

APPENDIX

REVIEW OF COMPLIANCE OF THE DIRECTIVES ISSUED BY THE COMMISSION

The Commission, in its earlier Tariff Orders and communications had issued several directives for compliance by the MESCOM. An analysis of such directives, their compliances and the Commission's views thereon are as under:

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

The Commission had directed that the MESCOM shall ensure that Consumers' Interaction Meetings 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 also made clear that, if the MESCOM fails to ensure conduct of the Consumer Interaction Meetings as directed, the Commission would consider imposing a penalty of upto Rs one lakh per O&M sub-division per quarter for each instance of non-compliance, and also directed that such penalty shall be recovered from the concerned Superintending Engineer, who fails to conduct such meetings.

Compliance by the MESCOM:

The MESCOM has conducted consumer interaction meetings chaired by the concerned Superintending Engineers of O&M Circle, in the subdivisions. The progress in this regard was submitted to the Commission in the Review Meeting held on 25.10.2017, in the Commission.

April to June 2017

| Sl. No | Name of O&M Circle | Sub-divisions | No. of meetings conducted in subdivisions | No of complaints received | No of complaints resolved at the meeting | No of complaints resolved after words |
|--------------|--------------------|---------------|---|---------------------------|--|---------------------------------------|
| 1 | Mangaluru | 20 | 10 | 76 | 61 | 15 |
| 2 | Udupi | 11 | 7 | 37 | 32 | 5 |
| 3 | Shivamogga | 16 | 12 | 63 | 52 | 11 |
| 4 | Chikkmagaluru | 11 | 7 | 32 | 27 | 5 |
| Total | | 58 | 36 | 208 | 172 | 36 |

July to Sept 2017

| Sl. No | Name of O&M Circle | Sub-divisions | No. of meetings conducted in subdivisions | No of complaints received | No of complaints resolved at the meeting | No of complaints resolved after words |
|--------------|--------------------|---------------|---|---------------------------|--|---------------------------------------|
| 1 | Mangaluru | 20 | 14 | 98 | 80 | 18 |
| 2 | Udupi | 11 | 8 | 47 | 32 | 15 |
| 3 | Shivamogga | 16 | 10 | 39 | 36 | 3 |
| 4 | Chikkmagaluru | 11 | 6 | 33 | 16 | 17 |
| Total | | 58 | 38 | 217 | 164 | 53 |

It is submitted that, all the subdivisions in the circles were not covered due to attending of other important meetings by the SEs they were not available to chair consumer interaction meetings in the subdivisions.

The Commission has permitted the EEs to chair the consumer interaction meetings whenever the SE is not available due to official engagements. Therefore, in future the MESCOM will conduct consumer interaction

meetings covering all the subdivisions. Also, all the complaints received by the MESCOM were resolved on the spot /within the agreed time.

Further, instructions were given to the SEs and the EEs to conduct such meetings by giving wide publicity through newspaper, Emails etc.

Commission's Views:

The Commission observes that the MESCOM has not covered all the subdivisions while conducting consumer interaction meetings citing the reason that the concerned SEs were drafted to attend other important meetings. The action of the MESCOM is not conducting quarterly consumer interaction meetings in some of the subdivisions is not acceptable, keeping in view that addressing the grievances of the consumers is extremely important and it has to be accorded top priority. The Commission notes with displeasure that the MESCOM is not serious in conducting the meetings to resolve the complaints as per the directives issued.

Further, the Commission in the KPTCL and ESCOMs' Review Meeting held on 25.10.2017, had directed the ESCOMs to conduct the consumer interaction meetings once in a quarter in the subdivisions chaired by either the jurisdictional Superintending Engineer or the jurisdictional Executive Engineer in order to effectively redress the consumer grievances. In contrast, if the consumer interaction meetings are not held in the subdivisions or if such meetings are held without the participation of the SEE or the EEs, then it will be construed that the ESCOMs are not serious in complying with the directives issued by the Commission.

Therefore, the Commission reiterates its directive to the MESCOM to conduct consumer interaction meetings chaired by either the jurisdictional SE or the jurisdictional EE once in a quarter, to hear the consumers' grievances relating to supply of electricity and to redress them and submit compliances thereon to the Commission once in a quarter regularly.

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 had directed that the MESCOM to ensure 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. That MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted monthly from May, 2017 onwards, to the Commission, regularly.

