

**Expected Revenue from Charges
And Tariff Filing under MYT Principles
FOR THE YEAR FY 13**

**BEFORE
KERC**



**Expected revenue from charges
For the years 2011-12 and tariff filing for FY 13
Under MYT Principle**

Main text and Annexures

**Submitted
To
Karnataka Electricity Regulatory Commission Bangalore
By**

Gulbarga Electricity Supply Company Limited Gulbarga

27th Jan 2012

Before Karnataka Electricity Regulatory Commission at Bangalore

Filing No.:.....

Case No.:.....

In the matter of:

Application under Section 27 of KERC ACT 1999 read with relevant KERC (Tariff) Regulations – 2000 (Amendments) for approval of

- (a) Annual Performance Review of FY 12
- (b) Annual Revenue Requirement for FY 13
- (c) Expected Revenue from charges (ERC) for FY13 under MYT principles filing.

In the matter of:

Gulbarga Electricity Supply Company Limited (GESCOM),
Main Road,
GULBARGA –585 102.

AFFIDAVIT

I, Sri,Abdul Majid S/O Abdul Rahaman aged 49 years, Executive Engineer EL, Corporate Office, GESCOM, Main Road, Gulbarga- 585102, do solemnly affirm and say as follows

I am the Executive Engineer (Elecl.), dealing with Regulatory Affairs of GESCOM and I am duly authorized to make this affidavit.

The statements made in paragraphs 1 to 15 and the related annexures of ARR and ERC for FY 13 herein now shown to me and marked with letter 'A' are true to my knowledge and the statements made in paragraphs 1 to 15 and the related annexure of ARR & ERC for FY-13 are based on information. I believe them to be true.

Solemnly affirmed at Bangalore on this day the 27-01-2012 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

(_____)

Executive Engineer (Elecl.),
Regulatory Affairs.

Place: Bangalore

Date :27-01-2012

TABLE OF CONTENTS

Para no	Particulars	Page No.	
1.1	Statutory adherence	8	
1.2	ERC filing requirement	8	
2	Profile of GESCO	9	
2.1	Mission statement GESCO	11	
3	Rationale for ERC filing	12	
3.1	Revenue insufficient to cover costs in FY-10	13	
4	Compliance to commission's directives	14	
4.1(i)	Demand Side Management and Energy Efficiency Measures	}	
4.1(ii)	Implementation of Intra State ABT		
4.2	Taluk wise Feeders' Segregation		
4.3	Metering at the Distribution Transformer Centers		
4.4	Directive on preventing electrical accidents		
4.5	HT / LT Ratio		
4.6	MIS & Computerization		
4.7	Energy Audit		
4.8	Assessment of IP sets' consumption		
4.9	Quality of Service		
4.10	Census of IP sets		15 to 55
4.11	Regularization of unauthorized IP sets		
4.12	Metering		
4.13	Segregation of distribution and retail supply business		
4.14	Studies conducted		
4.15	Capital Works		
4.16	Lifeline supply to unelectrified households		
4.17	Power Supply During Night Hours For Villages		
4.18	Reliability of Electricity Supply		
4.19	Responsiveness to Consumers		
4.20	Conservation of Energy in Irrigation		
4.21	Short term power procurement		
4.22	Generation and supply planning		
5	Demand forecast for fy-12		
5.1	Basis for demand estimation	56	
5.2	No. Of installations and connected load	56	
5.3	Energy Estimation for FY 10	58	
6	Energy losses and capital investment	58	
6.1	Commission approved losses	59	
6.2	Loss reduction in fy-11 and fy-12	59	
6.3	Investment programme	59 to 61	
6.3.2	Nirantara Jyoti Scheme	61	
6.4	Operational efficiency improvement plan	62	
6.4.1	Distribution Loss Reduction	62	

6.4.2	Metering	62
6.5	Constraints	62
6.5.2	Shortage of Man power	63
6.5.3	Economic Backwardness of the region	63
7	Revenue expenditure	64
7.1	Power purchase cost	64
7.2	Repairs and maintenance expenses	64
7.3	Employees' cost	66
7.4	Administration and General (A&G) Expenses	67 to 68
7.5	Depreciation	68
7.6	Other Debits	69
7.7	Interest & Finance charges	
7.8	Expenses capitalized	69
7.9	Net prior period charges & credits	69
7.10	Expenses summary	70
8	Return on Equity	70
9	Annual Revenue Requirement	71
9.1	Average cost of supply	71
10	Expected Revenue from Existing Tariffs	72
10.1	Revenue from existing tariff	72
10.2	Revenue from Miscellaneous Charges	72
11	Revenue Deficit	72
11.2	Wheeling Charges & Cross Subsidy Charges	73 to 74
12	Cross Subsidy Surcharge	75
13	New Proposals of GESCOM	76
13.2	Automatic Pass on of change in fuel/source of power	79
1.3.3	Levy of Sur Charge	79
14	Approval of the Expenses of GESCOM for FY 10 based on the Audited Accounts	81
15	Prayer	83

List Of Tables

Index	Particulars	Page No's
Table 1	Cost Coverage/Deficit	
Table 2	DTC's Metering Progress	19
Table 3	Time Bond Action Plan for reducing accidents – Allocation Funds	20
Table 4	Replacement of MNR Meters	26
Table 5	Statement of Theft Cases	27
Table 6	Trajectory Loss level	28
Table 7	Status of DTC Metering Urban/Rural	32
Table 8	Additional Transformers	
Table 9	33 KV Sub-stations commissioned during 2010-11	
Table 10	On going 33 KV Sub-stations	
Table 11	Regularization of IP Sets.	39
Table 12	Metering IP Sets DTC's	41
Table 13	Capital Budget for 2011-2012	44
Table 14	Power Supply to Rural Areas	49
Table 15	Short Term Power Procurement	
Table 16	Power Requirement for FY-2011-2012	
Table 17	Categorywise installation and Connected Load	56
Table 18	Categorywise Consumption in MU	58
Table 19	Capex for FY – 2012	59
Table 20	Vacancy Position as 31-05-2011.	63
Table 21	Power Purchase Cost.	64
Table 22	R&M Expenditure	65
Table 23	Employees Expenditure	67
Table 24	A & G Expenses	68
Table 25	Depreciation	69
Table 26	Expenses Summary for FY-2012	70
Table 27	Revenue Requirement	71
Table 28	Average Cost of Supply	71
Table 29	Other Income	72
Table 30	Revenue Deficit	72
	List of Annexures	
Annexure-I	Annexures -I (Reliability Indices for Districts Head Quarters)	
Annexure-II	(Reliability Indices for Towns & Cities)	
Annexure-III	(Reliability Indices for Rural Areas)	
	MERC Post Facto approval of FAC submission of MSEDCL for January – 2011. (Sheets enclosed)	

ABBREVIATIONS

AEH	All Electric Home
A&G	Administrative & General Expenses
APDRP	Accelerated Power Development & Reform Program
ARR	Aggregate Revenue Requirement
ATL	Anti Theft Law
BJ	Bhagya Jyothi
CMCs	City Municipal Corporations
Commission	Karnataka Electricity Regulatory Commission
Cr.	Crore
ERC	Expected Revenue from Charges
ESCOM	Electricity Supply Company
FY	Financial Year
GFA	Gross Fixed Assets
GoK	Government of Karnataka
GoI	Government of India
GESCOM	Gulbarga Electricity Supply Company Limited
Hrs	Hours
HT	High Tension
IP	Irrigation Pump sets
IT	Income Tax
KERA	Karnataka Electricity Reform Act 1999
KERC	Karnataka Electricity Regulatory Commission
KJ	Kutir Jyothi
KPTCL	Karnataka Power Transmission Corporation Limited
KV	Kilo Volt
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hour
LDC	Load Dispatch Centre
LT	Low Tension
MOU	Memorandum of Understanding
MRT	Meter and Relay Testing
MU	Million Units
MUSS	Master Unit Sub-Station
MW	Mega Watt
NFA	Net Fixed Assets
O&M	Operation & Maintenance
R&M	Repair & Maintenance
RoR	Rate of Return
RoE	Return on Equity
TC	Transformer Centre
T&D	Transmission & Distribution
TMC	Town Municipal Corporations
T & P	Tools and Plants
TL & SS	Transmission Lines and Sub-Stations
TP	Taluk Panchayats
VP	Village Panchayats

"A"

**BEFORE KARNATAKA ELECTRICITY REGULATORY COMMISSION AT
BANGALORE**

Filing No.....

Case No.....

IN THE MATTER OF:

Application for Approval of Annual Performance Review of FY 12, Annual Revenue Requirement and Expected Revenue from Charges (ERC) for 2nd control period & determination of Tariff to be charged by Gulbarga Electricity Supply Company Ltd under Section 27 of the Karnataka Electricity Reforms Act 1999 read with relevant Regulations of KERC (Tariff) Regulations and MYT Order dated 31.5.2006.

AND

IN THE MATTER OF

Gulbarga Electricity Supply Company Limited (GESCOM), a Company incorporated under the provisions of the Companies Act, 1956 and having its main office at Main Road, Gulbarga -585102.

GESCOM most respectfully submits the application of Expected Revenue from Charges (ERC) for FY 13, Annual Revenue Requirement, Distribution/Retail Tariff for FY-13 of Gulbarga Electricity Supply Company Limited under Multi Year Tariff (MYT) principles, for approval by the Hon'ble Commission:

1. GESCOM is a holder of the license granted by the Karnataka Electricity Regulatory Commission under Section 19 of the Karnataka Electricity Reforms Act, 1999 (Act No. 25 of 1999) for carrying on the business of retail supply of electrical energy in the Districts of Bidar, Gulbarga, Yadgir, Raichur Bellary & Koppal in Karnataka.
2. This is an application, under Section 27 of Karnataka Electricity Reforms Act, 1999 under Section 61 and 62 of Electricity Act, 2003 condition 24 of the Supply License and in line with MYT Order dated 31.05.2006.

1.1 Statutory Adherence

In this petition, the Petitioner has sought to diligently follow the principles and guidelines laid down in the License for Distribution and Retail Supply of Electricity, the Electricity Act 2003, MYT Regulations, Tariff Orders and various directions issued by the Honorable Commission from time to time. The Petitioner has filed ARR before the Hon'ble Commission for the first control period under the MYT Regime.

GESCOM is submitting the Application for Annual Performance Review for FY 12 (based on provisional accounts), ERC (Expected Revenue from Charges) for the 2nd Control Period from FY12 to FY13 and Tariff filing for kind consideration and approval of the Hon'ble Commission. The projected numbers are based on audited accounts for FY 12 and Provisional accounts for FY 12, they have been duly adjusted for growth in income, changes in expenses and also changes in assets and liabilities as per the expectations of GESCOM. In the course of validation by the Hon'ble Commission the licensee will provide the necessary updated information, if required.

1.2 Expected Revenue from Charges (ERC)

ERC Filing Requirement

In terms of Section 27 of the KERC and the Tariff Regulation -2000 (with amendments) framed by the Honorable Commission, the licensee is required to file its Expected Revenue from Charges not later than four months before the commencement of the financial year i.e., on or before 30 November 2011 for the ensuing financial year commencing from 1st April, 2011. As per the Hon'ble Commission Lr.No. N/5011/1297 Dtd. 24.11.2011, the filing of The Expected Revenue from Charges and the Annual Revenue Requirements for FY-13 are herewith submitted.

The formats prescribed in KERC (Tariff) Regulations are enclosed with this petition. The details are furnished in respect of the financial years 2010-11, 2011-12 and 2012-13. The details of the revenue anticipated and the expenditure assessed for the current year FY 13 is detailed in the following paragraphs.

The information provided for the year FY 12 is as per the provisional / unaudited accounts. The Hon'ble Commission is therefore requested to consider these figures. The licensee most respectfully submits that it has made sincere efforts to comply with the requirements of the KERC (Tariff) Regulations with the information currently available.

The licensee confirms that the Board of Directors has approved the proposal for filing of the ERC.

2. **Profile of GESCOM**

Gulbarga Electricity Supply Company (GESCOM) came into existence on June 1, 2002. Its area of operation covers six districts Viz., Gulbarga, Yadgir , Bidar, Raichur, Bellary and Koppal. The registered office of the Company is located at Gulbarga.

The hot and dry tropical climate of the area has primarily an agro – based economy and is economically and educationally lesser developed as compared to other parts of Karnataka. The fact that three rivers (Tungabhadra, Bheema, and Krishna) flowing through this region, provide little respite to the farmer’s dependence on rain. Dams constructed across Tungabhadra River in Bellary and Krishna River in Gulbarga district have obviated this dependence to certain extent. Yet bore wells and open wells run dry during summer. The primary crops cultivated in this area are Paddy, Sugarcane, Pulses, Jawar, Cotton & etc.

Industries and Power Generation

The prestigious Raichur Thermal Power Station (RTPS), Bellary Thermal Power Station (BTPS) and the Hydel Power Generation unit at Munirabad which are owned by KPCL and also number of Independent Power Producing units are located in the GESCOM area.

However, lack of proper infrastructure facilities has led to the region being starved of industrial growth. The industrial scenario is dotted by small and big Steel & Cement, Dal, Sugar and Edible Oil Industries.

Distribution Network

The following statistics provide a brief overview on some of GESCOM's distribution assets. As on **30.11.2011**, the distribution network of the Company comprises **127** stations of **33/11 KV**, **2526.3** kms of **33 KV** line, **36392.138**kms 11 kv line, **75124.653**kms of LT line and 52282 number of distribution transformer centers.

Human Resource

As on **30.11.2011**, the total working strength of GESCOM is **5127** against the sanctioned posts of **8509**. The Company resorts to outsourcing the very needy & critical services, to tide over the shortage of manpower and to provide better service to the consumers.

The study of the man power requirement based on the existing job analysis is under way. Emphasis is given on training of the employees on various subjects and fields in order to meet the challenges before it effectively.

Customer Service

Customer service has been improved in the area of billing significantly after the computerization of the billing system in all the sub-divisions. Owing to addition of 13 new stations and 164.16 Kms of 33 KV line during FY-11, it has enabled the Company to provide quality and reliable power supply to the customers with minimal interruptions.

One 24/7 central **costumer care center** is establish at Gulbarga with toll free telephone numbers to register their complaints and get service round the clock.

New Initiatives to Improve the Customer Care and provide better services

Central Complaint Reporting Cell

With a view to improve its Complaint handling mechanism and lessen the time required for handling each complaint of its consumers, GESCOM has put in place a central complaint reporting cell with 6 lines wide publicity has been given by paper notifications and individual letters to each gram panchayats also.

