

## **HRECS- Preliminary Observations on APR for FY16 and Revised ARR for FY18**

### **1. Capital Expenditure:**

#### **i. Capital Expenditure of HRECS for FY16:**

The Commission had approved a capital expenditure of Rs.557 Lakhs for FY16 as against which, the HRECS has indicated an actual capital expenditure of Rs.1539.92 Crores in format D17 of the APR application. HRECS has shown a capital expenditure of Rs.1281.39 Lakhs as the asset categorized in Format D17 and D15. HRECS has indicated a capex of Rs.1230.02 Lakhs as asset categorized in respect of plant & Machinery and Lines, Cable & Networks in D16.

Details of category wise capital expenditure of HRECS for FY16 is as below:

Amount in Rs. Lakhs

Sl No	Particulars	Approved for FY16	Actual Expenditure			Difference
			NJY works	Regular works	Total	
1	H.T Lines	198	547.22	26.14	573.36	-375.36
	a) 11 KV Lines	0	-	-	-	-
2	L.T Lines	0	-	-	-	-
	a) 3 Phase 5 wire	13	-	-	-	13
	b) 3 Phase 4 Wire	6.7	64.03	80.56	144.59	-137.89
	c) 1 Phase 3 Wire	10.4	-	-	-	10.4
	d) 1 Phase 2 Wire	0	-	25.13	25.13	-25.13
3	Transformer Centres	8	-	-	-	8
	a) 500 KVA Transform Centre	0	-	-	-	-
	b) 250 KVA Transform Centre	0	-	-	-	-
	c) 200 KVA Transformer	0	-	-	-	-
	d) 150 KVA Transform Centre	0	-	-	-	-
	e) 100 KVA Transform Centre	30.7	31.35	13.43	44.78	-14.08
	f) 63/50 KVA Transform Centre	111.6	231.7	32.07	263.77	-152.17
	g) 25 KVA Transform Centre	0	-	2.81	2.81	-2.81
	h) Others (10 & 15 KVA)	0	-	2.41	2.41	-2.41
4	Service connection	0	-	-	-	-
	a) Agriculture -HT	0	-	0.42	0.42	-0.42
	b) Industrial -HT & others	25	-	-	-	25
	c) Agriculture -LT	2.7	-	-	-	2.7
	d) Industrial -LT	28.7	-	2.16	2.16	26.54
	e) Domestic	0.9	-	16.4	16.4	-15.5
	f) Commercial	0	-	2.93	2.93	-2.93
	g) Street Light Brackets	80.5	-	-	-	80.5
5	Improvement Works	-	-	-	-	-
	a) 11 KV Line	75.6	-	64.76	64.76	10.84
	b) 100/63/25 KVA Transform Centre	24.6	-	354.44	354.44	-329.84
	c) LT Line 3 Ph.4 Wire	19.6	-	26.09	26.09	-6.49

6	Other Assets like Land & Building, Office furniture & equipment Cement pole factory expansion computer & accessories etc.	119	-	15.87	15.87	103.13
	Total	557	874.3	665.62	1539.92	-982.92

HRECS has achieved a capex of Rs. 1539.92 Lakhs which is nearly three times the capex approved for FY16. Hence, HRECS needs to explain the reasons for excess capex achieved by it over and above the approved limit and should quantify the benefits accrued out of the total capex incurred during FY16.

From the above table, it is noted that, in some categories of works, HRECS has exceeded the capex as mentioned below:

- a) In respect of HT lines, HRECS has achieved a capex of Rs.573.36 Lakhs as against the approved capex of Rs.198 Lakhs. HRECS needs to explain the reasons for excess capex incurred and furnish the details of benefits accrued out of this excess capex.
- b) In respect of LT lines, HRECS has achieved a capex of Rs.144.59Lakhs as against the approved capex of Rs.6.7 Lakhs. HRECS needs to explain the reasons for excess capex incurred and furnish the details of benefits accrued and loss reduction achieved out of this excess capex.
- c) In respect of Transformer centres (100kVA and 63/50kVA), HRECS has achieved a capex of Rs.44.78 Lakhs & Rs.263.77 Lakhs as against the approved capex of Rs.30.7 Lakhs & Rs.111.6 Lakhs respectively. HRECS shall explain the reasons for excess capex achieved.

