 Crores towards Income Tax for FY22.</p>	<p>The Computation sheet for having booked Rs.198.73 Crores towards Income Tax for FY22 is enclosed as Annexure-5.</p>
7.	1(6)	<p>As per Audited accounts, KPTCL had incurred an amount of Rs.12.31 Crores towards Corporate Social Responsibility for FY22. This expenditure has not been approved in the ARR for FY22. KPTCL shall furnish the details for having incurred the expenditure under this head of account besides explaining the reasons for</p>	<p>The Companies Act, 2013 provides for Corporate Social Responsibility (CSR) under section 135. Thus, it is mandatory for the companies covered under section 135 to comply with the CSR provisions in India.</p> <p>Companies are required to spend a minimum of 2% of their net profit over the preceding three years as CSR. The computation of net profit for CSR is as per Section 198 of the Companies Act,</p>

		<p>incurring the same without approval in the ARR.</p>	<p>2013. Projects or programs relating to those activities which are undertaken by the Board of directors of a company in ensuring the recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company along with the conditions that such policy will cover subjects specified in Schedule VII of the Act.</p> <p>KPTCL has developed this Corporate Social Responsibility (CSR) Policy in consonance with the CSR Policy framework enshrined in Section-135 of Companies Act, 2013 (Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (Rules) notified by Ministry of Corporate Affairs, Government of India and subsequent amendments in the (Rules) and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs, Government of India in January 2021.</p> <p>It shall apply to all CSR Projects / Programmes undertaken by KPTCL as listed in the CSR policy of KPTCL and approved by Board of KPTCL on the recommendation of CSR Committee of the Board of KPTCL, within the geographical limits of India alone, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level and preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment and achievement of</p>
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			<p>Sustainable Development Goals.</p> <p>For any point not covered by this Policy in terms of provisions of Section 135 of the Companies Act, 2013, the approval of Board of Directors is required for incurring expenditure towards Corporate Social Responsibility(CSR).</p> <p>Accordingly, during the Year 2021-22 prescribed CSR expenditure of Rs.11,97,48,129/- was spent duly obtaining approval from the Board of Directors. The details of the said CSR expenditure incurred is enclosed as Annexure-6(a).</p> <p>Rs.12.31 Crores as per Audited Accounts of KPTCL, also includes provision made during the year.</p> <p>Copy of Note 29.4(a) of Annual Report of KPTCL for FY -22 is enclosed for ready reference Annexure-6 (b).</p>
8.	1(7)	KPTCL has claimed an amount of Rs.343.13 Crores towards Terminal Benefit for FY22. KPTCL shall furnish the computation sheet for having booked the expenditure with reference to the Actuarial Valuation Report.	<p>The details for Terminal Benefits of Rs.343.13 Crores is enclosed as Annexure-7.</p> <p>The provision for Terminal Benefits is calculated based on the percentage intimated by NDCPS family pension and Gratuity Trust order dated 30.05.2022 and P&G trust order dated 19.02.2022.</p>
	2	Capex works for FY22:	
9.	2(i)	The Commission, in its MYT Order 2019 had recognized Rs.2000 Crores as capex for FY22, subject to prudence check and had considered a reasonable amount of	KERC vide its Tariff Order of KPTCL dated 30/05/2018 has recognized a Capex of Rs. 2000 Cr. for each of the years of Control period FY 20-22, subject to prudence check. Further, it