Compliance by the MESCOM

The MESCOM has been billing HT/EHT consumers who are importing power from power exchange under Open Access in 15 minutes' block, from April, 2017 onwards, as directed by the Commission. There are 15 consumers in MESCOM area under HT/EHT category and the result of billing on 15 minutes' time block is preventing the revenue losses to MESCOM. The extra energy drawn from the MESCOM during any 15 minutes' block of a day is billed under tariff of that category of consumer who opts for open access for procurement of Power through power exchange.

Commission's Views

The Commission notes that the MESCOM has complied with the directive by initiating preparation of energy bills on monthly basis considering 15 minute's time block in respect of EHT/HT consumers importing power through power exchange under Open Access from April, 2017 onwards. It is seen that the introduction of 15 minute's billing has resulted in significant quantum of energy being billed to the Open Access consumers every month ensuring 100 per cent billing of the scheduled units vindicating the stand taken by the Commission in directing the ESCOMs to prepare monthly HT/EHT consumer bills on 15 minute's time block period to prevent revenue loss to MESOM by 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 units scheduled/consumed and illegally banked energy if any.

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

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

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

Compliance by the MESCOM:

The MESCOM has submitted that it is insisting all its power seeking consumers to install only BEE 5 star rated equipment in their premises on a regular basis. This has yielded results in various division /subdivision/section levels. The consumers are being educated to use only 5 star rated equipment to reduce power consumption.

Commission's Views

The Commission observes that, the MESCOM has not submitted the compliance regularly on 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 provide 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.

Further, there is an urgent need to take up awareness programs on a continuous basis, to educate the consumers about the benefits of using the energy efficient appliances by them to ensure more penetration of energy efficient appliances in their homes.

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

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

The Directive was:

“The MESCOM is directed to strictly implement the specified Standards of Performance while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004. Further, the

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

| Nature of Service | Standards of performance (indicative minimum time limit for rendering services) | Primary responsibility centres where to lodge complaint | Next higher Authority | Amount payable to affected consumer |
|-------------------|---|---|-----------------------|-------------------------------------|
|-------------------|---|---|-----------------------|-------------------------------------|

The MESCOM shall implement the above directive within one month from the date of the Order and report compliance to the Commission regarding the implementation of the directive."

Compliance by the MESCOM;

The MESCOM has officially uploaded in its website the parameters of Standards of Performance as per the KERC (Licensee's Standards of Performance) Regulation, 2004. Further, action has been taken to display the parameters of Standards of Performance in all the 58 subdivisions and instructions are issued to display the same in O&M sections. The periodical reports are being sent to the Commission regularly.

Commission's Views

The Commission notes that the MESCOM has taken action to display the details of SoP in all its O&M subdivisions for the information of public/consumers. However, as seen from its compliance, it is yet to display the details of SoP at the O&M section offices. The Commission reiterates that the MESCOM shall arrange to display the details of SoP in all the O&M offices immediately and also continue to adhere to the specified

standards of performance in rendering various services to consumers in a time bound manner.

Further, the Commission directs the MESCOM to have effective supervision over the functioning of field officers particularly in rendering services to the consumers, relating to supply of electricity.

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:

The Directive issued was:

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

Compliance by the MESCOM:

The MESCOM has issued safety equipment /materials to all 3119 of its lineman working on distribution network. Further, recently training program was arranged to section officers and above level, by roping in senior and

experienced officers of the MESCOM at the following places, to instruct their linemen to use safety gear and earthing the system for safety while working on distribution line.

| | |
|---------------|--------------|
| Udupi | :12.09.2017 |
| Puttur | : 22.09.2017 |
| Sagar | : 07.10.2017 |
| Shivamogga | : 27.10.2017 |
| Mangalore | : 02.11.2017 |
| Chikkmagaluru | : 07.11.2017 |

Further, November, 2017, is declared by the MESCOM as safety month and all AEEs/AOs were deputed to all 227 O&M sections to impart training to field staff on safety aspects during the month. Awareness is also being created to avoid electrical accidents in future and also feedback report is taken from the participants during such safety meetings.

Commission's Views

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 MESCOM should not deviate from this important requirement.

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

6. Directive on Providing Timer Switches to Streetlights by the ESCOMs;

The directive issued was as follows:

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

Compliance by the MESCOM:

The MESCOM has initiated the tender for providing timer switches to 18,326 single phase streetlights and 525 three phase streetlight control points in its area. The tender was called in the E-procurement mode on 04.08.2017. The Techno-commercial bids were opened on 31.10.2017 and 07.11.2017 and evaluation of the same is under process.

