APPENDIX - 1

Statement showing the objections of the stakeholders/public, CESC's response and the Commission's Views.

<table>
<tr><td colspan="2">Objections on Tariff Issues:</td></tr>
<tr><th>Objections</th><th>Replies by CESC</th></tr>
<tr><td>1. CESC, in its ERC and Tariff application for FY18, has not provided details of Consumption of LT-4c(i) and (ii) categories for FY16-17. Though there are no separate feeders for the service of the above categories the consideration of 3 year CAGR of 3.19% for projection of sales growth for FY18 does not significantly contribute to increase in revenue. Subjecting a category of consumers, to a discriminatory increase of 53% in tariff from the existing Rs.2.80 per unit to the proposed Rs.4.28 per unit, is therefore not proper.</td><td>CESC, in its ERC and Tariff filing for FY18, has furnished the actual consumption in respect of LT4c category for FY 17 for the period April, 2016 to September, 2016. Any increase in sales will contribute to an increase in the revenue.

As there is a total gap of Rs.962.93 crores for FY18, a tariff hike of Rs.1.48 per unit across all categories has been proposed.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted. The Commission has dealt with the tariff issue in the appropriate chapter of this Tariff Order.</td></tr>
<tr><td>2. CESC should have indicated steps taken for the improvement of efficiency and the efficiency gains thereon.</td><td>CESC has made efforts for the improvement of the system. The Distribution loss has reduced from 15.07% during FY13 to 14.73% during FY14, to 13.88% during FY-15. The distribution loss was reduced to 13.60% during FY16 as against to the approved loss of 14.50%.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted. Nevertheless, the Commission directs CESC to tackle high loss making lengthy feeders and take appropriate action to suitably improve the distribution system in order to reduce the losses further.</td></tr>
<tr><td>3. As per the tariff policy, the cross subsidy should be brought within +/- 20% of the cost of supply. Hence, the tariff determination should be based on the cost of supply. The IP Sets are subsidized by the other category of consumers, mainly the Industrial sector. Hence, cross subsidy payable by industrial consumers should be reduced.</td><td>The details have been furnished in formats D-23 a, b and c in the application for ERC and Revision of Tariff for FY-18.</td></tr>
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<tr><td>At least the cost to serve of HT2(a) category should be worked out based on voltage-wise supply and the cost per unit is to be reduced.</td><td></td></tr>
<tr><td colspan="2">Commission's Views: The cross subsidy level based on the Cost to serve is being indicated in the Tariff Orders issued by the Commission. The cross subsidy levels based on the Average Cost of supply is also being shown in the Annexure to the Tariff Orders.</td></tr>
<tr><td>4. CESC has totally failed to improve the efficiency of its operations by implementing the directives issued by the Commission. The power supply situation and quality of power supply in rural areas have deteriorated further during the current year. The compliance of directives is also very poor and no tangible results have come out, so far. On these aspects, the ERC and Tariff filings are defective and liable to be dismissed as not maintainable.</td><td>The directives of the Commission are being complied with. The details have been furnished in pages 8 to 45 in the application for APR for FY-16.