	<p>Rs.1500 Crores towards loans for determination of ARR and transmission tariff computation. Further, the Commission had directed the KPTCL that, if it requires any additional capex, it shall incur the same through re-appropriation of the amounts saved in other heads of expenditure, with proper justification.</p> <p>KPTCL in its APR filing for FY22, has stated, that KPTCL has incurred a capex of Rs.3014.13 Crores, which is in excess of the approved capex for FY22.</p> <p>In view of the above, KPTCL shall furnish the following details:</p> <p>i. Reasons for exceeding capex of Rs.2000 Crores for FY22 without approval of the Commission along with quantified Justification in respect of the following objectives as cited in the MYT Order 2019:</p> <ul style="list-style-type: none"> a) To meet additional load; b) To improve voltage profile; c) To take up Green Energy Corridor Projects; d) To strengthen the Bengaluru city transmission network; e) To facilitate 24/7 power supply by ESCOMs 	<p>is also stated that, "KPTCL shall not approach the Commission in the middle of the year for any additional capex requirement". KPTCL is taking up capital works year on year. It is to be noted that the Right of Way (RoW) issues for establishing transmission corridor is increasing year on year along with increase in payment towards compensation for land. Further, there is increase in costs of material and labour for construction of stations and lines as per revised IEEMA rates.</p> <p>As such, the net present value of the investments which are made for future requirement needs to be considered by the Hon'ble Commission.</p> <p>The work-wise objectives in case of investments on works costing more than Rs.3 Crores has been submitted to KERC for conducting prudence check. All the works taken up by KPTCL to meet additional load would also simultaneously result in improved voltage profile. The list of works costing more than Rs.3 Crores for FY22 is enclosed as Annexure- 8.</p> <p>Further, the details of Green Energy Corridor projects, Strengthening of Bengaluru city transmission network and works facilitating 24x7 power supply to ESCOMs are enclosed as Annexure -9a, 9b, 9c.</p>
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	2(ii)	The source of funding of the actual capital expenditure of Rs.3014.13 Crores incurred during FY22;	KPTCL follows the norms determined by KERC for funding its capital expenditure i,e 70% through debt and 30% by internal resources. The details of borrowings source wise from commercial banks are provided in Annexure T-9 to the APR application. The internal resources are through retained earnings and Grants.
	2(iii)	The work-wise break up details of "Green Energy Corridor Projects Phase-I & Phase-II" along with Central Financial Assistance (CFA) and capex incurred on these works in FY22 and CFA/Central grant received in FY22 and till date separately;	The work-wise and year wise break up details of "Green Energy Corridor Projects Phase-I & Phase-II" along with Central Financial Assistance (CFA) is enclosed as Annexure- 10
	2(iv)	The details of works in respect of Stations and Lines as per Annexure-1.	The details of works in respect of Stations and Lines as per the format prescribed by the Commission is enclosed as Annexure-11.
	2(v)	Breakup of Capital expenditure for completion of Stations, Lines and other works as per Annexure-2.	The breakup of Capital expenditure for completion of Stations, Lines and other works in the format prescribed by the Commission is enclosed as Annexure-12.

