

KARNATAKA ELECTRICITY REGULATORY COMMISSION



ANNUAL REPORT

2010 – 11

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KARNATAKA ELECTRICITY REGULATORY COMMISSION

M.R. Sreenivasa Murthy
Chairman

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Mahalaxmi Chambers
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FOREWORD

In compliance with the provisions of Section 105 of the Electricity Act 2003, I am happy to present the twelfth Annual Report of Karnataka Electricity Regulatory Commission for the year 2010-11. The report consists of a summary of the activities of the Commission during the year 2010-11 including its Budget and actual expenditure for the year.

During the year the Commission has issued a Multi Year Tariff Order for the Transmission licensee KPTCL for the period FY11-13. Multi Year Tariff Orders including approval of ARR for FY11-13 and determination of Tariff for FY11 have also been issued for five distribution utilities, viz., BESCOM, MESCOM, CESC, HESCOM and GESCOM. Further, the Commission has approved the Annual Review of Performance for FY10 in respect of KPTCL and all ESCOMs. The Commission has issued Regulations for Renewable Energy Certificates and orders on Tariff applicable for Solar Power Plants.

The Commission has issued a number of directives to ESCOMs to prepare projects for universal coverage of all un-electrified households, to provide a minimum of 11 hours supply during night hours in rural areas and to ensure better reliability of power supply to consumers. The Commission has also earmarked a separate fund for the ESCOMs for taking up better consumer relations activities and conducting consumer education programmes. The Commission has also directed the ESCOMs to set up efficient irrigation promotion cells to promote drip / sprinkler irrigation systems among the farmers.

On behalf of myself and my colleague Members Sri Vishvanath Hiremath and Sri K Srinivasa Rao, I would like to place on record the valuable guidance provided by the Members of the Advisory Committee and the cooperation of the utilities and other stakeholders in the functioning of the Commission during the year.

M.R.Sreenivasa Murthy
CHAIRMAN



Asia's first Hydro Electric Power Station in Shivanasamudram, on the banks of River Cauvery (Established in 1902)

2. INTRODUCTION

The Karnataka Electricity Regulatory Commission was established in 1999. This is the twelfth Annual Report of the Commission giving a summary of the activities of the Commission during the year 2010-11 and its proposed programmes for the year ahead i.e. 2011-12. It also contains the Budget and the actual expenditure of the Commission for the financial year 2010-11.

In the financial year 2010-11, the Commission has issued Multi Year Tariff Orders for FY11-13 in respect of the State of Transmission utility, KPTCL, and the Distribution utilities namely, BESCOM, MESCOM, CESC, HESCOM & GESCOM. The Commission has issued Regulations / Orders on various sectoral issues. The Commission has disposed of 74 original petitions and 11 review petitions during the year. The details are discussed in the subsequent Chapters.

3. THE COMMISSION & ITS FUNCTIONS:

3.1 THE COMMISSION

The Commission consists of the Chairman and two Members. Sri M.R.Sreenivasa Murthy, IAS (Retd.) assumed charge as Chairman of the Commission on 24.03.2010. Sri Vishvanath Hiremath and Sri K.Srinivasa Rao, are the Members of the Commission both having assumed charge on 23.10.2008.

3.2 FUNCTIONS OF THE COMMISSION

1. As per Section 86 of the Electricity Act 2003, the State Electricity Regulatory Commissions are required to discharge the following functions:
 - a. Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
 - b. Regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
 - c. Facilitate intra-state transmission and wheeling of electricity;
 - d. Issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
 - e. Promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a

- percentage of the total consumption of electricity in the area of a distribution licensee;
- f. Adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
 - g. Levy fee for the purposes of the Electricity Act;
 - h. Specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
 - i. Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
 - j. Fix the trading margin in the intra-State trading of electricity, if considered necessary; and
 - k. Discharge such other functions as may be assigned to it under this Act.
2. The State Commission shall advise the State Government on all or any of the following matters, namely: -
- i. promotion of competition, efficiency and economy in activities of the electricity industry;
 - ii. promotion of investment in electricity industry;
 - iii. reorganization and restructuring of electricity industry in the State;
 - iv. matters concerning generation, transmission , distribution and trading of electricity or any other matter referred to the State Commission by that Government.
3. The State Commission shall ensure transparency while exercising its powers and discharging its functions.
4. In discharge of its functions the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and tariff policy published under section 3 of the Electricity Act 2003.

4. THE COMMISSION'S OFFICE & FUNCTIONS OF THE SECRETARY:

4.1 THE COMMISSION'S OFFICE

The Chairman of the Commission is the Chief Executive as per Section 84 of the Electricity Act. The Commission is supported by the Secretariat headed by the Commission's Secretary. Sri Shaik Ahmed, a retired Senior KAS officer of Selection Grade appointed on contract basis with effect from 03.05.2006, served as the Commission's Secretary during the year.

Besides the Secretary, the Commission's Office has a Director (Technical) and a Director (Tariff) assisted by Deputy Directors and other supporting staff. The details of the Officers and Staff working in the Commission are included in a subsequent Chapter. The Organization chart of the Commission is enclosed at **Annex – 1**

4.2. FUNCTIONS OF THE SECRETARY:

The major functions performed by the Secretary are as follows:

- a) To supervise and guide the functioning of all the Officers and Staff of the Commission;
- b) To prepare or cause to be prepared briefs and summaries of all pleadings presented by various parties in each case before the Commission in discharge of its functions;
- c) To assist the Commission in the proceedings relating to the powers exercisable by the Commission;
- d) To ensure execution of the orders passed by the Commission and
- e) To collect from the State Government or other offices, companies or firms or any other party as may be directed by the Commission, such information as may be considered useful for the purpose of efficient discharge of the functions of the Commission under the Act and place the said information before the Commission.
- f) To keep in his custody the Seal and records of the Commission.

5. Power Sector – An Overview

5.1 Status of Power Generation in the State:



RAICHUR THERMAL PLANT

(Source: KPCL website)

The following is the installed capacity of power generation in Karnataka and the share of the State in the central projects:-

(MW)

Source	Hydro	Thermal	Others	Total
KPCL & VVNL	3642	2348	-	5990
Private Generating Companies (Tata Power, Rayalseema & UPCL)	-	709	-	709
Cogeneration & Renewables	-	-	1980	1980
Captive			350	350
State Total	3642	3057	2330	9029
Central Projects (State's Share)	-	1596	-	1596
Total	3642	4653	2330	10625

Source: KPTCL daily generation sheet as on 31.03.2011.



Kapadgudda Wind Farm of KPCL

(Source: KPCL website)

Further, the following is the installed capacity of Captive Power Plants of Major Steel & Cement Plants and Co-generation units of sugar industries:

Source	Installed Capacity in MW*
Co-Generating Sugar Industries	968
Captive Power plants of Major Steel & Cement Industries	2345

*Some of these generators have entered into PPAs with ESCOMs to sell their excess generation.

5.2 Green Power in Karnataka

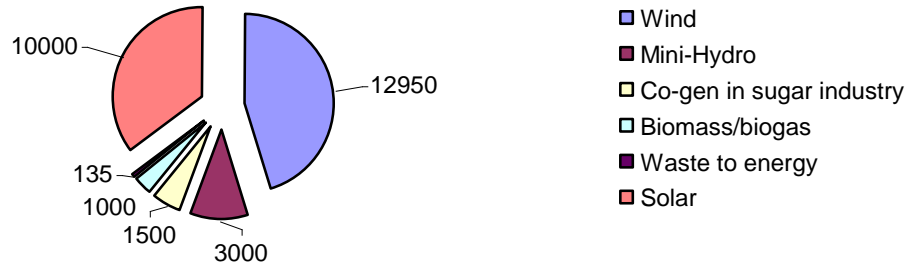
As per the Renewable Energy Policy of the Government of Karnataka, the following is the potential and envisaged capacity addition of green power upto 2014.

Source	Potential in MW	Installed as on 30.11.2010-MW*	Additional Capacity Target for 2014 as per GO policy-MW	Expected investment to meet target-Rs. Crs.
Wind	12950	1607	2969	15680
Mini-Hydro	3000	617	600	2700
Co-gen in sugar industry	1500	669	281	1120
Biomass/biogas	1000	87	300	2100
Waste to energy	135	-	50	400
Solar*	10000	6		
Total	18585	2987	4200	22000

Source: RE policy of the State: *source: KREDL

Note: For Solar [both PV & Thermal] by 2014 an addition of 126 MW at an investment of Rs. 1890 Crs is envisaged in the policy.

RE Potential in MW



RE Installed as on 30.11.2010- MW



5.3 Status of Transmission in the State:

An overview of the State Transmission system as on 30.04.2011 is shown below:

Voltage Level in KV	No.of Stations	Transmission Line in Ckt. Kms
400	4	1978.176
220	88	9372.615
110	317	8817.729
66	533	9526.079
33	369	8486.15
TOTAL	1311	38180.749

(Source: KPTCL Website, as on 31.05.2011)

KPTCL has handled peak load of 7815 MW during FY11.

