

## APPENDIX

### REVIEW OF COMPLIANCE OF COMMISSION'S DIRECTIVES

The Commission, in its Tariff Order dated 14<sup>th</sup> May 2018, and in its earlier Tariff Orders, has issued several Directives. 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 issued in the earlier Orders. The same are discussed below:

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:**

There are 60 O&M Sub-divisions in MESCOM. During FY18, CIM has been conducted in all the Sub-divisions. Of the 1,374 number of complaints registered 866 number of complaints are disposed.

Details of the Consumer Interaction Meetings held at the sub-divisions during the FY18 are as given below:

O&M Circle	No. of O&M Sub-Divisions	No. of O&M Sub Division in which meetings conducted	No. of Complaints received in the meeting	No. of complaints disposed in the meeting	No. of complaints disposed after the CIM	Cumulative No. of complaints addressed
Mangaluru	20	20	645	264	33	348
Udupi	11	11	206	141	0	65
Shivamogga	17	17	411	396	0	15
Chikkamgaluru	11	11	112	65	0	47
<b>Total</b>	<b>59</b>	<b>59</b>	<b>1374</b>	<b>866</b>	<b>33</b>	<b>475</b>

Summary of the Consumer Interaction Meeting for the FY19, July to Sept 2018 is as follows:

O&M Circle	No. of O&M Sub-Divisions	No. of O&M Sub Division in which meetings conducted	Opening Balance	No. of Complaints received in the meeting	No. of complaints disposed in the meeting	Complaints yet to be addressed	Number of consumers attended
Mangaluru	20	20	210	277	130	357	597
Udupi	11	9	24	46	42	28	71
Shivamogga	17	17	1	175	162	14	266
Chikkamgaluru	12	6	24	39	43	20	58
<b>Total</b>	<b>60</b>	<b>52</b>	<b>259</b>	<b>537</b>	<b>377</b>	<b>419</b>	<b>992</b>

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 Commission on a quarterly basis for review.

Strict instructions have been issued to all the Superintending Engineers (EI) of the O&M Circles to conduct Consumer Interaction Meetings in all the Sub-divisions once in a Quarter. They are also instructed to take into cognizance of the directives of the Commission to levy penalty for non-conduct of CIM. They are also informed that, in case of any deviation from the directives, the names of such Officers will be submitted to the Commission for initiating further action.

### **Commission's Views:**

The MESCOM has submitted the details of consumer interaction meetings conducted in its jurisdiction during FY18 and FY19 till September 2018.

The Commission in the KPTCL and ESCOMs' Review Meeting held on 16.11.2018, 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-conduct of CIM in two (2) Sub-divisions of Udupi Circle, and six (6) Sub-divisions of Chikkamagalur Circle, as directed by the Commission. The Commission had directed MESCOM to clarify this by furnishing the details, indicating the dates on which the meetings were conducted. MESCOM has not furnished the details as desired by the Commission, instead, has furnished that the suitable instructions are given to the concerned, in its replies. 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 SEE or the 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 or the Executive 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 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 SEE or the EE, 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 below, along with the copy of the proceedings of each meetings.**

Sl. No	Name of the Circle	No. of Sub-divisions existing	No. of Sub-divisions in which CIM is conducted	Name of the Sub-division	Date on which CIM is conducted	Name and designation of the Officer Chairing the CIM	No. of Consumers attended	No of Complaints Received	No. of Complaints disposed	Closing Balance
1	2	3	4	5	6	7	8	9	10	11

- 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 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, the MESCOM shall implement the directive forthwith and the compliance regarding the same shall be submitted monthly 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 is continuing to bill the EHT / HT consumers importing power through power exchanges under open access. Further, the impact of the billing is submitted as indicated in the following Table for the FY18 and FY19, up to September 2018, for kind perusal of the Commission:

Particulars	FY18	FY19 (up to Sep-18)
Total no. of OA consumers	16	17
Total consumption (MU)	331.72	208.22
OA energy procured (MU)	214.72	70.78
OA energy consumed in the corresponding slot (MU)	174.35	61.00
<b>Inadvertently banked energy (MU)</b>	<b>40.37</b>	<b>9.78</b>
<b>Cost of inadvertently banked energy (Rs.in Cr)</b>	<b>27.74</b>	<b>6.46</b>
% of OA energy w.r.t. total consumption	53%	29%

### 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 in significant quantum of energy saving of 40.37 MU during FY18 and 9.78 MU during FY19 till September 2018. 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.27.74 Crores to MESOM during FY18, and Rs.6.46 Crores during FY19 till September 2018 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 units 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, all the MESCOM to service 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 viz., Air Conditioners, Fans, Refrigerators, etc., are energy efficient.