	<p>2(vi) MVA Added in Augmentation works as per the progress furnished in Table-9 in comparison with progress indicated in the Table-7.</p>	<p>The total MVA added in Augmentation works of FY22 is as furnished below;</p> <table border="1" data-bbox="1317 225 1989 507"> <thead> <tr> <th>Particulars</th> <th>Achievement (Nos.)</th> <th>MVA added</th> </tr> </thead> <tbody> <tr> <td>220KV</td> <td>7</td> <td>550</td> </tr> <tr> <td>110KV</td> <td>58</td> <td>635</td> </tr> <tr> <td>66KV</td> <td>107</td> <td>701.4</td> </tr> <tr> <td>Total</td> <td>172</td> <td>1886.4</td> </tr> </tbody> </table>	Particulars	Achievement (Nos.)	MVA added	220KV	7	550	110KV	58	635	66KV	107	701.4	Total	172	1886.4																
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3(1)	<p>The KPTCL has filed actual voltage-wise losses for FY22 as detailed below:</p> <table border="1" data-bbox="510 743 958 1002"> <thead> <tr> <th>Voltage (in kV)</th> <th>Losses (in %)</th> </tr> </thead> <tbody> <tr> <td></td> <td>FY22</td> </tr> <tr> <td>400 kV</td> <td>0.260</td> </tr> <tr> <td>220 kV</td> <td>1.473</td> </tr> <tr> <td>110 kV</td> <td>0.336</td> </tr> <tr> <td>66 kV</td> <td>0.919</td> </tr> </tbody> </table> <p>The KPTCL had earlier submitted the actual voltage-wise losses for the FY19 to FY21 as detailed below:</p> <table border="1" data-bbox="349 1206 1122 1394"> <thead> <tr> <th rowspan="2">Voltage (in kV)</th> <th colspan="3">Losses (in %)</th> </tr> <tr> <th>FY19</th> <th>FY20</th> <th>FY21</th> </tr> </thead> <tbody> <tr> <td>400 kV</td> <td>0.325</td> <td>0.288</td> <td>0.292</td> </tr> <tr> <td>220 kV</td> <td>1.506</td> <td>1.507</td> <td>1.440</td> </tr> <tr> <td>110 kV</td> <td>0.381</td> <td>0.393</td> <td>0.339</td> </tr> </tbody> </table>	Voltage (in kV)	Losses (in %)		FY22	400 kV	0.260	220 kV	1.473	110 kV	0.336	66 kV	0.919	Voltage (in kV)	Losses (in %)			FY19	FY20	FY21	400 kV	0.325	0.288	0.292	220 kV	1.506	1.507	1.440	110 kV	0.381	0.393	0.339	<p>Transmission losses of any transmission network are dynamic in nature. Transmission losses variation depends on the quantum of energy flow and the direction in which the flows take place. It is for this reason the Commission has indicated the range of losses within which the transmission network has to operate.</p> <p>The increase in 220 kV losses over the previous year loss of 1.440 is marginal i.e 0.03% and need not always follow a reduction path at all voltage levels.</p> <p>It may be seen that the transmission losses for the entire network of KPTCL is well within the range prescribed by the Commission for FY 22. Year on year the losses at different voltage levels are fluctuating. However in FY 22 losses in other voltage levels except 220 kV have come down as compared to FY 21. The average transmission losses are in reducing trend</p>
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66 kV	0.949	0.941	0.968
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It is seen from the above Table that during FY22, there is increase in loss levels in respect of 220kV transmission system. Hence, Commission directs KPTCL to furnish the reason for increase in the transmission losses under 220KV voltage class for FY22 over FY21.

The Commission, in its Tariff Order dated 04.11.2020, has directed the KPTCL to conduct a detailed study in the matter of higher transmission losses at 220 kV level and submit a report to the Commission, within three months from the date of issue the Order, which has not been complied with by KPTCL so far. Hence, KPTCL was directed to submit the study report to the Commission by 15.01.2022 positively. However, the KPTCL has submitted an analysis report on 12.10.2022 giving the details of comparison of losses with other States. But, KPTCL was directed to conduct a study on the losses and submit a report. Hence, KPTCL shall entrust the study to a third party to study the reasons for higher transmission loss at 220 kV level and submit a report to the Commission, by the end of February 2023.

from FY 19 onwards as noted below,

- FY 19 - 3.161%
- FY 20 - 3.129%
- FY 21 - 3.025 %
- FY22 - 2.978 %

Further, the transmission loss for the current year upto August is **2.992 %** as against the target of **2.864%** fixed by the Hon'ble Commission.

As directed by the Hon'ble Commission, KPTCL will initiate action to entrust a third party to study the reasons for higher transmission loss at 220 kV level and submit a report to the Commission.

3(2)

In the tariff application filed by the KPTCL, the energy to be handled has been clubbed into one figure as 73416.388 MU which includes EHT, IPP and ESCOM energy consumptions and the energy transmitted at IF points with ESCOMs is shown as 64887.292 MU.