Mobile phones to Line Staff

The lineman and other field staff are provided with mobile phones for letter/ complaints services handling.

Tagging of Field Staff to RR Numbers/ Infrastructure

Going forward, GESCOM intends to tag each of its line men, Meter Reader, Mechanics to the respective RR Numbers/Consumer/Infrastructure accounts whereby the communication process of the consumer complaint/ Infrastructure failure to the concerned AEE/Section Officer/Line Man is automated and further reduce the complaint handling time.

Consolidation of TRM Services

In order to achieve the above, it is very essential that the details of all the consumers should be available at a single point hence GESCOM has also initiated action to consolidate the TRM services from multiple agency to a single agency. The TRM agency is required to provide the TRM services on a web based platform with full access of the data base to GESCOM.

The TRM Services of whole GESCOM is entrusted to **M/s N' Soft. Agency** Bangalore.

Online Consumer services

In the near future, Consumers will be provided with the facility to see their bill/ledger details on the web site and also payment facility will be available online and through ATM / Mobile phones.

Commercial Efficiency

GESCOM has been using the media effectively to bring awareness among the consumers on the Anti Theft Law. This is aimed at improving the revenue by decreasing theft of energy. Other initiatives like effective implementation of the Anti Theft Law, replacing of MNR meters, regularization of unauthorized connections, mass disconnection drive etc., are also underway.

2.1 Mission Statement of GESCOM

The company intends to face the challenges ahead by imbibing and accomplishing the company's mission statement, which proclaims:

“The mission of the GESCOM is to ensure reliable quality power to its customers at competitive prices. The GESCOM is committed to achieve this mission through:

- Encouraging best practices in distribution,
- Encouraging high order maintenance of its technical facility.
- Emphasizing the best standards in customer service and
- Optimizing its human and technical resources for the benefit of all its customers”.

3.0 Rationale for ERC Filing

Rational for Expected Revenue from Charges (ERC)

The Commission has issued MYT regulations vide Notification No: D/01/6 dated 31st May 2006. Some of the highlights of the MYT regulations are furnished below:

MYT framework shall be based on the following elements, for calculation of ARR and ERC:

- (i) Control Period, at the commencement of which a forecast of the ARR and ERC shall be filed by the Distribution Licensee for approval of the Commission;
- (ii) Distribution Licensee's forecast of ARR and ERC during the Control Period shall be based on reasonable assumptions related to the expected behavior of the various operational and financial variables;
- (iii) Trajectory for specific variables as may be stipulated by the Commission, where the performance of the Licensee is sought to be improved through incentives and disincentives;
- (iv) Annual Review of performance vis-à-vis the approved forecast and categorization of variations in performance into those that were caused by factors within the control of the Distribution Licensee (controllable factors) and those caused by factors beyond the control of the Distribution Licensee (uncontrollable factors);
- (v) Mechanism for pass through of approved gains or losses on account of uncontrollable factors;
- (vi) Mechanism for sharing approved gains or losses arising out of controllable factors;
- (vii) Annual determination of tariff for each financial year within the control period based on the approved forecast and results of the annual performance review.

The Accounts shall be segregated between Distribution and Retail supply business. Till such time there is complete segregation, the ARR of the Distribution Licensee shall be apportioned between the Distribution Business and Retail Supply Business by appropriate methodology.

Every Distribution Licensee shall file an application for approval of ARR and ERC under the MYT framework for the Control Period commencing from FY08. The filing for the Control period shall be made by the licensee within a period not less than 120 days before the commencement of the Control Period. The filing shall be for the entire Control Period. The filing shall be in the same form as specified in the KERC (Tariff) Regulations, with year wise details for each year of the Control Period, duly complying with the principles for determination of ARR as specified in these Regulations.

GESCOM had filed their ERC for the 1st Control Period from FY 08 to FY 10 on 30.11.2006. The filing for the Multi Year Tariff periods have to be done 120 days before the commencement of the Financial Year for which tariff is sought.

KERC indicated the second Multi Year Tariff period as 2010-11, 2011-12, and 2012-13 vide their letter dated 03.05.2010. The petition for ERC for IInd control period and tariff determination for Ist year of IInd MYT was filed by GESCOM on 13/8/2010 and the Hon'ble Commission passed the Tariff Order on 7/12/2010. GESCOM is now filing its petition for APR of FY 12 and ERC for the 2nd Control Period for FY-13.

3.1 Revenue insufficient to Cover Costs in FY-13

Based on the 2011 tariff order, GESCOM is unable to meet its current costs as there is a deficit and the same will be recovered from the proposed revision of Tariff.

- a. Regulatory Asset as per the Tariff Order 2011 Rs. 50.00 Crores.
- b. Gap for FY 12 is Rs. 134.80 Crores.
- c. Gap for FY 13 is Rs. 27.26 Crores.
- d. Total deficit Rs. 212.06 Crores.
- e. Increase in revenue by proposed tariff hike of 73.56 ps Rs. 212.06 crores.
- f. Un met gap is Rs. 0.00

APPENDIX

REVIEW OF COMPLIANCE OF DIRECTIVES ISSUED BY THE COMMISSION

The Commission had in the earlier tariff orders and in various letters issued the following directives for compliance by GESCOM. Compliance of those directives by GESCOM is discussed in this section.

1) Directive on Demand Side Management and Energy Efficiency Measures

GESCOM is directed to explore the possibility of introducing the following DSM and Energy Efficiency measures which would result in reduction in consumption of energy and peak demand:

- a) Making "Time of Day Tariff" compulsory for industrial consumers.
- b) Installing electronic "time switches" for streetlight installations for switching "on" and "off" at the required timings.
- c) Bifurcation of agricultural loads from the existing 11 KV feeders.
- d) Adopting HVDS for agricultural loads which results in reduction of line loss and prevents theft of energy.
- e) To adopt "Bachat Lamp Yojana" that is being launched by the Bureau of Energy Efficiency.

The Commission notes that if DSM measures are adopted, there could be substantial savings in the power purchase cost and it would also lessen the burden of adding additional generation capacity in the State.

Compliance by GESCOM:

a) Making "Time of Day Tariff" compulsory for industrial consumers.

At present TOD is optional. GESCOM is extending TOD Tariff facility to all the industrial consumers whenever the requests are received from the industrial consumers.

b) Installing electronic “time switches” for streetlight installations for switching “on” and “off” for the required timings.

The matter is already taken up with municipal authorities and Local Body Authorities. The municipal Authorities have started providing time switches in cities.

c) Bifurcation of agricultural loads from the existing 11 KV feeders.

In GESCOM, Nirantar Jyothi scheme is taken up for implementation, after execution of which the agricultural loads will be separated from existing 11 KV feeders.

GESCOM has stated that the Nirantar Jyothi Scheme is being implemented in two phases. In the 1st Phase, 2,755 villages have been covered with proposal of 227 nos. 11 KV feeders at the project cost of Rs.28,689.59 lakhs. In the 2nd Phase, 922 villages have been covered with proposal of 88 nos. 11 kV feeders at the project cost of Rs.10,318.91 lakhs.

d) Adopting HVDS for agricultural loads which results in reduction of line loss and prevents theft of energy.

Wherever LT line lengths are found lengthy, additional distribution Transformers are being provided to reduce the length of LT line, there by LT/HT line length ratio maintained at 1:1.

e) To adopt “Bachat Lamp Yojana” that is being launched by the Bureau of Energy Efficiency.

Tenders are called for implementation of “Bachat Lamp Yojana” in GESCOM. The bids are opened on 18.05.2011 and evaluation is in process.

Reply:-

Bachat Lamp yojana:-Letter of Intent is placed to the firm M/s. G.C.I. Power private Limited, Bangalore on 16-07-2011 for Developing “Bachat Lamp Yojana “ in four O&M Circles of GESCOM. But the firm even after lapse of 4 months has not come forward to execute the Bilateral Agreement and not shown any interest to carryout the work even after several notices and reminders. Hence, the LOIs

placed by the GESCOM is cancelled and fresh tenders have been floated by GESCOM in this regard.

Installing time swithes to the streetlight installations and recover the cost from the local bodies to save time in avoidance of wastage of energy.

Commission's views:

GESCOM is directed to formulate a time bound action plan within three months to implement the above Demand Side Management and Energy Efficiency Measures. The progress achieved in regard to separation of IP loads and Installing electronic "time switches" for streetlight installations is not adequate.

Also, Commission suggests that ESCOMs, on behalf of the local bodies, may take action for installing time switches to the streetlight installations and recover the cost from the local bodies to save time in avoidance of wastage of energy.

Reply:-The subject matter is under consideration.

2) Directive on Implementation of Intra State ABT:

The Commission directs that the work of establishing ALDCs in all the ESCOMs shall be completed fully and Intra State ABT is made operational by 31st August 2010. KPTCL and ESCOMs shall furnish to the Commission a status report by 22nd April, 2010 on the progress achieved as on 15th April 2010. Thereafter progress achieved in this regard shall be reported to the Commission on fortnightly basis.

Compliance by GESCOM:

The Distribution Control Center (DCC) has started functioning from 04.10.2010. The proposal of ABT and energy balancing was discussed in the MMR meeting on 04.05.2011.

The mechanism and methodology of implementation are being discussed between ESCOMs and KPTCL Bangalore. However the practical implementing schedule has to be done by KPTCL. The progress up to date is as given below.

1. All the 261 interface points in 144 No's of 220/110/66 Kv Sub- station are fixed with 0.2 class ABT feature meters.
2. All the 28 No's EHT installations are fixed with 0.2 class ABT feature meters.
3. All the 58 No's IPP installations are fixed with 0.2 class ABT feature meters.
4. Out of 122 No's of 33 KV stations, 86 No's of stations are included in IE-SCADA. DCC has started functioning from 04.10.2010. the 21 No's of 33 KV station are included in IE- SCADA phase-II.

Commission's views:

In the Advisory committee meeting held on 30.03.2011 it was informed by MD, KPTCL that the intra state ABT would be implemented from April 2011 and the Generators would also be included. KPTCL & ESCOMS shall complete the remaining **activities** for the implementation of intra State ABT within three months.

3) Directive on Taluk wise Feeders' Segregation:

ESCOMs shall furnish to the Commission the programme of implementing 11 KV taluk wise feeders' segregation during the financial year 2010-2011 with the following details:-

- a) No. 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 GESCOM:

In GESCOM number of 11 KV feeders considered for segregation as on 30.04.2011 is 23 Nos.

- i. The work of 3 No. of feeder is completed up to the end of 30.11.2011. 2 Nos Kamathan sub division. 1 RSD sub division Gulbarga.
- ii. The balance feeder's work will be taken up at an early date.
- iii. The balance feeder works will be completed before June 2012.

Commission's views:

GESCOM shall furnish a time bound action plan for completing the above programme. The progress in implementing the works under NJY scheme is not adequate. GESCOM is directed to complete the work within the schedule time and furnish to the Commission the month wise schedule to the completion of the work and also the progress achieved.

The balance feeder works will be completed before June 2012

4) Directive on Metering at the Distribution Transformer Centers (DTCs):

The Commission had earlier directed ESCOMs to complete installation of meters at the DTCs. The Commission directs that the installation of meters at the DTC level shall be completed by all ESCOMs by 31st December, 2010.

a) No. of DTCs existing in the Company.

b) No. of DTCs already metered.

c) No. of DTCs yet to be metered.

d) Time bound monthly programme for completion of work by 31-12-2010.

Compliance by GESCOM:

a) No. of DTCs existing in the Company 52282 No's.

b) No. of DTCs already metered 19660No's.

c) No. of DTCs yet to be metered 32622 No's

d) Time bound monthly programme for completion of work by 30.04.2012 is proposed as follows.

e) For metering of balance 30,296 Nos. of DTCs Tenders have been called and the techno evaluation is under process.

Commission's views:

In spite of Commission's direction to complete the installation of meters at the DTC level, the progress achieved by GESCOM is not satisfactory. GESCOM shall furnish the plan of action for obtaining meter readings and to conduct energy audit.

Plan of Action is furnished hereunder for kind consideration:

DTC Metering Progress

Sl. No	Name of the work	No. of Lots	Quantities	Processing of Tender									
				Aug. 11	Sep. 11	Oct 11	Nov 11	Dec 11	Jan. 12	Feb. 12	Mar. 12	Apr. 12	
1	75 % Metering of balance DTCs in Rural Area	Lot -1 to Lot-9	27910	0	500	1500	3000	4500	4500	4500	4500	4500	4910
2	Balance Metering of 11 towns in which R-APDRP work	Lot -10	2386	300	500	500	500	586	-	-	-	-	-
	Total		30296										

5) Directive on preventing electrical accidents:

The Commission has reviewed the electrical accidents that have taken place in the State and with regret noted that as many as 399 people and 424 animals have died 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 danger to human lives.

Having considered the above matter, the Commission hereby directs all the ESCOMs/Hukkeri RECS/KPTCL to prepare an action plan to effect improvements in the transmission and distribution networks and implement safety measures to prevent electrical accidents. Detailed Division wise action plans shall be submitted by GESCOM to the Commission within two months.

Compliance by GESCOM:

The Time Bound Action Plan reducing electrical accidents in GESCOM is already been implemented in GESCOM during FY- 2011-12 an amount of Rs. 50 Lakhs is allotted for the action plan division wise allocation is as given below .

Time Bond Action Plan Fund to Divisions for reducing accidents

Sl. No	Name of the Division	Allocation of funds in Lakh's
1	Gulbarga-I	4.00
2	Gulbarga-II	4.00
3	CSC Gulbarga	3.50
4	Yadgir	4.00
5	Bidar	4.00

6	Humnabad	4.00
7	Raichur	4.00
8	CSC Raichur	3.50
9	Koppal	4.00
10	Hospet	4.00
11	CSC Hospet	3.50
12	Bellary	4.00
13	CSC Bellary	3.50
	Total	50.00

Following remedial measure to taken reduce electrical accidents.

- i. To carry out rigid, periodical and preventive maintenance work on Distribution system**
- ii. Providing intermediate poles on LT/ HT lines**
- iii. Replacement of deteriorated Conductors by new one, for LT/HT lines. Set right the slanted pole by foot concreting**
- iv. Re stringing of loose span of HT/LT lines.**
- v. Rectification of defects in hazardous installation of lines and equipment.**
- vi. Rectification of defects in dangerous location where the LT/HT Line passing close to the building and replacement of the broken poles.**

Commission's views:

The Commission noted that even during 2010-11, 391 people and 595 animals have died in the State due to accidents. This has been viewed seriously. In addition to procurement of safety equipments, it is also essential to make use of equipments in a safe manner. Employees should be trained. GESCOM shall submit action plan to reduce accidents within one month.