5.4 Status of Distribution in the State:

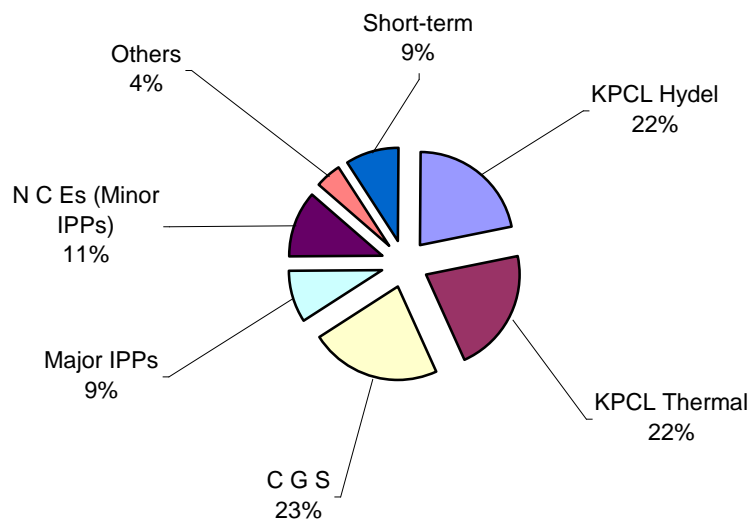
5.4.1 Source wise Generation:

The source wise generation to meet the demands of ESCOMs in the State during FY11 is indicated in the following table:

SOURCE	Energy in MU	Cost in Crs	Average Rate Paise/kwh
KPCL Hydel	10082.02	655.39	65.01
KPCL Thermal	10120.94	2865.85	283.16
Central Generating Stations	10586.48	2707.93	255.79
Major IPPs	4145.36	2057.79	496.41
N C Es (Minor IPPs)	5359.67	1878.33	350.46
Others	2033.42	853.68	419.82
Short-term	4313.03	2126.75	493.10
Transmission, SLDC and other Charges.		1170.69	
Total	46640.92	14316.41	306.95

There was a shortage of 4313 MU during FY11 which was met through short term power purchase at an average cost of Rs.4.93 per unit.

Contribution from various sources of generation to meet demands of ESCOMs- FY11

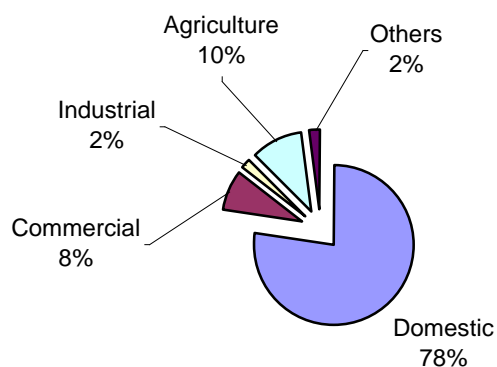


5.4.2 Energy Consumption for FY11:

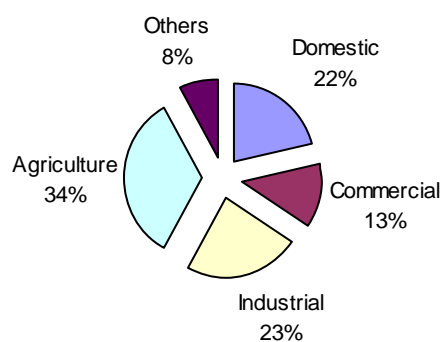
The category wise consumption met by the ESCOMs in the State is as follows:

Category	Consumer Category	No. of Installations	Energy Sold in MU
LT-1 (a)	Bhagya Jyoti	2658431	488.75
LT-2	Domestic AEH & Pvt. Institutions	10919589	7419.04
LT-3	Commercial - Applicable to areas coming under VPs	1445364	2072.35
LT-4 (a)	IP sets - Less than 10 HP - General	1805228	12627.50
LT-4 (b)	Irrigation Pump sets - More than 10 HP	2027	20.02
LT-4 (c)	Private Horticulture Nurseries, Coffee & Tea Plantations	7028	20.80
LT-5	Lt Industries	315125	1688.75
LT-6	Water Supply	101840	873.70
LT-6	Street Lights	104983	742.68
LT-7	Temporary Power Supply	171013	171.90
	LT Total	17530628	26125.48
HT-1	HT Water Supply	461	1071.78
HT-2 (a)	HT Industries	6761	6760.79
HT-2 (b)	HT Commercial	5246	2776.40
HT-3(a) & (b)	HT Irrigation & LI Societies	349	175.42
HT-4	Res. Apartments - Applicable to Mangalore Municipal Corporation Area	361	166.55
	HT Total	13178	10950.94
Total		17543806	37076.42

Category wise Number of Installations-FY11



Category wise consumption-FY11



5.4.3 Distribution Losses in FY11:

The actual distribution losses in each of the ESCOMs for FY11 are as indicated below:

Figures in % of input at interface point

Particulars	BESCOM	MESCOM	CESC	HESCOM	GESCOM	Hukkeri RECS
Distribution Losses in %	14.48	11.92	15.48	19.85	22.06	15.15

The overall distribution losses in the State for FY11 was 16.39%.

6. IMPORTANT EVENTS DURING THE YEAR

1. The Commission issued the Multi Year Tariff Order for the period 2011-13 for KPTCL on 7th December 2010.
2. The Commission issued the Multi Year Tariff Order for the period 2011-13 for BESCOM, MESCOM, CESC, HESCOM and GESCOM on 7th December 2010.
3. Regulations on Renewable Energy certificates (REC) was issued on 16.03.2011 and published in the official gazette on 31.03.2011.
4. Advisory Committee meetings were held on 5th May 2010, 31st August 2010, 26th November 2010 and 30th March 2011.
5. The Commission conducted 34 meetings to discuss various issues processed on files within the Commission.
6. The Commission conducted 41 hearings in its court to decide on various petitions filed by the stakeholders besides conducting public hearing on various issues requiring decision by the Commission.
7. The Commission issued the Tariff Order for Solar Power Plants on 13.07.2010.

7. ACTIVITIES OF THE COMMISSION IN 2010-11

7.1 Multi Year Tariff Order for KPTCL

a) ANNUAL PERFORMANCE REVIEW OF KPTCL FOR FY10

As per the provisions of KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations 2006 (MYT Regulations), KPTCL had filed an application on 13.08.2010, for Annual Review of Performance for the Financial Year 2009-10.

The Commission carried out the Annual Review of Performance for FY10 on the basis of Audited Accounts furnished by KPTCL as per the MYT Regulations. The aggregate net deficit of Rs.16.70 Crores for FY10 has been factored while determining the ARR for FY11.

b) DETERMINATION OF TRANSMISSION TARIFF OF KPTCL FOR THE SECOND CONTROL PERIOD FY11-13:

As per the provisions of KERC (Terms and Conditions for Determination of Transmission Tariff) Regulations 2006 (MYT Regulations), KPTCL had filed an application on 13th August 2010 for approval of Expected Revenue from Charges (ERC) for FY11-13 and determination of transmission tariff for the three year period FY11-FY13. KPTCL was collecting transmission charges of Rs.1,02,427 per MW per month as per the Commission's Tariff Order 2009 issued on 25th November 2009. KPTCL sought revision of transmission tariff for the control period FY11-13 as follows:

Proposed Transmission Charges

Particulars	FY 11	FY 12	FY 13
Transmission Capacity in MW	11572	13477	14282
Net ARR (Rs. Crs)	1617.39	1956.27	2381.20
Transmission Tariff (in Rs./ MW / Month)	116472.95	120963.49	138939.45

After due scrutiny as per MYT Regulations and complying with the process of public consultations by inviting written objections and conducting public hearing, the Commission approved Transmission Tariff as follows:

FY11- Rs.95646 /MW/Month

FY12- Rs. 95356/MW/Month

FY13- Rs. 103262/MW/Month

The ESCOM wise approved transmission tariff for FY11 – 13 is as follows:

APPROVED TRANSMISSION TARIFF FOR FY11-13

Transmission Charges payable by ESCOMs for FY11			
Particulars	Capacity Allocation in MW	Transmission charges for FY11 Rs. Crs per annum	Transmission charges for FY11 Rs. Crs per Month
BESCOM	5643	647.68	53.97
MESCOM	966	110.87	9.24
CESC	1232	141.40	11.78
HESCOM	2175	249.64	20.80
GESCOM	1556	178.59	14.88
TOTAL	11572	1328.18	110.68

Transmission Charges payable by ESCOMs for FY12			
Particulars	Capacity Allocation in MW	Transmission charges for FY12 Rs. Crs per annum	Transmission charges for FY12 Rs. Crs per Month
BESCOM	6526	746.75	62.23
MESCOM	1127	128.96	10.75
CESC	1446	165.46	13.79
HESCOM	2573	294.42	24.54
GESCOM	1805	206.54	17.21
TOTAL	13477	1542.13	128.51

Transmission Charges payable by ESCOMs for FY13			
Particulars	Capacity Allocation in MW	Transmission charges for FY13 Rs. Crs per annum	Transmission charges for FY13 Rs. Crs per Month
BESCOM	6862	850.30	70.86
MESCOM	1197	148.33	12.36
CESC	1543	191.20	15.93
HESCOM	2772	343.49	28.62
GESCOM	1908	236.43	19.70
TOTAL	14282	1769.74	147.48

NOTE: The above tariff is also applicable to all Long-Term Open Access customers excluding developers of Renewable Sources of Energy who generate and supply within the State.

