

## APPENDIX

### COMMISSION'S DIRECTIVES AND COMPLIANCE BY THE KPTCL

#### **New Directives:**

#### **1. Issue of Evacuation Clearance by KPTCL:**

The Commission has come across several cases of delay in evacuation clearance being issued by the KPTCL to the generators. As a result, many generators have filed petitions before this Commission for extension of time for commissioning of their generating plants under force majeure conditions. When the Commission has not allowed the same, appeals were preferred by them before the Hon'ble ATE and have succeeded in getting favourable orders to give extension of time and to allow higher tariff. Thus, due to delay in giving clearances, the generators have to be paid a higher tariff resulting in increase in power purchase cost affecting the consumers in the retail supply tariff.

**Hence, the Commission hereby directs KPTCL to evolve a definite time frame for clearing the evacuation requests by fixing timelines at different stages of giving officers/officials for the delay so as to ensure that the evacuation clearance is given within a reasonable time and avoid delays and consequent litigations in the matter.**

**Compliance of this Directive may be reported within two months from the date of issue of this Tariff Order.**

#### **2. Issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators:**

The Commission has observed that in the matter of issue of No Objections Certificates(NOC) for Wheeling and Banking facility to Open Access Consumers/ Captive generators, the KPTCL/SLDC/ ESCOMs are not adhering to the time frame prescribed by the Commission as per the KERC (Open Access)

Regulations, 2004, as amended from time to time. As a result of the delay, substantial quantum of energy is being wheeled/ banked to the transmission/ distribution network under the provisions of 'deemed approval for the W & B facility'. The energy so wheeled/ banked remains unpaid and the generators are made to indefinitely wait for payment and ultimately they are filing petitions before this Commission for settlement of their claims.

Since the energy is wheeled/ banked from RE sources which are having must run status, any delay in giving NOC for wheeling / banking facility or non-payment of the charges for the deemed approved W & B is not justifiable. Whereas, timely action in clearing NOC for W & B facility would avoid all the complications/ litigations in the matter.

**The KPTCL, SLDC and ESCOMs are therefore directed to strictly adhere to the timelines fixed by the Commission as per the OA Regulations. For this purpose, they shall define the responsibility centres and fix definite timelines at each of the processing stage and ensure that the W & B applications are disposed of within the prescribed timeframe. They shall fix up personal responsibility on the concerned officials for avoidable delay in giving the NOC.**

**Compliance of this Directive may be reported within two months from the date of issue of this Tariff Order**

**Existing Directives:**

The Commission, in its Tariff Order dated 9<sup>th</sup> June 2021, and the earlier Tariff Orders, has issued several Directives. The Commission has been reviewing the compliance thereof, on a regular basis. In the present proceedings also, the Commission has reviewed the compliance to the Directives. The Commission besides reviewing the existing directives, decides to elaborate and clarify them for continued compliance. The same are discussed below:

**1) Reactive Power compensation and restoration of failed Capacitors**

The Commission in its Tariff Order dated 4<sup>th</sup> November, 2020, had directed KPTCL to:

- a. restore any failed capacitors timely; and
- b. Regularly submit the monthly status report of capacitor banks duly furnishing the following details:
  - i. Reactive energy charges paid to the CTU every month; and
  - ii. Action plan for restoring the remaining failed capacitors.

**Compliance of Directive by the KPTCL:**

KPTCL, in its Petition, has submitted that it is submitting monthly status report of capacitor banks periodically to the Commission. Further, the Chief Engineers of the Transmission Zone are taking timely action to restore the failed capacitors, as and when they fail. KPTCL has also informed that it has submitted the status of Capacitor Banks as on September 2021 to the Commission vide its letter dated 15.11.2021. Further, in accordance with the directions of the Commission, KPTCL has also furnished the details of Reactive Energy Charges during the FY21 to the Commission vide its letter dated 15.11.2021.

**Commission's Views:**

The Commission, in its preliminary observation, has observed that 1798 number of capacitor banks are installed at the end of September, 2021 whereas, the number of capacitors working at the end of the month are 1700. The Commission also observed that 13 capacitor banks failed during the month

whereas only 10 capacitor banks were restored during the month. Further, total installed capacity at the end of the month is 8544.68 MVAR, whereas total working capacity at the end of the month is 7283.34 MVAR which amounts to 85.24% of the total installed capacity.

Accordingly, KPTCL was directed to submit the following details:

- a. Average number of days taken for replacement of faulty capacitors;
- b. Average percentage of spare capacitor of each type in terms of physical dimension and rating together with associated equipment/components of capacitor bank available for replacement of failed capacitors.
- c. Action plan for restoring the remaining failed capacitors;

KPTCL in its reply to the Preliminary observations, had submitted the following:

- a. Depending upon the availability of the materials, minimum of 3 days to maximum of 2 months is taken to restore the faulty capacitor banks. Higher numbers of days are required in cases where the spares are required to be procured through tendering.
- b. Procurement of Spares is being done in O/o. CEE/SEE/EE within their power of delegation, since capacitor cells of same dimension, rating, make & type are to be procured for matching the existing ones.
- c. As at the end of November 2021, total 89 numbers of capacitor banks are out of service. The respective Transmission Zones, have initiated necessary action to restore the capacitor banks at the earliest. The action plan has been drawn to rectify the 89 numbers of the failed capacitor banks in the next three months.