Energy Consumption (in MU)		
EHT	IPP	ESCOMs IF points
6694.773	1834.322	64887.292

The ESCOMs, in their tariff applications have filed the requirement of energy at IF points after deducting the transmission losses, as detailed below:

Energy Consumption by ESCOMs at IF Point for FY22 (in MU)					
BESCOM	MESCOM	CESC	HESCOM	GESCOM	Total
30084.58	5681.01	7537.42	13700.8	8749.50	65753.31

Whereas, as per KPTCL filing the ESCOM's energy at Interface point is 64887.292, including energy drawn by ESCOM at 11kV and 33kV IF points, which also includes wheeled energy, auxiliary consumption of 33

The energy requirement of ESCOM'S segregated in the prescribed format is as below.

Sl. No.	Name of the ESCOMs	Energy in MU at IF points for FY-22
1	BESCOM	34756.176
2	MESCOM	6143.097
3	CESC	8202.522
4	HESCOM	14738.948
5	GESCOM	9575.642
TOTAL		73416.385

It may be noted that during the reconciliation of energy held with ESCOM's, total Energy consumption of all ESCOM's is 73416.385MUs which is inclusive of Energy drawn under STOA, Auxiliary, Wheeled Energy and Railway Traction.

KV and above stations and energy drawn under STOA.

In order to arrive at the actual requirement of ESCOMs (which is based on their sales), KPTCL shall segregate the energy requirement figures and furnish the same in the following format:

Name of the ESCOMs	Energy in MU at IF points for FY22
BESCOM	
MESCOM	
CESC	
HESCOM	
GESCOM	

3(3)

Further, as per the Energy Flow Diagram under Form T19, the energy at different voltage-wise, interface points of ESCOMs may be indicated duly reconciling the same with the ESCOMs by indicating the energy at each IF points.

Revised Energy Flow Diagram under Form - T19 is enclosed as **Annexure-13.**

3(4)

The details of Transmission loss levels as per the target and approved losses for FY22 are as follows:

	Approved Transmission Loss in %	Actual Transmission Loss in %
Upper Limit	3.028	
Average	2.978	2.987
Lower Limit	2.928	

The details of Transmission loss levels as per target and approved losses for FY-22 are as follows:

	Approved Transmission Loss in %	Actual Transmission Loss in %
Upper Limit	3.028	
Average	2.978	2.987
Lower Limit	2.928	

		KPTCL shall explain the reasons for not achieving the target fixed by the Commission.	<p>The Actual transmission Loss for FY22 is 2.987% which is within the Upper and lower limits of the Transmission Loss levels approved by the Hon'ble Commission.</p> <p>Transmission losses are dynamic in nature. For the same reason commission fixes a range within which the utility is expected to maintain the losses. Accordingly KPTCL is maintaining its losses well within the range fixed by KERC.</p> <p>Further, as directed by the Hon'ble Commission, KPTCL will initiate action to entrust a third party to study the reasons for higher transmission loss and submit a report to the Commission.</p>
	4	Transmission System Availability:	
	4(i)	i) The Commission has observed the following while computing the Transmission system availability:	
		a.The reasons for unscheduled interruption for BTPS-Guttur line and Thallak-Challakere Line-1 (Tumakuru Zone) for 331.60 Hours and 1178.07 Hrs. respectively, may be furnished.	The event-wise reasons for unscheduled interruption for BTPS-Guttur and Thallak-Challakere#1 for 331.60 Hours and 1178.07Hours (Tumkur zone) are attached in Annexure-14.
		b.The percentage availability of Static VAR Compensators has been considered as 95.88% as against 94.60% in Format 'F-5 abst New' of TSA for Bengaluru Zone, resulting in TSA for the system as	The percentage availability of Static VAR Compensators has been wrongly considered. However, the formula for calculating Transmission System Availability (TSA), does not include this Static VAR Compensators data.