Further the Commission re-determined transmission charges payable by short term Open Access customers in accordance with the KERC (Terms & Conditions of Open Access) Regulations, 2004, as follows:

Transmission Charges for Short Term Users for FY11-13

Transmission Charges (Rs/MW)	FY11	FY12	FY13
More than 12 hrs & upto 24 hrs in a day in one block	786.13	783.75	848.73
More than 6 hrs & upto 12 hrs in a day in one block	393.07	391.87	424.36
Upto 6 hrs in a day in one block	196.53	195.94	212.18

KPTCL in its proposal had projected transmission losses of 4.20%, 4.18% and 4.16% for FY11, FY12 & FY13 respectively. The Commission having taken note of the CAPEX incurred in the past four years and the proposed CAPEX allowed during the control period FY11-13 set the following targets for transmission losses:

Approved Trajectory of transmission losses (in % terms)

Range	FY 11	FY 12	FY 13
Upper Limit	4.10	4.08	4.06
Average	4.00	3.98	3.96
Lower Limit	3.90	3.88	3.86

Summary of the application filed by KPTCL is indicated below:

Particulars	FY11	FY12	FY13
Net ARR (Rs. Crores)	1617.39	1956.27	2381.21
Surplus/ Deficit (-) in Resources (Rs. Crores)	-159.68	-264.41	-590.41
Transmission Tariff (Rs. Per Mega Watt per month)	116472.95	120963.49	138939.45

Summary of the Commission approved figures is as follows:

Particulars	FY11	FY12	FY13
Net ARR (Rs. Crores)	1328.18	1542.13	1769.74
Transmission Tariff (Rs. Per Mega Watt per month)	95646	95356	103262

The break-up of major expenses as claimed by KPTCL and as approved by KERC for FY11-13 are as follows:

Rs. in Crores							
Sl. No	Particulars	FY11		FY12		FY13	
		As filed	As approved	As filed	As approved	As filed	As approved
1	O&M Expenses	518.92	420.18	581.61	473.64	658.82	519.81
2	Depreciation	424.71	401.66	505.54	444.59	611.32	487.38
3	Interest & Finance Charges	541.50	455.89	635.05	548.50	775.31	639.59
4	Return on Equity	289.67	237.11	381.07	278.56	471.14	327.25

7.2 ANNUAL PERFORMANCE REVIEW OF ESCOMs FOR FY10:

The following Electricity Supply Companies (ESCOMs) had filed applications for Annual Review of Performance for the year FY10:

1. Bangalore Electricity Supply Company Ltd., Bangalore (BESCOM)
2. Mangalore Electricity Supply Company Ltd., Mangalore (MESCOM)
3. Chamundeshwari Electricity Supply Corporation Ltd., Mysore (CESC)
4. Hubli Electricity Supply Company Ltd. Hubli (HESCOM)
5. Gulbarga Electricity Supply Company Ltd. Gulbarga (GESCOM)

The following table shows the Annual Revenue Requirement as approved by the Commission in its Tariff order dated 25th November

2009 and as allowed by the Commission based on the review of performance for FY10.

In Rs. Crs

ESCOM	As approved in November 2009 Order			As per APR		
	ARR	Revenue	Surplus/Deficit (-)	ARR	Revenue	Surplus/Deficit (-)
BESCOM	7381.92	7381.92	0.00	6843.28	6791.59	-51.69
MESCOM	1182.20	1182.20	0.00	1171.75	1175.25	3.50
CESC	1525.42	1525.42	0.00	1436.71	1422.13	-14.58
HESCOM	2514.59	2514.59	0.00	2382.51	2277.07	-105.44
GESCOM	1833.69	1833.69	0.00	1617.53	1659.74	42.21
Total	14437.82	14437.82	0.00	13451.78	13325.78	-126.00

The net deficit for FY10 after APR is Rs.126 Crs.

7.3 DETERMINATION OF DISTRIBUTION & RETAIL SUPPLY TARIFF OF ESCOMs FOR FY11:

The above ESCOMs had also filed applications for revision of tariff for FY11 on 13th August 2010. ESCOMs had submitted that they were filing the ERC & Tariff revision applications on account of overall increase in the cost of operations and in the cost of power purchase and other expenses. The details of the Revenue, expenses, revenue deficit, and increase in the tariff sought, as per the application filed by the ESCOMs for FY-11, are as under:

Proposed ARR

Rs. In Crores

Particulars	BESCOM	MESCOM	CESC	HESCOM	GESCOM	Total
Total Expenditure (ARR)	8776.84	1694.31	1868.54	3285.29	2493.87	18118.85
Total Revenue at the existing rates as per filing	7107.37	1112.32	1479.69	2288.00	1766.34	13753.72
Revenue Gap as proposed	1669.47	581.99	388.85	997.29	727.53	4365.13
Increase in Tariff sought –Paise per unit	75	75	75	75	75	75
Additional Revenue through tariff Revision	1074.30	188.68	168.17	222.60	176.21	1829.96
Percentage increase sought	17.8%	18.5%	17.9%	17.5%	18.9%	17.9%
Average Cost of supply on proposed ARR – (Rs per unit)	4.68	4.97	4.67	5.17	5.15	4.79

The Commission, after preliminary examination of the proposals, had sought additional information/clarifications on several issues. The Commission had also invited objections from the general public/consumers and other stakeholders. In addition, Public hearings were also held in the Headquarters of all the Companies to elicit further views of the consumers and others.

After following due process of consultation and after considering the petitions and information furnished by the ESCOMs and the submissions of the consumers / general public, the Commission issued the tariff orders in respect of all the five distribution companies. While determining the tariff, the Commission kept in view the financial position of the ESCOMs and the paying capacity of each class of consumers and other relevant factors to ensure that, the orders are fair and reasonable to all the stakeholders. A gist of the orders indicating the approved ARR and the revised revenue for FY11 is given below:

Summary of ARR

Rs. In Crs.

Particulars	BESCOM	MESCOM	CESC	HESCOM	GESCOM	Total
Approved Expenditure (ARR)	8582.71	1490.33	1766.52	3030.27	2033.90	16903.73
Sales-MU	18398.71	3301.28	3835.15	6331.45	4620.81	36487.41
Average Cost at Full ARR Rs/unit	4.66	4.51	4.61	4.79	4.40	4.63
Total Revenue as per revised Tariff (other than BJ/KJ & IP Set installations)	7546.78	1179.55	1126.60	1486.77	1147.89	12487.60
Revenue Gap before Government Subsidy	1035.93	310.78	639.92	1543.50	886.01	4416.13
Committed Subsidy	584.47	245.35	534.37	1138.11	657.70	3160.00
Gap after subsidy	451.46	65.43	105.55	405.39	228.31	1256.13
Regulatory Asset[RA]	423.17	75.93	88.21	145.62	106.28	839.21
addl. Subsidy required by GoK	28.29	-10.50	17.34	259.77	122.03	416.93
Average tariff after RA Rs./Unit	4.43	4.28	4.38	4.56	4.17	4.40
Approved Avg increase in Tariff – Ps. per unit	22	23	20	28	22	23
Additional Revenue through tariff Revision	439.52	67.23	63.48	85.11	69.60	724.94

As indicated in the above Table, the total approved ARR of ESCOMs was Rs.16904 Crs. After the revision of tariff (which generates an additional revenue of Rs.725 Crs.) and considering the committed government subsidy of Rs.3160 Crs., the total unmet gap was Rs.1256 Crs. Out of this gap, an amount of Rs. 417 Crs was determined to be met by the Government of Karnataka through additional subsidy towards power supplied to BJ/KJ & IP set consumers. The remaining unmet gap of Rs.839 Crs. is treated as Regulatory Asset, to be recovered in the next two years of the control period.

The Commission kept in view the unavoidable situation of utilities being forced to procure high cost short term power to meet the deficit power situation in the State for FY11 which was the result of poor generation by the RTPS units of Karnataka Power Corporation Ltd, in the first quarter of the financial year and a substantial growth in demand. Therefore, it was decided that only a part of the increased average cost of supply should be passed on to the electricity consumers of the State during the year in order to minimize the effect of tariff increase. Accordingly, only 22 paise per unit out of the increased average cost of 45 paise per unit was passed on in the tariff determined for FY11. The remaining 23 paise per unit is being treated as 'Regulatory Asset' (deferred revenue) for FY11 and an amount of Rs.839 Crores, will be adjusted in the remaining years of the control period.