The Commission notes the reply furnished by KPTCL. It is to be noted that capacitors help in effective reactive power management in an electrical system. Thus, for effective reactive power management and to save KPTCL from paying reactive energy charges, it is very important that KPTCL should maintain its capacitor banks in a healthy condition and restore the failed capacitors as and when they fail so as to put them back to service quickly. Keeping the capacitors in working condition results in improvement in bus voltages, reduction of transmission losses and minimize/avoid payment of

reactive energy charges to the CTU. Thus, in order to ensure efficient grid management, it is imperative to provide desired reactive power compensation in the transmission network by installing adequate capacitor banks into the system. KPTCL in accordance with the Commission's earlier Orders, is submitting month-wise details of status of capacitor banks regularly to the Commission. The Commission also notes that KPTCL has not paid any amount to PGCIL towards reactive energy charges, instead it has received Rs.11,91,36,245 towards reactive energy charges from PGCIL for FY21. The Commission further notes that failing of capacitors and restoration of failed capacitors is a continuous process and KPTCL is taking measures to restore the failed capacitors in its transmission network and is installing additional capacity of capacitor banks to achieve the desired reactive compensation in the transmission network for ensuring efficient grid management. Nevertheless, the Commission reiterates that the KPTCL shall:

- a. Restore any failed capacitors by taking timely action; and
- b. Regularly submit the monthly status report of capacitor banks duly furnishing the following details:
  - i. Reactive energy charges paid to the CTU every month; and
  - ii. Action plan for restoring the remaining failed capacitors.
  - iii. Maintain minimum 5% of spare capacitor of each type in terms of physical dimension and rating together with associated equipment/components of capacitor bank available for replacement of failed capacitors.

## **2) Implementation of Intra State ABT:**

The Commission vide its Order dated 4<sup>th</sup> November, 2020, had directed that KPTCL and ESCOMs shall take necessary measures to achieve full implementation of Intra-State ABT by sorting the issues among KPTCL and ESCOMs and report compliance thereon.

### **Compliance of Directive by the KPTCL:**

KPTCL in its Petition, has submitted that the Commission, during 59<sup>th</sup> Advisory Committee meeting held on 13.01.2020, had directed the Director (Tech.)

KERC, to conduct a meeting with ESCOMs and SLDC to sort out the issues raised by ESCOMs regarding billing methodology under Intra-State ABT. However, the said meeting is yet to take place. Further, during 65<sup>th</sup> meeting of the Advisory Committee, KPCL has agreed to complete the pending works related to ABT metering by December 2021.

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

During 64<sup>th</sup> Advisory Committee Meeting held on 25.06.2021, KPCL had informed the Commission that the date of installation of meters to the hydel stations of KPCL has been postponed to the end of December, 2021 which was earlier scheduled to be completed by March, 2021. The Commission directed KPCL to complete this task at the earliest.

During 65<sup>th</sup> Advisory Committee Meeting held on 27<sup>th</sup> October, 2021, KPCL has ensured that the pending works are expected to be completed by December, 2021.

The Commission notes that a meeting under the chairmanship of Director(Tech.) KERC with ESCOMs and SLDC to sort out the issues raised by ESCOMs regarding billing methodology under Intra-State ABT is yet to take place. As such, the KPTCL, SLDC and ESCOMs are directed to conduct a meeting under the chairmanship of MD KPTCL to try and sort out the issues with regards to billing methodology under Intra-State ABT once KPCL completes installation of ABT meters of its hydel stations so as to find a way out to implement the Intra-State ABT at least by March, 2022.

### **3) Directive on Manpower Studies conducted**

The Commission had directed the KPTCL to have a fresh look into its manpower requirements keeping in view the computerization of its operational and financial activities and also keeping in view the technological advancements and the changed organizational set-up.

The Commission had opined that there is a need to streamline the personnel deployment and career growth to achieve higher employee productivity, accrual of greater benefits to the organisation which would result in reduction

of tariff and hence the burden on the consumers. Any delay in implementation of the study report by KPTCL would lead to inefficient utilization of its human resources. Thereby, the Commission in its earlier Tariff Orders also had directed the KPTCL to complete the manpower studies at the earliest and submit the interim report to the Commission. Also, KPTCL was directed to ensure implementation of a proper manpower planning strategy with a view to ensure optimum use of human resources and to minimize the operational costs and submit a compliance thereon to the Commission.

### **Compliance by KPTCL**

KPTCL has entrusted Human Resource Study to M/s Institute of Social and Economic Change (ISEC), Bengaluru vide work award dated 23.09.2021. The Agency has been directed to submit the final report within six months from the date of Award. Based on the study report, KPTCL would draw up an action plan for implementation of the same.