Plan of Action:- Under RGGVY works Training has been imparted Group C and D employees in respect of Rural electrification, franchisee selection, safety measures and etc.

6) Directive on HT / LT Ratio:

GESCOM is directed to take measures to achieve HT line: LT line ratio of 1:1 by adopting Niranthara Jyothi Yojana in rural areas and by converting LT lines into HT lines and providing additional DTCs in Urban areas in one taluk as a pilot project. By achieving 1:1 ratio, LT line losses will be reduced. GESCOM shall furnish time bound action plan to achieve this ratio in one taluk of the Company.

Compliance by GESCOM:

Niranthara Jyothi Yojana is being implemented in Gulbarga Taluk. There are 31 feeders in the taluka with total length of 1170 Kms 11 kV new feeders are being erected with total length of 474 Kms under NJY. The proposed scheme with costing 1376.47 Lakhs, will reduce the existing LT/HT ratio and result in reduction in AT&C loss. Tendering is under progress.

R- APDRP scheme is also under implementation in Gulbarga town. 109 new distribution transformers will be added with additional new 11 KV lines. Apart from

adding new DTCs, other activities like shifting of meters to distribution poles, replacing existing Electro mechanical meter by static meters , replacement of LT OH line by AB cable, 11 KV re conducting etc will be taken up under R-APDRP scheme. It is proposed to bring down AT&C losses of the town to 15% and less. Both NJY and R- APDRP scheme are expected to be completed during FY 2011-12.

Commission's views:

GESCOM is directed to achieve HT line: LT line ratio of 1:1 by converting LT lines in to HT lines and providing additional DTCs in urban and rural areas to reduce LT line losses. In view of not achieving the targeted ratio, GESCOM is directed to furnish time bound action plan to achieve this ratio in the Company.

Plan of Action:- The HVDS system will be implemented as a pilot scheme in Bidar division to reduce the HT to LT ratio 1:1

7) Directive on MIS & Computerization

GESCOM shall improve its Management Information System (MIS) and provide more details and explain the basis for all the projections indicating the sources of data and the method of estimating the projected values in the next filing.

The Commission notes that, despite computerization of the billing activity, GESCOM is unable to furnish details of sanctioned load and slab wise consumption in its ERC filing. **GESCOM shall furnish the above details for the purpose of computation of fixed charges in the next ERC filing. Further, the Commission notes that despite computerization, there are some inconsistencies in the data furnished to the Commission on various aspects. GESCOM has to improve its database and achieve consistency in the data furnished to the Commission.**

Compliance by GESCOM:

The total Revenue management (TRM) activity has been outsourced to private Agencies in all the subdivisions of GESCOM: GESCOM is consistently making all out effort to improve the data base.

The details such as slab wise consumption of installations and connected load of all the installations are obtained and submitted to the Hon'ble Commission.

Commission's Views:

ESCOMs shall furnish the details for the purpose of more accurate computation of fixed charges and revenue realisation in different slabs of consumption relating to various tariff categories. GESCOM has to improve to database and shall be consistent with the data furnished.

Reply: Under RAPDRP-part A scheme is in progress in 21 towns of GESCOM area and balance HRMS scheme.

8) Directive on Energy Audit

The Commission had directed GESCOM 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 has also directed GESCOM to conduct energy audit and chalk out an Action Plan to reduce distribution losses to a maximum of 15% wherever it was above this level in 11 towns and cities having a population of over 50000.

The Commission in its letter No 545-51 dated 17.07.2006, had directed GESCOM to compute monthly Circle-wise energy losses at different voltage levels. *The*

Commission hereby directs to undertake energy audit studies at distribution circle level, in future.

GESCOM is directed to expedite the process of segregating technical and commercial losses duly backed up by relevant studies. GESCOM shall also furnish the voltage wise losses as sought earlier by the Commission. The Commission reiterates its directive to undertake energy audit studies at distribution circle level, in future.

Compliance by GESCOM:

GESCOM is conscious & concerned about the high level of distribution loss in the system. It is fully committed to reducing the losses & introducing energy auditing at all levels.

As a first step, GESCOM is collecting the information from divisions and analysis is being done at Corporate Office. In order to monitor the energy losses more closely and to identify contributory factors, sub-division level analysis is also conducted at the Corporate Office and all SEE's have been directed to conduct the energy audit at circle level and submit the same to the corporate office vide Ltr .NO. GESCOM /CEE (CP)/SEE (MIS) EE (RA)/T-8/F-2733/09-10/35949-62 dtd 05.03.2010.

GESCOM has completed the analysis of the energy audit reports of 11 towns up to March-2011. Meters are provided to all streetlight circuits in the Towns. In respect of un-metered IP Sets, consumption is being assessed on the basis of readings obtained from the meters provided to DTC's predominantly feeding to IP Sets.

GESCOM has initiated the following steps to reduce the energy losses.

- a) Replacement of MNR meters.
- b) Metering the Streetlight circuits.
- c) The distribution system improvement works were carried out in Bidar, Raichur and Gulbarga, Koppal, Gangavathi, Bellary, Hospet, Yadgir, Shahabad & Basavakalyan towns under APDRP.
- d) The details of MNR meters replaced during FY11 as on 30.11.2011 are shown below:

Progress of replacement of MNR meters

Sl. No	Category	Existing as on 01.04.10	Found during Apr 10 to Mar-11	Replaced during Apr 10 to Mar-11	Balance as on 31.03.2011
1	Domestic	49025	57837	56896	49966
2	Commercial	1052	4529	4083	1498
3	IP Sets	0	0	0	0
4	Power	190	1186	1048	328
5	Water Works	1520	808	1223	1105
6	St. light				
7	Temp.	0	17	0	0
8	HT	0	12	12	0
Total		51787	64332	63222	53897

- e) Steps have been taken to inspect the installations on regular basis for detecting the commercial losses. The vigilance raids have been intensified. The details are shown below:

Statement of Theft Cases

Category	FY 10			FY 11		
	No. of installations			No. of installations		
	Inspected	Detected	% detected	Inspected	Detected	% detected
Domestic	7508	3720	49.54	17433	12317	70.65
Commercial	2144	327	1.52	3560	729	2.04
IP Set	14	-	-	-	-	-
LT Power	1922	365	1.89	2385	312	1.3
W/S & St lting	727	28	3.85	577	36	6.23
LT-7	582	133	22.85	1126	184	1.63
Total	12897	4573	79.65	25081	13578	54.13

During FY 12 up to Oct 11 No cases booked is 7980 and amounting to Rs. 4.41 crs. Claimed and recovered a sum of Rs. 2.50 crs.

- f) To reduce Technical Losses, it is proposed to provide additional distribution Transformers, shifting of transformers to load centers besides addition of 11 KV lines to improve HT: LT Ratio. Significant progress is expected in these areas by end of the FY12. During the year FY-10 -11 the progress is 2568 Nos of Distribution Transformers, 1005.65 kms of 11 KV lines & 932.28 kms of LT Lines are added to the system.
- g) Metering of 100% urban DTC's and 25% of rural DTC's has been taken up. As on 31.12.2011, 5891 number of Urban DTC's and 13673 rural DTC's have been metered.
- h) The Trajectory loss level.
- 33 KV Line Loss

Sample study of following 33 KV lines was made for assessing 33 KV line loss based on table shown below. The 33 KV line loss is arrived at 3.2 % of the in put energy.

Trajectory Loss Level

33KV line losses (Reading taken @ sending end)

Sl. No.	Month and year	Name of 33 KV Feeder (Name of 110KV MUSS)	Conductor used	Length of Line	Sending end Energy at 110 KV MUSS in KWH	Receiving end Energy in KWH	Loss in KWH	% age Loss
							(Col 5 - Col 6)	
1	2	3	4	5	6	7	8	9
1	Nov-11	33kv line from 110/33kv karajagi station to 33/11 udachan	Cyote	9kms	1304400	1282000	22400	1.71%
2	Nov-11	33kv line from 110/33kv north station to 33/11 Azadapur	Cyote+Rabitt	6.5kms	2108280	2088000	20280	0.96%
3	Nov-11	33kv line from 110/33kv Aland station to 33/11 Tadkal	Rabitt	15kms	655800	615200	40600	6.19%
Average 33 KV line loss								2.95%

33/11kv Power Transformer losses (Reading taken before transformer 33kv and after Transformer 11kv bank side)

Sl. No.	Month and year	Name of 33 KV Feeder (Name of 110KV MUSS)	Conductor used	Length of Line	Sending end Energy at 110 KV MUSS in KWH	Receiving end Energy in KWH	Loss in KWH	% age Loss
							(Col 5 - Col 6)	
1	2	3	4	5	6	7	8	9
1	Nov-11	Azadapur	Cyote		831600	821400		1.22%
2	Nov-11	Revoor(B)	Cyote+Rabitt		727000	716200		1.48%
3	Dec-11	Azadapur	Rabitt		958650	940000		1.94%
4	Dec-11	Revoor(B)	Rabitt		727000	716200		1.48%
Total								1.53%

11 KV line loss.

Sample study of following 11 KV lines was made for assessing 11 KV line loss. Based on table shown below the 11 KV line loss including DTC's and LT line for the month of March – 2011, arrived to 16.70 %.

Abstract of Feeder wise T & D Loss from April 2011 to October 2011

Sl. No	Name of Division	No. of Feeders	Total Feeder consumption (Mu)	Metered Sale (Mu)	Unmetered sale (Mu)	Total sale (Mu)	T&D Loss (4-7)/4*100
1	2	3	4	5	6	7	8
1	Bellary	30	22.302	14.157	2.907	17.064	23.49
2	Raichur	24	9.739	2.001	6.07	8.07	17.13
3	Raichur CSC	18	14.133	9.594	0.387	9.98	29.38
4	Yadgir	11	7.045	4.296	0.199	4.50	36.20
5	Bidar	19	5.372	2.251	2.269	4.52	15.86
6	Humnabad	12	4.891	3.665	0.025	3.69	24.56
7	Gangavathi	23	18.052	1.142	13.628	14.77	18.18
8	Manvi	26	15.981	1.995	10.923	12.92	19.17
9	Deodurga	20	31.728	5.847	19.854	25.70	19.00
	TOTAL	153	106.941	30.791	53.355	101.21	22.55

Abstract of Feeder wise in Town from April 2011 to November 2011

Sl. No	Name of Division	No. of Feeders	Total Feeder consumption (Mu)	Metered Sale (Mu)	Unmetered sale (Mu)	Total sale (Mu)	T&D Loss (4-7)/4*100
1	2	3	4	5	6	7	8
1	Gulbarga - II	7	9.586	8.337	0.151	8.49	11.45
2	Sedam	7	4.548	3.822	0.132	3.95	13.06
3	Sindanur	9	9.731	8.412	0.432	8.84	9.12

4	Koppal	13	1.371	0.836	0.401	1.24	9.77
	TOTAL	36	25.236	21.407	1.116	22.52	10.85

Taking average 11 KV Line loss for Town Feeders and Other Feeders the Loss Including
11KV , DTC's, LT Lines etc

16.70 %

DT to Consumer Energy Accounting Report (LT Line Losses)

Sl. No	Location Name	KVA Rating	Number of Consumers	DT Energy kWh	Consumption kWh	% Loss of LT Line	
						kWh	%
Circle / District : GESCOM/Bellary District Division/Section : Hospet Division/Hadagalli Section							
1	GES00927_K.E.B Complex	63	122	27260	24495	2765	10.14
2	GES01611_Police Quarters	100	18	1551	1403	148	9.54
Circle /District : GESCOM/Bellary District Division/Section : Hospet Division/ Kudalgi Section							
3	GES00909_Gulagi Nagraj	63	12	1514	1472	42	2.77
4	GES00972_Telephone Exchange	63	152	18672	17216	1456	7.80
5	GES01074_Nemiraj Naik	63	1	4605	3941	664	14.42
6	GES01388_Nursury	100	225	15185	13189	1996	13.14
Circle / District : GESCOM/Bellary District Division/Section : Hospet Division/ Sirguppa Section							
7	GES00835_Amrit Singh Complex	63	71	15003	14978	25	0.17
8	GES00914_Krishna Nagarj	63	104	15296	13608	1688	11.04
9	GES01579_Khb1	100	248	20996	20427	568	2.71
10	GES01963_Koppal Machinery	250	98	22707	21169	1538	6.77
Average LT line Loss in % for GESCOM							7.85

As shown above following are the details of the distribution loss of GESCOM.

- 1) 33 KV line loss **2.95 %**
- 2) 33 KV Transformers loss ... **1.53 %**
- 3) 11KV line loss **5.55 %**
- 4) 11 KV DTC loss **3.30 %**
- 5) LT line loss **7.85 %**

Commission's Views:

The Commission appreciates the efforts made by GESCOM for reduction of distribution losses during the FY11. Further GESCOM is directed to expedite the process of segregating technical and commercial losses duly backed up by relevant studies.

Reply:- The action plan process of segregating technical and commercial losses is under progress. The Report will be submitted.

9) Directive on Assessment of IP sets' consumption:

The Commission had directed GESCOM to provide meters to DTCs predominantly feeding to IP sets at the rate of two to four DTCs per O&M section.

The Commission directs GESCOM to furnish the monthly data downloaded from 32 ETV meters that was hitherto being furnished by M/S TERI, commencing from the month of March, 07 and onwards, in addition to the monthly statement of assessment of IP consumption based on DTC metered sampling points that is being furnished.

Further, the Commission notes that, the present method of computation of IP set consumption based on monthly sample readings of DTCs predominantly feeding

to IP sets is not reflecting the true picture of IP set consumption. As an alternate to this method the Commission proposes to introduce assessment of IP consumption based on metering of all DTCs in ESCOMs and to arrive at the IP set consumption after deducting the non IP set consumption. For this purpose ESCOMs shall meter all the DTCs which are feeding energy to IP sets installations. This will enable the ESCOMs to accurately assess the IP set consumption and claim subsidy from the Government.

Compliance by GESCOM:

GESCOM has already taken action to install meters to all DTCs . In first Phase, it is proposed to meter 100 % of urban DTCs and 25% for rural DTCs and work is under progress. DTCs metered progress report of rural and urban DTCs up to March 2011 is shown below table. Action is being taken to meter remaining 75% rural DTC's by December 2011.