Commission's Views:

The Commission observes that so far the MESCOM has not installed timer switches to streetlight installations in its jurisdiction for ensuring prompt control of the same at scheduled time to ensure avoidance of wastage of electricity.

Further, it is observed that the MESCOM has not taken any action for installing the timer switches at its cost and later recover the amount from the concerned local bodies. It appears that the MESCOM is very slow in taking action to install timer switches as can be seen from the process of tendering which has commenced only in October 2017. Therefore, going by the poor progress, the Commission is of the opinion that the MESCOM is not serious in installing the timer switches.

The Commission reiterates that the MESCOM shall provide timer switches to the existing streetlights and also directs the MESCOM to ensure that, all the new streetlight installations to be serviced and any extension/modification to be carried out to the existing streetlight installations shall be serviced only with timer switches besides taking necessary action. The compliance in this regard shall be submitted once in a quarter regularly to the Commission.

7. Directive on load shedding:

The Commission had directed that:

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

6. Load shedding should be carried out in different sub-stations / feeders to avoid frequent load shedding affecting the same sub-stations / feeders.
7. The ESCOMs should review the availability of power with respect to the projected demand for every month in the last week of the previous month and forecast any unavoidable load shedding after consulting other ESCOMs in the State about the possibility of inter-ESCOM load adjustment during the month.
8. The ESCOMs shall submit to KERC their projections of availability and demand for power and any unavoidable load shedding for every succeeding month in the last week of the preceding month for approval.
9. The ESCOMs shall also propose specific measures for minimizing load shedding by spot purchase of power in the power exchanges or bridging the gap by other means.
10. The ESCOMs shall submit to the Commission sub-station-wise and feeder-wise data on interruptions in power supply every month before the 5th day of the succeeding month.

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

Compliance by the MESCOM

Before carrying out planned maintenance of distribution network, prior notification is being given in daily newspaper for the information of the consumers. In cities, a scheduled day in a week is fixed for planned maintenance works and all defects in the distribution network are attended on that day itself. Breakdown in system due to wind and rain is

attended expeditiously to avoid long duration of interruptions. The load shedding of urban /rural 11KV feeders are carried out as per GoK order. Unplanned load shedding is done to avoid the major mismatch between demand and supply as per the direction of the SLDC.

Commission's Views

The Commission notes from the submission of the MESCOM that it has not taken any proactive action to provide information to the consumers through SMS about the time and duration of interruptions in power supply due to various reasons. The MESCOM needs to expedite this process as the consumers have to be informed through SMS in addition to notification in newspaper media regarding load shedding due to reasons such as system constraints, breakdown of lines/equipment, maintenance etc.

Further, the Commission observes that despite directives 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.

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

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

The directive was:

“The MESCOM is directed to put in place a 24x7 fully equipped Centralized Consumer Service Center at its Headquarters with a state of the art facility/system for receiving consumer complaints and monitoring their redressal so that electricity consumers in its area of supply are able to seek and obtain timely and efficient services/redressal in the matter of their

grievances. Such a Service Center shall have adequate number of desk operators in each shift so that consumers across the jurisdiction of MESCOM are able to lodge their complaints directly with this Centre.

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

The MESCOM shall publish the details of the complaint handling procedure / Mechanism with contact numbers in the local media periodically for the information of the consumers. The compliance of the action taken in the matter shall be submitted to the Commission within two months from the date of this Order.

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

Compliance by the MESCOM

A 24x7 fully equipped centralized consumer service center for redressal of consumer complaints has been operationalized in MESCOM at Kadri,

Mangaluru from April, 2017. The helpline telephone number is 1912. All the consumers' complaints are registered with a docket having unique ID number. The operators will pass on the consumer complaints to respective sections /subdivisions to attend and simultaneously the message would be passed on to consumer mobile number. If the consumer informs that his complaint is not attended properly, then the same complaint will be re-attended. The number of complaints attended and status of pending complaints are being reported regularly to higher authorities.

Further, the MESCOM has also established fully equipped service stations in all the 35 subdivisions to address the consumer complaints related to supply of electricity.