The power supply arrangement during FY17 upto October 2016 is detailed in page 33 of the application for ERC and Revision of Tariff for FY-18. Also, the CESC is ensuring that power supply is being arranged as per the directions of GoK.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted. The Commission is reviewing the compliance to its directives in the KPTCL and ESCOMS review meetings and directing the ESCOMs’ to strictly adhere to the same.</td></tr>
<tr><td>5. Due to non-release of subsidy in advance by the Government, the ESCOMs are paying interest on the dues. The interest so paid, should not be passed on to the consumers.</td><td>The subsidy bills are submitted to GOK on regular basis for which GOK releases the subsidy on a monthly basis. The details of subsidy demanded and released is already submitted in Page No. 51 & 52 of APR filing.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted and the issue of subsidy is dealt in the relevant chapter of this Order.</td></tr>
<tr><td>6. The Fixed charges are to be based on the assets created for each type of consumers, but, CESC has not furnished the details except seeking increase in Fixed charges just to increase its revenue. This should not be allowed.</td><td>The hike in fixed charges is necessitated due to a gap in the actual fixed charges against the proposed cost to be incurred in respect of Employees, A&G and R&M costs. The details have been furnished in page 105 of the application for ERC and Tariff Revision for FY-18.</td></tr>
<tr><td colspan="2">Commission's Views: The Commission has dealt with this matter in the appropriate chapter of the Tariff Order.</td></tr>
<tr><td>7. The Proposal of CESC to reduce the period of Banking to 3 months is not to be allowed as it is not practicable.</td><td>It has not made such request in the ERC and Tariff revision for FY18.</td></tr>
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Commission's Views: The proposal of ESCOMS on this issue will be dealt in a separate proceeding as ESCOMs have filed a separate petition in the matter.	
8. The Vigilance officers are booking cases by treating some of the Industrial establishments as commercial entities, though they are not competent to book cases under section 126 of the Electricity Act 2003. The competent officer as per the Act is assessing officer (AEE Ele of the subdivision). Such acts of the Vigilance Officers needs to be stopped.	With regard to be vigilance activities, the CESC is following the Government notification No. DE87PSR2003/28 dated.05-01-2004.
Commission's Views: The CESC is directed to strictly adhere to the provisions of the Electricity Act, 2003 and the relevant Regulations there under.	
9. CESC is not properly utilizing Rs.1 Crore allowed for consumer education. It would be better to educate the industrial and commercial consumers about the provisions of the Act and KERC Regulations.	Apart from the advertisements and publication of handbooks, CESC is also creating consumer education and awareness by conducting "Janasamparkha Sabha" at the subdivision level on a regular basis. Further, the CESC would take up the education of Industrial and commercial units as suggested.
Commission's Views: The reply furnished by the CESC is acceptable.	
10. CESC is not conducting energy audit and segregating the technical and commercial losses. The distribution losses declared without proper energy audit is doubtful. The CESC has not given the number of IP sets based on the enumeration.	The computation of distribution losses at 11kV feeder level and DTCs has already been initiated as per the directions of the Commission. This enables determination of technical losses. Further, energy auditing at DTC levels as directed by the Commission enables computation of DTC loss levels which includes both technical and commercial losses. After full implementation of the above, the segregation of technical and commercial losses in the distribution system is possible. The status of enumeration of IP sets has been furnished in pages 44 and 45 of the application for APR for FY16. Enumeration of IP Sets is under progress in CESC. 80% of the work has been

<table>
<tr><td></td><td>completed by the end of January, 2017 and probably work will be completed by the end of March, 2017. The R.R. No tagging work is also in progress for the regularized IP sets. After completion of tagging work, total no of un-authorized IP sets will be arrived and action will be taken.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted. However, the Commission emphasises that, conducting energy audit is the only way for plugging the leakage and to make the company viable both technically and financially.</td></tr>
<tr><td>11. CESC has indicated a huge capex of Rs.889 Crores for FY18, whereas, the actual capex incurred during FY16 is at Rs.488.52 Crores and the actual capex during FY17 up to September, 2016 is Rs.111.53 Cores. This proposal of huge capex will have tariff implications and should not be allowed.</td><td>The Capex for FY 16 is Rs.488.52 Crores (actuals) Cumulative progress of Capex for FY17 up to Dec. 2016 is Rs.235.68 Crores. The Capex approved by the Commission for FY17 is Rs.562 Crores. The Capital investment of Rs.889 Crores has been proposed for FY18 towards achievement of the objectives of the proposed Schemes under Capex as indicated in the ERC filing for FY18.