Total No.of urban DTC's in GESCOM	9460
Total No.of rural DTC's in GESCOM	40685
As on Mar 2011 Urban and Rural DTC's	50145
Total No.of urban DTC's metered	5891
Total No.of rural DTC's metered	13673

Status of Metering of Distribution Transformer centre in Urban/Rural areas

Sl. No.	Name of the District/Division	Total No. of DTC's existing as at the end of reporting month of Nov-2011	Cumulative progress as at the end of reporting month of Nov-11	Balance No. of DTC's to be metered
Urban DTC				
A	Gulbarga-1	2728	2249	479
B	Gulbarga-2	328	172	156
C	Gulbarga	3056	2421	635
	Yadgir	477	57	420
1	Bidar	1038	716	322

A	Humnabad	385	5	380
B	Bidar	1423	721	702
3	Raichur	1246	1011	235
4	Koppal	1316	387	929
A	Hospet	803	405	398
B	Bellary	1318	889	429
5	Bellary	2121	1294	827
GESCOM Total		9639	5891	3748
Rural DTC				
A	Gulbarga-1	4296	1613	2683
B	Gulbarga-2	3815	1272	2543
C	Gulbarga	8111	2885	5226
1	Yadgir	5138	1809	3329
A	Bidar	3836	2136	1700
B	Humnabad	2268	897	1371
2	Bidar	6104	3033	3071
3	Raichur	6413	1794	4619
4	Koppal	6208	1689	4519
A	Hospet	6613	1526	5087
B	Bellary	4056	1033	3023
5	Bellary	10669	2559	8110
GESCOM Total		42643	13769	28874
Grand Total		52282	19660	32622

Commission's Views:

While appreciating the effort of GESCO in urban DTCs metering, it is directed that emphasis will be placed on rural DTC metering also to install meters to all the remaining DTCs which are feeding IP sets and put in place a mechanism to obtain periodical meter readings of such meters and assess the IP set consumption. GESCO shall furnish a time bound action plan for completing the above programme.

Plan of Action: The action plan is being prepared and will be furnished before 20-02-2012

10) Directive on Quality of Service

The Commission has commented on the poor quality of supply, particularly in rural areas. ***The Commission has been directing GESCO to take appropriate action to reduce interruptions by attending to periodic maintenance of lines and equipment, with particular reference to rural areas.***

The Commission directs GESCO to continue its efforts in improving the quality of supply particularly in rural areas where the quality of supply is very poor.

Compliance by GESCO:

Keeping in view of the quality of power supply particularly in rural areas the following improvement works have been carried out during FY 11.

- i. 13 Number of 33 KV new substations have been added to the system.
- ii. 2568 number of Distribution Transformers have been added to the network.

- iii. The HT-LT ratio is brought down to 1: 2.09 by adding 164.16 KM of 33 KV Line during FY 11 and 59 KM during FY 12 (up to Nov-11), 345 km reconductoring of 11 KV Line during FY 11 and 140 KM during FY 12 (up to Nov-11)

All these works have resulted into:

- a. Improvement of voltage to the tail end consumers.
- b. Reduction in interruptions.
- c. Improvement in reliability index at 11 KV feeders (for FY12 (up to Nov-11 stands at 95.94 %).

Action Plan

In order to improve the quality of supply and service to its consumers, GESCOM has set following target for FY 11.

- a. 11 Number of 33 / 11 KV Stations are proposed to be added.
- b. 127 Km of 33 KV line and 376 KM of 11 KV lines is proposed to be added to the network.
- c. In Nirantar Jyothi scheme new 318 No's 11 KV feeder for propose with total project cost of 40834 Crs. During 2010-11, 10 No's 11 KV feeders are already commissioned. 159 No's to be commissioned. During 2011-12 balance 148 No's for proposed to the commissioned. During 2012-13

Work of 131 feeders is under progress and tendering process for balance 177 feeders is in progress GESCOM has taken action to implement various system works as detailed in the above paras aiming at reducing T & D losses to 21% during FY-12.

Keeping in view of the quality of power supply particularly in rural areas the following improvement works have been carried out during FY 10-11 and the progress achieved up to Mar-11 is shown below:

- i. 13 Number of 33 KV new substations have been added to the system.
- ii. 2568 number of Distribution Transformers have been added to the network.

- iii. The HT-LT ratio is brought down to 1 : 2.09 by adding 109.76 KM of 33 KV Line, 1005.65 11 KV Line and 932.28 KM of LT Line

All these works have resulted in:

- d. Improvement of voltage to the tail end consumers.
- e. Reduction in interruptions.
- f. Improvement in reliability index at 11 KV feeders (for FY 11 stands at 95%).

Commission's Views:

The Commission **appreciates the efforts put in by GESCOM and reiterates** its directive to continue GESCOM's efforts in improving the quality of supply particularly in rural areas.

Reply :- **GESCOM will take action to improve the quality of supply particularly in rural areas.**

11) Directive on Reliability Index of supply of power to consumers:

As per the schedule - II of the KERC (Licensees' standards of performance) Regulations – 2004, the licensees are required to compute the following reliability indices:

- a. Average No. of interruptions in 11KV feeders
- b. Average duration of interruptions in 11KV feeders
- c. Average No. of interruptions per consumer
- d. Average duration of interruptions per consumer.

At present, ESCOMs are furnishing the following monthly data on Benchmark parameters for both urban and rural areas separately

- a. Average number of interruptions in 11KV feeders

b. Average duration of interruptions in 11KV feeders

GESCOM shall furnish the above monthly data in the formats furnished by the Commission as per the "Guidelines for determination of Reliability Index of supply of power to consumers" dated 15.12.2008.

Compliance by GESCOM:

As per the Hon'ble Commission's directives, GESCOM is already furnishing Reliability Index details in the prescribed format for (a to d) every month from Dec-2009 onwards.

As per monthly data furnished by GESCOM, the reliability indices for 11 KV feeders in district head quarters of GESCOM for the month March 2010 ranges from 88.98% to 95.76% and the same for towns and cities with a population of more than 50000 for March 2010 ranges from 82.65% to 97.84%. The reliability indices of 11 KV feeders in rural areas of GESCOM for the month of March 2010 ranges from 57.05% to 88.57%.

Commission's views:

Commission reiterates its directive to furnish the above monthly data in the formats approved by the Hon'ble Commission.

Reply:-- GESCOM is furnishing the information regularly to the Commission.

- 1) Reliability Index details in the prescribed format for the month of November 2011 was submitted vide Lr No.GESCOM/CEE(CP)/SEE(MRT-LDC)/F-3284/11-12/39769 Dtd: 26-12-2011.

2) Reliability Index details in the prescribed format for the month of November 2011 was submitted vide Lr No.GESCOM/CEE(CP)/SEE(MRT-LDC)/F-3284/11-12/42949 Dtd ; 20 – 01 - 2011.

12) Directive on Regularization of unauthorized IP sets:

The Commission, in a number of letters, and in earlier Tariff Orders, directed GESCOM to regularize unauthorized IP sets (except those in the gray and dark areas), immediately without imposing any condition.

Though GESCOM in its letter no. GESCOM/CEE(C&P)/AEE(MIS-II)/T-13-3542/2007-08/30530-33 dated 22.12.2007 has stated that, it has regularized 29,421 numbers of unauthorized IP sets as on 31.03.2007, only 27,311 nos. of IP sets are reflected in the DCB statement for December, 2007.

The Commission directs GESCOM to bring the remaining 2,110 nos. of IP sets into books of accounts and raise bills for the same, immediately.

Compliance by GESCOM:

As per the GoK circular No. EN 9 PSR 2011 dtd 27.04.2011 directions were issued to the all field officers to register all un authorized IP sets running as on 28.02.2011 before 15.05.2011 following table shows the division wise details of the unauthorized IP sets registered up to 15.05.2011.

REGULARIZATION OF UN-AUTHORISED IP SETS

Sl.No	Name of the division	No. of UN-AUTHORISED IP SETS
1	2	3
1	Gulbarga-1	1072
2	Gulbarga-2	30
3	Yadgir	0
4	Bidar	727
5	Humnabad	131
6	Raichur	24
7	Koppal	4765
8	Hospet	1383
9	Bellary	21
	GSECOM Total	8880

All the EE O&M GSECOM and O&M Divisions have been addressed to prevent the installation of unauthorized IP sets.

Commission's Views:

As the occurrence of unauthorized IP sets is a continuous phenomenon, GSECOM needs to address these issues by a regular campaign among farmers. Further GSECOM is directed to take immediate action to regularize all the **balance** unauthorized IP sets.

Reply:- Vide publicity is given to public through News paper and contacting Public.

13) Directive on Metering:

The Commission in a number of letters and in the earlier Tariff Orders had directed GESCO to provide meters to IP sets, BJ/KJ and street light installations, immediately. It has observed that, continuation of supply by GESCO to these un-metered categories without meters from 10.06.2005 violates the provisions of Section 55 of the Electricity Act, 2003.

The Commission reiterates its directive to achieve 100% metering in respect of IP sets, BJ/KJ and streetlight installations by 31.03.2010.

Compliance by GESCO:

Due to the following reasons, installing of meters to IP Sets could not be Carried out. i.e.,

1. Stiff resistance from farmers.
2. No pump house & meter boards for installing meters.
3. No security for meters in case installed on poles.
4. Huge quantum of meter requirements and cost

In respect of metering of BJ/KJ installations similar resistance from the beneficiaries has been encountered. However, action is being initiated to provide meters identifying the areas of low resistance and it is proposed to meter all the BJ / KJ installations. During FY- 10-11, 14320 meters have been provided.

In respect of IP set installation 3304 meters are provided during FY- 11. Since the resistance against metering of IP sets persists GESCO proposes to meter all DTC's feeding power supply to IP sets. By metering all IP set DTC's accurate consumption of IP set can be arrived at. The DTC's metering progress is given below

Metering IP Sets DTC's

Sl. No.	Name of the District/Division	Total No. of DTC's existing at the end of reporting month of Mar-2010	Cumulative progress as at the end of reporting month of Mar-10	Balance No.of DTC's To be metered
Urban DTC				
A	Gulbarga-1	2703	2249	454
B	Gulbarga-2	319	172	147
C	Gulbarga	3022	2421	601
	Yadgir	477	57	420
1	Bidar	1036	716	320
A	Humnabad	385	5	380
B	Bidar	1421	721	700
3	Raichur	1220	1011	209
4	Koppal	1289	387	902
A	Hospet	759	405	354
B	Bellary	1272	889	383
5	Bellary	2031	1294	737
GESCOM Total		9460	5891	3569
Rural DTC				
A	Gulbarga-1	4110	1574	2536
B	Gulbarga-2	3647	1272	2375
C	Gulbarga	7757	2846	4911
1	Yadgir	4854	1752	3102
A	Bidar	3600	2136	1464
B	Humnabad	2237	897	1340
2	Bidar	5837	3033	2804

3	Raichur	6210	1794	4416
4	Koppal	6070	1689	4381
A	Hospet	6026	1526	4500
B	Bellary	3931	1033	2898
5	Bellary	9957	2559	7398
GESCOM Total		40685	13673	27012
Grand Total		50145	19564	30851

Commission's Views:

The Commission reiterates its directive to achieve 100% metering in respect of IP sets and BJ/KJ installations. GESCOM is directed to furnish to the Commission a plan of action with a schedule for achieving 100% metering.

Reply:- A plan of action with a schedule for achieving 100% metering is yet to be prepared and same will be furnished in due course.

14) Directive on Segregation of distribution and retail supply business:

GESCOM is directed to segregate accounts between Distribution and Retail supply business by adopting a suitable methodology and implement the same from the next financial year. There is no need for Commission's concurrence in this regard.

Compliance by GESCOM:

In the existing manual process of maintenance of accounts, it is very difficult to implement the segregation of account wise expenses between the retail and distribution business. The tenders called for computerization of account which are under evaluation. The Segregation of distribution and retail supply business will be implemented upon computerization of the Accounts.

Commission's Views:

GESCOM is directed to segregate accounts between Distribution and Retail supply business by adopting a suitable methodology and implement the same from the next financial year.

15) Directive on Studies conducted:

GESCOM has to furnish a time frame and the latest status for completing the study on "Cost to Serve" and its implementation, thereafter. GESCOM is directed to hasten the process of the study and evolve a methodology to implement the same during FY10. GESCOM shall furnish a report regarding the study to the Commission early.

Compliance by GESCOM:

M/s PRDCL is entrusted to conduct the Study on Cost to Serve Model. All the field data has been provided. The final report submitted by M/s PRDCL was placed in the Board Meeting and the same was discussed. It was felt that the Report is not satisfactory. M/S PRDCL is directed to re submit the Report with improvements.

Commission's Views:

The Commission is in the process of issuing common guidelines to all ESCOMs for the uniform implementation of "Cost to serve" model. GESCOM shall furnish a report regarding the study to the Commission early.

Reply:- GESCOM will follow the Commission guide Lines and furnish a report regarding the study to the Commission .

16) Directive on Capital Works:

Data regarding capex in the format prescribed by the Commission has not been furnished as claimed by the company. GESCOM shall furnish the same without further delay. The Commission would therefore be constrained to disallow interest and finance charges on the capex, if full details in the prescribed format are not furnished by GESCOM within three months from the date of this order.