The proposed and approved ARR for the control period is as under:

Particulars	FY11		FY12		FY13	
	Proposed	Approved	Proposed	Approved	Proposed	Approved
BESCOM	8776.84	8582.71	10657.55	8051.46	11875.36	9067.85
MESCOM	1694.31	1490.33	2043.29	1767.25	2381.89	2029.67
CESC	1868.54	1766.52	2164.88	1825.72	2457.47	2064.77
HESCOM	3285.29	3030.27	4058.81	3520.34	4552.85	3999.90
GESCOM	2493.87	2033.90	2889.83	2500.29	3210.77	2793.88
Total	18118.85	16903.73	21814.36	17665.06	24478.34	19956.06

The Revised Tariff came into effect from 7th December 2010.

7.4 Salient Features of the Tariff Order 2010:

- a. The Tariff payable by consumers of Bhagya Jyothi / Kuteera Jyothi & Irrigation Pump sets up to 10 HP is assessed as subsidy from Government in view of the Policy of Government to provide electricity free of cost to these consumers.
- b. There was no increase ordered in fixed charges of any category of consumers.
- c. For the first time, Green Tariff was introduced to HT Industries & HT Commercial Consumers with contract demand of 1MVA at their option, to promote purchase of energy from Renewable sources. Consumers opting for green tariff have to Pay Rs. 1.00/unit over and above the normal tariff.
- d. Time of the day tariff was continued on optional basis for HT & LT industries and HT water supply, considering the request of consumers. A reduction of 80 paise per unit was allowed for consumption in the off peak period in this system to LT industries, HT industries and HT water supply consumers.
- e. **Zero Cross subsidy Surcharge for Open Access is continued** to encourage open access in the State. This may bring down the burden on ESCOMs in making the power available to the open access consumers.
- f. **Solar rebate:** continued at Rs.50 per month to encourage use of solar water heaters by domestic consumers. This will also give relief to ESCOMs during morning peak hours and save electricity.

- g. **To encourage Solar Power generation and its use through the grid**, no wheeling charges are payable for wheeling of solar power within the State grid.
- h. **Benefit of Seasonal Industries extended to Cold Storage plants used in Fisheries in Coastal areas.**

The Commission continued the benefits available under Seasonal Industries to the Cold Storage plants used in Fisheries.

i. Tariff Rationalization:

- i. The Tariff Structure for Domestic Category, which had 3-tier, was reduced to 2-tier by clubbing urban areas including corporations under a single tier. The number of tariff slabs in this category was reduced to four slabs from the existing six slabs.
- ii. In BESCO, the Tariff Structure for LT Commercial Category, which had 3-tier, has been reduced to 2-tier by clubbing urban areas including corporations under a single tier.
- iii. Only a moderate increase ranging between 10 paise to 15 paise was made in the tariff for Domestic consumers who are using up to 100 units per month in the village panchayat areas.
- iv. 25 paise increase was made for HT lift irrigation schemes, Irrigation pump sets of above 10 HP, private horticulture, nurseries, coffee & tea plantations, since the tariff for this category had not been increased for some years now.

ii. Increase in tariff as approved for the following categories:

- i) **Domestic Lighting/heating installations:** For the consumers of domestic lighting and heating installations in areas of urban local bodies and City Corporation areas, the increase ranged from 5 paise to 60 paise per unit, depending upon the slab of consumption. In respect of installations in village panchayat areas, the increase is only from 10 paise per unit to 30 paise per unit. While fixing these rates, the Commission took into account

the paying capacity of the consumers in cities and village areas.

- ii) **Commercial lighting/heating installations:** Increase ordered was in the range of 25 paise to 45 paise per unit in urban areas. In village panchayat areas, the increase was from 30 to 35 paise per unit.
- iii) **LT Industries:** The Commission increased tariff by 30-35 paise per unit.
- iv) **HT Industries:** The Commission increased tariff by 30-35 paise per unit.
- v) **HT Commercial:** The Commission increased tariff by 35-40 paise per unit.
- vi) **Loss levels:** In FY10 the distribution loss levels in all ESCOMs except Gulburga, were lower than the targeted losses fixed by the Commission in its MYT Order. The target for reduction of losses for the Control Period was fixed as under:

Loss levels for Control Period

(% Losses)

ESCOMs	FY10		FY11		FY12		FY13	
	Appd.	Actuals	Appd.	Actuals	Proposed	Appd.	Proposed	Appd.
BESCOM	16.00	15.09	14.75	14.48	14.75	14.50	14.50	14.25
MESCOM	12.90	12.64	12.50	13.07	12.44	12.40	12.34	12.30
CESC	16.75	16.42	15.50	15.48	15.47	15.25	15.33	15.00
HESCOM	22.50	20.86	20.00	19.85	20.50	19.50	20.00	19.00
GESCOM	24.02	25.53	23.00	22.06	22.67	22.00	21.34	21.00

7.5 Commission's Directives

The Tariff Orders issued by the Commission included the following new directives to all the electricity supply companies in the State:

1. Lifeline supply to un-electrified households:

The Commission noted that an estimated 12-lakh households in the State were still without the facility of electricity for even lighting purpose. Backward districts of the State which have lower human development indices like Chamarajanagar, Koppal, Raichur and Bijapur had larger proportions of households without electricity compared to other districts. The Commission noted that under the National Electricity Policy, it is imperative to provide electricity to all households and directed the ESCOMS to prepare a detailed action plan for providing electricity to such households within a maximum period of three years. The funds required for the purpose are to be mobilized from various Government schemes and, if necessary, from the capital expenditure programmes of ESCOMS.

2. Power Supply during night hours for villages:

Responding to the complaints from rural consumers, the Commission has directed the electricity supply companies that they should provide electricity for lighting purpose in all the villages in the State for at least 11 hours between 6 PM & 6 AM with provision for one hour's load shedding, if necessary for the purpose of load management during peak hours. This directive was issued in the background that the ESCOMS had submitted to the Commission their intention to supply single-phase electricity for lighting purpose in villages for 6 to 8 hours during night. The Commission noted that it was unacceptable that villages in the State are without electricity even for street lighting for half of the night hours as it would seriously jeopardise the well being of the rural people. This directive has come into effect from 1st January 2011.

3. Reliability of Electricity Supply:

The Electricity Regulatory Commission has directed the supply companies to put an end to the practice of load shedding without

notice to consumers. Responding to complaints from many consumers including industrial users, the Commission has directed that with effect from 1.1.2011 the utilities shall announce their supply schedules one week in advance to enable the consumers to plan their activities. The utilities have also been directed to report to the Commission all interruptions in supply, zone wise on a monthly basis.

4. Responsiveness to Consumers:

The Electricity Supply Companies in the State have been directed to organize meetings with consumers in every electricity sub division at least once in two months in the presence of senior officers like Superintending Engineers and Divisional level officers. These meetings would enable the consumers to bring to the notice of senior officers of the utilities the problems being faced by them in electricity supply so that remedial measures could be initiated.

5. Conservation of energy in Irrigation:

In the matter of conservation of electricity used in the agriculture sector, the Commission has directed the ESCOMS to constitute Efficient Irrigation Promotion Cells which will promote energy efficient practices like drip irrigation and sprinkler irrigation systems. The ESCOMS have been advised to coordinate with the Universities of Agricultural Sciences and the various other related Departments of Government in this regard.

7.6. Determination of Tariff for Solar Power Plants:

The Commission had floated a discussion paper on determination of tariff for Solar Power plants on 27.05.2010. The Commission also held a public hearing on 12.07.2010. Considering the views expressed by the Stakeholders the Commission issued Orders on Tariff applicable for Solar Power plants on 13.07.2010.

The following are the approved cost parameters considered for determination of tariff for Solar Power plants:

Particulars	Approved Parameters	
	Solar PV	Solar Thermal
Capital Cost/MW- Rs. Lakhs	1550	1300
Debt: Equity Ratio	70:30	70:30
Debt-Rs. Lakhs	1085	910
Equity- Rs. lakhs	465	390
Debt Repayment Tenure in Yrs.	10	10
Interest charges on Debt-%	12.00%	12.00%
Capacity Utilization Factor (CUF)	19%	23%
ROE-%	16%	16%
Discount Factor -%	13.20%	13.20%
Auxiliary consumption-%	0	8%
O & M expenses in Rs. Lakhs per MW	9.00	13.00
O & M Escalation p.a.	5.00%	5.00%
Working Capital	2 months receivables	2 months receivables
Interest on Working Capital-%	12.50%	12.50%
Depreciation for first 10 yrs	7.00%	7.00%
Depreciation for next 15 yrs	1.33%	1.33%

Accordingly, the following tariff was determined by the Commission for Solar Power plants:

- | | |
|---|---------------------------|
| i. Solar PV Power Plants: | Rs. 14.50 per unit |
| ii. Solar Thermal Power Plants: | Rs. 11.35 per unit |
| iii. Rooftop Solar PV and other
Small solar power plants
connected to Distribution network
at voltage levels of below 33KV | Rs. 14.50 per unit |

The tariff determined above is applicable to Solar Power plants to be commissioned upto 31.03.2013. However, in respect of projects to be

commissioned after 31.03.2013, the tariff would be determined separately.

