

CHAPTER – 3 PUBLIC CONSULTATION

SUGGESTIONS / OBJECTIONS & REPLIES

3.1 As per the provisions of the section 64 of the Electricity Act, 2003, the Commission has undertaken the process of public consultation, to invite suggestions/views/objections from the interested stake-holders and the general public on the application filed by BESCOM for Annual Performance Review for FY16 and Revision of Retail Supply Tariff for FY18. In the written submissions filed as well as during the public hearing, the Stake-holders and the public have raised several objections/ made suggestions, on the BESCOM's Tariff Application dated 30.11.2016. The names of the persons who have filed written objections and made oral submissions are given below:

List of persons who have filed written objections

Sl. No.	Appli catio n No.	Name & Address of Objectors
1	AE-01	Sri. Prem Chand, Chief Electrical Traction Engineer, South Western Railway.
2	AE-02	Smt. Shroti Bhatia, VP (Regulatory Affairs & Communication), Indian Energy Exchange.
3	BB-01	Sri. Raju Bhatnagar, Secretary General, Bangalore Chamber of Industry and Commerce.
4	BB-02	Sri.T.V. Mohandas Pai, Vice President, B.PAC
5	BB-03	Sri. G.N. Krishnappa, Energy Engineering, Bangalore
6	BB-04	Sri. Keshav .K, General Secretary, Malur KIADB Area Industries Association.
7	BA-01	Doddanavar Global Energy Pvt Ltd
8	BA-02	Dr. Sujay Rama Prasad, Hon. Secretary, Association of Diagonostic Centres.
9	BA-03	Sri. Prakash, Hon Secretary, Peenya Industries Association.
10	BA-04	Laghu Udyog Bharati - Karnataka
11	BA-05	Sri. Prem Chand, Chief Electrical Traction Engineer, South Western Railway.
12	BA-06	Sri. G. Manjunath, Chandapura, Bengaluru
13	BA-07	Sri. B. Praveen, Hon General Secretary, KASSIA.
14	BA-08	Sri. R. Ramanna, Bangalore Water Supply and Sewerage Board.
15	BA-09	Sri. M. Lokraj, Secretary General I/c, Federation of Karnataka Chambers of Commerce and Industry.

The objections/ suggestions mainly pertain to:

- (i) Tariff;
- (ii) Quality of Power Supply and Service;
- (iii) Compliance of Commission's directives; and
- (iv) Certain specific requests.

The summary of the objections, the BESCOM's reply and the Commission's view are annexed as Appendix-1 to this Order.

3.2 List of the persons, who made oral submissions during the Public Hearing, held on 20.02.2017.

SL. No.	Names & Addresses of Objectors
1	Sri.T.V.Mohandas Pai, Vice President, & Sri Harish, B.PAC
2	Dr.G.S. Subba Rao, Sri. M.G.Prabhakar & Sri.Umesh, FKCCI.
3	Sri. V.G. Pandit & Sri A.N. Ramanujam. Association of Diagnostic centres
4	Smt. B.S. Anuradha, BCIC
5	Dr. M.R. Ranganatha, Bharatiya Kissan Sangha, Chief of Karnataka Agri Economic Cause
6	Sri.M.G. Shanthappa Gowda, Bharatiya Kissan Sangha.
7	Sri.A. Padmanabha, President, KASSIA.
8	Sri. Mallappa Gowda, Panel Chairman, Energy, KASSIA
9	Sri Venkatesh S Arbatti, Advocate for BWSSB.
10	Sri. M.R. Krishna Murthy & Sri K.R. Lashmikantha, PIA.
11	Sri Manjunatha.G, Secretary, Bharatiya Kissan Sangha, Chandapura.
12	Sri. S.V. Nesargi, DGEPL
13	Sri. Chetan Jain, IEX
14	Sri. Satish Bharatiya Kissan Sangha, Turuvekere.
15	Sri. Sreedhar & Sri. Hemantha, Bharatiya Kissan Sangha, Gubbi.
16	Sri. G.N Krishnappa, Electrical Contractor, Bengaluru.
17	Sri. Srinivasalu, South Western Railways. Bengaluru
18	Sri. Muralidhar Rao, PRAJA, Bengaluru.

3.2 Following are the additional points made during the Public Hearing:

- 1) The distribution losses in a few districts are more than the Commission approved level and same should be debited to the BESCOM's account.

- 2) Quality of power supply should be improved.
- 3) Tariff applicable to HT category should be reduced.
- 4) Due to underperformance of KPCL's thermal plants, reduced quantities of thermal power have been supplied at a higher cost of Rs.4.26 per unit as against the Commission approved price of Rs.3.90 per unit.
- 5) Open access should be encouraged by reducing open access charges.
- 6) IP set consumption is more than the approved level and the same should not be allowed.
- 7) Inter-ESCOM energy balancing should be for a short period and it should not burden the BESCOM.
- 8) Un-metered power supply and theft of energy is high in BESCOM.
- 9) Amended petition filed on 16.02.2017 should not be considered, since, no opportunity of 30 days' time given for public to respond. OPs cannot be filed on the same issues covered in tariff matters and these proposals are not in line with the Regulations/Act.
- 10) Incentives sought by BESCOM for reducing the distribution losses should not be allowed.
- 11) Short term power purchase cost below Rs.4.50 per unit only should be allowed
- 12) Prudence check on CAPEX should be done by involving the consumers.
- 13) O&M cost is very high and excess controllable expenditure should be disallowed.
- 14) Incentive for the consumers should be given for prompt payment.
- 15) The proposed restriction of 3 months' period in respect of wheeling and banking of renewable energy is not as per the Act.