On the 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 is insisting all the new consumers to install only BEE 5 star rated equipment / accessories.

MESCOM has taken several initiatives to create awareness among the public on use of energy efficient appliances through various communication modes such as, by distributing pamphlets, printing slogans on the back side of electricity bills, magazines etc., MESCOM will make all possible efforts to ensure that the energy efficient appliances are being installed in the consumer premises and to implement the directive on energy conservation, circular from GoK is sought.

#### **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 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.

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 on effective steps being 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 even submitted 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.**



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

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

The MESCOM was directed to implement the specified Standards of Performance strictly, 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, the details of various critical services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty 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 offices O & M Section 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 for lodging complaints	Next higher Authority	Amount payable to affected consumer
1	2	3	4	5

#### Compliance by the MESCOM

As per directive of the Commission, MESCOM has directed its field officers to following Standards of Performance while rendering services as per KERC (Licensee's Standards of Performance) Regulations, 2004 and also has directed the field officers to display

the Provisions of SoP in all 60 numbers of O&M sub-divisions and 234 numbers of O&M Sections consistently.

### **Commission's Views**

The Commission while noting the compliance submitted, 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. 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 above in its official web site at the 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 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 programme for all the field officers and the staff upto linemen to educate them on the SoP and the consequences of non- adherence to the SoP. Further, the Commission directs**

**MESCOM to publish the “HAND BOOK” (KAIPIDI) in kannada on the SoP and arrange to distribute to all the staff and stake holders. If this direction of the Commission is not implemented 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 non-compliance of Commission’s Directives.**

**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 lineman 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 sensitise 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 submitted that it has already provided safety gears to all the power men and suitable instructions were issued to use the safety gadgets while working on the distribution network. MESCOM is continuously monitoring the use of safety gears by

linemen. The field officers are also ensuring that the safety gears are used while working on the lines. In the review meetings, the higher officers are also specifically reviewing the same. In the mandatory training programmes, thrust is given to educate the line staff about the necessity of being safe while working on the lines.

Further, in order to inculcate a safety workable momentum, MESCOM is following the practice of delivering oath of vowing to follow all the safety measures while working, to the power men by the Section Officers, on every Monday morning before the beginning of work.

Action has been initiated to procure 3,700 pairs of insulated gloves for replacement of the existing, deteriorated if any. This is expected to be supplied during the 1<sup>st</sup> Quarter of FY19.

#### **Commission's Views:**

**It has come to the notice of the Commission that the safety gears / equipment are not being used by the linemen at work in the field and hence the number of electrical accidents are increasing every year. The MESCOM should realize that the safety of human is a human right. Not providing appropriate safety gear / equipment to the staff at work place amounts to violation of human rights.**

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.

Further, it is observed that the MESCOM in its compliance has not mentioned anything on imparting suitable training to the linemen. Therefore, the linemen should be given training periodically on adherence to safety aspects / procedure, so that they carry out their work safely / effectively.

**The Commission reiterates that the MESCOM shall ensure that, all the linemen are provided with adequate safety gear and the linemen use the same while carrying out the work in the field without fail. The compliance in this regard shall be submitted once in a quarter to the Commission regularly.**

#### 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:**

MESCOM is pursuing with the Mangalore City Corporation Authorities for providing timer switches to Street Lights.

MESCOM has addressed a letter to the Commissioner of Mangalore City Municipal Corporation for taking action to provide timer switches to all the street light points and to maintain the timer / control switches for the existing street light points. MESCOM is

ensuring that the timer switches are provided while servicing the new street light connections.

### **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. The Commission observes that MESCOM did not submit the status of number of street light points existing and the statistics of providing timer switches. As per the data furnished by MESCOM during the review meeting of ESCOMs held on 16.11.2018, there were 21,332 number of street light installations to be provided with the timer switches. The street light installations as at the end of FY18 is 20,856 numbers as per the tariff filing data of MESCOM and as at the end of FY17 it is 19,284 numbers. Addition of 2,048 (21332 – 19284) number of street lights points has been made to the system during FY18 and FY19 till October 2018. It shows that MESCOM has neither taken care nor coordinating with the concerned local authorities to insist on installation of timer switches while servicing the new street light installations. 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 energy conservation is defeated.