7.7 KERC (Power Procurement from Renewable Sources) Regulations, 2011

The KERC (Power Procurement from Renewable Sources) Regulations, 2011 issued in March 2011 contains the following specifications;

1. The Renewable purchase obligation (RPO) for ESCOMs has been fixed as under:

ESCOM	RPO for RE sources other than Solar	Solar RPO
BESCOM	10 %	0.25 %
MESCOM	10 %	0.25 %
CESC	10 %	0.25 %
HESCOM	7 %	0.25 %
GESCOM	7 %	0.25 %
Hukkeri Society	7 %	0.25 %

For Captive consumers, a minimum quantity of 5 % of consumption of energy from captive sources is specified as RPO.

For Open Access Consumer a minimum quantity of 5% of consumption through Open Access sources is specified as RPO.

2. Provisions have been made in the Regulations for the distribution licensees; Captive Consumers and Open Access Consumers specified above, for the purchase REC to meet the RPO either partly or entirely.
3. Conditions for Accreditation. - Renewable Energy Generators in the State applying for accreditation to the State Agency for securing REC will have to satisfy the following conditions :-

- (a) The Generating Companies shall not have any subsisting power purchase agreements related to such generation with any of the distribution licensees of the State;

- (b) A Generating Company shall not, in case of premature termination of a power purchase agreement, be eligible in respect of the generation capacity covered by such PPA, for participating in REC Scheme for a period of one year from the date of termination of such agreement or till the scheduled date of expiry of PPA, whichever is earlier.
 - (c) A Generating Company opting for REC Scheme shall sell the electricity generated by it only to ESCOMs of the State at the pooled cost of power purchase as approved by the Commission for the previous year in its tariff orders escalated for inflation.
 - (d) Captive Power Producers (CPP) based on renewable sources of energy shall be eligible to get accredited for obtaining RE certificates for the entire energy generated from their plants including the energy used for captive consumption.
 - (e) If any Generating Company obtains accreditation contrary to these Regulations, the Commission may either suo motu or otherwise cancel the accreditation after giving notice to such Generating Company.
4. Non-Compliance of RPO by Distribution Licensee - If a distribution licensee or other consumer fails to comply with the renewable purchase obligation as specified in the regulations during any of the years, the Commission will direct the distribution licensee or such other consumer to deposit such amount as the Commission may determine into a separate fund, to be created and maintained as directed by the Commission. The distribution licensee or other consumer shall utilize the fund so collected for promoting renewable sources of energy or energy conservation measures with the prior approval of the Commission from time to time.

5. Under the provisions of the said Regulations, the Commission has notified the State Load Despatch Centre as the Nodal Agency for the purposes of REC.

7.8 Approved Tariff for Renewable Sources of Energy:

As per the Commission's Order dated 11th December 2009, the following is the approved tariff for Renewable Sources of Energy:

	Rs/unit
Source	Approved Tariff
Wind	3.70 without escalation
Mini-hydel	3.40 Without escalation
Co-Gen	3.59 in first year going upto 4.14 in the 10 th year
Bio-mass	3.66 in first year going upto 4.13 in the 10 th year

7.9 Approval of Power Purchase Agreements:

During the year, the Commission has approved 66 PPAs with a total capacity of 315.80 MW of power pertaining to NCE sources with ESCOMs. The abstract of the source wise/ESCOM wise PPAs approved are as follows:

ESCOMs wise approved PPAs of Non-Conventional Power Projects During FY-11															
SL No	ESCOMS	MINI HYDEL		WIND MILL		BIOMASS		CO-GEN		SOLAR		OTHERS		TOTAL	
		Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW	Total No of PPAs	Capacity in MW
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	BESCOM	0	0.00	18	154.90	0	0.00	0	0.00	1	3.00	0	0.00	19	157.90
2	MESCOM	2	18.65	4	5.00	0	0.00	0	0.00	0	0.00	1	10.00	7	33.65
3	CESC	2	7.00	13	18	0	0.00	0	0.00	0	0.00	0	0.00	15	25.00
4	HESCOM	2	16.50	10	15.55	0	0.00	1	9.00	0	0.00	0	0.00	13	41.05
5	GESCOM	1	5.00	8	23.20	2	17.00	1	13.00	0	0.00	0	0.00	12	58.20
7	Total	7	47.15	53	216.65	2	17.00	2	22.00	1	3.00	1	10.00	66	315.80

The details of source wise PPAs approved by the Commission are enclosed at **Annex-2**

7.10 Details of the Meetings of the Commission held.

The Commission held 34 meetings to discuss various issues of the sector during the year. The following are some of the important subjects discussed in the Commission's meeting.

1. Review of power position in the State.
2. Power Purchase Agreement of BTPS Unit I.
3. Annual Performance Review of Hukeri Society for FY08 & FY09.
4. Discussion on Determination of Tariff for Solar Power Plants.
5. Review of Directives issued to ESCOMs.
6. Approval of bidding documents proposed by PCKL and other related issues.

8. ADVISORY COMMITTEE OF THE COMMISSION

8.1 Provisions under Electricity Act 2003:

In pursuance of the provisions contained in Section 34 of KER Act 1999 and Section 87 of the Electricity Act 2003, the Commission has established a State Advisory Committee to advise the Commission on:

- i) major questions of policy.
- ii) matters relating to quality, continuity and extent of service provided by the Licensees.
- iii) compliance by Licensees with the conditions and requirement of their licence.
- iv) protection of consumer interest.
- v) electricity supply and overall standards of performance by utilities.

A List of the present Members of the Advisory Committee is placed in **Annex- 3.**

List of new Members included during the year are:

1. Dr. S.L. Rao, Former Chairman, Institute of Social & Economic Change, Bangalore
2. Principal Secretary to Government, Rural Development & Panchayat Raj, Bangalore
3. President, CII, Bangalore
4. General Manager, Southern Region Load Despatch Centre, Bangalore
5. Sri S.J. Coelho, IAS (Retd.) Bangalore
6. Director General, CPRI, Bangalore
7. Sri B.G. Rudrappa, Former Chairman, KEB, Re-appointed.

List of persons who have ceased to be members during the year are:

1. President, KPTCL, Employees Union, Bangalore
2. Sri H.P. Mohan, Hassan

List of members whose term expired during the year are:

1. Sri A.S. Kulkarni, Hubli
2. Sri S.B. Somannavar, Belgaum

8.2 Brief Account of the Important Issues Discussed in the Meetings

During the year, four meetings of the Advisory Committee were held.

In the 27th meeting held on 5th May 2010, detailed discussions were held on the power situation in the State. MD, KPTCL and Chairperson, PCKL informed the status and the strategy to meet the demand. The Commission urged upon the KPTCL as well as all ESCOMs to provide reliable power supply and improve the per capita consumption of the State. Measures initiated to implement the Demand Side Management were also discussed.

In the 28th Meeting held on 31st August 2010, measures to bridge the demand-supply gap was discussed in detail. Source wise availability and the gap was presented before the Commission by MD, KPTCL, and Chairperson, PCKL. Considering new plants to be commissioned in future, it was observed that buying of additional power on short-term basis would be expensive and as such power purchase for longer term of about three to four years would be desirable. The committee also noted that the number of electrical accidents and fatal cases are very high and there is a need for the utilities to take up suitable measures to minimize accidents in future. The Commission advised the utilities to conduct detailed studies and prepare action plans in this regard.

In its 29th meeting held on 26th November 2010, the tariff proposals of KPTCL and ESCOMs were discussed. The members of the committee expressed their view that the utilities should focus on reducing Transmission and Distribution losses so that, tariff burden on the consumers could be avoided.

In its 30th meeting held on 30th March 2011, the Chairman informed the committee about the important directives issued by the Commission in its Tariff Order dated 7th December 2010. The plan of action by ESCOMs to meet the demand in summer months, status of feeder segregation under Nirantara Jyothi Yojana, status of implementation of Intra State ABT and action plan to prevent electrical accidents were also discussed.

9. BUDGET & ACTUAL EXPENDITURE OF THE COMMISSION

GRANTS RECEIVED FROM THE GOVERNMENT DURING FINANCIAL YEAR 2010-11.

The following table shows the details of budget estimates and actual expenses for 2010-11.