All the works will not be completed by FY18. There will be spillover of works to an extent of 30 to 35% for FY19.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted. The Commission has dealt with this matter appropriately, in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>12. Unplanned power purchase by CESC has resulted in payment of huge cost to the IPPs.</td><td>Power purchase agreements (PPA) for energy purchases from all IPPs are approved and the tariff for energy from IPPs is determined by KERC.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by the CESC is noted and the issue of power purchase is dealt in the relevant chapter of this Tariff Order.</td></tr>
<tr><td>13. The Sundry Debtors are mainly the Govt. entities. The Government being the owner of ESCOMs has not been reimbursing the dues of ESCOMs in time.</td><td>The CESC has furnished the details of the receivables from the Government entities as on 31-12-2016 as follows:
Amount in Rs.Crores
<table>
<tr><td>1</td><td>Urban local bodies:</td><td>59</td></tr>
<tr><td>2</td><td>Rural Local Bodies:</td><td>611.64</td></tr>
<tr><td>3</td><td>Lift Irrigation :</td><td>12.8</td></tr>
<tr><td>4</td><td>Tariff Subsidy (IP,BJ/KJ) :</td><td>371.78</td></tr>
<tr><td></td><td>Others :</td><td>1.28</td></tr>
<tr><td></td><td>Total =</td><td>1056.50</td></tr>
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<tr><td colspan="2">Commission's Views: Though the CESC has furnished the details of the receivables, it should have furnished the details of the action taken to recover the same. The Commission directs CESC to follow up the matter with the respective departments and recover the receivables.</td></tr>
<tr><td>14. The second highest cost incurred by CESC is the employee cost projected at Rs.741Crs for the year FY-2018 which has jumped by 106% over the employee cost of FY-2016. CESC has not done proper manpower planning.</td><td>The employee cost has been calculated and projected as per the norms fixed by KERC for O&M expenses.
A revision in the pay scales for ESCOMs/ KPTCL employees is due from 01.04.2017. An additional liability on account of pay revision and P&G contribution is included in the employee cost in form D6.
The break up is as follows:
1. Additional liability on account of pay revision – Rs.42.75 Crores.
2. P&G contribution liability-Rs.282.63 Crores.
All the details have been furnished in Format D-6 of the application for ERC and tariff revision for FY-18.</td></tr>
<tr><td colspan="2">Commission's Views: The reply furnished by CESC is noted and the Commission has dealt with the matter appropriately in the relevant chapters of this Tariff Order.</td></tr>
<tr><td>15. There is no consistency in the solar policy framed by the Government of Karnataka and ESCOMs. The policy has seen several unpredictable changes to the disadvantage of consumers. This aspect needs consideration of the Commission.</td><td>It will abide by the Orders of GoK and the Commission.</td></tr>
<tr><td colspan="2">Commission's Views: The concern raised is noted.</td></tr>
<tr><td>16. Flat increase in tariff by Rs.1.48 has no justification that too within a span of a year.</td><td>CESC has sought a tariff hike of Rs.1.48 per unit in respect of all categories of consumers to bridge the shortfall in ARR during FY18.</td></tr>
<tr><td colspan="2">Commission's Views: The reply by CESC is noted and the Commission has dealt with the matter suitably in the relevant chapter of the Tariff Order.</td></tr>
<tr><td>17. CESC has stated that the Gap for FY18 is Rs.962.93 crores (page-105) and requested the Commission to hike the tariff by 148 paise per unit for all categories of consumers. In the truing up of FY16 it is mentioned that the total annual revenue gap for FY16 is Rs.456.54 crores and this</td><td>The KERC, in its Tariff Order 2016 dated 30th March 2016, has recognized Rs.120.41 Crores as regulatory asset. In this back ground and also based on the previous truing up orders, the Company has accounted the regulatory asset as follows:</td></tr>
</table>