In this regard, the MESCOM should seriously pursue with the concerned local authorities for providing the timer switches while servicing the new installations and taking up repairs of faulty timer switches and put them back into service. It appears that the MESCOM has not shown any interest in taking action to install timer switches. Therefore, going by the progress, the Commission is of the view that the MESCOM is not serious in installing the timer switches.

Further, it is observed that the MESCOM has not initiated any action to install timer switches at its cost and recover the same from the concerned local bodies later, as directed by the Commission. Therefore, the Commission reiterates that the MESCOM

shall install the timer switches at its cost initially and get it reimbursed from the local authorities apart from persuading the local bodies to install timer switches at their cost by availing the funds / grants received from the Government and other agencies for such energy conservation programmes. Persuading Corporates to fund this programme under their CSR activities should also be examined. MESCOM shall explore taking the services of EESL for effective implementation of this measure.

**The Commission 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 5<sup>th</sup> 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:**

It is submitted that the MESCOM is notifying the information of load shedding required for planned maintenance of transmission / distribution networks in the daily newspapers and MESCOM website, in advance, for the information of the consumers. Further, such planned load shedding has been staggered in such a way that the same sub-stations / feeders should not be affected frequently.

MESCOM engaged about 639 men on contract basis to support the regular line staff in order to mitigate the havoc situations created by the monsoon in the current financial year.



MESCOM is continuously monitoring the power supply situation to avoid unscheduled power interruptions.

MESCOM has moved to implement the Management & Notification Platform of Urja Mitra application, a GoI initiative, through which power outage information can be sent to the consumers through SMS / call / web portal / mobile application. In this regard, the provision has been made to implement in RAPDRP town of Udupi and action has been initiated to collect the contact mobile numbers, email IDs for porting the data to the Urja Mitra platform.

MESCOM has already initiated action to publicize the circle wise notification of scheduled power outages on its website [www.mesco.in](http://www.mesco.in), in advance.

#### **Commission's Views:**

The Commission notes from the submission of the MESCOM that it has not taken any 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. 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.

**Instead of spending money on development of new software, the Commission directs MESCOM to expedite the use of "URJA MITRA", the mobile based and web based application, developed and deployed by the RECTPCL under the initiative of Ministry of Power for the benefit of all ESCOMs, across the country. If the base data required by the application is updated in the database of the application, it would suffice the requirement of MESCOM for emanating 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. 'Urjamitra' mobile application can be used as a link between MESCOM field staff and**

**citizens for facilitation of outage dissemination information to all consumers through SMS. The cost involved for dissemination of SMS is also borne by the RECTPCL for the time being at their cost. 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 could also save money required for development of any such software.**

The Commission notes with concern that, the number as well as the duration of interruptions are increasing, causing inconvenience to the consumers. The Commission also notes that, even though the power availability has improved resulting in surplus power situation, the distribution network reliability has not improved, causing frequent disruption in power supply, which causes hardship to the consumers and revenue loss to the MESCOM. The Commission directs MESCOM to take remedial measures to minimize power 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.**

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.

**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:**

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

Every complaint, received through various modes in the center shall be registered by the desk operator and the complaint register number shall be intimated to the Consumer through SMS. In turn, the complaints shall be transferred online to the concerned field staff for resolving the issue. The concerned O&M / local service station staff shall visit the complainant's premises at the earliest to attend to the complaints and then inform the Centralized Service Centre that the complaint is attended. Then, the desk operator shall call the complainant and confirm with him whether the complaint has been resolved. The complaints shall be closed only after confirmation by the consumer. 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 along with the names of the officers responsible with remarks be placed before the Management on the following day for attention to review and take corrective action in case of any pendency / delay in attending to the complaints.

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

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 the rural areas for effective redressal of consumer complaints.

#### **Compliance by the MESCOM:**

In order to encourage use of 24x7 centralized consumer service center, MESCOM has frequently advertising the central complaint No. 1912 in the various editions of newspapers. Further, MESCOM is also utilizing the forum of various organizations to display banners indicating the consumer service center call No. 1912.