Major Expenditure Head	In Rs. Lakhs		
	Budget Estimate	Expenditure for 2010-11	Variation
Establishment expenses	217.20	171.02	-46.18
Office Expenses	183.75	138.72	-45.03
Office set up Expenses	19.15	25.52	6.37
TOTAL	420.10	335.26	-84.84

The State Government provided a total grant of Rs. 211.41 lakhs to the Commission during the financial year 2010-11. The same has been drawn from the Government. The expenditure of Rs.335.26 lakhs was met out of Government grants and License /Tariff Application fees. An amount of Rs. 159.35 lakhs is deposited in personal deposit account at the Treasury. The closing balance in the Banks as on 31.03.2011 are as under:

Name of the Bank	Closing Balance (in Rs. Crore)
State Bank of India	11.68
State Bank of Mysore	1.69
Bank of India	0.53
Total	13.90

10. ADMINISTRATION:

The Office of the Commission consists of permanent employees besides officials on deputation and on contract basis. The total working strength of the Commission as at the end of the financial year 2010-11 is 43. At present, the Commission consists of:

- 04 Permanent employee's consequent to absorption of their services,
- 14 Officials on deputation basis,
- 23 Officials on contract basis, and;
- 02 Consultants on contract basis

The details of employees are as follows:

PERMANENT EMPLOYEES:

Sl.No.	Name	Designation
01	Sri H.S Sheshadri	Dy. Director (Transmission)
02	Sri P.R Gopinath	Stenographer
03	Sri K.M.C Mallikarjuna	Assistant
04	Sri B.S Rathna Kumar	Data Entry Operator

OFFICIALS ON DEPUTATION BASIS:

Sl.No.	Name	Designation	Dept.
01	Sri Shaik Ahmed	Secretary	
02	Sri B.R.Manjunath	Dy. Director (Demand Forecast)	KPTCL
03	Sri Y.K.Nagaraj	Dy. Director (Generation)	KPTCL
04	Sri Vinod G.Havangi	Dy. Director	KPTCL
05	Sri M.R.Prahlad	Office Manager	Karnataka Govt. Secretariat
06	Sri C.Ramaswamy	Asst. Manager	KSFC
07	Sri B.R.Puttaswamaiah	PA to Secretary	KSFC
08	Smt. Shobha Shivakumar	PA to Member (H)	JL&R Ltd.,
09	Sri M.P.Manjunath	PA to Ombudsman	KSFC
10	Sri J.P. Ramesh	Assistant	KFDC Ltd.,
11	Sri Mahendra Kumar	Driver	KSFC

OFFICIALS ON CONTRACT BASIS:

Sl.No.	Name	Designation
01	Smt.G.Kalpana	Asst. Secretary
02	Sri M.N.Lakshmikantha Raja	Accounts Officer
03	Sri N.M.Krishnakumar	Asst. Accounts Officer
04	Sri S.N.Atmaramagowda	Asst. Accounts Officer
05	Sri M. Bharat Kumar	PS to Ombudsman
06	Sri R.Sheshadri	Stenographer
07	Smt.Hemalatha	Receptionist
08	Sri S. Lingaraju	Driver
09	Sri Manjunath	Driver
10	Sri B. Devandran	Driver
11	Sri P. Ramarao	Driver
12	Sri K.Shankar Rao	Driver
13	Sri R Sridhar	Group 'D' employee
14	Sri B.C. Sunil Kumar	Group 'D' employee
15	Sri H Raju	Group 'D' employee
16	Sri V Manikanthan	Group 'D' employee
17	Sri N. Ramanna	Group 'D' employee
18	Sri M Manivannan	Group 'D' employee
19	Sri C. Krishna	Group 'D' employee
20	Smt. Padmavathi	Group 'D' employee
21	Sri Srikanth	Group 'D' employee
22	Sri Jagadish	Group 'D' employee
23	Smt. Lakshmi	Group 'D' employee

CONSULTANTS:

Sl.No.	Name	Designation
01	Sri Y.G.Muralidharan	Consultant (Consumer Advocacy)
02	Dr. Chandrashekar	Medical Consultant

PARTICULARS OF OFFICERS DEPUTED FOR TRAINING AND SEMINAR:

Sl. No	Name & Designation	Period	Venue	Subject of the Training / Conference/ Seminar
1	Sri H.S.Sheshadri, Dy. Director (Transmission)	24.4.10	Taj Residency, Bangalore	Workshop on Communicating for Personal Excellence
2	Sri K.V.Rukmangada, Asst. Director (Legal) Shri Y.G.Muralidharan, Consultant (CA)	28.6.10 to 1.7.10	NLSIU, Bangalore	Residential Training Programme on Legal aspects of Power Sector Regulation, Experience and Enforcement Issues for officers of ERCs
3	Sri H.S.Sheshadri, Dy. Director (Transmission)	2.8.1. to 4.8.10	Hotel Citadel, Bangalore	Non Residential Programme on "Clean Development Mechanism & Carbon Credits"
4	Sri Vinod Havangi, Dy. Director Shri Divakar Naik, Dy. Director	23.8.10 to 28.8.10	IIT, Kanpur	Capacity Building Programme
5	Sri Y.K.Nagaraj, Dy. Director (Generation)	16.11.10 to 18.11.10	National Power Training Institute, Faridabad	Residential Training Programme on "DSM & Energy Efficiency"
6	Sri Y.G.Muralidaran, Consultant (Consumer Advocacy)	24.11.10 to 25.11.10	National Power Training Institute, Faridabad	Residential Training Programme on "Protection of Consumer Interest for Officers of CGRF, Ombudsman & Consumer Organisation"
7	Sri Y.K.Nagaraj, Dy. Director (Generation)	26.4.11 to 29.4.11	ESCI Campus, Hyderabad	Training Programme on "Tariff Philosophy and Regulatory Practices, Issues and Challenges"
8	Sri Vinod Havangi, Dy. Director	24.3.11 & 25.3.11	Central Board of Irrigation and Power Malcha Marg, New Delhi	Workshop on "Emerging Challenges in Power System Operation and Electricity Market in India"

11. COMMISSION'S COURT

The Commission generally holds court proceedings on Thursday of every week besides conducting public hearings from time to time on issues to be decided by the Commission.

The details of petitions filed before the Commission during the year and their status are indicated below:

Sl.No.	Details of cases	Total
1	No. of cases pending up to 31.03.2010	64
2	Total No. of cases filed during the year 2010 -11	64
3	No.of cases disposed during the year 2010 -11	85
4	Cases pending as at the end of the year 2010 -11	43

The details of Original Petitions disposed of during the period 01.4.10 to 30.03.2011 is as indicated below:

Sl. No.	Case Number	Date of Filing	Parties	Subject in Brief	Date of Disposal
1.	OP No. 05/09	05.02.09	BESCOM Vs. Davanagere Sugars and others	Fixation of Tariff	24/3/11
2.	OP No.3&4/08	16.04.08	Sri Shrikar R.C. and Smt. S.S.Chiploonkar, Bangalore Vs. AEE (Elec.), S-6 Sub -Dn., BESCOM	Petition filed U/s 146 of EA	8/7/10
3.	O.P.No. 09/09	08.04.09	Jindal Aluminium Ltd. B'lore V/s KPTCL & another.	Regarding PPA	6/1/11
4.	O.P.No.10/09	17.04.09	Narayanpur Power Company, B'lore V/s MD GESCOM	Regarding PPA	23/12/10
5.	O.P.No. 11/09	20.04.09	VRL Logistics, Hubli, V/s MD. HESCO	Regarding PPA	29/4/10
6.	O.P.No. 19/09	01.07.09	M/s. Narayanapur Power Corporation Pvt. Ltd. B'lore V/s GOK & others	Payment against Tariff Invoices.	19/8/2010
7.	O.P.No. 22/09	29.07.09	M/s. Graphite India Ltd. V/s MD, CESC & another.	Reg. W& B Agreement	1/7/2010
8.	O.P.No. 24/09	05.08.09	M/s Sagar Power (Neerukatte Pvt.Ltd. B'lore V/s KPTCL & others	Reg. PPA	23/12/10
9.	O.P.No. 25/09	10.08.09	M/s. Koppal Green Power Ltd., koratagi, Koppal V/s. The State of Karnataka and Others	Reg. Interest for belated payments	28/10/10
10.	O.P.No. 26/09	06.08.09	FKCCI V/s. State of Karnataka & others	Revocation of License	26/8/10

11.	O.P.No. 27/09	20.08.09	Soham Mannapitlu Power Pvt. Ltd. V/s. KPTCL & others	Reg. open Access	23/12/10
12.	O.P.No. 28/09	26.08.09	AMR Power Pvt. Ltd. V/s. KPTCL & others	Reg.Open Access	23/12/10
13.	O.P.No. 29/09	31.08.09	M/s. Rithwik Energy Generation Pvt. Ltd. V/s KPTCL & others	Reg.Open Access	23/12/10
14.	O.P.No. 32/09	22.09.09	R.B.Seth Shreeram Narsingdas Hospet V/s KPTCL & others	Reg. W & B Agreement	19/8/10
15.	O.P.No. 35/09	07.09.09	HESCOM V/s. M/s Nandi Sahakari Sakkare Karkhane Niyamith, Bijapur	Reg.Open Access	19/8/2010
16.	O.P.No. 36/09	23.09.09	Mr. Kashyap J. Majetha, Hubli V/s HESCOM	Reg. Delayed payment for supply of Power	23/12/10
17.	O.P.No. 37/09	26.10.09	M/s. Chamundeshwari Sugars Ltd. V/s KPTCL & others	Reg. Back Payment & Open Access	3/3/11
18.	O.P.No. 38/09	26.10.09	M/s Energy Development Co. Ltd. Kolkatta V/s. CESC	Reg. Tariff Fixation from July -09	19/8/10
19.	O.P.No. 39/09	06.11.09	M/s. Davanagere Sugars Co. Ltd. Davanagere V/s Govt. of Karnataka others	Offsetting the adverse financial effect	24/03/11
20.	O.P.No. 40/09	12.11.09	M/s. Renuka Sugars Ltd., V/s Govt. of Karnataka & others	Payment of dues	24/03/11
21.	O.P.No. 41/09	11.11.09	Davanagere Sugars Ltd., V/s BESCOM & others	Payment of dues	17/02/11
22.	O.P.No. 43/09	26.11.09	M/s. R.B. Seth Shree Ram Narsingdas V/s., KPTCL & others	Reg. W & B Agreement	19/8/10
23.	O.P.No. 44/09	02.12.09	M/s. Cauvery Hydro Energy Ltd. V/s. CESC & others	Reg. Signing of W& B Agreement	27/5/10
24.	O.P.No. 45/09	02.12.09	M/s. Cauvery Hydro Energy Ltd. V/s. CESC & others	Reg. Signing of W& B Agreement	27/5/10
25.	O.P.No. 47/09	03.12.09	M/s. Indowind energy Ltd. Chennai V/s. SLDC	W & B Agreement	3/03/11
26.	O.P.No. 48/09	03.12.09	M/s. Renewable energy Systems Ltd., V/s KPTCL & others	W & B Agreement	23/12/10
27.	O.P.No. 49/09	03.12.09	Country Power Management Co. Private Ltd. V/s. KPTCL and others	W & B Agreement	23/12/10
28.	O.P.No. 50/09	03.12.09	RPG Cables Ltd. V/s KPTCL and others	W & B Agreement	06/01/11