Compliance by GESCOM:

The details regarding the CAPEX program of GESCOM The details regarding the CAPEX program of GESCOM, in the prescribed formats has been prepared and furnished an The table showing as per the proposed budget for the FY -2011-12

Sl. No.	Particular	Budget Provision for 10-11 (both Plan & Non Plan)		Spill over works for 11-12		Fund need of New Works during		Total requirement for 11-12		Budget for 11-12	
		No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
1	33kV Sub-station, 33kV line works & Augmentation of 33kV S/S's	20	30	7	19	7	31	14	50	14	40
2	RGGVY works	5	30	0	0	5	43	5	43	5	43
3	RAPDRP works										
	Part-A	21	20	21	13	0	5	21	18	21	18
	Part-B	21	100	21	100	0	50	21	150	21	150
4	Reconductoring works:							0	0		
	a) 33kV lines	8	10	2	8	0	6	2	14	2	8
	b) 11kV lines	8	50	3	40	0	0	3	40	3	20
5	DTC metering works	9	40	9	12.5	10	93.5	19	106	19	30
6	RLMS works	4	7	1	0.5	0	0	1	0.5	1	0.5
7	Water supply works	363	5	13	2.24	353	3.76	366	6	366	6

8	Additional DTC's works:										
	a) New DTC's	215	2.5	45	0.4	275	2	320	2.4	320	2.4
	b) Enhancement of DTC's	227	2.3	45	0.5	275	2	320	2.5	320	2.5
9	Replacement failed 11 KV transformers		3		0		2	0	2		2
10	Replacement of Power transformers		1		1		0	0	1		1
11	Replacement of MNR meters	502	8.25	8163	2.56	43423	6.44	51586	9	4000	7
12	Providing ETV meters		1		1		0		1		1
13	Providing HT metering Cubicles for ring fencing	8	0.5	0	0	0	0	0	0		0
14	Service Connection works:										
	a) General works	630	5	0	1.4	69350	5.6	69350	7	69350	7
	b) IP set works	365	2	0	0	3652	4	3652	4	3652	4
15A	SI works (33KV link line / Express feeders)		1		0.75	1	0.25	1	1		1
15B	SI works (11KV Link line / Express feeders,)		4.7		1.28	20	18.72	20	20	20	10
16	Nirantara Jyoti works	20	150	20	145	0	141	20	286	20	150
17	a) Major Replacements in S/S's & lines		0.65		0.48		0.17		0.65		0.65
	b) Replacement of Age old Equipments in existing S/S & lines		7		7		0		7		3
18	Civil Engineering works		4		2.4		3.6		6		3
19	IT initiatives		2		0.52		4.48		5		5
20	Providing ABC , UG Cables & RMUs		2		1.69		0.31		2		2
21	SCADA works	1	15	1	8		1		9	1	5
22	SCP & TSP works										
	a) Energisation of IP sets	153	2.25	54	0.52		1.48		2	150	2

	b) Electrification of HB's/JC's		0.45		0.45		0		0.45	5	
	c) Kutir Jyoti		0.13		0.13		0		0.13	500	0.13
23	Ganga kalyan scheme works	3690	32	924	18.26	2733	19.74	3657	38	3657	20
24	T & P Articles		0.02		0		0.02		0.02		0.02
25	Replacing of Electro Magnetic meters by Static meters	-	2	-	2	0	0	0	2		
26	Metering of IP/St. Lights/BJ&KJ sets	313	1	20055	0.82	20132	3.18	40187	4	4018	4
27	Providing Infrastructure to Regularisation of Unauthorized IP sets		1	59	0.86	100	2.14		3	100	3
28	R.E General works:										
	a) Kutir Jyoti		0		0		0		0		0
29	Prevention of electrical accident & safety		0.64		0.31		0.19		0.5	9	0.5
30	Electrification of Rehabilitation villages	137	35	87	20	0	0	87	20	87	20
31	Taluka wise segregation of 11kV feeders		1.5		0.62		0.38		1	5	1
	Total		579.89		413.19		450.96		864.15		572.7

Commission's Views:

Regarding the details of CAPEX for FY11, the Commission desires to conduct a detailed check of all the works executed when once the details in prescribed format is received and appropriate observation will be communicated for compliance.

Reply:- The required format will be furnished in February 2012.

17) Directive on Lifeline supply to un-electrified households

The Commission hereby directs ESCOMs **to prepare a detailed and time bound action plan to provide electricity to all the unelectrified villages, hamlets and habitations in every taluk and to every household therein.** The action plan shall 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.

Compliance by GESCOM:

As 100% village electrification was achieved in GESCOM long before under RGGVY, intensive electrification of already electrified villages and electrification of BPL households was being taken-up under 10th Plan in four District of Bidar, Raichur, Koppal and Bellary & completed during December 2009. The scheme is under implementation in Gulbarga and Yadgir Districts under 10th Plan.

So far intensive electrification of 2966 no. of villages is completed, electrification of 144273 no. of rural households including BPL households is achieved.

Commission's Views:

In its tariff orders dated 7.12.2010, the Commission had directed ESCOMs to prepare an action plan to provide lifeline supply of electricity to all households without electricity in their respective jurisdictions. The Commission had estimated that the number of such households to be about 12 lakhs on the basis of the census data of 2001 and the progress reports on the implementation of Rajiv Gandhi Grameen Vidyudeekaran Yojana (RGGVY) in the state. The ESCOMs have reported that they have taken up identification of households without electricity and in the case of one ESCOM, CESC, the task of identification is completed.

The Commission is anxious that the other ESCOMs in the state should complete the task of identification of households without electricity without any further loss of time. The ESCOMs could take the assistance of the Grama Panchayats and /or Revenue administrations in the process of such identification which should be completed within three months. The ESCOMs can thereafter prepare detailed project reports for extending electricity supply to these households by availing of funding assistance under the RGGVY or other programmes.

The Commission directs that GESCOM shall complete the task of identification of households and prepare project reports as mentioned above before 31st March 2012.

Reply :- The task of identification of households and preparation of project reports will be done before 31st March 2012.

18) Directive on Power Supply During Night Hours For Villages;

The distribution utilities shall ensure at least 11 hours of single-phase power supply to the rural areas every day between 6.00pm and 6.00a.m. with provision for one hour of load shedding if required, to manage evening peak demand between 6.00PM and 10.00PM. The Commission will consider the implications of any additional power purchase required for the purpose

Compliance by GESCOM:

As per Chief Engineer (Electy.), SLDC, Bangalore vide letter no. CEE/EE)/AEE-3 dated 10.11.2010, wherein it was requested to arrange continuous power supply to all the 11 Kv feeders including Rural feeders. Accordingly GESCOM is arranging power supply to all 11kv rural feeders during night hours for villages.

The statement showing power supply timing to rural area's 11 KV feeders from 30.03.2011 is as given below.

Power Supply to Rural Areas (Schedule)

Group-I	Batch	3- Phase Supply	Single phase Supply
Raichur & Sedam	Batch-1	05-00 AM to 11-00 AM	06-00 PM to 05-00 AM
	Batch-2	11-00 AM to 05-00 PM	06-00 PM to 06-00 AM

Group-II	Batch	3- Phase Supply	Single phase Supply
Gulbarga & Munirabad	Batch-1	05-00 AM to 11-00 AM	06-00 PM to 05-00 AM
	Batch-2	11-00 AM to 05-00 PM	06-00 PM to 06-00 AM
Group-III	Batch	3- Phase Supply	Single phase Supply
Bellary & Shahbad	Batch-1	05-30 AM to 11-30 AM	06-00 PM to 05-00 AM
	Batch-2	11-30 AM to 05-30 PM	06-00 PM to 06-00 AM
Group-IV	Batch	3- Phase Supply	Single phase Supply
Itagi & Shahpur	Batch-1	05-30 AM to 11-30 AM	06-00 PM to 05-00 AM
	Batch-2	11-30 AM to 05-30 PM	06-00 PM to 06-00 AM
Group-V	Batch	3- Phase Supply	Single phase Supply

Sindhnoor & Kushtagi	Batch-1	06-00 AM to 12-00 Noon	06-00 PM to 06-00 AM
	Batch-2	12-00 Noon to 06-00 PM	06-00 PM to 06-00 AM
Group-VI	Batch	3- Phase Supply	Single phase Supply
Humnabad & Lingsugur	Batch-1	06-30 AM to 12-30 PM	06-00 PM to 06-00 AM
	Batch-2	12-30 PM to 06-30 PM	06-30 PM to 06-30 AM

Average Hours of Power Supply

Name of the District =>>		Gubarga	Yadagir	Bidar	Raichur	Koppal	Bellary	
Apr-10	Urban	20:17	21:07	18:08	19:49	20:43	18:41	
	Rural	3 - Phase	6:06	6:14	5:16	6:48	6:34	5:37
		1- Phase	6:01	6:12	6:09	5:20	5:26	6:07
May-10	Urban	21:36	22:32	22:10	23:36	23:06	21:44	
	Rural	3 - Phase	7:05	6:00	6:00	7:00	5:00	7:07
		1- Phase	5:10	6:03	6:00	5:20	5:15	5:20
Jun-10	Urban	21:24	22:15	22:00	23:23	23:00	22:44	
	Rural	3 - Phase	6:30	6:00	5:20	6:08	6:00	6:20
		1- Phase	5:10	6:10	5:36	5:05	5:40	5:30
Jul-10	Urban	21:05	21:55	21:42	21:30	21:19	21:13	
	Rural	3 - Phase	5:50	5:45	7:30	7:25	7:14	5:45
		1- Phase	6:25	6:05	4:05	4:10	4:15	6:30
Aug-	Urban	20:18	20:15	20:35	20:10	19:50	20:25	

10	Rural	3 - Phase	5:15	5:10	6:25	6:13	6:23	5:20
		1- Phase	5:40	5:30	4:40	4:29	4:50	5:25
Sep-10	Urban		22:10	22:20	22:42	21:40	22:14	22:05
	Rural	3 - Phase	6:15	6:05	7:00	6:45	6:35	6:13
		1- Phase	5:50	5:45	5:09	5:05	5:12	5:42
Oct-10	Urban		23:05	23:35	23:32	23:15	23:12	23:13
	Rural	3 - Phase	6:14	6:05	7:20	7:23	7:15	6:12
		1- Phase	5:40	5:32	4:15	4:20	4:12	5:36
Nov-10	Urban		23:18	20:34	20:30	21:11	21:19	20:43
	Rural	3 - Phase	15:33	13:20	13:23	13:37	13:31	13:33
		1- Phase	4:45	2:50	4:10	6:02	5:14	4:40
Dec-10	Urban		20:07	22:14	22:36	22:23	22:31	21:05
	Rural	3 - Phase	12:13	10:58	12:36	13:10	12:14	9:39
		1- Phase	8:42	5:23	4:54	8:33	9:57	7:54

Name of the District ==>>		Gubarga	Yadagir	Bidar	Raichur	Koppal	Bellary	
Jan-11	Urban		22:55:10	21:26:48	20:08:35	21:27:42	20:38:48	
	Rural	3 - Phase	12:47:47	12:18:33	16:50:06	11:08:23	11:14:51	
		1- Phase	7:48:30	6:35:05	3:51:17	7:58:32	8:55:30	6:50:54
Feb-11	Urban		22:17:00	20:42	20:17	20:15	22:47	21:50
	Rural	3 - Phase	5:54	10:32	6:09	7:10	6:44	7:55

		1- Phase	9:50	8:42	8:09:00	9:08	11:30	8:42
Mar-11	Urban		21:48:00	20:21:00	20:02:00	20:17:00	22:13:00	21:34:00
	Rural	3 – Phase	5:40:00	9:10:00	6:02:00	6:42:00	6:12:00	7:34:00
		1- Phase	10:22:00	10:32:00	8:42:00	10:54:00	11:10:00	9:14:00
Apr-11	Urban		22:04:06	20:15:02	22:17:05	21:50:08	22:19:48	22:12:33
	Rural	3 – Phase	7:36:12	8:20:39	5:40:22	7:11:18	6:09:05	6:48:53
		1- Phase	9:00:18	7:10:48	9:07:27	8:17:37	9:58:39	8:03:25
May-11	Urban		22:30:53	22:21:54	21:14:35	22:03:53	23:18:10	22:00:37
	Rural	3 – Phase	8:15:28	7:27:07	6:15:03	7:13:59	6:21:08	6:24:16
		1- Phase	9:51:05	8:56:07	9:20:06	8:03:44	10:57:27	8:37:19

Commission's Views:

The Commission **while commending the efforts of GESCOM to continue and ensure** 11 hours of single-phase power supply to rural areas every day between 6.00pm and 6.00a.m.

Reply :- **11 hours of single-phase power supply to rural areas every day between 6.00pm and 6.00a.m. will be looked into.**

19) Directive on Reliability of Electricity Supply:

The Commission directs GESCOM to prepare and publish its weekly feeder/substation wise supply schedules with effect from 1.1.2011 and report compliance to the Commission. The Commission also directs that ESCOM shall submit to the Commission, by the 10th of every month, a report Distribution Zone wise, on the number and duration of interruptions in supply during the previous month with reasons.

Compliance by GESCO:

The statement showing the 11 KV feeders reliability index for District Head Quarters, Towns and Rural Areas furnished to the Commission.

Commission's Views:

The Commission directs GESCO to continue to submit the required information with in the stipulated period.

Reply :- **GESCO will be continuing to submit the required information with in the stipulated period to the Hon'ble Commission.**

20) Directive on Responsiveness to Consumers

The commission directs GESCO **to hold consumer interaction meetings in each O&M Sub-Division once in every two months according to a published schedule.** Such meetings shall be attended by officers of the level of Superintending Engineers along with the Divisional and Sub-divisional level Engineers. GESCO shall submit a schedule of such meetings to the Commission.

Compliance by GESCO:

In GESCO all the field officers are attending to the monthly meetings conducted by District Administration and discussions regarding power supply problem faced by the villagers and sort out common problems.

All Superintending Engineer's O&M Circle have been directed to hold consumer interaction meeting in each O&M Sub division once every two month

according to a published schedule with due notification of the interaction meetings in the concerned O&M Sub divisions.

Commission's Views:

The Commission appreciates the efforts made by GESCOM in conducting the consumers' interaction meeting in all sub-divisions of the Company. GESCOM shall further intensify its efforts to promote interaction with consumers on a regular basis.

Reply:- **The efforts will be made to promote interaction with consumers on a regular basis.**

21) Directive on Conservation of Energy in Irrigation:

The Commission directs that GESCOM shall set up an Efficient Irrigation Promotion cell to promote drip/sprinkler irrigation systems among farmers. These cells should coordinate, with universities of Agricultural Sciences and the various Departments of Government to set up demonstration units of drip irrigation and conduct consumer education programmes for the benefit of IP set users. We direct that GESCOM shall submit to the Commission a blue print for implementing this programme in its jurisdiction within two months.

Compliance by GESCOM:

GESCOM has given paper notification in the news papers appealing to the firms and all consumers to use only ISI marked appliances, Irrigation pump sets, P.V.C pipes and efficient foot valve detailing the ways to consumer to conserve the electric energy. Copy of the notification published in the newspapers is submitted to the Commission.

Commission's Views:

The Commission is not satisfied with the action taken to promote drip/sprinkler irrigation systems among farmers. **The Commission reiterates its earlier directions to GESCOM to set up an Efficient Irrigation Promotion cell to promote drip/sprinkler irrigation systems among farmers.**

Reply:- **The Field Officers are instructed to educate the Formers in the matter.**

5.00**Demand forecast for FY 12.****5.1 Basis for demand estimation:**

A realistic energy sale estimate is prepared on the basis of Previous billing information for each category. The assessment of energy sales for FY-13 is made on the basis of the actual consumption available for FY 11, FY-12 . The projection for FY-13 is furnished in the prescribed format in Format D-2.

5.2 Number of installations and connected load:

Based on the growth rate of category wise number of installations and connected load the projection for FY-13 are made as below:

Table No. 17 Category wise installations and Connected load.