will be recovered in FY18. This should not be done. Gap of Rs.456.54 crores (page-105) for FY16 due to Truing up is not proper. Any expenditure over and above the approved limit has to be absorbed by the Government and should not be passed on to the consumers.	The Regulatory Asset of Rs.120.41 Crores as allowed by the Commission in its Tariff Order-2016 dated 30th March, 2016. The additional Regulatory asset to the extent of Rs.344.05 Crores (The difference of Approved - Actual Power Purchase cost) are accounted by Computing the provisional gap expected to be considered by KERC for inclusion in the tariff revision of future years. The total annual revenue gap for FY16 of Rs.456.54 crores to be recovered in FY18 is on account of Regulatory Assets.
Commission's Views: The Commission takes note of the reply by the CESC. The Commission has dealt with the matter suitably in the relevant chapters of this Tariff Order.	
18. CESC has not indicated the benefits of implementing ToD and has not stated whether the peak load has come down due to ToD. Further, if the peak load is not reduced, then ToD should be made as optional.	The detailed analysis after implementation of TOD is under process. CESC will abide by the orders of the Commission.
Commission's Views: The Commission has dealt with this issue appropriately in the relevant chapters of the Tariff Order.	
19. Introducing the morning peak price would hamper the industries and hence not to be allowed.	CESC has not made any request for the morning peak price in its application for ERC and Tariff revision for FY18.
Commission's Views: The Commission has dealt with this issue appropriately in the relevant chapters of the Tariff Order.	
20. CESC should regularize all un-authorized IP sets to bring down the distribution loss and to claim realistic subsidy from the government. CESC has not mentioned the number of DTCs feeding to IP sets. The IP Set consumption is still being calculated based on sample	Enumeration of IP Sets is under progress in CESC. 80% of the work has been completed by the end of January, 2017 and will be completed probably by the end of March-2017. R.R.No. tagging work is also in progress for the regularized IP sets. After completion of tagging work, total No. of un-authorized IP sets will be arrived and action will be taken as per law. As on 30-09-2016, there are 372 exclusive agriculture feeders in CESC jurisdiction in which 37028 DTCs are feeding the IP Sets. This information has been furnished

metering only.	in Page 25 of the application for APR for FY16. Further, as per the orders of the Commission, the consumption of IP sets is calculated based on the agriculture feeder consumption.
Commission's Views: The Commission takes note of the reply by CESC. The Commission directs CESC to complete the enumeration and tagging of the IP Sets and consider the meter reading of the segregated feeders of IP Sets for arriving at the IP Set consumption.	
21. CESC has not implemented HVDS, which will bring down the losses. It has stated that, implementation of NJY does not necessitate the HVDS, but, HVDS and NJY are totally different and HVDS will reduce the losses by 8 to 10%.	The details have been furnished in pages 28 and 29 of the application for APR for FY16. CESC is of the view that HVDS is not required in its area as the coverage of NJY under phase-1 and phase-2 is massive (No. of feeders added-306, Nos. of transformer added-9495.) and also in view of providing of one DTC for each GK/WS installations and one DTC for every three UNIP installations.
Commission's Views: The reply furnished by the CESC is noted. However, the Commission directs the CESC to explore the possibility of reducing the length of LT lines in IP Set feeders, through implementation of HVDS.	
22. The DSM in agriculture is not completed by CESC, even though it was proposed in 2013.	CESC has furnished the list of one lakh inefficient IP sets in the prescribed format to M/s EESL, New Delhi as per the directions of Energy Department, Government of Karnataka for replacement of pumps under Agriculture DSM program, wherein 1753 Nos. of pump sets of Varuna and T. Narasipura were also included in the list. The approval from the GoK is awaited.
Commission's Views: The reply furnished by CESC is noted. CESC should speed up the programme.	
23. Although, the Commission had directed CESC to complete metering of DTCs by 2010, the progress was only 29.15% in five years. Further, CESC has not conducted energy audit in the DTCs which have been metered.	The details of metering of DTCs and energy audit of DTCs have been furnished in pages 25 and 26 in the application for APR for FY16 filed before the Commission. As on 30-09-2016, 27289 nos. of DTCs are yet to be metered. Providing meters to DTCs coming under Agricultural feeders have been exempted by Commission in the review meeting held on 19.10.2013. Energy audit is being conducted on town