Further, HRECS shall furnish the details the works which are being funded through grants/loans from the GoI, GoK and financial institutions along with the details of amounts sanctioned, utilized and the balance yet to utilized, in the following format:

Amount in Rs. Lakhs

Sl No	Type of work	Total Cost of the Project	Cost of works award	Sanctioned source of Funding		Actual amount received/availed		Cost of the completed work	Cost of works which are in progress (WIP)
				Loan	Grants	Loan	Grants		
	1	2	3	4	5	6	7	8	9
1	RAPDRP								
2	DDUGJY								
3	IPDS								
4									
	Any other works								

Cost of Balance works	Scheduled /targeted date of completion	Actual date of completion of work	Delay if any	Whether the grant has been converted to Loan due to delay	Amount of loan converted to loan	Interest on the converted grant into loan	Reason for the Delay
10	11	12	13	14	15	16	17

**ii. Capital expenditure of HRECS for FY18:**

The Commission had approved capex of Rs.282.79 Lakhs for F18, against which the HRECS has proposed a revised capex of Rs.989.86 Lakhs. The HRECS has indicated some new schemes like:

- a) 11kV Line feeder separation, strengthening and re-conductoring
- b) Replacement of Single Phase Electromechanical Energy Meters by Electro Static Energy meters and three phase meters

Further, the HRECS has increased capex from the approved level in the category of service connections to LT industries, Agricultural, Domestic and Commercial installations. The details of the capex program of HRECS is stated below:

Amount in Rs. Lakhs

Sl. No	Particulars	FY18	Revised Capex for FY18	Difference
1	H.T Lines			
	a) 11 KV Lines	54.7	54.7	
2	L.T Lines			
	a) 3 Phase 5 wire	-	-	
	b) 3 Phase 4 Wire	18.48	18.48	
	c) 1 Phase 3 Wire	9.61	9.61	
	d) 1 Phase 2 Wire	16.79	16.79	
3	Transformer Centres			
	a) 500 KVA Transform Centre	-	-	
	b) 250 KVA Transform Centre	-	-	
	c) 200 KVA Transformer	-	-	
	d) 150 KVA Transform Centre	-	-	
	e) 100 KVA Transform Centre	22.55	22.55	
	f) 63/50 KVA Transform Centre	36.76	36.76	
	g) 25 KVA Transform Centre	20.17	20.17	
	h) Others (10 & 15 KVA)	-	-	
4	Service connection			
	a) Agriculture -HT	-	-	
	b) Industrial -HT & others	-	-	
	c) Agriculture -LT	17.19	19.41	-2.22
	d) Industrial -LT	2.52	3	-0.48
	e) Domestic	14.42	17.58	-3.16
	f) Commercial	1.22	2.46	-1.24
	g) Street Light Brackets	-	-	
5	Improvement Works			
	11 KV Line	27.35	27.35	
	100 KVA Transform Centre	22.55	22.55	
	LT Line 3 Ph.4 Wire	18.48	18.48	
	DDUGJY Scheme			
6	11kV Line feeder separation	-	199.99	-199.99
7	11kV Line system strengthening	-	75.48	-75.48
8	11kV line re-conductoring	-	124.51	-124.51

9	Replacement of Single Phase Electromechanical Energy Meters by Electro Static Energy meters	-	273.77	-273.77
10	Replacement of Single Phase Electromechanical Energy Meters by Electro Static Energy meters	-	26.22	-26.22
	Total	282.79	989.86	-707.07

From the above table it can be noted that, HRECS has proposed Rs.707.07 Lakhs in addition to the already approved capex of Rs.282.79 Lakhs. The HRECS shall explain the reasons for proposing the additional capex and furnish its preparedness on physical and financial capabilities to achieve the proposed capex during FY18.

It may be noted here that, the HRECS has proposed DDUGJY scheme which includes 11kV Line Feeder separation, 11kV line system strengthening and 11kV line re-conductoring at Rs.199.99 Lakhs, Rs.75.48 Lakhs and Rs.124.51 Lakhs respectively. The HRECS shall explain the whether these works are being taken up newly for FY18 or it has started the DDUGJY program in FY17 and it is likely to be continued for FY18. The HRECS shall furnish the basis for arriving at such a capex and furnish the details of preparation of DPRs, Tendering, financial outlay planned and the proposed target date for commissioning such project and the benefits envisaged from the projects etc.,

In respect of Replacement of Single Phase and Three Phase Electromechanical Energy Meters by Electro Static Energy meters, HRECS has proposed a capex of Rs.273.77 Lakhs and Rs.26.22 lakhs respectively. The HRECS shall furnish the breakup of procurement and installation of meters in the format below:

SI No	No. of single phase meters existing in HRECS	No. of Three phase meters existing in HRECS	No. of Single Phase meters proposed to be replace by FY18	No. of Three Phase meters proposed to be replace by FY18	Cost of Single Phase meters	Cost of Three Phase meters	Target date of completion of installation
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	<b>Electro- mechanical</b>	<b>Electronic</b>	<b>Electro- mechanical</b>	<b>Electronic</b>					
							<b>Unit cost=</b>	<b>Unit cost=</b>	
							<b>Total cost =</b>	<b>Total cost =</b>	

HRECS shall explain the status of schemes like DDUGJY and IPDS it has proposed / taken up in FY17, if any, and whether the schemes are going to be continued in FY18 or not.