MESCOM has initiated action to increase the number of telephone lines of 1912 from existing 15 to 20. Additionally, 3 mobile phones have been provided at the Central Complaint Centre for communication of complaints to the field staff. Action has also been taken to activate 'WhatsApp' messaging communication for lodging complaints.

The details of the number of service stations existing in the jurisdiction of MESCOM with adequately required infrastructure are as follows:

- 24 x 7 Service Stations - 24 Numbers
- 12 Hour Service Stations - 09 Numbers

The downtime for redressing the consumer complaints has considerably come down compared to the previous year, the details are as follows:

Nature of Complaints	FY18	FY19 (as on December 2018)
'A' Category (power supply failure)	07.22 Hrs	06.95 Hrs
'B' Category (voltage complaints)	15.71 Hrs	12.05 Hrs
'C' Category (DT failure)	95.39 Hrs	50.60 Hrs

#### Commission's Views:

The Commission notes that the MESCOM has established the 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. Also, it has come to the notice of the Commission that, the Executives working in the Centralized Customer Care (CCC), round the clock are deployed through Outsourcing Agency. During the public hearings complaints have poured in on the behavioral attitude of such executives working in the CCC. MESCOM shall instruct the agency to impart suitable training 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.**

Hence, 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 publish the complaint handling procedures / contact number of the Centralized Consumer Service Centre in the local media, host it on its website and also publish it through other modes periodically, 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 the 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 31<sup>st</sup> 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:**

As per the directives of the Hon'ble Commission, MESCOM has taken up energy audit at four levels i.e., at Division level, City / Town level, Feeder level, and DTC level.

Division wise energy audit details for the FY18 are as follows;

Sl. No.	Division	Energy at IF Point	Energy Sales	% Loss
1.	Mangaluru-1	670.38	632.35	5.67%
2.	Mangaluru-2	647.35	609.02	5.92%
3.	Puttur	322.09	276.48	14.16%
4.	Bantwal	517.40	454.37	12.18%
5.	Udupi	672.44	604.68	10.08%
6.	Kundapura	208.75	188.43	9.73%
7.	Shivamogga	539.22	481.45	10.71%
8.	Bhadravathi	292.22	257.15	12.00%
9.	Sagar	314.27	274.53	12.65%
10.	Shikaripura	431.14	378.51	12.21%
11.	Chikkamagaluru	225.78	185.14	18.00%
12.	Koppa	107.75	87.44	18.85%
13.	Kadur	556.03	452.36	18.64%
<b>TOTAL:</b>		<b>5504.81</b>	<b>4881.91</b>	<b>11.32%</b>

### Cities / Towns Energy Audit:

As per the directions of the Hon'ble commission, the distribution losses in respect of selected 6 cities namely Mangaluru, Udupi, Shivamogga, Sagar, Bhadravathi, and Chikkamagaluru are being continuously monitored. In FY 18, the loss levels in 5 cities are within 10% and in Chikkamagaluru it is slightly above 10%.

Further, for rigorous Energy Auditing, MESCOM has selected 16 Major Taluk head quarter towns. Loss levels in all these taluk towns are within 10% except Bantwal and Soraba.

MESCOM will continue its endeavor to reduce losses further so that the overall distribution loss of the Company lies within the target approved by the Hon'ble Commission.

Distribution Losses in the selected Cities / Towns for FY18 and for FY19 (up to September 2018) are as indicated in the following Table:

Sl. No.	City/Town	2017-18	2018-19 (Upto Sep-18)
1	Mangaluru	3.26	3.67
2	Udupi	5.85	7.88
3	Shivamogga	6.17	7.47
4	Bhadravathi	7.40	4.51
5	Sagar	5.37	7.75
6	Chikamagaluru	10.39	12.82
7	Puttur	5.51	4.03
8	Bantwal	9.88	12.37
9	Shikaripura	5.64	5.65
10	Kadur	9.98	9.20
11	Tarikere	7.19	4.48
12	Beltangady	4.61	4.58
13	Sullia	3.26	5.00
14	Kundapura	5.44	5.45
15	Karkala	8.28	7.62
16	Soraba	7.45	11.60
17	Hosanagar	5.04	5.55
18	Thirthahalli	6.70	6.27
19	Mudigere	3.54	7.16
20	Koppa	4.16	4.58
21	Sringeri	4.24	4.38
22	NR Pura	4.12	4.69

Feeder level energy audit as at the end of March 2018 and as at the end of September 2018 are as indicated below:

Sl. No.	Period	As at the end of Mar-2018		As at the end of Sep-2018	
		Total No. of feeders	No. of feeders monitored	Total No. of feeders	No. of feeders monitored
1.	Feeders having less than 15% losses	914	484	935	532
2.	Feeders having losses between 15% to 20%		142		156
3.	Feeders having losses between 20% to 30%		44		30
4.	Feeders having more than 30% losses		-		-
<b>Total:</b>		<b>914</b>	<b>670</b>	<b>935</b>	<b>718</b>

DTC level energy audit as at the end of March 2018 and as at the end of September 2018 are as indicated below:



Sl. No.	Period	As at the end of March 2018	As at the end of September 2018
1.	DTCs having less than 5% losses	5035	5967
2.	DTCs having losses between 5% to 10%	2732	4513
3.	DTCs having losses between 10% to 15%	1049	1518
4.	DTCs having losses between 15% to 20%	137	359
5.	DTCs having more than 20% losses	154	179
	<b>Total:</b>	<b>9107</b>	<b>12536</b>

Status of DTC metering as on September 2018 is as indicated below:

No of DTCs existing in MESCOM	No of DTCs metered	No of DTCs yet to be metered
71,283	43,282	28,001

### Commission's Views:

The Commission notes that the distribution losses in respect of Chikkamagaluru, Bantwal, Soraba are on 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 observed by the Commission that, the MESCOM has not submitted the monthly energy audit reports of cities / towns with detailed analysis 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 month, regularly to the Commission.

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. The Commission notes that the MESCOM has already provided meters to 42,382 number of DTCs, then it is not known as to what prevents MESCOM 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. 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.

Despite completion of metering of 42,382 number of DTCs, the MESCOM is furnishing the analysis for only around 13,074 DTCs i.e., for **30% of the metered DTCs** during the ESCOMs review meeting held on 16.11.2018. MESCOM has failed to furnish the energy audit reports for the 30,208 number of DTC's metered. The Commission notes that substantial quantity of such metered DTCs are provided with Automatic Metering Infrastructure (AMI) in towns wherein RAPDRP are completed, as well as other towns. MESCOM has to resolve the problems with communication, incomplete tagging of consumer installations with 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 shall also expedite metering of remaining 28,001 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 above facts, clearly show 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 resolving early, the issues relating to tagging / software integration and to adopt accounting / auditing of energy as its core function, in spite of spending huge money on RAPDRP project, the TRM and many other softwares. **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, 43,282 DTCs, which are said to be 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.

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 metering in good condition, Metering of Street light installations, Replacement of electro-mechanical meters etc., The feeder-wise and DTC-wise energy audits shall be reviewed in the review meetings at the Circle levels every month. Copy of the proceedings of such meetings shall be submitted to the Commission for information and further review.

The Commission notes with displeasure the compliances submitted by MESCOM for not conducting the energy audit in respect of 11 kV lines, DTC's and LT lines and directs MESCOM to submit the consolidated energy audit report for the FY19 before 31<sup>st</sup> May 2019, as per the formats prescribed by the Commission, vide its letter No. KERC/D/137/14/91 dated 20.04.2015.

**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 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 ESCOMs.

**Compliance by the MESCOM:**

MESCOM has not submitted any proposals for implementing the HVDS and hence the question of compliance thereon did not arise.

However, the Commission, based on the report of the expert committee and based on the suggestions by Sri B.S. Hanumanthappa, (a former member of the Advisory Committee of the Commission) the Commission had decided not to insist on the implementation of this scheme.

**In the previous Tariff Order dated 14<sup>th</sup> May, 2018, the Commission had issued directions to MESCOM, not to take up or not to submit any further proposals of HVDS until further orders. Hence, the Commission decides to drop this directive.**

#### 11) Directive on Nirantara Jyothi – Feeder Separation:

The MESCOM was 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:**

Under the DDUGJY scheme, MESCOM has contemplated separation of 134 rural feeders (78 feeders in Shivamogga Circle and 56 feeders in Chikkamagaluru Circle) to segregate the IP feeders. As at the end of November 2018 feeder line work has been completed for 21 feeders (10 feeders in Shivamogga Circle and 11 feeders in Chikkamagaluru Circle) but not commissioned as bay work at KPTCL stations are underway.