	feeders as well as metered DTCs. The details are furnished in pages 26 and 27 of the application for APR for FY16. The additional information has also been furnished on page 48 of the replies to the preliminary observations of the Commission.
Commission's Views: The reply given by CESC is noted. The Commission directs CESC to complete DTC metering and conduct energy audit within a definite timeframe.	
24. The cross subsidy surcharge proposed by the ESCOMs is higher than the previous year and is against the principles set out by the Commission.	Cross subsidy surcharge has been determined by limiting to 20% of the tariff applicable to the particular category of consumers as per Tariff Policy issued by GOI on 28.01.2016.
Commission's Views: The Commission takes note of the reply by CESC and has dealt with the matter appropriately in the relevant chapter of this Tariff Order.	
25. The Open Access Consumers are already paying demand charges (fixed charges) as per their contract demand. As demand charges are already inbuilt while calculating T as revenue realization from the particular category of consumers, demand charges ought to be deducted from T while calculating CSS to avoid double charging of demand charges.	The calculation of CSS is done on the same manner as in previous years.
Commission's Views: The Commission has already issued Orders in the matter in RP4/2016 and the decision is binding.	
26. The Wheeling Charges proposed by the ESCOMs have been increased to the tune of 39% (BESCOM), 95% (CESC), 94%(GESCOM), 106% (HESCOM) and 54% (MESCOM) for FY 18 compared to FY17 which is consequent to increase of Distribution ARR to the tune of Rs.2500 Crores. The Commission should do prudence check of these allocations which are not in line with the principle set out by the Commission in its earlier tariff orders.	The Methodology for calculation of segregation of ARR into distribution and supply business in FY18 adopted by CESC is the same as was adopted in FY16. For FY18 the increase in the ARR is mainly due to the increase in employee cost. Employee cost has been calculated and projected as per the norms fixed by the KERC for calculation of O&M expenses.

Commission's Views: The Commission takes note of the reply by CESC and has dealt with this matter appropriately in the relevant chapter of this Tariff Order.	
27. The calculation of Wheeling charges proposed by ESCOMs seems to be erroneous, as the quantum of energy considered for calculation is only the quantum of Sales by ESCOM to the consumers excluding quantum of Open Access. For calculation of wheeling charges, total energy to be wheeled in the ESCOM system (Discom sale+ Open Access Sale) should be considered.	The quantum of Open Access energy and wheeled energy is very less compared to quantum of Sales by CESC and also the open access and wheeled energy cannot be projected in advance as CESC will not be having advance information in respect of the same.
Commission's Views: The reply furnished by CESC is noted.	
28. ESCOMs must buy power from Exchange/Short term markets when prices are lower than energy charge of generators tied up in long term PPAs. At such low prices there is huge potential to replace costlier power. ESCOMs may continue to pay fixed charges irrespective of their schedule from generator and replace costlier power with power purchased through IEX to ensure most efficient merit order dispatch.	The power purchased from long term thermal generators are reliable and is assured power. The payment has to be made before hand to buy the power from IEX, whereas ESCOMs get a credit period of about 30 days from the date of presentation of bill in respect of other generators. Despatch Scheduling will be done as per grid code. Open access energy cannot be considered for RPO fulfillment as the source of energy will not be known as in the case of other sources of power and short term power.
Commission's Views: The reply furnished by CESC is noted.	
29. Though the average cost of supply is Rs.5.69 per unit, IP Sets are charged at Rs.2.38 per unit and the difference is charged to the other consumers through cross subsidy.	As approved in Tariff Order, 2016, the average cost of supply for FY17 is Rs.5.67 per Unit and for the BJ/KJ Consumer upto 18 units and IP sets Consumers upto 10HP the rates are claimed as per Commission determined Tariff i.e for BJ/KJ upto 18 units is charged by Rs.5.67 per unit and IP sets upto 10 HP, is charged by Rs.4.88 per unit. The Subsidy bills are submitted to GOK on regular basis for which GOK releases the subsidy on monthly basis. The details of Subsidy demanded and subsidy released has been submitted in Page No. 51 & 52 of the APR filing.