		99.43% as against 99.40%.	As such, the overall Transmission System Availability for the State remains un-changed at 99.43%.
		c. The availability of BUS reactors in Format 5 in Bagalkote Zone has been considered as 0.00 as against 100%. The same may be corrected.	There is no Un-scheduled interruption of Bus Reactors during FY 2021-22. Since the link was missing in Format-5 "ABSTRACT" it is taken as "0"%.The availability of BUS reactors in Format-5 in Bagalkote zone is re-corrected as 100% in Format-5. Transmission System Availability for the system remains un-changed.
		KPTCL shall submit the details of all the forced outages faced by RE generators for want of transmission network and suitable action plan to address them suitably.	The SLDC issues back down instructions to RE generators as part of grid operations to ensure grid security and maintain the frequency in the permissible limits in terms of IEGC/KEGC. Other than the above events and outages during scheduled maintenance, no forced outages are imposed on RE generators.
	4(ii)	<p>Status of Working Capacitors:</p> <p>The Commission, while perusing the status of working capacitors as submitted by KPTCL, has observed that no. of capacitor banks installed at the end of March, 2022 are 1871 whereas the number of capacitors working at the end of the month are 1776. Further, total installed capacity in MVAR at the end of the month is 8742.45 MVAR, whereas total working capacity in MVAR at the end of March, 2022, is 7605.20 MVAR which works out to 86.99% of the total installed</p>	It is to inform that, the total number of installed Capacitor Banks at the end of November 2022 is 1933, out of which 1839 numbers of capacitor banks are working, (95.14% of installed numbers). During the month of November 2022, 13 numbers of capacitor banks have developed problems whereas 20 numbers have been restored to service. Further the total installed capacity in MVAR as at the end of November 2022 is 8904.86 MVAR out of which 7826.88 MVAR is in service, (87.89 % of installed capacity). Statement of the same at the end of November 2022 is enclosed as Annexure-15(a)

	<p>capacity.</p> <p>Accordingly, KPTCL is required to submit the following details:</p> <p>a. The main reasons for failure of capacitors and actions taken to reduce it;</p> <p>b. Average number of days taken for replacement of faulty capacitors;</p> <p>c. Average percentage of spare capacitor of each type in terms of physical dimension and rating together with associated equipment/components of capacitor bank available for replacement of failed capacitors.</p> <p>d. Action plan for restoring the remaining failed capacitors;</p>	<p>a) Capacitor Banks are kept out of service due to faulty cells, CTs, Breakers, Neutral Balance Relays (NBR) etc. The main reasons for failure of capacitors are due to over Voltage, Aging factor, insulation failures due to lightening and simultaneous switching surges.</p> <p>Action has been taken by CEE Transmission zones for replacing failed capacitors from available spares/procurement of new capacitors.</p> <p>b) Depending on the availability of the materials, minimum of 3 days to maximum of 60 days has been taken to restore the faulty capacitor bank. Higher numbers of days have been taken in case the materials needed to be procured through tendering.</p> <p>c) Procurement of Spares is being done in O/o. CEE/SEE/EE within their power of delegation, since capacitor cells of same dimension, rating, make & type are to be procured for matching the existing ones.</p> <p>An average of 1 to 3% of spare Capacitor Cells of particular dimension/ rating is being maintained in all transmission zones.</p> <p>After any replacement of the failed equipments, it is being recouped within maximum of 30 days.</p>
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			<p>d) It may be noted that, around 154 number of capacitor banks have been restored and about 163 number of capacitor banks have developed problem in past one year. Restoration process is being done continuously.</p> <p>Month-wise details of capacitor banks failed and restored is enclosed as Annexure-15(b)</p>
	5	Annual Revenue Requirement for FY24:	
		<p>O&M Expenses: KPTCL in its filing, as per the GO dated 15.11.2022 and 24.11.2022, has claimed Rs.2734.10 Crores towards GoK portion of Pension and Gratuity Expenditure in contravention of the existing provisions of Karnataka Electricity Reforms (Transfer of Undertakings of KPTCL and its Personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002. The Commission, in its earlier tariff orders, while approving the ARR of the KPTCL & ESCOMs has made its stand very clear on the issue that, the same has to be borne by the Government. Despite this, KPTCL has claimed a huge amount to be passed on to the consumers, without proper justification. KPTCL shall furnish the reasons for claiming the past arrears pertaining to GOK portion of P&G contribution amount in its APR for FY22, which is in contravention of the</p>	<p>GoK vide G.O. dated 15/11/2022 has directed following :</p> <ol style="list-style-type: none"> 1) To Amend the existing provision of Karnataka Electricity Reforms (Transfer of Undertakings of KPTCL and its Personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002 for Rule 4(13)(1). 2) To Claim GoK portion of pension and gratuity from FY 2023-24 onwards in KPTCL and ESCOMs' Tariff and transfer the same to P&G trust. 3) To claim the arrears of GoK portion of pension and gratuity contribution of Rs.3353.27 Cr. for the year 2021-22 and 2022-23 in three equal installments in the Tariff. Further, GoK vide its amendment dated 24/11/2022, stated that, the point No. 2 and 3 may be read as below : <ol style="list-style-type: none"> 2) To Claim GoK portion of pension and gratuity from FY 2023-24 onwards in KPTCL's Tariff and transfer the same to P&G trust. 3) To claim the arrears of GoK portion of pension and gratuity