29.	O.P.NO. 51/09	26.11.09	Indian Cane Power Ltd.	Offset the adverse financial impact	24/03/11
30.	O.P.No. 52/09	14.12.09	Renewable Energy Developers Association of Karnataka (REDAK) and KPTCL	Demand imposed by KPTCL	29/7/10
31.	O.P.No. 01/10	15.01.10	M/s. Pioneer Genco Ltd. B'lore V/s. BESCOM	Charges for the delivered energy & not opening the letter of credit	14/5/10
32.	O.P.No. 02/10	15.01.10	M/s. Limbavali Power Private Ltd. B'lore V/s. KPTCL	The demand for charges Imposed by KPTCL .	29/07/10
33.	O.P.No. 03/10	09.02.10	M/s. Kilara Power Ltd. B, lore V/s CESC & another	Denial of Wheeling & Banking facility	23/7/10
34.	O.P.No. 04/10	09.02.10	M/s. Bhoruka Power Corporation Ltd. B, lore V/s. GESCOM	Regarding denial of payment for the delivered energy.	29/7/10
35.	O.P.No. 05/10	10.02.10	M/s. Chamundeshwari electricity Supply Corporation Ltd. V/s. Bannari Amman Sugars Ltd.	Seeking open access & selling power to third party.	16/9/10
36.	O.P.No. 06/10	16.02.10	M/s. SRM Power Private Ltd. B,lore V/s. MESCOM & another	Wheeling & Banking facility	3/3/11
37.	O.P.No. 07/10	22.02.10	M/s. Doodhaganga K.S.S.K Niyamith 'Chikkodi V/s HESCOM	Under section 14 of the Electricity Act 2003.	29/7/10
38.	O.P.No 08/10	02.03.10	M/s. Hare Krishna Metallic Pvt. Ltd., Koppal V/s GESCOM	Payment for Power Purchased and interest on 39.delay of payment.	26/8/10
39.	O.P.No. 09/10	03.03.10	M/s. AMR Private Ltd. V/s. KPTCL	Declaring Network Augmentati on charges as illegal	29/7/10

40.	O.P.No. 10/10	04.03.10	M/s. Soham Mannapitlu Power Pvt.Ltd. V/s. KPTCL	Augmentati on charges by KPTCL LTD as illegal	29/7/10
41.	O.P.No. 11/10	09.03.10	M/s. Ugar Sugar Works Ltd., Athani Tq. V/s. HESCOM	Payment towards unschedule d energy received by the respondents	12/8/10
42.	O.P.No. 12/10	09.03.10	M/s. Ugar Sugar Works Ltd. Athani Tq. V/s. KPTCL and another	Regarding payment for energy supplied	12/8/10
43.	O.P.NO. 14/10	17.03.10	M/s Orange County Resorts And Hotels Ltd. V/s HESCOM	Signing of the Wheeling and Banking Agreement etc	1/7/10
44.	O.P.No. 15/10	17.03.10	The REDAK, V/s GOK & others.	To declare the Governmen t Order No EN 392 NCE 2008 dated 30/10/09 as NON-EST IN LAW	6/1/11
45.	O.P.No. 16/10	16/04/10	The South Indian Sugar Mills Association (Karnataka) & Others V/s GOK	Regarding short-term power purchase.	24/3/11
46.	O.P.No. 17/10	22/04/10	M/s. Sunvik Steels Pvt. Ltd. V/s. BESCO and Others	Reg. Offsetting adverse financial Impact	24/3/11
47.	O.P.No. 18/10	06/04/2010	M/s. Sathavahana Ispat Ltd. V/s. GESCOM and Others	Complaint U/s 142 of Ele.Act.	19/8/10
48.	O.P.No. 19/10	23/04/10	M/s. Sathavahana Ispat Ltd. V/s. GOK and Others	Reg.Off setting adverse financial Impact	24/3/11
49.	O.P.No. 20/10	27/04/10	M/s. Sunvik Steels Pvt. Ltd. V/s. BESCO and Others	Reg. Payment	29/07/10
50.	O.P.No. 22/10	13/05/10	M/s.Jasper Energy Pvt. Ltd. V/s. HESCOM	To Sign the Wheeling And Banking Agreement	23/12/10

51.	O.P.No. 23/10	19/05/10	M/s MPPL V/s. MESCOM and others.	Regarding Payment	24/03/11
52.	O.P.No. 24/10	27/05/10	M/s. Subhash Kabini Power Projects Ltd., and KPTCL and others	Reg. request for appointing an arbitrator.	16/09/10
53.	O.P.No. 25/10	17/05/10	Shree Renuka Energy Ltd. and GOK and Others.	Determinati on of Tariff in respect of Coal based thermal power project	24/02/11
54.	O.P.No. 26/10	28/06/10	M/s Nandi Sahakari Sakkare Karkhane Niyamit V/s. HESCOM and others	Reg. declaring PPA as abinitio null and void and to pay consequenti al compensati on.	13/1/11
55.	O.P.No. 27/10	28/06/10	M/s. Sunvik Steels Pvt. Ltd. V/s. BESCO	Requesting for payment towards energy delivered into the grid system of BESCO	29/07/10
56.	O.P.No 28/10	06/07/10	M/s Konark Power Project Ltd., V/s. BESCO	Regarding amendment to PPA dt. 04/04/2002	16/09/10
57.	O.P.No 29/10	14/07/10	M/sBhoruka Power corporation ltd. V/s CESC & another	Against non- compliance of order dt. 12/03/09 in OP 09/08	2/9/10
58.	O.P.No. 30/10	16/07/10	M/s SPA Plaza Shop Owners Association(R) V/s. BESCO	Implementa tion of Ombudsma n orders	28/10/10
59.	O.P.No. 31/10	27/07/10	Karanja Industries Pvt. Ltd. V/s GESCOM & Others	Reg. Reversing CGRF order	19/8/10
60.	O.P.No 32/10	27/07/10	M/s SPA Plaza Shop Owners Association(R) V/s. BESCO and others	Regarding the implementati on of the Ombudsman order	28/10/10

61.	O.P.No. 36/10	26/8/10	BESCOM V/s. M/s Nuzhiveedu seeds Ltd.	Determinati on of Tariff in respect of additional capacity of 25.5 MW Wind Power project.	6/01/11
62.	O.P.No. 37/10	17/08/10	M/s. Dishaa Power Corporation Pvt.Ltd. V/s all ESCOMS.	To declare PPA and the supplement al PPA does not subsist and not binding on the petitioner	03/3/11
63.	O.P.No. 38/10	17/08/10	Shri N.Purushotham and BESCOM	To direct Ombudsm an to adjudicate the representati on	07/09/10
64.	O.P.No. 39/10	25/08/10	M/s Doodhaganga Krishna Sahakari Sakkare Karkhane Niyamith	Regarding payment of charges and interest due for the electricity supplied.	6/01/11
65.	O.P.No. 40/10	14/09/10	M/s Himatsingka Seide Ltd.	Payment for the delivered energy	24/3/11
66.	O.P.No. 41/10	16/09/10	M/s JK Cement works Muddapur, Ltd. and GOK and another	Request for compensati on towards offsetting the adverse financial impact	24/3/11
67.	O.P.No. 42/10	28/09/10	MPPL Renewable Energy Pvt. Ltd. V/s MESCOM and another	Purchase of Electricity at the PPA rates	13/01/11
68.	O.P.No. 43/10	04/10/10	M/s SRS Energy Pvt.Ltd V/s GESCOM and others	To declare the PPA not subsisting and binding on petitioner and request for W & B agreement.	17/3/11