The MESCOM has agreed with Karnataka State Road Transport Corporation (KSRTC) for audio clip to be announced in 12 number of KSRTC bus stands in MESCOM area. Regarding the compliant handling procedure under helpline 1912, around 58,000 brochures have been printed and distributed to consumers through subdivisions /sections, containing the procedure for bill payment, complaints handling, safety measure and energy saving tips for creation of wide awareness to consumers.

Commission's Views

The Commission notes that the MESCOM has established a 24x7 fully equipped centralized consumer service center for effective redressal of consumer complaints but it has to continue its efforts in further improving the delivery of consumer services especially in reducing time required for resolving consumer complaints which on breakdowns of lines/equipment, failure of transformers etc., which resulting in interruptions in power supply should be given prompt and effective response. It is also imperative that necessary steps are taken to continuously sensitize field-staff about efficient handling of consumer complaints apart from improving their general efficiency.

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

9. Directive on Energy Audit

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

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

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

Compliance by the MESCOM

The MESCOM is submitting the following data on metering of DTCs as on October 2017.

| No of DTCs existing in the MESCOM | No. of DTCs metered as on October 2017 | No. of DTCs yet to be metered. |
|-----------------------------------|--|--------------------------------|
| 61,971 | 38,597 | 23,374 |

Action is being taken to provide meters to the remaining DTCs in phased manner depending on the capex proposed /approved by Commission.

Further, action has been taken to carryout DTC-wise energy audit and analyze the loss levels in around 9,000 metered DTCs.

Further, the energy audit of 11kV feeders is being submitted to the Commission regularly on a monthly basis. However, the energy audit as per the approved formats is not prepared due to improper data being fetched from the metered DTCs. The communication issue is creating instability due to the reasons that rural area is not properly linked by the communication network. However, the MESCOM is striving hard to get DTCs' meter data remotely in time to match with that of consumer data.

City & Town- Energy Audit

| Sl. No. | City-Town | FY17 | FY18 (up to Aug-17) |
|---------|---------------|-------|------------------------|
| 1 | Mangaluru | 3.94 | 3.30 |
| 2 | Udupi | 4.16 | 6.85 |
| 3 | Shivamogga | 6.22 | 6.94 |
| 4 | Bhadravathi | 10.47 | 10.39 |
| 5 | Sagar | 5.97 | 5.41 |
| 6 | Chikamagaluru | 9.42 | 9.86 |
| 7 | Puttur | 6.10 | 2.35 |
| 8 | Bantwal | 9.90 | 9.69 |
| 9 | Shikaripura | 6.76 | 7.37 |
| 10 | Kadur | 9.71 | 9.82 |
| 11 | Tarikere | 8.72 | 9.05 |
| 12 | Beltangady | 4.87 | 4.64 |
| 13 | Sullia | 2.48 | 2.47 |
| 14 | Kundapura | 5.76 | 5.49 |
| 15 | Karkala | 6.10 | 8.42 |
| 16 | Soraba | 9.95 | 9.16 |
| 17 | Hosanagara | 6.02 | 4.81 |
| 18 | Thirthahalli | 4.91 | 6.84 |
| 19 | Mudigere | 2.42 | 1.25 |
| 20 | Koppa | 4.51 | 3.83 |
| 21 | Sringeri | 4.70 | 4.90 |
| 22 | NR Pura | 5.17 | 3.84 |

Commission's Views

The Commission notes that the distribution losses in respect of Chikkamagaluru, Bantwal, Bhadravathi, Kadur, Soraba etc., are on a higher side and therefore, the MESCOM needs to initiate specific remedial measures to bring down the loss levels in respect of these towns. It is also observed that in some of the divisions the loss levels are even less than 3 percent. This shows whether the losses are correctly reckoned needs to be checked as the distribution losses cannot be below the minimum technical losses, particularly in the rural areas.

Further, the Commission observes that despite providing meters to large number of DTCs, the MESCOM has failed to take up DTC-wise energy audit of all the DTCs where metering is completed. However, the MESCOM has reported that it has conducted energy audit of 11 kV feeders. 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. The Commission notes that the MESCOM has already provided meters to around 39,000 DTCs, then it is not known as to what prevents MESCOM taking up DTC-wise energy audit. The 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 MESCOM shall also expedite metering of remaining 23,374 DTCs and complete the same at the earliest so as to take up DTC-wise energy audit to facilitate initiating remedial measures for reducing distribution losses wherever they are on higher side. The compliance in respect of DTC-wise energy audit conducted with analysis and the remedial measures taken to reduce loss levels, shall be submitted every month, regularly to the Commission.

