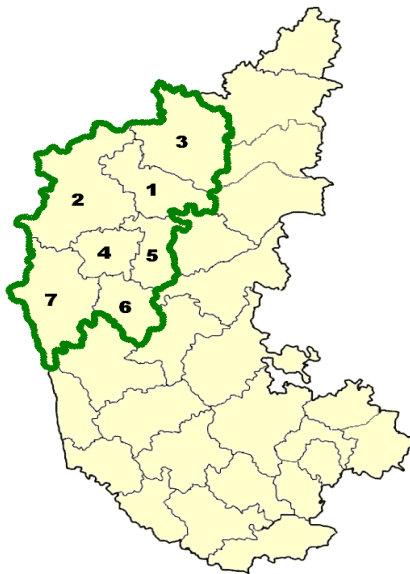


CHAPTER – 1

INTRODUCTION

1.0 Hubli Electricity Supply Company Limited (HESCOM):

Hubli Electricity Supply Company Ltd., (HESCOM) is a Distribution Licensee under the provisions of Section 14 of the Electricity Act, 2003 (hereinafter referred to as the Act). HESCOM is responsible for purchase of power, distribution and retail supply of electricity to its consumers and also providing infrastructure for Open Access, Wheeling and Banking in its area of operation in the seven Districts of the State as indicated below:



1. Bagalkote
2. Belagavi
3. Vijayapura
4. Dharwad
5. Gadag
6. Haveri
7. Uttara Kannada

The HESCOM is a company registered under the Companies Act, 1956, incorporated on 30th April, 2002. The HESCOM commenced its operations on 1st June, 2002.

| O&M Zones | O&M Circles | O&M Divisions |
|-------------------|---------------|-------------------|
| Hubli Zone | Hubli Circle | Hubli Urban |
| | | Hubli Rural |
| | | Dharwad Urban |
| | | Dharwad Rural |
| | | Gadag |
| | | Ron |
| | Haveri Circle | Haveri |
| | | Ranebennur |
| | Sirsi Circle | Sirsi |
| | | Honnavaara |
| | | Dandeli |
| | | Karwar |
| | Belagavi Zone | Belagavi Circle |
| Belagavi Rural | | |
| Bailahongal | | |
| Ghataprabha | | |
| Ramadurga | | |
| Chikkodi Circle | | Chikkodi |
| | | Athani |
| | | Raibagh |
| Vijayapura Circle | | Vijayapura |
| | | Indi |
| | | Basavana Bagewadi |
| Bagalkote Circle | | Bagalkote |
| | | Jamakandi |
| | | Mudhol |

The O & M divisions of HESCOM are further divided into eighty-three sub-divisions. These sub-divisions are further divided into 288 O & M section offices.

Section offices are the base level offices looking into the operation and maintenance of the distribution system in order to provide reliable and quality power supply to the HESCOM's consumers.

1.1 HESCOM at a glance:

The profile of the HESCOM is as indicated below:

| Sl. No. | Particulars | | Statistics As on 31.03.2019 |
|---------|--|---------------|-----------------------------|
| 1. | Area | Sq. km. | 54513 |
| 2. | Districts | Nos. | 7 |
| 3. | Taluks | Nos. | 49 |
| 4. | Population | Crores | 1.48 |
| 5. | Consumers as per DCB | Lakhs | 50,29,700 |
| 6. | Energy Sales for FY19 | MU | 11760 |
| 7. | Zone | Nos. | 2 |
| 8. | DTCs | Nos. | 215873 |
| 9. | Gross Fixed Assets | Rs. in Crores | 3606.79 |
| 10. | HT lines | Ckt. kms | 85,094 |
| 11. | LT lines | Ckt. kms | 1,35,109 |
| 12. | Total employees strength: (As on 30.09.2019) | | |
| A | Sanctioned | Nos. | 16930 |
| B | Working | Nos. | 9829 |
| * 13. | Revenue Demand for FY19 * (including Tax) | Rs. in Crores | 7900.16 |
| 14. | Revenue Collection for FY 19 * | Rs. in Crores | 8261.35 |

* As per DCB Statement

1.2 The Number of Consumers, Sales in MU and Revenue details of HESCOM as on 31.03.2019 are as follows:

| CATEGORY | No. of Installations | Sales in MU | Revenue in Rs.Crores. |
|--------------------------------------|----------------------|------------------|-----------------------|
| Domestic including BJ/KJ | 34,42,641 | 1,687.74 | 977.14 |
| LT Commercial | 3,71,707 | 464.86 | 444.00 |
| LT Industrial | 1,17,989 | 328.55 | 249.23 |
| Agriculture | 9,31,787 | 6,746.13 | 4,225.86 |
| HT | 3,445 | 2,019.18 | 1283.96 |
| LT- Public lighting and Water supply | 69,835 | 461.48 | 309.54 |
| Others | 92296 | 52.05 | 194.53 |
| Total | 50,29,700 | 11,759.99 | 7,684.26 |

Source: D-2 format of filing

The Hukeri Rural Electric Co-operative Society Limited, Hukeri (HRECS) is one of the distribution licensees purchasing power from HESCOM on payment of the bulk supply tariff determined by the Commission. HRECS has filed separate application for approval of Revised ARR and retail supply tariff for its distribution and supply area for FY21.

HESCOM has filed its application for Annual Performance Review for FY19, Revision of Annual Revenue Requirement (ARR) and Revision of Retail Supply Tariff for FY21.

HESCOM's application, the objections / views of stakeholders thereon and the Commission's decisions on the approval of Annual Performance Review for FY19, and Revision of ARR and Revision of Retail Supply Tariff for FY21 are discussed in detail, in the subsequent Chapters of this Order.