Sl. No.	Tariff	Details	2010-11		2011-12		2012-13	
			No of Instn	Connected Load	No of Instn	Connected Load	No of Instn	Connected Load
1	LT 1 (a)	Bhagya Jyoti/ Kutira Jyoti	549794	21991	604773	24190	635012	25400
2	LT 2 (a)	All Electric Homes (AEH)	1194681	1038530	1239522	1077510	1284039	1116208
3	LT 2 (b)	Private Professional educational institutions	2400	4540	2760	5221	3174	6004
4	LT 3	Commercial and Non Industrial Light and Fan	176729	136030	184654	142130	192947	148513
5	LT 4 (a)	Irrigation Pump sets (< 10 HP)	271809	1321418	285399	1387487	296815	1442986
6	LT 4 (b)	Irrigation Pump sets (> 10 HP)	720	8056	734	8213	771	8627
7	LT 4 (c)	Private Horticulture Nurseries	78	419	90	483	103	553

8	LT 5	Industrial Heating & Motive power	42879	333541	45023	350218	47274	367728
9	LT 6(a)	Water Supply - Urban & Rural	14650	106945	15529	113362	16461	120165
10	LT 6(b)	Public Lighting - Urban & Rural	9484	23245	10053	24640	10656	26118
11	LT 7	Temporary Power Supply	8714	19519	10893	24400	13616	30499
12	HT 1	Public Water Supply and Sewage Pumping	66	20526	69	21459	73	22703
13	HT 2 a	Industrial , Non-industrial & Non-commercial Purposes	858	277139	1030	332696	1236	399235
14	HT 2 b	Commercial	219	20167	241	22193	265	24403
15	HT 3 a	Irrigation & Agricultural farms, LI Societies	142	34105	151	36267	160	38428
16	HT 4	Private Residential Apartments	31	3215	33	3422	34	3526
	TOTAL	Total (LT+HT)	2273254		2400953		2502635	

5.3 Energy Estimation for FY 13

Based on the growth rate of the installations & per capita consumption during FY 12, the corresponding projection for FY 13 is as below.

Table No. 18: Category wise energy consumption (in Million Units)

Sl. No.	Category	Consumer Category Particulars	FY 12 Provisional	FY 13 Projected	Percentage increase in FY 13 Over FY 11
1	LT 1(a)	Bhagya Jyoti/ Kutira Jyoti	124.01	136.41	10.00%
2	LT2 (a)	All Electric Homes (AEH)	780.80	897.92	15.00%
3	LT2 (b)	Private Professional Educational Institutions	6.79	7.47	10.00%
4	LT 3	Commercial and Non Industrial Light and Fan	211.49	236.87	12.00%
5	LT-4 (a)	Irrigation Pump sets (< 10 HP)	2671.38	2938.51	10.00%
6	LT 4 (b)	Irrigation Pump sets (> 10 HP)	6.87	7.22	5.00%
7	LT 4 (c)	Private Horticulture Nurseries	1.34	1.41	5.00%
8	LT 5	Industrial Heating & Motive Power	171.97	180.57	5.00%
9	LT 6(a)	Water Supply – Rural	119.67	137.62	15.00%
10	LT 6(b)	Water Supply –Urban	179.68	201.24	12.00%
11	LT 7	Temporary Power Supply	18.79	21.61	15.00%
	LT Total		4292.80	4766.86	11.04%
13	HT 1	Public Water Supply and Sewage Pumping	67.59	72.33	7.00%
14	HT 2a	Industriel, Non-Industriel & Non-commercial Purposes	931.99	978.59	5.00%
15	HT 2 b	Commercial	50.43	55.47	10.00%
16	HT 3 a	Irrigation & Agricultural farms, LI Societies	66.18	66.18	0.00%
17	HT 4	Private Residential Apartments	16.63	18.30	10.00%
18	MUSS		0.00	0.00	0.00
	HT Total		1132.82	1190.86	5.12%
	GESCOM Total Sales		5425.62	5957.71	9.81%

6. Energy losses and Capital Investment:

6.1 Commission Approved Losses:

The Loss level of 22.06% set out in the previous tariff order by the Hon'ble Commission has been achieved by the Company. The Distribution Loss for the financial year 2011-12 is 21%.

6.2 Loss Reduction in FY 12 & FY 13:

The existing distribution loss of 21 in FY 12 is planned to bring down to 19.50% by FY-13.

6.3.1 Investment programme

GESCOM has planned to invest Rs. 466.67 Crores in CAPEX for FY-13, the details of which are furnished in following table.

GULBARGA ELECTRICITY SUPPLY COMPANY LIMITED

Details of the Budget Estimates for the year 2011-12 & 2012-13

**Rs. In
Lakhs**

Sl. No	Particular	Approved Budget for the Year 2011-12		Proposals for Revised Budget for the Year 2011-12		Spill over Budget of the Year 2011-12		Fresh Budget proposed for the Year 2012-13		Proposed Budget Estimates 2012-13	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1	33kV Sub-station, 33kV line works & Augmentation of 33kV S/S's	0	4000	0	2000	0	2000	0	2000	0	4000
2	RGGVY works	0	4300	0	3000	0	1300	0	1200	0	2500
3	RAPDRP works									0	0
	Part-A	0	1800	0	600	0	1200	0	0	0	1200
	Part-B	0	1500	0	3000	0	12000	0	0	0	12000
4	Reconductorin g works:	0								0	0
	a) 33kV lines (for 2 divisions)	0	800	0	500	0	300	0	0	0	300
	b) 11kV lines (for 3 divisions)	0	2000	0	1000	0	1000	0	0	0	1000
5	DTC metering works	0	3000	0	700	0	2300	0	1000	0	3300
6	RLMS works	0	50	0	50	0	0	0	0	0	0
7	Providing HT metering Cubicles for ring fencing	0	0	0	0	0	0	0	0	0	0

8A	SI works (33KV link line / Express feeders)	0	100	0	50	0	50	0	0	0	50
8B	SI works (11KV Link line / Express feeders.)	0	1000	0	500	0	500	0	2000	0	2500
9	Nirantara Jyoti works	0	15000	0	7500	0	7500	0	2500	0	10000
10	Providing ABC , UG Cables & RMUs	0	200	0	50	0	150	0	0	0	150
11	Providing Infrastructure to Regularisation of Unauthorized IP sets	0	300	0	300	0	0	0	1400	0	1400
12	Electrification of Rehabilitation villages	0	2000	0	2000	0	0	0	500	0	500
13	Taluka wise segregation of 11kV feeders	0	100	0	100	0	0	0	100	0	100
	Non-Plan (Sub-Total)- A		49650		21350		28300		10700		39000
14	Water supply works	600	0	600	0	0	0	600	0	600	0
15	Additional DTC's works:									0	0
	a) New DTC's	240	0	240	0	0	0	1000	0	1000	0
	b) Enhancement of DTC's	250	0	250	0	0	0	250	0	250	0
16	Replacement failed 11 KV transformers	200	0	200	0	0	0	200	0	200	0
17	Replacement of Power transformers	100	0	100	0	0	0	100	0	100	0
18	Replacement of MNR meters	700	0	700	0	0	0	700	0	700	0
19	Providing ETV meters	100	0	100	0	0	0	100	0	100	0
20	Service Connection works:									0	0
	a) General works	700	0	500	0	200	0	500	0	700	0
	b) IP set works	400	0	200	0	200	0	200	0	400	0
21	a) Major Replacements in S/S's & lines	65	0	65	0	0	0	50	0	50	0
	b) Replacement of Age old Equipments in existing S/S & lines	300	0	100	0	200	0	0	0	200	0
22	Civil Engineering works	300	0	300	0	0	0	500	0	500	0

23	IT initiatives	500	0	200	0	300	0	0	0	300	0
24	SCADA works	500	0	500	0	0	0	100	0	100	0
25	SCP & TSP works									0	0
	a) Energisation of IP sets	105	0	105	0	0	0	150	0	150	0
	b) Electrification of HB's/JC's	45	0	45	0	0	0	50	0	50	0
	c) Kutir Jyoti	12.5	0	12.5	0	0	0	15	0	15	0
26	Ganga kalyan scheme works	2000	0	2000	0	0	0	2000	0	2000	0
27	T & P Articles	2	0	2	0	0	0	2	0	2	0
28	Replacing of Electro Magnetic meters by Static meters	0	0	0	0	0	0	0	0	0	0
29	Metering of IP/St. Lights/BJ&KJ sets	400	0	400	0	0	0	200	0	200	0
30	R.E General works:									0	0
	a) Kutir Jyoti	0	0	0	0	0	0	0	0	0	0
31	Prevention of electrical accident & safety	50	0	50	0	0	0	50	0	50	0
	Plan (Sub-Total) - B	7569.50		6669.50		900.00		6767.00		7667	
	Grand Total (A+B)	57219.50		28019.50		29200.00		17467.00		46667.00	

The above investment would partly result in reducing the distribution losses.

6.3.2 Nirantara Jyoti :

In GESCOM Nirantara Jyoti scheme is being implemented in 2 phases

in phase 1 2765 villages are covered with proposal of 227 11 KV feeders at the project cost of 28689.59 Lakhas.

in phase 2 922 villages are covered with proposal of 88 11 KV feeders at the project cost of 10318.91 Lakhas.

During 2011 - 10 feeders are commission 2011-12 159 feeders are propose to be commission balance 148 feeders proposed to be commissioned at present 131 feeders are under progress the tendering for 177 feeders is in the process

The works are proposed to take up on Partial Turnkey basis by supplying the major materials such as Poles, Conductor, 11kv Insulators and Transformers. Notification Inviting Tenders on partial turnkey basis has been issued during May-09.

The following benefits that would be achieved after completion of the project,

1. Improvement in tail end voltage regulation.
2. Savings in Energy due to better control of agricultural loads.
3. Better load management based on the availability.
4. Creating avenues for Rural development by encouraging Cottage industries, education, commercial & economical activities.

6.4 Operational Efficiency Improvement Plan

GESCOM is conscious and concerned about the high-level distribution losses in the system. GESCOM has initiated various steps as indicated in the following paras to bring down the losses during the current year and it proposes to continue and accelerate its efforts in this direction.

6.4.1 Distribution Loss Reduction

The existing loss level of 21% is planned to reduce to 19.50% by way of increased sales and taking following steps:

- a) Replacement of all Non-recording meters.
- b) Metering of all Streetlight circuits
- c) Shifting of transformers to load centers
- d) Addition of 11 KV lines to bring down the HT LT Ratio.
- e) Addition of Distribution Transformers to the network
- f) Intensified inspection of installations and detecting commercial losses by vigilance and MRT wings.

6.4.2 Metering:

1. Replacement of all MNR Meters with good meters.
2. Metering of all Street light installations.
3. Replacement of existing Electromechanical meters with high precision meters.
4. Metering of all DTC's (which is under progress).

6.5 Constraints

6.5.1 Un-favourable Debt-equity Ratio for borrowing:

The debt equity ratio of the Company now stands at 5.13 which is very high as the financial institutions desire the same in the range 2 to 2.5 (70 : 30). Due to the high Debt-Equity ratio, the financial institutions are skeptical of funding the CAPEX projects. This has become a major hindrance for borrowing, resulting into postponement of capacity expansion and other improvement schemes.

6.5.2 Shortage of Man Power

There is an acute shortage of man power in GESCOM. The Category wise vacancy shown in the following table indicates that the vacancies are to an extent of 61.98 % overall and the vacancies are more at the cutting edge level of C & D categories.

Table 20: Vacancy Position.

SI No	Category	Sanctioned	Working	Vacant	% of Vacancy
1	Group 'A'	264	164	100	37.88
2	Group 'B'	308	206	102	33.12
3	Group 'C'	3234	2163	1071	33.12
4	Group 'D'	4545	2635	1910	42.02
5	Deputation	57	44	13	22.81
6	Total	8408	5212	3196	38.01

The staff pattern is more than 35 years old and the same has not been updated commensurate with the size of the Company from time to time. In this scenario the Company is constrained to perform to the expectations from the existing staff and therefore the loss reduction and collection efficiency of the Company could not be achieved at the desired levels.

6.5.3 Economic Backwardness of the region.

The GESCOM Jurisdiction is deprived of the basic infrastructure facilities required for industrial growth. The population at large is dependent on agriculture. The area is quite dry with scanty rainfall and insufficient irrigation facilities have resulted in poor economic conditions.

Consequently, the consumer mix is unfavorable with nearly 50% of consumption being utilized for agricultural needs where the tariff is highly subsidised. Also the domestic category, where the tariff is nearly at cost is utilizing another 20% leaving just a small portion for industrial and commercial use. The revenue generated from this consumer mix is hardly sufficient to meet the power purchase costs. Therefore the Company is largely dependent on the Governments' subsidy Support and is required to borrow for working capital in order to meet its needs due to which the Company has to bear an increased interest burden. Such being a continuous phenomenon, the borrowing for CAPEX is being adversely affected owing to high Debt-Equity Ratio.

7. Revenue Expenditure.

7.1 Power purchase cost:

The total energy requirement for FY 12 at Inter Face points is estimated to be 6709.11 Mu. The total power purchase cost during FY 11 was Rs. 1561.45 Crs. For FY 12 it is estimated at Rs. 1539.35 Cr. The Transmission cost for the year FY- 11 was Rs. 181.00 Cr. For the purchase of units at IF point was 5991.96 MU. For the year FY-12 transmission charges of 206.64 per annum arrived for energy at IF point 6709.11 MU .The details are furnished as below:

Table No 21: Power Purchase cost

Particulars	FY 11 Actual	FY 12 Provisional	FY 13 Projected
Energy Purchase (MU)	6257.01	7152.54	7706.05
Energy at interface points (MU)	5994.21	6867.87	7400.89
Transmission charges (ps/kWh)	28.93	28.89	30.68
Power Purchase cost (Rs. Crores)	1585.81	1539.35	1615.24

GESCOM requests the Hon'ble Commission to approve the above Power Purchase Cost.