Further, the MESCOM is directed to submit to the Commission before 21st May, 2018 the consolidated energy audit report for the FY18, as per the prescribed formats.

10. Directive on Implementation of HVDS:

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

Compliance by the MESCOM:

MESCOM is yet to implement this scheme.

Commission's Views

The Commission, with a view to minimize the cost, has issued revised guidelines for implementation of HVDS in sub-divisions/feeders having the highest distribution losses, so that a higher loss reduction could be achieved on implementation of HVDS at a reasonable cost. However, as the MESCOM itself has not proposed any HVDS project in its jurisdiction, the Commission directs it to not to submit any HVDS proposals to the Commission, until further orders.

11. Directive on Niranthara Jyothi Feeder Separation:

The ESCOMs were directed to furnish to the Commission, the programme of implementing 11 KV taluk-wise feeders' segregation with the following details:

- a) Number of 11 KV feeders considered for segregation.
- b) Month-wise time schedule for completion of envisaged work.
- c) Improvement achieved in supply after segregation of feeders.

Compliance by the MESCOM

The segregation of agriculture feeders under NJY scheme has been taken up in Shivamogga and Chikkmagaluru divisions. The tender work is awarded to the agency for a total 124 feeders in both Shivamogga and Chikkmagaluru. The work is in progress. After completion of the work, the segregated IP set feeders will be monitored to calculate the consumption of IP-sets.

Commission's Views

The Commission notes that the 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, on completion of the project. The MESCOM is directed to submit progress/status report thereon to the Commission regarding the time bound schedule to complete the targeted works, regularly once in a quarter.

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

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

12. Directive on Demand Side Management in Agriculture:

In view of the urgent need for conserving energy for the benefit of the consumers in the State, the Commission had directed the MESCOM to take up replacement of inefficient pumps with energy efficient pumps approved by the Bureau of Energy Efficiency, at least in one sub-division in its jurisdiction.

Compliance by the MESCOM:

The MESCOM has taken up a system study/ load survey of 11KV feeders under DSM by entrusting the work to M/s TERI, New Delhi. The Agency has conducted visits in all the divisions and consolidated the system data. Consumer survey is being done on the 11kV feeders by taking the data from the MESCOM data base. Presently the industrial consumers have been surveyed at various sections. The MESCOM will propose for implementation of suitable DSM, based on the report. A detailed proposal will be submitted to the MESCOM by M/s TERI by the end of December 2017.

Meanwhile, the GoK has directed KREDL to implement Off Grid Solar Powered Agriculture Pump sets in third phase. In this regard the MESCOM has to identify 25 beneficiaries each in Kadur and Tarikere Taluks on first come first served basis. The IP set beneficiary has to pay Rs one lakh as contribution out of Rs 4.99 lakh unit cost, under this scheme.

Commission's Views

The Commission notes that the MESCOM has so far not taken any concrete action to implement the DSM measures in its jurisdiction. The progress/status reported this year is same as last year, 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 accord strong emphasis for implementation of DSM measures with a view to conserve energy and also precious water for the greatest benefit of farmers.

The Commission directs the MESCOM to expedite the implementation of DSM measures and complete it at the earliest and compliance thereon shall

be submitted to the Commission within three months from the date of this Order.

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

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

Compliance by the MESCOM

Electrification of un-electrified households is being taken up under DDUGJY scheme through award under E-Tender mode. It is proposed to electrify 35,051 BPL households and 41,124 other than BPL households under this scheme.

Further, under Decentralized Distribution Generation (DDG), three villages namely Shettyhalli, Chithrashettyhally and Urulugalu of Shivamogga district covering 123 households are being considered for standalone solar system and the work is in progress.

Commission's Views

The Commission notes from the MESCOM's feedback that the progress of electrification of around 76,000 un-electrified households undertaken by it is very slow. Although the MESCOM has reported that it has taken up electrification of these households under DDG, but the current progress/status is same as that of the last year. The Commission is unhappy over the tardy progress made in electrification of un-electrified households

by the MESCOM, in its jurisdiction. The MESCOM is directed to expedite electrification of such households for early completion, so as to ensure that not a single household remain without electricity in its jurisdiction.