HRECS has not indicated whether, it has followed the “**Capital Expenditure Guidelines for ESCOMs**” issued by the Commission. If so, HRECS needs to project its capex commensurate with:

- a) The network expansion required,
- b) Reliability of power to be improved
- c) The target loss reduction trajectory

HRECS should mandatorily follow the “**Capital Expenditure Guidelines for ESCOMs**” in which the capital investment planning process, prioritization and post commissioning analysis is to be adopted by the ESCOMs are elaborated. HRECS shall furnish details as to whether it has carried out the works according to the guidelines issued by the Commission.

The Commission has been directing the ESCOMs to conduct energy audit by listing out high loss making 11kV feeders and take up strengthening works to reduce losses. HRECS should also move in this direction and list the high loss making feeders based on the input energy to the feeders and sale of energy in that feeder. HRECS shall furnish the list of 11kV feeders having losses above the target figure in descending order.

Further, HRECS shall furnish the details of the works which are being funded through grants/loans from the GoI, GoK and financial institutions along with the

details of amounts sanctioned, utilized and the balance yet to utilized, in the following format:

**Amount in Rs. Crores**

Sl No	Type of work	Total Cost of the Project	Cost of works award	Sanctioned source of Funding		Actual amount received/availed		Cost of the completed work	Cost of works which are in progress (WIP)
				Loan	Grants	Loan	Grants		
	1	2	3	4	5	6	7	8	9
1	RAPDRP								
2	DDUGJY								
3	IPDS								
4	NJY								
5	HVDS								
	Any other works								

Cost of Balance works	Scheduled /targeted date of completion	Actual date of completion of work	Delay if any	Whether the grant has been converted to Loan due to delay	Amount of loan converted to loan	Interest on the converted grant into loan	Reason for the Delay
10	11	12	13	14	15	16	17

HRECS shall also submit the physical and financial progress as on 31<sup>st</sup> October, 2016 (or latest by 30<sup>th</sup> November, 2016) as against the approved capex for FY17 in the format approved for FY17, indicating the capex incurred against each category.

HRECS shall furnish the details of high value works proposed for FY18, indicating the number of DPRs prepared, Tendered /ready to be tendered, cost of each project and the timelines within which the works are going to be completed.

The HRECS shall furnish the sources of funding such as loans, grants from Central/ State Governments, internal sources, borrowings and equity, to meet the capex for FY18.

## **2. Sales:**

### **I. Annual Performance Review for FY-16**

HRECS in its proposal for FY-16 had requested for total sales of 2492.88 Lakh units. The Commission in its Tariff order dated 30.03.2015 had approved total sales to various consumer categories at 2483.11 Lakh units for FY16. The actual sales of HRECS as per the current APR filing [d-2 FORMAT] is 2643.60 Lakh units indicating an increase in sales to an extent of 160.49 Lakh units with respect to the approved sales.

The Commission notes that, as against approved sales of 672.31 Lakh units to categories other than BJ/KJ and IP sets, the actual sales achieved by HRECS is 691.05 Lakh units, resulting in an increase of sales to these categories by 18.74 Lakh units. It is observed that this increase is mainly in HT-2a industrial category to an extent of 32.65 lakh units. On the other hand, HRECS has sold 1952.55 Lakh units to BJ/KJ and IP category against approved sales of 1810.80 Lakh units resulting in increased sales to these categories by 141.75 Lakh units. The increase is mainly in IP sets to an extent of 140.11 lakh units. The Commission's observation on IP set consumption is dealt in the subsequent paragraphs.

HRECS shall analyze and report the reasons for increased sales in HT-2a category and IP sets.



## II. Sales Forecast for FY-18

1. HRECS in its filing has considered the data of FY-17 in estimating CAGR for the number of installations as well as energy sales. Since FY17 data itself is an estimated figure, the CAGR should have been calculated considering the period for which actual data was available i.e upto FY16.
2. The table indicating the growth rates for the no. of installations is furnished below:

Category	Percentage Growth Rates		
	2010-11 to 2015-16 CAGR	2012-13 to 2015-16 CAGR	Growth rate proposed by HRECS
LT-2a	1.78	1.56	1.61
LT-2b	4.50	3.78	3.85
LT-3	1.95	2.55	2.84
LT-5	4.88	4.51	4.48
LT-6 WS	2.13	2.96	2.44
LT-6 SL	8.01	1.12	2.16
HT-1	14.87	14.47	14.29
HT-2 (a)	17.08	22.39	20.00
HT-2 (b)	0.00	-10.61	0
HT-3(a)& (b)	0.00	0.00	0

It is noted that the growth rate considered for LT-3 is slightly higher and for LT-5 and HT-1 it is lower compared to the normal growth rates. HRECS shall reconsider revising the estimates to these categories.

