

CHAPTER-6

6. Issues pertaining to items of Revenue and Expenditure:

- i. Format D1 for FY17 is to be furnished with data of actual energy and cost up to November, 2016 and projections thereon for the balance period.

GESCOM Reply:

The data of actual energy and cost up to November, 2016 is furnished in Annexure-VIII.

- ii. Format D6 (a) indicating the number of employees sanctioned and working for FY16, FY17 & FY18 shall be furnished. GESCOM shall indicate the details of cadre wise employee strength duly considering the retirement and proposed recruitment along with cost for the period FY16 to FY18. Further, employee cost for FY18 is projected by considering 15% increase due to revision of pay scale. GESCOM shall furnish the basis such projection which is not being backed by any Orders.

GESCOM Reply:

Format D6 (a) indicating the number of employees sanctioned and working for FY17 & FY18 is furnished in Annexure-X.

- iii. GESCOM in its application for ARR for FY18, under format A1 has indicated an amount of Rs.262.49 Crores as P&G Trust.
The Commission notes that, the above issue has already been decided in its Tariff Order dated 30th March,2016 wherein, it was decided that, as per GO dated 31.05.2002 and 19.12.2002, GoK is liable to meet the P&G requirement of existing pensioners and such liability cannot be passed on to the consumers. However, it is now reported by GESCOM that, as per the present directions of the Government of Karnataka, it has included an amount of Rs.262.49 Crores towards arrears of P&G Trust for FY18. GESCOM shall furnish the reasons /justifications along with Government Orders if any for inclusion of this amount as an item of expenditure in ARR to be recovered from consumers during FY18 in contravention to the

Commission's decision in Tariff Order 2016. **Further, it is to be noted that, inclusion of this amount will have substantial tariff implications which cannot be passed to the consumers.**

GESCOM Reply:

Additional Chief Secretary to Government, Energy Department vide is letter No. EN 26 PSR 2016/P3 dated 19.9.2016 **(Copy Enclosed in Annexure XI)** has directed KPTCL and ESCOMs to take into cognizance the liability pertaining to their companies as worked out and intimated by KEPGT, assume and account the same as a special case and one time measure in the Annual Accounts of FY 2015-16 being finalized pending further appraisal of the issue to Finance Department and requesting for re-examining the decision communicated in the past with regard to availability of funds on this account.

As per KPTCL and ESCOMs Pension Graduity Trust Kaveri Bhavan Bangalur vide letter no: KEPGT/KC0123/P46/2015-16/881-94 dated: 16 September 2016 **(Copy Enclosed in Annexure XI)** in which clearly told that " Since So far , there is no communication from GOK in releasing the pending amount. As the said liability is neither agreed to be made good by the GoK nor allowed by the KERC in the Tariff order as a pass through in the tariff, the Corpus of Fund held by the Trust which has already been eroded cannot be restored back unless liabilities are assumed by KPTCL and ESCOMs to the extent of their respective portion. It is also a matter of concern that if same trend continues, the existence and future functioning of P& G Turst will be in question as the Corpus is gradually and constantly being diminishing.

In the above context, and based on the ground that since Hon'ble Commission has approved the ARR for FY-17 and has issued the tariff order without considering the above amount, kindly consider the above amount to be factored in tariff FY-18.

- iv. Subsidy claim submitted to GoK and subsidy received for the year FY16 in respect of IP and BJ/KJ installations needs to be furnished along with the details of energy sales. GESCOM to clarify whether it has received subsidy

pertaining to past period during FY16 and if so, details of the amount received may be furnished separately.

GESCOM Reply:

Will be furnished within a week.

- v. The bank / Financial Institution wise amount of long term and short term loans inclusive of overdraft availed during FY17 (upto November, 2016) along with rate of interest and amount of interest, term of loan and the purpose of loan availed shall be furnished.

GESCOM Reply:

Will be furnished within a week.

- vi. The Commission in its Tariff Order dated 2nd March, 2015 has directed GESCOM to furnish detailed plan of action for utilisation of funds towards consumer relation / education and to maintain separate accounts of these funds and furnish the same at the time of APR. GESCOM under D7 format has reported that, it has spent an amount of Rs.9.00 Lakhs towards consumer relation / education. GESCOM is required to furnish the break-up of expenditure incurred under separate head of account towards consumer relation / education during FY16.

GESCOM Reply:

The required break of expenditure incurred under separate head of account towards consumer relation / education during FY16 is furnished as below:

Table-20

Acc Unit	Consumer Education Expenses
Gangavathi	119,040
Hospet Urban	66,000
HptDvn	408,900
KplDvn	259,411
Grand Total	853,351

vii. GESCOM shall furnish the details in respect of the following items indicated under A&G expenses for FY16:

- i) Professional charges - Rs.32.78 Crores
 ii) Travelling expenses - Rs.13.01Crores

GESCOM Reply:

The details in respect of the Professional charges as indicated under A&G expenses for FY16 is furnished in below table:

Table-21

Acc Unit	Consulting Charges	Other Professional Charges	Professional service_Station Maintenance/ Shift	Professional Service_TRM	Total
Admin	9217270.00	638281.00		11842735.00	21698286.00
BdrCrcle				965659.00	965659.00
BdrDvn			13269998.00	16846112.00	30116110.00
Bellary Urban				1505813.00	1505813.00
BlyCrcle				558208.00	558208.00
BlyDvn			9632033.00	12908727.00	22540760.00
BlyZone	18774.00			1461188.00	1479962.00
Compilation					0.00
Gangavathi		62500.00	6730722.00	10535830.00	17329052.00
Glb1Dvn			17698737.00	14556928.00	32255665.00
Glb2Dvn			9874941.00	15450758.00	25325699.00
GlbCrcle				3810527.00	3810527.00
GlbZone				1055526.00	1055526.00
Gulbarga Urban	203626.00			8335616.00	8539242.00
HbdDvn	94383.00		12311030.00	9029049.00	21434462.00
Hospet Urban			684270.00	625181.00	1309451.00
HptDvn	35214.00		4689616.00	12804766.00	17529596.00
KplDvn			13447872.00	9739376.00	23187248.00
PT Cell					0.00
Raichur Urban			1032800.00	3813007.00	4845807.00
RcrCrcle	2500.00			582174.00	584674.00
RcrDvn		1255720.00	10033945.00	12344473.00	23634138.00
Resource					0.00
Sedam	94952.00		275528.00	20269141.00	20639621.00
Sindhanur	5000.00	2500.00	7119038.00	8545054.00	15671592.00
YdgDvn	186613.00		16527263.00	14883935.00	31597811.00
kplCrcle				122412.00	122412.00
Grand Total	9858332.00	1959001.00	123327793.00	192592195.00	327737321.00

The details in respect of the Travelling expenses as indicated under A&G expenses for FY16 is furnished in below Table:

Table-22

Acc Unit	Convance Expense s	Travelling Expenses	TA To Employee s	TA to Contra ct AE/JE	Vehicle Running Exp Other than Stores	Vehicle Hire Charges	Vehicle License , Registrati on fee & Taxes	Total
Admin		57,000	2,764,831	46,751	24,350	2,707,374		5,600,306
BdrCrcle		12,000	187,540			886,617		1,086,157
BdrDvn			3,368,677		2,810,053	7,830,431	99,839	14,109,000
Bellary Urban		24,000	163,787			1,198,311		1,386,098
BlyCrcle		6,000	60,615			735,565		802,180
BlyDvn			4,357,034		645,425	5,290,608	136,476	10,429,543
BlyZone			331,532			1,580,413		1,911,945
Compilation								-
Gangavathi			674,021		919,405	2,803,805	23,116	4,420,347
Glb1Dvn		6,000	4,108,987		107,400	8,125,461	383,393	12,731,241
Glb2Dvn			719,452			8,564,337	140,779	9,424,568
GlbCrcle			1,288,113			2,952,878		4,240,991
GlbZone			195,543			250,952		446,495
Gulbarga Urban			196,638			2,971,075		3,167,713
HbdDvn		24,000	1,943,856		704,524	5,717,245	1,031,820	9,421,445
Hospet Urban	8,181		182,845			858,395	8,323	1,057,744
HptDvn	25,615	37,500	2,183,553		1,255,802	4,125,022	41,803	7,669,295
KplDvn		52,500	2,941,816		876,730	5,224,932	124,307	9,220,285
PT Cell								-
Raichur Urban		22,464				994,504		1,016,968
RcrCrcle		2,646	18,221			463,642		484,509
RcrDvn		617,625	1,252,730		2,330	6,675,056	172,172	8,719,913
Resource								-
Sedam			1,277,046			4,072,982	75,405	5,425,433
Sindhanur	15,840		244,709		818,928	2,638,219	24,193	3,741,889
YdgDvn			4,704,244		251,277	8,549,969	10,790	13,516,280
kplCrcle		25,500	3,000					28,500
Grand Total	49,636	887,235	33,168,79	46,75	8,416,22	85,217,79	2,272,416	130,058,84

- ix. In case of LT4 (a)(i) – IP Sets upto 10 HP, GESCOM shall furnish the Division wise breakup of IP sets, connected load and estimated consumption for FY16 to FY18.

GESCOM Reply:

Will be furnished within a week.

- x. The category-wise connected loads indicated in Form D21 shall be justified with duly certified Distribution Circle wise data.

GESCOM Reply:

Will be furnished within a week.

- xi. The category-wise slab-wise consumption indicated in Form D21 shall be justified with Division wise details of computation.

GESCOM Reply:

Will be furnished within a week.

- xii. The breakup of number of consumers indicated in Form D21 based on sanctioned load under LT2, LT3 and LT5 categories shall be justified with Division wise details.

GESCOM Reply:

Will be furnished within a week.

- xiii. GESCOM, under Format D6 has projected an amount of Rs.68.47 Crores as expenditure towards terminal benefits for FY18. GESCOM is required to furnish the basis and computation for claiming this amount along with relevant actuarial valuation report.

GESCOM Reply:

Computed for claiming amounting to Rs.68.47 Crores in the format D6 at 8% increase over the previous year claim of Rs. 63.40

xiv. GESCO has reported that an additional equity of Rs.99.61 Crores is received during FY16. GESCO shall furnish the date of receipt of this additional equity along with the copy of the Government Order.

GESCO Reply:

Will be furnished within a week.

xv. GESCO shall furnish the Division wise actual data of demand/fixed charges and energy charges demanded from LT and HT Consumers during FY16 and FY17 (Upto October, 2016).

GESCO Reply:

Will be furnished within a week.

xvi. GESCO has proposed ToD for morning peak hours of power supply from 6.00AM to 10.00 AM. GESCO is required to furnish the details of monthly Minimum and Maximum load recorded during January, 2016 to November, 2016 for the proposed morning/evening peak periods and off-peak periods. Further, for the same period, GESCO shall furnish the amount of penalty levied and incentives given under the existing ToD scheme.

GESCO Reply:

Will be furnished within a week.