7.2 Repairs and Maintenance expenses:

Over the years, GESCOM has accumulated 4098 Transformers which failed but have not been repaired and are at GESCOM stores. GESCOM has taken a decision to Repair these transformers and put them back in service and avoid procuring of new Transformers. The Cost benefit calculation of Repairing the transformers over the procuring the new transformers as intimated to the Hon'ble Commission vide GESCOM letter No F6/4612/2010-11/361-62/ 29th Jan 2011 is reproduced hereunder:

Sl No	Capacity	Quantity	Procurement of New Transformer		Repaired Transformer		Savings
			SR Rate	Total Procurement Cost	Unit Rate	Total Repair Expense	
1	25 KVA	2817	43340	12,20,88,780	17963	5,06,03,095	7,14,85,685
2	63 KVA	1004	67250	6,75,19,000	22785	2,28,75,728	4,46,43,272
3	100 KVA	277	83853	2,32,27,281	28513	78,98,097	1,53,29,194
4	Salvage Value Realised by Scrapping of Transformers (@10% of Cost)			-2,12,83,506	--NA--		-2,12,83,506
5	Interest on Borrowing Cost for 7 years of 10%			8 39 63 292	Expected to fund from Revenue		8,39,63,292
6	Total			27 55 14 847		8 13 76 911	19,41,37,936

Of the total cost of Rs.8.14 Crores for repairing of 4098 transformers, an amount of Rs.3.14 is expected to have been utilized during FY 11 and another Rs. 5 Crores is expected to be utilized during FY 12. Considering the cost benefit and indicated above (interest and finance costs in particular), GESCOM request the Hon'ble Commission to kindly approve the additional Repairs and Maintenance Cost for FY 11 and FY 12.

The repairs and maintenance expenditure for the year FY 11 was Rs 20.92 Crores and for FY 11 was Rs 24.20 Cr. The estimated expenditure for FY 13 is Rs 31.62 Cr on the need basis.

Table No. 22 Repairs and Maintenance Cost

(Rs. in Crores)

SL. No.	Repairs and maintenance	FY 11 Actual	FY 12 Provisional	FY 13 projected
1	Plant and Machinery	2.14	2.35	2.59
2	Transformers Repairs	15.89	22.48	19.23
3	Buildings	0.98	1.08	1.19
4	Other civil works	0.08	0.09	0.10
6	Lines, Cable Network, etc	4.75	5.23	5.75
8	Vehicles	0.28	0.31	0.34
9	Furniture & Fixtures	0.00	0.00	0.00
10	Office Equipments	0.09	0.10	0.11
Total		24.21	31.63	29.29

7.3 Employees' cost:

1. During the financial year FY 12, 25% increase due to Revision of Pay is expected. Considering the same, the Dearness allowance and other allowances, leave salary, Pension & Gratuity Trust Liability are estimated.
2. The Employees' cost includes the Basic Pay, Dearness Allowance, Overtime allowance, other allowances, EL Encashment & Bonus/ Exgratia payable to employees.
3. Besides, 2% increase on Basic Pay of FY 11 is estimated for FY 12 and other allowances have been calculated keeping the ratio of these allowances to the Basic Pay intact.
4. The overall employee cost is projected based on the Actual Revenue Expenses under this head are furnished as below:

Table 23 : Employees Expenditure

		Amount Rs .Cr		
SI No	Particulars	(FY11) Actual	(FY12) Provisional	(FY13) projected
1	Salaries	87.41	89.76	94.06
2	Overtime	2.90	3.59	3.76
3	Dearness Pay & DA	49.14	62.27	75.48
4	Other Allowances	7.75	8.08	8.46
5	Bonus	1.95	2.00	2.08
6	Sub-Total (1 to 5)	149.15	165.70	183.84
7	Medical expenses reimbursement	2.08	2.69	2.96
8	Leave travel Assistance	0.00	0.00	0.00
9	Earned Leave Encashment	18.76	17.95	18.81
10	Retrenchment Compensation	0.00	0.00	0.00
11	Payment (Workmen's Compensation Act)	0.00	0.00	0.00
12	Payment to Helpers/ Employees of Storm and Monsoon Gang	1.08	1.30	1.43
13	Total Other staff costs (7 to 12)	21.92	21.94	23.20
14	Staff Welfare expenses	1.49	1.50	1.65
15	Terminal Benefits	26.30	26.93	28.22
16	Sub-total (14 to 15)	27.79	28.43	29.87
17	Grand Total	198.86	216.07	236.91

GESCOM requests the Hon'ble Commission to approve the same.

7.4 Administration and General (A&G) Expenses:

The Administration and General Expenses is projected based on the actual expenditure incurred during FY11& FY 12 & growth trend.

Table No. 24 Administration and General Expenses:**in Rs. Cr**

Sl No	Particulars	(FY11) Actual	(FY12) Provisional	(FY13) projected
1	Rents, Rates and Taxes	2.21	2.54	2.90
2	Security arrangements	0.03	0.03	0.04
3	Insurance	0.00	0.00	0.00
4	Telephone charges, postages, Telegram and Telex Charges	1.30	1.50	1.72
5	V-sat, Internet and related charges	0.00	0.00	0.00
6	Legal charges	0.26	0.30	0.34
7	Audit Fee	0.03	0.03	0.04
8	Consultancy charges	0.00	0.00	0.00
9	Technical Fee	0.00	0.00	0.00
10	Other professional charges	11.37	12.73	10.19
11	Travelling expenses,	6.04	6.95	7.92
12	Conveyance and vehicle hire charges	0.00	0.00	0.00
A	Sub-total	21.24	24.08	23.14
13	Other expenses			
	a) Fees & subscription	0.00	0.00	0.00
	b) Books & periodicals	0.01	0.01	0.01
	c) Computer Stationary	0.10	0.12	0.14
	d) Printing & Stationery	0.91	1.09	1.31
	e) Advertisements	0.57	0.68	0.82
	f) Contribution/Donations	0.31	0.00	0.00
	g) Electricity charges	2.50	2.88	3.31
	h) MUSS Consumption	1.11	1.28	1.47
	i) Water charges	0.02	0.02	0.03
	j) Entertainment	0.02	0.02	0.03
	k) Misc expenditure	0.56	0.64	0.73
	l) Remuneration of GVP	4.80	5.52	6.35
B	Sub Total	10.91	12.26	14.19
14	Royalty	0.00	0.00	0.00
15	Freight	2.23	2.56	2.92
C	Other purchase related expenses	2.23	2.56	2.92
	Total	34.38	38.91	40.26

GESCOM requests the Hon'ble commission to approve the same.

7.5 Depreciation:

Depreciation has been estimated at the rates prescribed by the CERC. The depreciation provided for FY 11 & FY-12 was Rs. 67.89 Crores & Rs 89.22 Crores respectively. The projected Depreciation for FY 13 is Rs. 103.18 Crores. The details are furnished as below

Table No. 25 Depreciation:**(IN Rs Cr)**

SI No	Particulars of assets	FY-11 Actual	FY-12 Provisional	FY-13 projected
1	Land & Rights	0.00	0.00	0.00
2	Building and structures	0.82	0.86	1.30
3	Plant and Machinery Substation Transformers, Circuit breakers, other fixed apparatus of rating 100 MVA and above.			
4	Substation Transformers, Circuit breakers, other fixed apparatus of rating below 100 MVA .	14.25	20.18	24.80
5	Towers ,Poles, Over head conductor and devices	44.85	60.78	67.09
6	Underground cables and devices	0.75	0.66	1.03
7	Service lines	0.96	0.96	1.33
8	Metering equipment	6.00	4.81	5.95
9	Misc equipment	0.02	0.02	0.02
10	Other items	0.00	0.00	0.00
11	Vehicles	0.04	0.46	0.75
12	Furniture Fixtures	0.10	0.28	0.48
13	Office Equipments	0.10	0.22	0.42
14	Short / excess provision in previous year – Adjustment.			
	Grand Total	67.89	89.22	103.18

GESCOM requests the Hon'ble Commission to approve the same.

7.6 Other debits

During FY 11 & FY 12 an amount of Rs. 3.70 Crores and Rs.26.15 Cr respectively was booked under this head of account. Rs. 14.50 Cr is estimated for FY 13.

GESCOM requests the Hon'ble Commission to approve the same.

7.7 Expenses capitalized

GESCOM has Capitalised expenses amounting to Rs. 2.60 Crores for FY-11, Rs. 10.00 Crores for FY 12 (provisional) and it is estimated at Rs.10.00 crores for FY 13.

7.8 Net prior period charges and credits:

Based on the previous year's trend of the expenses/credits booked an estimation of Rs.12.00 Crores (expenditure) is made for FY 13.

GESCOM requests the Hon'ble Commission to approve the same.

7.9 Expenses Summary:

Table No. 26: Expenses Summary for FY-2013

(Rs. In Crores)

PARTICULARS	FY-11 Actual	FY-12 Provisional	FY-13 Projected
Power Purchase	1585.81	1539.35	1615.24
R & M Expenses	24.21	31.63	29.29
Employees Expenses	198.86	216.07	236.91
A & G Expenses	34.38	38.91	40.26
Depreciation	67.89	89.22	103.18
Interest & Finance Charges	176.49	213.69	244.97
Interest & Other Expenses Capitalised	2.60	10.00	10.00
Other Debits (Including Provision for Bad Debts)	3.70	26.15	14.50
Extra Ordinary Items(Consumer Education)	0.00	0.00	0.00
Net prior period (credits)/charges	52.95	-12.00	-12.00
Provision for Income Tax / Deferred Tax	0.00	0.00	0.00
Total	2146.89	2153.02	2282.35

8. Return on Equity.

As per the the basis detailed under 14.2 below GESCOM humbly requests the Hon'ble Commission to consider our request and allow GESCOM the RoE for FY 11 to FY 13 as hereunder :

Sl No	Particulars	FY 11	FY 12	FY 13
		Audited	Provisional	Projected
1	ROE on Equity (15.5%)	73.07	82.66	95.16
2	Post Tax RoE on Equity (15.5/(1-0.1699 = 18.672)	88.02	99.58	114.63

9. Annual Revenue Requirement

Considering the return as stated above, The Annual Revenue Requirement (ARR) for GESCOM in FY 13 is estimated at Rs. 221.58 Cr as shown in table below.

Table No. 27 Revenue Requirement:

Rs. Crores

Sl No	Particulars	FY-11 Actual	FY-12 Provisional	FY-13 Projected
1	Expenditure			
	a) Power Purchase	1585.81	1539.35	1615.24
	b) R & M Expenses	24.21	31.63	29.29
	c) Employees Expenses	198.86	216.07	236.91
	d) A & G Expenses	34.38	38.91	40.26
	e) Depreciation	67.89	89.22	103.18
	f) Interest & Finance Charges	176.49	213.69	244.97
	g) Less: Interest & Other Expenses Capitalized	2.60	10.00	10.00
	h) Other Debits (Including Provision for Bad Debts)	3.70	26.15	14.50
	i) Extra Ordinary Items (Consumer Education Fund)	0.00	0.00	0.00
	j) Other (Misc.) - Net prior period (credits)/charges	52.95	-12.00	-12.00
	k) Provision for Income Tax / Deferred Tax	0.00	0.00	0.00
	Total	2146.89	2153.02	2282.35
2	Rate of Return	88.02	99.58	114.63
3	Other Income (Non Tariff Income)	40.22	17.10	18.25
4	Annual Revenue Requirement (1)+(2)-(3)	2194.69	2235.50	2378.73

9.1 Average Cost of Supply

The average cost of supply in FY 11 was 4.70 per unit and Rs. 4.12 per unit for FY-11. Rs. 3.99 per unit is estimated for FY-12. The details are as below:

Table No. 28: Average Cost of Supply.

Sl. No	Particulars	FY-11 Actual	FY-12 Provisional	FY-13 Projected
1.	Annual Revenue Requirement Rs. Crores	2194.69	2235.50	2378.73
2.	Energy Sales Estimate in MU	4671.89	5425.62	5957.71
3	Average Cost of Supply in Rs per unit.	4.70	4.12	3.99

10. Expected Revenue from Existing Tariff

10.1 Revenues from existing tariff

The revenue from the sale of power at the existing tariff for FY 11 was Rs 2202.17 Crores & FY-12 it was Rs. 2320.89 crores. Rs. 2598.92 crores is estimated for FY-13 based on the existing tariff.

10.2 Other Income

The Other Income such as rental from properties, trading, sale of scrap etc., is estimated at Rs. 18.25 Crores for FY 13. The details are hereunder.

Table 29: Other Income:

Rs. in Crores.

Sl. No.	Particulars	FY 11 Actual	FY 12 Provisional	FY 13 Projected
1	Income from Trading	0.93	1.15	1.20
2.	Miscellaneous Receipts	39.29	15.95	17.05
Total		40.22	17.10	18.25

11. Revenue Deficit.

The revenue deficit of GESCOM for FY 13 is calculated at Rs 1334.20 Crores. The details are as below:

Table 30: Revenue Deficit

Rs. Cr

Particulars	FY 12 Projected	FY 13 Projected
Total Income Excluding from revenue from IP Set & BJ/KJ Category. (including Misc. Revenue & Other Income)	1359.13	1716.81
Expenditure	2235.50	2378.73
Rate of Return at and 15.5% from FY11	99.58	114.63
Deficit with existing tariffs before Considering GoK Subsidy.	975.95	776.55
Subsidy Released / allocated by GoK	978.86	1112.42
Deficit with existing tariffs after considering Subsidy allocated by GoK	-2.91	335.87

11.2 WHEELING CHARGES & CROSS SUBSIDY SURCHARGES

A. The modalities adopted by the Hon'ble Commission in the Tariff Order 2009, with the following assumption, are considered for determination of Wheeling Charges for GESCOM.

- i. Allocation of distribution ARR between HT & LT in the ratio of 30:70.
- ii. Reasonable loss compensation as per Energy Flow Diagram.

B. Wheeling charges in Cash [Distribution charges]:

1. Distribution ARR [Rs. In Cr.]	758.19
2. Sales [in MUs]	5300.20
3. Wheeling Charges [Paise / unit] [2/1]	143.05
4. For HT [30% of 3 after rounding off to nearest paise]	42.91
5. For LT [70% of 3 after rounding off to nearest paise]	100.14

Wheeling charges in Kind [Loss compensation]:

Loss Allocation	% Loss
HT	5.55
LT	7.85

C. The actual Wheeling Charges payable depending upon the point of injection & point of drawl as below;

Injection Point →	HT	LT
Drawl Point ↓		
HT	42.91	143.05
LT	143.05	100.14

Note: Figures in brackets are applicable losses.

Hon'ble Commission in the Tariff Order 2009 has prescribed the Wheeling charges in kind only 5% for the energy sourced from NCE units and used in the State as 5% and for wind & mini hydel additional banking charges of 2%.

This concessional rate is seriously affecting the distribution business of GESCOM as its system is utilized for Wheeling which carries higher technical loss level also.

Therefore, it is requested for maintenance of parity in Wheeling charges even for the energy sourced from NCE units and supplied within the State.