3. The table indicating the growth rates for the energy sales is furnished below:

Category	Percentage Growth Rates
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	2010-11 to 2015-16 CAGR	2012-13 to 2015-16 CAGR	Growth rate proposed by HRECS
LT-2a	5.10	6.04	7.71
LT-2b	12.87	9.55	9.99
LT-3	7.99	8.78	9.95
LT-5	3.12	1.77	4.04
LT-6	3.05	2.51	4.07
LT-6	-3.70	1.71	3.59
HT-1	0.99	1.00	3.83
HT-2 (a)	21.20	26.91	23.22
HT-2 (b)	4.39	-9.44	-6.33
HT-3(a)& (b)	-2.92	-15.07	-23.62

It is noted that the growth rates considered for LT-2a, LT-3, LT-5 and LT-6(W.S & S.L) and HT-1, is higher when compared to the normal growth rates. Further in the case of HT2b) & HT-3, in spite of number of installations remaining same, the energy sales are decreasing. HRECS shall furnish the reasons for the same.

4. To validate the sales, category wise information in the following format shall be furnished:

**i. No. of Installations**

Category	2014-15 Actuals		2015-16 Actuals		2016-17	
	As on 30 <sup>th</sup> Nov 2014	As on 31 <sup>st</sup> March 2015	As on 30 <sup>th</sup> Nov 2015	As on 31 <sup>st</sup> March 2016	As on 30 <sup>th</sup> Nov 2016	As on 31 <sup>st</sup> March 2017 (Estimate)
LT-2a						
LT-2b						
LT-3						
LT-4 (b)						
LT-4 (c)						
LT-5						
LT-6						
LT-6						
LT-7						
HT-1						

HT-2 (a)						
HT-2 (b)						
HT2C						
HT-3(a)& (b)						
HT-4						
HT-5						
<b>Sub Total (Other than</b>						
BJ/KJ						
IP						
Sub Total ( BJ/KJ and IP )						
<b>Grand Total</b>						

**ii. Energy Sales**

**in MU**

Category	2014-15 Actuals		2015-16 Actuals		2016-17	
	1 <sup>st</sup> April 2014 to 30 <sup>th</sup> Nov 2014 (cumulative)	1 <sup>st</sup> Dec 2014 to 31 <sup>st</sup> March 2015 (cumulative)	1 <sup>st</sup> April 2015 to 30 <sup>th</sup> Nov 2015 (cumulative)	1 <sup>st</sup> Dec 2015 to 31 <sup>st</sup> March 2016 (cumulative)	1 <sup>st</sup> April 2016 to 30 <sup>th</sup> Nov 2016 (cumulative actuals)	1 <sup>st</sup> Dec 2016 to 31 <sup>st</sup> March 2017 (cumulative Estimate)
LT-2a						
LT-2b						
LT-3						
LT-4 (b)						
LT-4 (c)						
LT-5						
LT-6						
LT-6						
LT-7						
HT-1						
HT-2 (a)						
HT-2 (b)						
HT2C						
HT-3(a)& (b)						
HT-4						
HT-5						

<b>Sub Total (Other than BJ/KJ and IP )</b>						
BJ/KJ						
IP						
Sub Total ( BJ/KJ and IP )						
<b>Grand Total</b>						

**III. Wheeling charges & Cross subsidy surcharge:**

HRECS shall furnish the details of wheeling charges & cross subsidy surcharge applicable for FY-18 along with working details.

**IV. Energy Flow diagram:**

HRECS shall furnish the Energy Flow diagram for FY-18 also.

**V. RPO Compliance:**

HRECS shall furnish the details of RPO complied for FY-16 and the action plan for meeting RPO of FY-18.

**3. Observations on projected IP Set consumption for FY18:**

**APR 2016**

As regards sales to IP-sets, the Commission notes that, the overall sales have increased by 14.023 MU (7.8%) as against the approved sales of 179.66 MU as per the Tariff Order dated 30<sup>th</sup> March 2015 for FY16. Further, the Commission had approved a specific consumption of IP-sets as 7,341 units / installation / annum for FY16. As per the consumption reported in format D2 of the filing by the HRECS, the specific consumption works out to 8,053 units / installation/annum for FY16. This indicates a big increase of 662 units / installation/annum in specific consumption for FY16. Further, the actual number of installations for FY16 has

decreased by 355 numbers when compared to the approved number of installations of 24,638.