#### **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, on completion of the project. The MESCOM is directed to submit progress / status report thereon to the Commission

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

**MESCOM is directed to submit the action plan for segregation of IP feeders in remaining Circles of its jurisdiction.**

**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 obtained from the meters installed to the exclusive agricultural feeders, at the sub-station level.**

**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 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.**

#### **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 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 the feeder segregation program under DDUGJY scheme, MESCOM has already completed the works of 16 feeders. Out of these 16 feeders, MESCOM is in consideration for system study of 4 feeders to initiate action for a pilot project of introducing high efficient pump sets as a Demand Side Management in Agriculture.

Further, it is to be submitted that, MESCOM has taken up DSM activity by distribution of 9 watt LED bulbs, LED tube lights and BEE 5 star rated ceiling fans through M/s Energy Efficiency Services Limited (EESL). The progress up to October 2018 is as follows:

<b>Sl. No.</b>	<b>Particulars</b>	<b>Progress up to October 2018</b>
1.	9 W LED bulbs	38,57,742
2.	20W LED tube lights	33,450
3.	BEE 5 star rated ceiling fans	2,480

### **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 same as that of previous 2 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 for the greatest benefit of farmers. **Therefore, the MESCOM should take up Agricultural DSM initiatives in its jurisdiction and submit suitable proposals to the Commission for approval.**

**13) 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 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 Panchayats and the action plan be prepared based on the data of un-electrified households.

**Compliance by the MESCOM:**

Out of the identified 38291 numbers of households to be electrified, MESCOM has electrified 32575 numbers under DDUGJY scheme and remaining 5716 numbers under SAUBHAGYA scheme.

MESCOM has electrified 27049 number of households as at the end of September, 2018 under DDUGJY and the balance to be electrified is 5526.

Tenders have been floated for SAUBHAGYA scheme. MESCOM will ensure electrification of balance households at the earliest.

**Commission's Views:**

The Commission takes note of the progress achieved in electrification of un-electrified households under DDUGJY scheme in electrifying 32575 number of households, as at the end of September 2018. The MESCOM needs to hasten up the progress of electrification of un-electrified households for timely completion of the project. It is further noted that the electrification of households has to progress as per the target. If not, 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 to complete the task within the timeframe, in order to ensure that the people are provided with the basic need of electricity.

**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 of the monthly progress achieved from March, 2019 onwards. The Commission, as already indicated in the earlier Tariff Orders, would be constrained to initiate penal proceedings under Section 142 of the Electricity Act, 2003, against MESCOM in the event of non-compliance of the Directive.**

**14) 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 directive, MESCOM has set targets to the division for evaluation of the financial performance. Increase in profit to the Company can be attributed to two major parameters which can be controlled through consciously negotiating the other supportive parameters such as providing quality power, rigorous recovery of revenue, implementing system improvement / augmentation works, rendering quality service, etc. There is increase in average realization rate and reduction in distribution loss.



Hence, MESCOM has moved to set division- wise targets for 2018-19 for the divisions which is based on the approved figures in the Tariff Order 2018.

Approved average realization rate for the Company for 2018-19 as per Tariff Order 2018 is Rs.6.85 / unit and distribution loss is 10.95%. This has been apportioned to the divisions based on the actual energy input, sales to IP, Domestic & other categories, actual revenue demanded, recorded distribution loss in the year 2017-18.

The evaluated results are tabulated below:

Sl. No.	Division	Target		
		ARR (Rs./Unit)	Avg. PP Cost (Rs./Unit)	Dist. Loss (%)
1	2	3	4	5
1.	Mangaluru-1	7.96	3.85	5.28%
2.	Mangaluru-2	7.99	4.06	5.53%
3.	Puttur	6.25	2.88	13.81%
4.	Bantwal	6.17	3.08	11.82%
5.	Udupi	7.37	3.69	9.71%
6.	Kundapura	6.55	3.27	9.36%
7.	Shivamogga	6.98	3.44	10.35%
8.	Bhadravathi	7.23	3.91	11.64%
9.	Sagar	5.76	2.33	12.29%
10.	Shikaripura	5.58	2.01	11.84%
11.	Chikkamagaluru	7.04	3.64	17.66%
12.	Koppa	6.15	2.83	18.52%
13.	Kadur	5.73	2.14	18.31%
	<b>TOTAL:</b>	<b>6.85</b>	<b>3.37</b>	<b>10.95%</b>