Commission's Views: The reply furnished by CESC is noted and the above issues are appropriately dealt in the relevant Chapters of this Tariff Order.	
30. Interest on consumer deposits are to be paid on a quarterly basis and bills should indicate the deposit amount.	For FY 15-16, it has paid 8.5% interest on consumer security deposit to the consumers and the interest is credited to the consumers account in the 1st quarter of FY16. CESC is following the KERC (Interest on security deposit) Regulations-2005, for payment of interest.
Commission's Views: The reply furnished by CESC is noted.	
Objections on the Quality of Service:	
31. CESC is carrying out load shedding without publishing it in advance through newspaper and has also not obtained approval of the Commission. CESC should have procured power from other sources to meet the demand instead of resorting to load shedding.	The load shedding is being done only as a last resort in the identified specific stations and feeders when there is shortage of availability of power and to maintain grid discipline. Scheduled interruptions are being brought to the notice of the public by publishing the same in newspapers. Further, during October, 2016 and November, 2016, CESC Mysore has purchased power from IEX as there was decreased generation at that time.
Commission's Views: The reply furnished by CESC is noted.	
32. CESC has not taken effective and serious measures to reduce the accidents. CESC has only narrated the proposed action plan to reduce accidents but the action plan has not been implemented. Only emergency works have been carried out. CESC has not been able to do periodical maintenance. Live wires on the road, open junction boxes and short circuits in transformer wiring are usual hazards.	The details in this regard were furnished in pages 39 to 43 of the application for APR for FY16. The safety standards are being adhered to and the workmen have been provided with safety equipment and care is being taken to ensure that the workmen use the safety equipment while at work. The safety training is also being imparted on a regular basis. Disciplinary action is also being initiated on the errant workmen/officers.
Commission's Views: The Commission takes note of the reply by CESC. The Commission directs CESC to take all precautionary measures and periodical maintenance to reduce the accidents.	
33. CESC has not taken serious measures to achieve HT:LT ratio of 1:1. The present ratio of 1:1.68 has resulted in high distribution loss.	The HT/Lt ratio which was 1:1.95 during FY-14 has been brought down to 1:1.76 during FY15 and to 1:1.68 during FY16. After the implementation of IPDS and DDUGVY schemes there will be a further

	improvement in the HT/LT ratio.
Commission's Views: The reply furnished by CESC is noted.	
34. The CESC has not furnished the details of Reliability index to know the quality of service it is rendering to the consumers.	CESC is furnishing the details of reliability index of feeders to the Commission every month.
Commission's Views: The reply furnished by CESC is noted. The Commission is hosting on its website the details of the Reliability Indices as and when submitted by the ESCOMs.	
35. CESC has not furnished the details of failed distribution transformers and the expenditure incurred in repairing the failed Transformers.	CESC has stated that, the details of failure of DTCs is furnished in Pages 66 to 70 in the application for APR for FY-16.
Commission's Views: The reply furnished by CESC is acceptable.	
36. CESC has not monitored the implementation of the Standards of Performance.	CESC has implemented the specified Standards of Performance while rendering services related to supply of power as per the KERC (Licensee's Standards of Performance) Regulations, 2004 and the CESC has displayed prominently in Kannada the details of various services such as replacing of the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty energy meters, reconnection of power supply, etc., on the notice boards in all the O & M sections and O & M subdivisions for the information of consumers. The details are available in pages 20 and 21 of the application for APR for FY16.
Commission's Views: The reply furnished by CESC is acceptable.	
37. CESC should not collect meter charges from consumers while replacing the old Electro-mechanical meter by new Electronic meters.	CESC is not collecting any meter charges while replacing the Electromechanical meters by Electronic meters.
Commission's Views: The reply furnished by CESC is noted. The Consumers may bring to the notice of the CESC any cases of un-authorized collection of Meter Deposits.	
38. The Distribution transformer failures are increasing due to poor maintenance. The repair centres are not using quality coils and not filling the oil to the required level resulting	The HT rating subdivisions are regularly monitoring the quality of material as well as works carried out in the repair centres and the repaired transformers are subjected to various tests before