In case wheeling of energy [other than NCE] involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated under:

- i. If only transmission network is used, transmission charges determined by the Commission shall be payable to the Transmission Licensee.
- ii. If Transmission network & ESCOMs' network are used, the Transmission Charges shall be payable to the Transmission Licensee and the Wheeling Charges of the ESCOM where the power is drawn is payable & such wheeling charges shall be shared equally among the ESCOMs whose networks are used.

The Transmission charge in cash as determined in the Transmission Tariff order shall be payable to KPTCL & Wheeling charge of 143.05 paise per unit shall be payable to GESCOM. In case more than one ESCOM is involved the above 143.05 paise shall be shared by all ESCOMs involved.

Further, above wheeling charges are also applicable for open access transactions with the addition of cross subsidy surcharge of 203.82 paise per unit (calculation shown in Annexure-G). Even though, Hon'ble Commission has not allowed any cross subsidy surcharge for open access transactions in the Tariff Order 2009 & 2010. It is requested for considering the cross subsidy contribution to sustain the deficit cost in providing power supply to meet the social objectives.

Cross – Subsidy surcharge for FY-2012

Calculation of Cross – Subsidy surcharge for FY-12 payable by Open – Access consumers.

Total Energy Input for FY-12 (as projected)MU	7001.19
Million Units (MU) at margin of 5%	350.05

Details of power Purchase at 5% margin (excluding liquid fuel project & renewables)			
Source	MUs	Cost (Rs. In Cr.)	Average per Unit (Paise / Unit)
NLC TPS 1-Expansion	86.61	30.04	346.84
Kaiga Unit 1&2	68.35	22.90	335.02
Valhur TPS stage -1	3.58	1.16	329.64
NLC-II- Expansion	22.59	7.52	332.81
Kaiga-III	76.68	24.80	323.38
Simhadri-I	84.72	23.59	278.45
NLCTPS-II Stage-II	7.52	1.67	222.97
Total	350.05	111.68	319.04

Details of surcharge at 66 KV & above level and 33 KV level (Paise/Unit)

	66 KV Above level	33 KV Level
Cost of power purchase / unit at margin	319.04	319.04
Transmission Loss % (as per KPTCL: filing) at 4.18%	13.33	13.33
Cost at margining after accounting for Transmission Loss	332.37	332.37
33 KV Loss % 3.2%	0.00	10.63
Cost at margining after accounting for 33 KV level loss	332.37	343.00
Transmission Charges per unit (as per KPTCL filing)	28.50	28.50
Average Wheeling charges at 33 KV level	0.00	143.05
Cost of Supply	360.87	514.55
Average Tariff of HT -2a consumers (Project for FY-12)	660.63	660.63
Cross Subsidy Surcharge	290.76	146.08

13. New Proposals of GESCOM:

13.1 Proposal for implementation of Flat/Single rate Tariff structure:

GESCOM proposes to implement flatter tariff structure as against the present slab based tariff structure. Though, GESCOM has calculated the revenue as per existing slab-wise tariff and the proposed tariff in the format D21 has been made based on the present slab system, the flat single rate of tariff structure can be arrived by just dividing the 'total expected revenue under the category' by the units consumed under the respective category. In the 1st phase, GESCOM proposes to implement the concept of flat/single rate tariff concept under the LT 3, LT 5, and HT 2a & HT 2b Category. The energy under this category is not for self consumption and the power charges under this category can be passed on to the end purchaser or the beneficiary of the service/product.

Flat tariff will also enable GESCOM to avoid cost subsidizing within the categories which is in line with the National Electricity Policy and the National Tariff Policy which envisages providing subsidized electricity only to the consumers below the poverty line and who consume electricity less than the specified level. However, in other categories the Tariffs are required to be +/- 20% of the average cost of supply.

The reasons, rationale and benefits of a single rate of Tariff:

1. This is in consonance / compliance with guidelines as contained in National Electricity Policy -2005 as well as Electricity Act 2003 (Section 42).
2. This will rationalize and simplify Tariff structure and the extent of cross subsidy will be reduced.
3. The incentive to a consumer to split his load in a single installation and avoid higher tariffs will be eliminated.
4. This is not aimed to generate higher revenue and, thus, has no cost implication to consumers as a whole.
5. The single tariff rate for HT works to be merely 3 paise/ 5 paise more than present lower slab of Rs. 4.60 per unit. This proves that close to 90% of HT installations' consumption comes under 1st slab of Rs. 4.60 and thus the other slab of Rs. 4.90 is merely paper option.
6. This single slab will be consumer friendly declaration as peak rate will actually reduce.
7. All future tariff changes will become more predictable.

The Calculation of flat tariff in respect of the LT 3, LT 5 & HT Category are enclosed herewith.

SI No	Tariff	Particulars	Slab	(KW/KV A	Sanctioned load	Consumption	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Billed Amount	Flat Tariff
	Category			/HP)	(KW/KVA/HP)	(in Mus)			in crores	in crores	in crores	In Rs / Kwh
1	LT-3(i)	Fixed Charges		KW	125115		35		6.74			
		Energy Charges	<=50	Kwh		70.06		5.60		39.23		6.44
			>50	Kwh		161.47		6.80		109.80		
	Total			231.53			6.74	149.03	155.77			
2	LT-3(ii)	Fixed Charges		KW	41100.49		25		2.33			
		Energy Charges	<=50	Kwh		8.09		5.40		4.37		6.11
			>50	Kwh		19.91		6.40		12.74		
	Total			28.00			1.67	17.11	18.78			
3	LT-5(b)	Fixed Charges	<=5HP	HP	43347.42		20		1.04			
			5<x<40	HP	303294.93		25		9.10			
			40<=x<67	HP	78676.29		35		3.30			
			>=67	HP	32963.08		100		3.96			
		Energy Charges	<=500kWh	Kwh		87.08		3.60		31.35		4.05
	500<x<=1000	Kwh		16.39		4.20		6.88				
	>=1000	Kwh		67.05		4.60		30.84				
	Total			170.51			17.40	69.07	86.47			
4	HT-2(a)(ii)	Demand Charges		KVA	346553.86		170		53.02			
		Energy Charges	<=100,000	Kwh		937.99		4.60		431.48		4.63
			>100,000	Kwh		87.63		4.90		42.94		
	Total			1025.62			53.02	474.41	527.44			
5	HT-2(b)(ii)	Demand Charges		KVA	22285.78		190		3.81			
		Energy Charges	<=200,000	Kwh		48.11		6.00		28.87		6.05
			>200,000	Kwh		8.60		6.30		5.42		
	Total			56.71			3.81	34.29	38.10			

13.2 Automatic Passon of Change in Fuel / Source of Power by way of levy on consumption.

GESCOM has observed that on past several occasions, the actual power purchase have always been higher than the proposed/approved power purchase cost. The major reason being non-availability of the power from the regular sources of generation due to sudden breakdown of the generation units or for unplanned maintenance. In such an event, GESCOM is compelled to procure power on short term basis which is costlier.

During FY 11, GESCOM had to pay Rs. 1532 Crores towards Power Purchase Cost as against the approved Power Purchase Cost of Rs. 1427.65 Crores. The unexpected increase in the energy charges and cost of finance will have to be borne and carried over by GESCOM until these are being proposed for approved of the Annual Performance Review by the Hon'ble Commission. In most of the cases, the payment to these short term sources has to be advance or immediate, the planned expenses of GESCOM are put out of gear.

Similar methodology is in practice in neighboring states of Maharashtra and relevant MERC order dated 10th May 2011 for the month of Jan 11 post facto approval of Fuel Adjustment Charges is enclosed. Ref (http://www.mercindia.org.in/pdf/Order%2058%2042/FAC_MSDCL_10052011.pdf).

Hence, GESCOM proposes the Hon'ble Commission to introduce a mechanism of recover such increase in the power purchase cost within 2-3 months and thereby ESCOM can overcome the problem of getting its funds/finance being blocked up for 8-12 months.

Methodology:

The availability of power and its cost shall be estimated on a monthly basis and ESCOMS shall provide the details of actual power purchased from all the sources and its cost to the Commission in the subsequent month. Based on these details Hon'ble Commission shall allow the ESCOMS to recover by levy of this charge (viz Fuel Escalation Charge (FEC) or Fuel and Other Cost Adjustments (FOCA)). The levy of the charge can be for one month or any specified period subject to such adjustments to the charge relating to the subsequent months power purchase cost adjustments.

By this method the ESCOM can be assured of the recovering their cost within 3 months and avoid the additional interest & finance burden.

13.3. Levy of Surcharge under section 42 of the Act for Open Access.

The Hon'ble in the tariff order 2009 and Tariff Order 2010 has removed the Cross Subsidy Surcharge to be paid to the affected ESCOM by the consumers availing power

supply under open access. This removal of the surcharge to both the generators and the consumers of power under the Open Access has adversely impacted the financial viability of the Company as these Consumers were contributing to the cross subsidy of the Company.

GESCOM is of the opinion that as long as the cross subsidy component is embedded in the tariff structure, there is an imperative need to impose Cross Subsidy Surcharge on the open access generators and also on the consumers.

GESCOM is also of the opinion that in the due course both the high paying consumers and also the low cost generators will not be accessible and the Company will be left with large number of low paying customers and generators with high the per unit cost. The Hon'ble Commission may kindly take note of the situation likely to arise where the high cost power will be forced on the large number of household, poor and small business installations who will only be left to bear the burden with the cost of power.

Hence, GESCOM humbly request the commission to impose such cross subsidy surcharge which will balance the open access consumers without impacting the financial viability of the ESCOMs and maintain the level playing field and also protect the interest of large number of consumers.

14 Approval of the Expenses of GESCOM for FY 11 based on the Audited Accounts.

1. Audited accounts for FY 11 is herewith enclosed for your kind consideration.

2. Return on Equity:

In the Tariff Order 2010, the Hon'ble Commission has, for computation of RoE has considered the following Components:

Share Capital

Share Deposit

Cash Resources available from Share premium account or internal resources i.e Reserves & Surplus (excluding consumers' contribution, grants & subsidies)

Considering the negative reserves and surplus, as per the provisional accounts of GESCOM, the Hon'ble Commission had dis-allowed the RoE for FY 10.

Reserves and surplus from schedule 2 of the provisional accounts does not capture the internal accruals which form a part of the equity and fund the Capital Investment of the Company.

Further, the negative Reserves an Surplus in the Schedule 2 were on account of lesser Subsidy Allocation by the GoK during FY 08 & FY 09 which the Hon'ble Commission was kind enough to order for release of additional to an extent of Rs. 383.78 crores. Had this aspect been considered by the Ho'ble Commission, Return on Equity would have been allowed to GESCOM

Also, This method of considering the Equity & Reserves & Surplus, does not envisage the Capital Investment made by the ESCOM over a period and it will be at the disadvantage of the ESCOM to consider only the reserves and surplus as on date. Hence it is requested to consider the Capital Employed, debt ratio, normative equity as the basis for computation of the Equity Base.

In Rs Crores

Sl No	Particulars	FY 10	FY 11	FY 12	FY 13
		Audited	Provisional	Projected	Projected
1	Opening GFA as on 1st April	1269.62	1488.89	1701.77	2049.52
2	Less: Consumer Contributions towards GFA 1st April	251.24	298.76	337.65	378.65
3	Net Opening GFA qualified for RoE calculation	1018.38	1190.13	1364.12	1670.87
4	Loans at the beginning of the FY	596.31	715.70	578.50	708.46
5	Debt Ratio (in %)	58.55	60.14	42.41	42.40
6	Equity Contribution(in %) on the Capital Employed	41.45	39.86	57.59	57.60
7	Opening Equity Qualified for RoE calculation (Normative Equity 30% of the opening Capital)	305.51	357.04	409.24	501.26
8	Net Capitalization during the year (Excluding the Capitalization due to Consumer Contributions/Grants etc)	203.89	210.99	346.75	283.46
9	Equity Qualified for RoE Calculation (30% of the Equity)	61.17	63.30	104.03	85.04
10	Closing Equity qualified for RoE calculation due to new Additions	366.68	420.34	513.26	586.30
11	Average Equity during the Period (Average of Opening and Closing Equity)	336.10	388.69	461.25	543.78
12	ROE on Equity (15.5%)	52.10	60.25	71.49	84.29
13	Post Tax RoE on Equity (15.5/(1-0.1699 = 18.672)	62.76	72.58	86.12	101.53

Hence, considering the above calculation, GESCOM kindly requests the Hon,ble Commission to allow the Return on Equity of Rs. 62.76 Crores for FY 10.

15. PRAYER

GESCOM respectfully prays that the Hon'ble Commission may please be considered to approve the following:

- Expected Revenue from charges for FY-13.
- Revenue Requirement and Return on Equity for FY-13.
- Approve the expenses of GESCOM for FY 11 as per audited accounts & FY 12 as per provisional accounts. .
- Approve the ARR and ERC proposed as per the format A-1 & A-4 for FY-13.
- Deficit arising on account of proposed ARR and ERC for FY-13 and for upward revision of the tariff by 73 ps per unit across all the categories other than for IP Sets and BJ/KJ.

For GESCOM,

(Abdul Majid)
Executive Engineer (Elect.),
Regulatory Affairs

Gulbarga Electricity Supply Company Limited

Sl. No.	Particulars	Distribution form no	Page no.
1	Profit and loss account	A1	
2	Balance sheet	A2	
3	Cash flow statement	A3	
4	Aggregate revenue requirement	A4	
5	ROE for MYT Control Period	A5	
6	Cost of purchased power	D1	
7	Revenue from sale of power	D2	
8	Revenue from subsidies and grants	D3	
9	Non-tariff income	D4	
10	Repairs and maintenance costs	D5	
11	Employee costs	D6	
12	Administration and general charges	D7	
13	Depreciation	D8	
14	Loans and debentures and interest charges	D9	
15	Details of expenses capitalized	D10	
16	Other debits	D11	
17	Extraordinary items	D12	
18	Net prior period credits/(charges)	D13	
19	Contributions, grants and subsidies towards cost of capital assets	D14	
20	Gross fixed assets	D15	
21	Net fixed assets	D16	
22	Work in progress (capital expenditure)	D17	
23	Receivable against sale of power	D18	
24	Energy flow diagram for FY-11	D19	
25	Energy flow diagram for FY-12	D19	
26	Energy flow diagram for FY-13	D19	
27	Commercial losses identified and assessed	D19(a)	
28	Energy loss statement for FY-11, FY-12 & FY-13		

Forms for tariff filing

Sl No	Particulars	Distribution form no	Page no.
1	Statement of existing and proposed tariff	D-20	
2	Revenue at current tariff and at proposed tariff	D-21	
3	Expected revenue when proposed tariff is introduced for a part year	D-22	