- 16) Separate tariff category should be introduced for Micro, Small and Medium Enterprises (MSME) and also voltage-wise tariff should be introduced.
- 17) Proposal of modified time of the day(TOD) tariff should not be accepted and the TOD should be made optional instead of being mandatory
- 18) Prepaid meters should be introduced for all the industries.
- 19) Diagnostic centres should be categorized under tariff schedule HT-2 (c) (ii) instead of HT-2(b).
- 20) Financial losses of BESCO should not be passed on to the end consumers.
- 21) Since there is no buffer stock of Transformers in O & M Subdivision, Gubbi, the replacement of faulty Transformers is not carried out by BESCO within the prescribed duration of 72 hours as per SoP.
- 22) There is no representation of farmers in CGRF
- 23) Metering of IP Sets should be done and the subsidy amount per IP Set should be transferred to the farmers directly under the Direct Benefit Transfer (DBT) scheme.
- 24) After truing up of FY16, the power purchase cost per unit has increased by Rs.1.00.
- 25) Excess amount of Rs.175 Crores spent by BESCO over and above the approved amount in respect of NJY Scheme should be disallowed.
- 26) There is inordinate delay in implementation of Distribution Automaton System (DAS) Project and BESCO should estimate the quantifiable efficiency gains on account of implementation of the same.
- 27) BESCO is paying highest salaries to its employees.
- 28) Cross subsidy should be reduced to 20% of the energy charges.
- 29) Fixed charges should not be increased and also there is no justification from BESCO for this.

- 30) Contribution towards P&G to an extent of Rs.729.40 Crores should not be allowed.
- 31) Due to improper maintenance by BESCOM, the power supply interruptions are more and the same has been not informed to KERC.
- 32) Incentive for Solar water heating should be continued.
- 33) Tariff schedule of HT-1 pertaining to BWSSB should not be increased, since the cost of Electricity is 64% of water tariff Revenue of BWSSB.
- 34) While arranging power supply under temporary category, prepaid meters should be provided across the Bengaluru. Further billing should be done on Monthly basis.
- 35) Privatization in distribution activity of power sector is very much needed.
- 36) Timer switches are not provided to street lights.
- 37) The increase in cost of replacement of faulty transformers to an extent of Rs.95.52 Crores should not be allowed.
- 38) The expenditure made by BESCOM towards implementation of HVDS project is 200% more than the approved cost and hence the excess amount spent should not be allowed.
- 39) The ratio of HT: LT should be brought down to 1:1.
- 40) Single meter should be installed at residence cum P G accommodation. Buildings.
- 41) BESCOM should take up proper maintenance of HT installations by replacing faulty spares like CTs and PTs, within the stipulated time limit to reduce the financial loss to the company.
- 42) Categorization of ready mix concrete (RMC) has been inadvertently left out in tariff orders 2015 and 2016. This needs to be included.

BESCOM had filed an Amendment petition on 16.02.2017, seeking approval for:

- a) Creation of additional slabs in respect of Domestic consumers – LT2(a)(i) and (ii) and revision the tariff as suggested therein;
- b) Concessional tariff of Rs.5.98 per unit for street lights using LED bulbs and higher tariff of Rs.11 per unit for street lights not using LED bulbs; and
- c) Increasing the demand charges and reduction in energy charges in respect of all the HT Installations.

BESCOM had published a summary of the Amendment Petition in the newspapers on 22.02.2017 seeking the objections/ comments/ suggestion from the stakeholders.

In response to the summary of amendment application published in the newspapers, the following stakeholders have filed written comments:

SL.No.	Names & Addresses of Objectors
1.	FKCCI, Bangalore
2.	Consumer Care Society, Bangalore
3.	Doddanavar Global Energy Pvt Ltd
4.	Sharavathi Conductors Pvt. Ltd.
5.	M/s. Bharti Airtel Limited, Bengaluru
6.	M/s Indus Towers Limited, Bengaluru.
7.	M/S Reliance JIO Infocomm Limited, Mumbai
8.	M/s ATC Telecom Infrastructure Pvt Ltd, Bengaluru.
9.	M/s Vodafone Mobile Services Ltd, Bengaluru.
10.	M/s Reliance Communication Ltd, Bengaluru.

The Commission held a public Hearing on the Amendment Petition on 24.03.2017 at 11.30 Am in the Commission's office.

The following is the list of persons, who attended the hearing held in this regard on 24th March, 2017.

SL.No.	Names & Addresses of Objectors
1.	Sri M.C. Dinesh, President, Dr. G.S. Subba Rao and Sri Umesh, FKCCI
2.	Smt. Revathi Ashok, BPAC.
3.	Smt. Mangal Jyothi IWPA.
4.	Sri. Soubhik Das, BCIC,
5.	Sri M.L. Ashok and Sr. Raja Rao, Consumer Care Society
6.	Sri Chethan Jain, IEX

The Managing Director, BESCOM, made a presentation before the Commission to justify the amendments sought by the BESCOM.

The following is the gist of objections raised by the participants:

1. Increase in the Fixed Cost should be related to the cost of assets, but the BESCOM has not furnished any details of the assets in its petition.
2. For justifying increase in fixed cost, details of stranded cost are not provided.
3. While the proposal for increase in fixed cost is welcome, the overall pricing should be competitive and result in increase in the efficiency.
4. The rates suggested under telescopic slab deprive the consumers of the existing benefits. The benefits of lower slab rates are available even in the slabs of Income Tax as well as BWSSB tariffs. Hence, the prayer for approval of telescopic slabs should be rejected.
5. The proposal to incentivise usage of LED bulbs for street lights is welcome but it may add to the mounting arrears from the urban and local bodies.

Some of the participants raised issues relating to wheeling and banking of energy. The Commission informed that a separate opportunity would be given to express their views.

While passing the orders, the prayer by the BESCOM and the objections of the stakeholders have been kept in view, by the Commission.