### **Commission's views**

The Commission notes that, KPTCL has not taken the directive seriously. KPTCL has been furnishing the status of implementation of Report on the Manpower studies by taking up afresh. The Commission, after going through the compliance submitted in its Tariff Filing that KPTCL has engaged an agency by awarding the work and has directed the agency to submit the report within 6 months of the award date of 23.09.2021. The Commission again opines that; it is absolutely necessary to institute manpower studies to plan for the future in order to efficiently utilize the available manpower with a view to reduce the overall costs.

In this regard, KPTCL is directed to analyse the report by the agency and submit a stringent action plan indicating the implementation strategies along with a comprehensive action plan for implementation without further delay.

**The Commission in its previous Tariff Order has directed KPTCL to circulate the report submitted by the internal committee of KPTCL among all the ESCOMs and**

similar action be taken in all the ESCOMs for streamlining the deployment and career growth in order to achieve higher employee productivity and accrual of greater benefits to the organization which would also reduce the tariff burden on the consumers. Whereas, KPTCL has not mentioned any action taken on the above Directive.

The Commission reiterates that the KPTCL shall ensure proper implementation of the Man Power planning strategy with a view to ensure optimum use of human resources to minimize its operational costs.

#### 4) Directive on prevention of electrical accidents

The Commission had directed the KPTCL to prepare a stringent action plan to effect improvements in transmission network and also implement safety measures to prevent electrical accidents. A detailed Sub-Station Division wise action plan for improvement in the Transmission Lines and reduction in accidents were to be submitted to the Commission.

##### **Compliance by KPTCL**

The Chief Engineers of the transmission zones are regularly carrying out / monitoring works related to rectification of hazardous locations. The zone-wise status of accidents occurred in KPTCL along with details of hazardous locations and an action plan to reduce the same was furnished to the Hon'ble Commission vide letter No. KPTCL / B36 / 1189 / 2021-22 / 1195 dated 15.11.2021.

Further, during the 65<sup>th</sup> Advisory Committee meeting KPTCL appraised the details of accidents and rectification of Hazardous Locations from June 2021 up to September 2021 and informed the Commission that KPTCL has directed all the ESCOMs not to give electricity connection to installations where CEA Safety Regulations are not followed.

In its replies to the preliminary observations, KPTCL has submitted the details of hazardous locations for the period from April 2021 to September 2021 vide Annexure – 9.



KPTCL has informed that, as per the directions of the Hon'ble Commission in 65<sup>th</sup> Advisory Committee meeting, the zonal chief engineers have been directed to draw up an action plan to rectify hazardous locations on top priority. The Chief Engineers have initiated action for preparation of estimates / DPRs and would take up the work immediately.

**Commission's views:**

The Commission notes that, KPTCL vide letter No KPTCL / B36 / 1189 / 2021-22 / 1195 dated 15.11.2021 has furnished the information on the accidents occurred during the 4<sup>th</sup> quarter of FY21 along with the details of hazardous locations identified and rectified during the same period. During this period, the Commission observed that only 3.79% of identified hazardous locations have been rectified.

Further, KPTCL vide letter No KPTCL / B36 / 2021-22 / 26196 / 1203-206 dated 17.11.2021 has furnished the details of the accidents occurred during the 1<sup>st</sup> and 2<sup>nd</sup> quarters of FY21 without furnishing the details of the hazardous locations identified, rectified and balance to be rectified as at the end of the specific quarter. KPTCL was directed to provide the details of accidents, hazardous locations identified, rectified and balance to be rectified for the entire period of FY21.

In the Annexure – 9, it has furnished the details of hazardous locations identified, rectified and balance to be rectified for the period April 2021 to September 2021 only. As per the data, the balance number of hazardous locations identified during this period as 12, rectified as 17 and balance to be rectified is 144.

The Commission observes that, the hazardous locations identified are very less during this period.

The Commission expects KPTCL to speed up the process of identifying and provide strategic action plan to rectify all the hazardous locations within a definite timeframe, in order to prevent electrical accidents.

The Commission notes with displeasure, the casual manner in which KPTCL has furnished the reply in respect of identification and rectification of hazardous locations instead of initiating strategic, stringent action plan to identify and set right the already identified hazardous locations. If KPTCL doesn't initiate stringent action plan to set right the already identified hazardous locations and do not take aggressive steps to identify the hazardous locations, electrical accidents are bound to increase resulting in loss of lives of human beings and livestock besides loss of properties.

Further, KPTCL has not submitted any details of action taken to conduct awareness campaign on electrical safety aspects, including sensitising its field staff so as to sustain its efforts to prevent and minimise accidents.

**Therefore, the Commission reiterates the directive to the KPTCL to speed up the work of identification and rectification of hazardous locations and also to submit a stringent, strategic action plan along with the details of number of locations identified, rectified and the balance number of such locations to prevent electrical accidents in transmission lines and substations quarterly, to the Commission.**