in failure of the transformers. CESC should take necessary timely action to replace the failed transformers.	deployment to the DTCs.
Commission's Views: The reply furnished by CESC is noted.	
39. Though the farmers have paid the charges for regularization of IP Sets, the infrastructure is not created even after lapse of two years. This has resulted in frequent failures of transformers and interruptions to IP Sets.	As and when the farmers have paid the amount, R.R. Nos, have been allotted and the IP Sets are regularized. Action is being taken to create infrastructure to such IP Sets.
Commission's Views: The reply furnished by CESC is noted.	
Specific Requests:	
40. Only two categories in LT4 category should be made by clubbing LT4(a) with LT4(c)(1) and LT4(b) with LT4(c) (2) and the benefit of free power extended to the Coffee plantations on par with the other agriculture activities.	The Commission in the Tariff Order 2016 has expressed that, "Coffee plantations have been given a special status as compared to other agricultural lands and therefore coffee planters cannot be treated on par with other agriculturists. Further, extending any subsidy to coffee plantations has to be decided by the State Government". Hence, the tariff matter has to be decided by the Commission and CESC will abide by it.
Commission's Views: The reply furnished by the CESC is acceptable. The Commission reiterates is earlier decision on this issue.	
41. CESC should indicate the tariff slab rates in the bills issued to the consumers and the quality of paper and ink used to print the bill should be improved.	CESC has published the tariff slab rates in the newspapers and also in the company's website. The quality of the paper and the print in the bill has been improved since September, 2016.
Commission's Views: The reply furnished by CESC is acceptable.	
42. The awareness among the consumers on the CGRF mechanism should be improved and the complaints should be redressal within the time frame stipulated.	The CGRFs are functional in all the five Districts and attempts are being made to create awareness among the consumers regarding the redressal mechanism.
Commission's Views: The reply by CESC is acceptable. However, the Commission directs CESC to increase the awareness among the consumers, so that, the consumers are benefitted from the functioning of CGRF.	
43. Railways should be given incentives for maintaining the power factor (P.F) above, 0.9.	The Commission determines the tariff for all categories of consumers. CESC will abide by the orders of the Commission.

Commission's Views: The maintenance of proper PF is in the interest of consumer only. PF above the threshold levels would improve the voltage of the supply to the consumers and also enables optimizing the power consumption.	
44. Railway quarters should be connected under bulk LT supply with a rebate on bill against maintenance & bill collection charges or the quarters should be connected directly on ESCOM supply so that, billing and line maintenance is the responsibility of ESCOMs.	CESC is following the norms laid down under Conditions of Supply and the latest Tariff order of the Commission.
Commission's Views: The reply furnished by CESC is taken note of. The Commission has dealt with the matter appropriately in the relevant chapter of the Tariff Order.	
45. The Railways a service utility and an essential part of the transport system, should have single part tariff instead of two-part tariff and a lower tariff than the prevailing tariff.	The tariff for various categories of consumers is determined by the Commission. CESC will abide by the orders of the Commission.
Commission's Views: The reply of CESC is noted.	
46. Under HT2(b) major part of the Energy purchased by the Railways is consumed for providing of passenger amenities like Platform lighting, waiting halls, Approach area, Water coolers, *Water pumping, Concourse* etc, to bring perceptible improvements in the quality of services. Hence Railways should be exempted from proposed tariff hike.	CESC will abide by the orders of the Commission.
Commission's Views: The activities in the station are considered as commercial and non-domestic. Hence there cannot be any discrimination between the consumers who are similarly placed.	
47. The solar water heater rebate should be increased from Rs.50 to Rs.100 to encourage domestic consumers installing solar heaters. CESC has not given the details of how man installations which are yet to be serviced with solar water heaters.	CESC will abide by the orders of GoK and the Commission. All residential buildings with built up area of 600 Sq ft and above constructed on sites measuring 1200 sq ft and above and falling within the limits of Muncipalities /Corporations are being serviced with solar water heaters as per the GOK order no EN87 NCE 2008/08-04-2008.
Commission's Views: The Commission has suitably dealt with the matter of solar rebate in the relevant Chapter of this Tariff Order.	

48. MSME sector should be categorized under separate tariff category and a tariff fixed at 25% lower than small industries.	CESC will abide by the Orders of the Commission.
Commission's Views: The retail tariff to the consumers is being fixed keeping in view the recovery of average cost of supply and the cross subsidy levels with reference to the average cost of supply. Fixing a tariff below the cost of supply would entail meeting the balance cost either by Government subsidy or through cross subsidization. In the absence of subsidy from the Government to MSMEs, extending concessions to this category would result in increase in cross subsidy levels of other categories of consumers, which is not permissible under the Tariff Policy.	