	existing provisions of KER Rules, 2002.	contribution of Rs.3353.27 Cr. for the year 2021-22 and 2022-23 in three equal installments in KPTCL's Tariff and transfer the same to P&G trust.
5(1)	KPTCL, in its APR filing has claimed Rs.30.57 Crores towards SLDC charges for FY22. KPTCL shall furnish the copy of the Trial Balance of SLDC for FY22 in support of its claim.	The copy of SLDC Trial balance for FY 2022 for having claimed Rs.30.57 Crores towards SLDC charges for FY22 is herewith enclosed Annexure-16 .
5(2)	KPTCL in its filing has claimed an amount of Rs.5.33 Crores disallowed in respect of imprudent works by the Commission for FY20 and FY21 which are now stated to be prudent. As those works were identified as imprudent works and the Commission has disallowed the interest and depreciation on such assets while approving the APR of FY20 and FY21, the disallowance would have continued for future years as well, had the works been continued to be imprudent. The disallowance will not be applicable from the year in which the expenditure on the works have become prudent. Hence, the question of allowing the disallowed amount of Rs.5.33 Crores for FY20 & FY21 does not arise. KPTCL shall furnish the reasons for claiming such amount in the current APR for FY22.	<p>With respect to the work of Establishing 2x31.5MVA, 66/11KV Badanaguppe Sub-Station with associated line in Chamarajnagar Taluk, work was taken up based on the specific request of KIADB and specific direction from the Government of Karnataka with the commitment that Industrial development would take place in the areas connected to Badankuppe Station. At present, 5 Nos. of feeders are charged. Further, ESCOMs have been informed to utilize the feeders for optimum loading of the station as the responsibility of taking the 11KV loads lies with CESC.</p> <p>With respect to Establishing 2x8MVA, 66/11KV SS Malladihalli with construction of 11.538 Kms 66KV SC line on DC towers from proposed 220KV Station, Benkikere to proposed Station in Hosadurga Taluk, work was taken up to reduce the loads on existing 66KV Holalkere and Ramagiri SS. The station was</p>

		<p>completed and line work was delayed due to severe RoW issues. The 220/66KV Benkikere Station was commissioned on 15.02.2022 and the load was shifted from Honnalli to Benkikere on 17.02.2022.</p> <p>At present, all the eight Nos. of 11KV feeders are charged and station peak recorded is 120Amps (12 MW). Also, the existing two nos. of 8MVA Power Transformers are augmented to 12.5MVA owing to load growth. The subject power transformer No.1 and 2 were commissioned on 16.04.2022 and 11.10.2022 respectively.</p> <p>From, the above facts it is to be noted that these two works are Prudent and hence had requested the Commission to allow Rs.5.83 Crores for FY22 in APR application and not for FY20 and FY21.</p>
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**Financial Advisor
Regulatory Affairs**