Sl. No.	Division	Actuals up to Q2 of 2018-19			
		Input Energy (MU)	Energy Sales (MU)	ARR (Rs./Unit)	Dist. Loss (%)
1	2	6	7	8	9
1.	Mangaluru-1	339.57	322.02	7.67	5.17%
2.	Mangaluru-2	307.34	301.35	7.42	1.95%
3.	Puttur	149.52	139.77	6.09	6.52%
4.	Bantwal	251.24	219.60	6.30	12.59%
5.	Udupi	334.25	306.72	7.25	8.24%
6.	Kundapura	101.70	97.43	6.51	4.19%
7.	Shivamogga	275.58	245.22	6.89	11.02%
8.	Bhadravathi	131.80	120.00	6.65	8.96%
9.	Sagar	131.96	118.88	5.83	9.91%
10.	Shikaripura	181.02	157.42	5.54	13.04%
11.	Chikkamagaluru	107.89	92.01	6.88	14.72%
12.	Koppa	42.45	37.53	6.12	11.60%
13.	Kadur	208.31	172.03	5.73	17.41%
	<b>TOTAL:</b>	<b>2562.63</b>	<b>2329.98</b>	<b>6.74</b>	<b>9.08%</b>

Sl. No.	Division	Revenue Gain (+) / Loss (-) up to Q2 of 2018-19 due to achieving Target Dist. Loss (Rs.in Cr.)	Revenue Gain (+) / Loss (-) up to Q2 of 2018-19 due to achieving Target ARR (Rs.in Cr.)	Net Revenue Gain (+) / Loss (-) up to Q2 of 2018-19 [10+11] (Rs.in Cr.)
1	2	10	11	12
1.	Mangaluru-1	0.15	-9.26	-9.10
2.	Mangaluru-2	4.47	-16.98	-12.51
3.	Puttur	3.14	-2.20	0.93
4.	Bantwal	-0.60	2.84	2.24
5.	Udupi	1.81	-3.63	-1.81
6.	Kundapura	1.72	-0.37	1.35
7.	Shivamogga	-0.64	-2.30	-2.94
8.	Bhadravathi	1.38	-7.03	-5.65
9.	Sagar	0.73	0.85	1.58
10.	Shikaripura	-0.43	-0.53	-0.97
11.	Chikkamagaluru	1.16	-1.52	-0.36
12.	Koppa	0.83	-0.13	0.70
13.	Kadur	0.40	0.06	0.46
	<b>TOTAL:</b>	<b>14.12</b>	<b>-40.21</b>	<b>-26.09</b>

After the evaluation it is observed that Shimoga, Bantwal & Shikaripura Divisions are lagging behind in reaching the targeted distribution losses and except Bantwal, Sagar and Kadur all other divisions are lagging behind in reaching the targeted ARR.

#### 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 MESCOM conduct its business on commercial principles.

The Commission notes that the MESCOM has submitted some data on the financial framework model, by simply re-apportioning the ARR and Distribution losses approved for MESCOM in the tariff order 2018 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 is 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.
- 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 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.

#### 15) Directive on Prevention of Electrical Accidents:

On a review of the electrical accidents that have taken place in the State during the year 2017-18, 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:

MESCOM has initiated action to identify the hazardous locations / installations existing in its distribution system in order to reduce the number of electrical accidents.

The status of hazardous locations as at the end of September 2018 are as follows:

Circle	No. of Hazardous locations identified as on 31-03-2018	No. of Hazardous locations rectified as at the end of Sep-2018	Work under Progress	Balance to be rectified.
Mangaluru	349	348	1	0
Udupi	78	33	9	36
Shivamogga	167	167	0	0
Chikkamagaluru	198	131	23	44
<b>Total</b>	<b>792</b>	<b>679</b>	<b>33</b>	<b>69</b>

Details of electrical accidents in MESCOM during FY18 and FY19 till September 2018 are furnished below:

Particulars	FY18	FY19 (up to September 2018)
Fatal –Departmental	4	0
Fatal – Non Departmental	60	48
<b>sub-total:</b>	<b>64</b>	<b>48</b>
Non-Fatal –Departmental	35	11
Non-Fatal – Non Departmental	19	21
<b>sub-total:</b>	<b>54</b>	<b>32</b>
Live Stock	78	92

### 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 rate of fatal electrical accidents involving human, animal and livestock is on an increase during FY19, 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 carryout 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.**