69.	O.P.No. 44/10	26/10/10	M/s. Paschim Hydro Energy Pvt.Ltd. V/s BESCOM	Regarding payment for Delivered energy	3/3/11
70.	O.P.No. 45/10	12/11/10	BESCOM V/s. M/s J.K.Cement Works and Others	Approval of Rs. 4 KW/h for power supplied by respondent	24/3/11
71.	O.P.No. 46/10	29/11/10	Coramandal Sugars Ltd. V/s CESC	Renewal of PPA & payment of Tariff for energy supplied	06/01/11
72.	O.P.No. 49/10	20/12/10	M/s Falcon Tyres Ltd. V/s GOK & Others	Regarding Offsetting adverse financial impact U/s.11	24/3/11
73.	O.P.No. 03/11	14/01/11	Bombay Rayon Fashions Ltd. V/s BESCOM and another	To pay damages equivalent to the energy charges paid by the petitioners	24/2/11

The details of Review Petitions disposed of during the Period 01.04.2010 to 31.03.2011 is given below:

Sl. No	Case Number	Date of Filing	Parties	Subject in Brief	Date of Disposal
1	R.P.No. 01/10	22/01/10	M/s. Konark Power Projects Ltd., Tumkur and another V/s. BESCOM and another	Regarding Tariff Determination for renewable sources of energy.	03.05.10
2	R.P.No. 03/10	27/01/10	M/S. KPCL V/S KPTCL	Under section 94 (1) (f) of the Electricity Act 2003, on the orders of this Commission dated 3/8/2009.	6/01/2011
3	R.P.No. 04/10	24/02/10	Govt. Of Karnataka V/s. Escom's	Review of Tariff Order dated 25 th November 2009 – reg.	6/01/2011
4	R.P.No. 05/10	22/02/10	M/s. Ravikiran Power Projects Pvt. Ltd., V/s GESCOM	For review of Commission's Order in OP 14/2008	6/01/2011
5	R.P.No. 06/10	04/03/10	HESCOM V/s. M/s. Doodhaganga Krishna Sahakari Sakkare Karkhane Niyamit	To Review the Order dated 11/12/09 in O.P. No. 30 of 2009.	29/07/10
6	R.P.No. 07/10	04/03/10	M/s. NSL Sugars Ltd., V/s. KPTCL and others	Review the orders in O.P. NO. 23 of 2009.	17/03/2011
7	R.P.No. 08/10	10/03/10	KPTCL V/s NSL Sugars Ltd.	Review the orders of the Commission O.P. No. 23 of 2009.	17/03/2011
8	R.P.No. 09/10	09/03/10	M/s. HESCOM V/s. M/s Vishwanath Sugars Ltd.	Review of Order of O.P. 30/2009 dated 11/12/09 by HESCOM.	29/07/2010
9	R.P.No.10/10	01/04/10	Doddannavar Brothers, Belgaum V/s BESCOM & Others	Determination of Tariff for renewable sources of energy.	06/01/2011
10	R.P.No.11/10	23/09/10	Soham mannipitlu power Pvt. Ltd. V/s KPTCL	Review of order in O.P.No.10/10	13/01/2011
11	R.P.No.12/10	30/9/10	Harekirshna Metallic Pvt. Ltd. V/s GESCOM	Against the orders of the Commission in O.P.No.08/10	03/03/2011

12. ACTIVITIES OF OMBUDSMAN

At the beginning of the Financial Year 2010-11, the then Ombudsman had before him 15 cases pending for decision and, during the year, the Ombudsman received 29 appeal cases against the decisions of various Consumer Grievance Redressal Fora. Totally, there were 44 appeal cases with the Ombudsman and, during the year, the Ombudsman disposed of 21 cases leaving a balance of 23 cases.

Since the Ombudsman completed his tenure, he laid down the office in the middle of the year, and, hence, 23 appeal cases are shown as balance. However, K.E.R.C. has taken prompt action to appoint a Senior IAS officer (in supertime scale) as regular Ombudsman in the year 2011-12 and, now, a full-fledged office of Ombudsman is put in place.

All measures have been taken to provide institutional support for redressal of consumer grievance in the State.

The cases registered and disposed off by Ombudsman are as under:

Complaints Brought Forward From FY 09-10	Complaints Registered during FY 10-11	Total	Complaints Disposed off during FY 10-11	Balance As on 31.03.11
15	29	44	21	23

13. CONSUMER GRIEVANCE REDRESSAL FORUMS:

The five ESCOMS in Karnataka have established the electricity Consumer Grievance Redressal Forums. These forums have been passing orders and giving relief to consumers. In the absence of a formal mechanism for consumers to know about these regulations, summary of the important rulings have been published in the newsletters.

13.1 Working of the CGRF

The details of ESCOM wise complaints received and disposed off by the CGRF during 2010-11 are indicated below:

ESCOM	Opening Balance as on 1.4.2010	Complaints received during the year	Total	Complaints disposed off during the year	Balance as on 31.3.2011
BESCOM	26	43	69	47	22
MESCOM	3	8	11	8	3
HESCOM	13	32	45	41	4
GESCOM	12	13	25	14	11
CESC	0	2	2	2	0
TOTAL	54	98	152	112	40

14. ACTIVITIES OF OFFICE OF CONSUMER ADVOCACY

The Office of Consumer Advocacy (OCA) in the KERC was established in September 2001 with the objective of promoting advocacy of the interests of the electricity consumers in Karnataka. The main tasks of the OCA are to inform, educate and empower consumers to enable them to participate in the electricity regulatory process. The Commission believes that the benefits of regulation will reach the consumers more effectively when the consumers are able to articulate their grievances and speak up for their rights.

The OCA is bringing out a bilingual (English and Kannada) newsletter highlighting news and views of interest to electricity consumers. The Newsletter titled, 'Consumer Power' and 'Vidyut Balakedara' are distributed to more than 500 consumer organisations, resident welfare associations, consumer activists etc. During 2010-2011, one issue was dedicated to highlighting the best practices on 'Consumer Advocacy' in India. Another issue focused on Energy Conservation with special reference to energy efficiency programs.

Public outreach meetings at various institutions/colleges were held during the year to inform and educate consumers about their rights and responsibilities as electricity users.

The Commission conducted a one-day workshop at Bangalore, in October 2010 to improve the functioning of CGRF. The issues discussed included various types of grievances of consumers and the enabling provisions of the Regulations for their redressal.

15. PROGRAMME FOR THE YEAR AHEAD

The following activities are in the plan of action envisaged for FY12:

1. State Grid Code (Regulations):

CERC has notified IEGC Regulations, 2010, which has come into force from 03.05.2010. The Commission proposes to amend the existing State Grid code. The Commission proposes to publish a draft State grid code for obtaining comments from stakeholders/experts in the field. After considering the comments from stakeholders, the Regulations will be finalized and notified in the official Gazette. After notification, this will replace the existing State Grid Code notified in 2005.

2. Distribution Code (Regulations):

Consequent to the proposed revision of the State Grid Code, the existing Distribution Code also needs to be revised. Hence, the Commission proposes to revise the Distribution Code after following due process of prior publication & consultations. After notification in the official Gazette, the new Distribution Code will replace the existing Distribution code notified in 2005.

3. Amendments to Licensing Conditions for transmission and distribution licensees:

The Commission proposes to issue Amendments to Licensing Conditions for transmission and distribution licensees consequent to issue of the proposed State Grid Code and Distribution Code.

4. Tariff Regulations on Transmission, Distribution & Retail supply of electricity:

The Commission proposes to amend the existing Tariff Regulations on Transmission and Distribution & Retail supply of electricity duly

incorporating the changes as per CERC regulations 2009. At present there are two sets of Regulations on tariff, viz Tariff Regulations 2000 and MYT Regulations 2006. By combining these two Regulations, the Commission proposes to issue a comprehensive Regulation.

5. Amendments to KERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations 2004:

The Commission proposes to amend the existing KERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations 2004 in line with CERC's RLDC Regulations.

6. Amendments to RPO/REC Regulations:

The Commission proposes to amend the existing KERC (Procurement of Power from Renewable Sources) Regulations 2011.

7. Procedure for REC:

The Commission proposes to approve procedure for REC filed by SLDC.

8. Review of performance of KPTCL & ESCOMs:

During the year, the Commission proposes to review the performance of each ESCOM/KPTCL on technical and financial parameters. The Commission proposes to identify best practices within as well as outside for adoption by the ESCOMs to improve their performance.

9. Issue of Amendment to Open Access Regulations:

The Commission has issued Open Access Regulations in 2004 and subsequently an amendment in 2006. Subsequently CERC has issued several amendments to their Open Access Regulations and as also issued revised Indian Electricity Grid Code. Hence it is proposed to issue amendments to the Open Access Regulations.

16. Implementation of Kannada in the Commission:

The Commission in its day-to-day activities use Kannada as a medium of communication. The Commission has formulated Regulations in Kannada version along with English edition also. The Annual Report is also published by the Commission in Kannada language also.

The Office of the Consumer Advocacy of the Commission is publishing a quarterly newsletter titled "Vidyuth Balakedara" in Kannada for the benefit of consumers.

All notices of public interest are being issued in Kannada language and Kannada newspapers. The Commission is making a continuous and sincere effort for implementation of Kannada as its official language.