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

The Commission directs the MESCOM to expedite action to provide electricity to the un-electrified households and to cover all the remaining households at the earliest and report the compliance thereon to the Commission through submission of monthly progress reports, from May, 2018 onwards. The Commission, as already indicated in the earlier Tariff Orders, would be constrained to initiate penalty proceedings under Section 142 of the Electricity Act, 2003, against the MESCOM, in the event of non-compliance in this directive.

14. Directive on Implementation of Financial Management Framework:

The present organizational set up of the ESCOMs at the field level appears to be mainly oriented and focussed towards supply of power and 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 ESCOMs to effectively account the input energy and its sale in different sub-divisions of the ESCOM in line with the revenue realization rate fixed by the Commission, urgently calls for a change of approach by the ESCOMs, so that the field level functionaries are made

accountable for ensuring realization of revenues vis-à-vis the input energy supplied to the jurisdiction of sub-division/ division.

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

Compliance by the MESCOM

The MESCOM has constituted a Committee for bringing out a financial frame work for each division. The data is being collected to monitor subdivision-wise performance and once such data is collected the performance can be evaluated.

Commission's Views:

The Commission, during FY15, has forwarded a Report prepared by the consultants M/s PWC regarding implementation of Financial Management Framework Model to bring in accountability on the performance of the divisions / sub-divisions by analyzing the quantum of energy received, sold and recovery of costs through revenue, so that the ESCOMs conduct their business on commercial principles.

However, the MESCOM, without actually taking any measurable action in the field, has only repeated whatever it had submitted to the Commission last year on the directive. The Commission is of the view that reviewing the performance of the divisions & sub-divisions in terms of energy received, energy sold, average revenue realization and average cost of supply using the financial framework Model is the need of the hour. The MESCOM should implement the financial framework model to evaluate the performance of subdivisions /divisions, keeping in view the following parameters.

- a) Target losses fixed and the achievement at each stage.
- b) Target revenue to be billed and achievement at each category.

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

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

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

15. Directive on Prevention of Electrical Accidents:

The directive is as follows:

“The Commission has reviewed the electrical accidents that have taken place in the State during the year 2016-17 and with regret noted that as many as 402 people and 416 animals have died in the State due to these accidents.

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

Having considered the above matter, the Commission hereby directs MESCOM to prepare an action plan to effect improvements in the

distribution network and implement safety measures to prevent electrical accidents. A detailed division-wise action plans shall be submitted by the MESCOM to the Commission."

Compliance by the MESCOM:

Various measures have been taken by the MESCOM to reduce electrical accidents occurring in distribution network. In MESCOM, the month of November, 2017 was declared as safety month. During this program, each O&M section was visited by AEE of another subdivision and safety aspects were explained in detail to all the linemen. The causes of electrical accidents and remedial measures to be taken were explained in the program. Totally 57 such programs were arranged during the month November, 2017.

Further, the section / subdivision officers were trained separately by the officers from Corporate Office during the months of September and October 2017 by arranging circle level programs in all the 4 circles. Also, the Hazardous locations were identified and rectified as and when they are noticed. The requirement and supply of safety gear is being taken care of regularly, without any delay in their supply to the linemen.

Commission's Views:

The Commission notes that various remedial measures including rectification of hazardous installations in its distribution network have been taken by the MESCOM. However, despite these measures, the fatal electrical accidents involving both human and livestock are occurring indicating that the hazardous installations in the distribution network have not been completely rectified. The Commission is of the view that the identification and rectification of hazardous installations in the distribution network is a continuous process, which should be regularly carried out to prevent electrical accidents. Further, the Commission is of the view that the hazardous installations in the distribution network is in fact the result of works done shabbily without adhering to the best construction practices as

per the standards, while taking up construction/expansion of the distribution network. Therefore, the MESCOM shall take adequate and effective steps in rectifying the hazardous installations to ensure that distribution network is free from hazards. In addition to this, the MESCOM also needs to conduct regular safety audit of its distribution system and to carryout preventive maintenance works as per the schedule, in order to maintain the network and the equipment in a healthy condition, as per the guidelines/steps emphasized in Safety Technical Manual prepared and circulated by the Commission.

In addition to the above, it is also important that the MESCOM takes up awareness campaigns through visual/print media continuously about the safety aspects among the public to ensure that the attention on safety aspects is not lost sight of.

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, therefore, 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 through an action plan, to prevent and reduce the number of electrical accidents occurring in the distribution system. The compliance thereon shall be submitted to the Commission every month, regularly.