**HRECS shall furnish the reasons for increase in specific consumption as well as total IP consumption for FY16 despite decrease in the number of installations serviced during FY16 have decreased by 355 numbers from the approved figure.**

The Commission in its Tariff Order dated 30th March 2015 had directed HRECS to furnish feeder wise IP-set consumption based on feeder energy meter data to the Commission, every month in respect of agriculture feeders segregated under NJY. HRECS has not submitted in its application the consumption data of agricultural feeders indicating how much loss in 11 kV, distribution transformers & LT system has been deducted from the gross consumption to arrive at the net consumption and the methodology adopted to arrive at the loss figures for FY16.

**HRECS shall furnish necessary data to justify the IP-consumption claimed for FY16 as per the format given below in the subsequent paragraph.**

#### **ARR 2018**

The Commission in its Tariff Order dated 30th March 2016 had directed HRECS to furnish the consumption of IP-sets based on the readings from the meters provided to 11 kV agricultural feeders at the Sub-stations duly deducting the 11 kV and LT distribution system losses (as per the formats specified by the Commission). HRECS was also directed to furnish feeder wise IP-set consumption based on the feeder energy meters' data to the Commission, every month in respect of agriculture feeders segregated under NJY. But, HRECS has not submitted the monthly IP-set consumption data regularly to the Commission. Thus, HRECS shall justify its projection of IP-consumption for FY18 as per the energy recorded on the segregated agricultural feeders.

Therefore, HRECS shall submit the month wise, feeder wise consumption of all the agriculture feeders segregated under NJY Scheme from April 2015 to October, 2016 in the following format indicating percentage loss in 11 kV distribution transformers & LT system to be deducted from the gross consumption to arrive at the net consumption and the methodology adopted to arrive at the loss figures.

Month	Name of Section	No. Segregated Agricultural Feeders in the HRECS	Monthly Consumption in MU as recorded in all the agricultural feeders at the substations pertaining to the division	Distribution loss(11kV line, DTCs,& LT line) Plus sales to other consumers if any, in MU ( losses in all the agri feeders only to be considered)	Net consumption duly deducting the Distribution loss (11kV & LT) & any other loads if any	No. of IP sets connected to the agri feeders in the HRECS	Average consumption of IP / month (specific cons in units /IP/month)	Total no of IP sets in the subdivision (as per DCB)	Total sales of IP sets in MU
1	2	3	4	5	6=(4-5)	7	8	9	10=8*9
April 2015	Subdiv-1 Subdiv-2 Subdiv-3 Subdiv-4								
March 2016	Subdiv-1 Subdiv-2 Subdiv-3 Subdiv-4								
Total									
April 2016	Subdiv-1 Subdiv-2 Subdiv-3 Subdiv-4								
October 2016	Subdiv-1 Subdiv-2 Subdiv-3 Subdiv-4								
Total									

As per format D2 of its Tariff application, HRECS has projected a specific consumption of IP-sets for FY18 at 7,748 units/installation /annum as against the specific consumption of 7,391 units / installation/annum approved by the Commission for FY 18. Further, HRECS on the basis of specific consumption of 7,748 units/installation /annum has projected a consumption of 197.309 MU for FY18. HRECS is required to furnish the rationale for projecting IP-consumption for FY18.

Further, HRECS was directed to take up enumeration of IP-sets to identify defunct/dried up wells in the field & complete the same by October, 2016 and take further necessary action to arrive at correct number of IP-sets in its account on the basis of enumeration report. HRECS has not complied with this direction. HRECS shall furnish compliance on this in order to arrive at the correct number of IP installations/consumption and for projecting the correct number of installations/consumption for FY18 also.

#### **4. Distribution Losses:**

The actual distribution loss reported by HRECS for FY16 is 15.12% as against 14.50% approved by the Commission in its Order dated 30<sup>th</sup> March, 2015. Considering the actual loss of 15.04% reported by HRECS for FY15, the reduction in distribution loss is 0.08% in FY16. HRECS has not met the targeted loss reduction in FY16.

The Commission, in its Order dated 30<sup>th</sup> March, 2016 has fixed distribution losses at 14.25% for FY17. HRECS, having reported distribution losses of 15.12% for FY16, is required to furnish its present status of distribution loss achieved in FY17 as at the end of November, 2016.

Further, the Commission, in its Order dated 30<sup>th</sup> March, 2016 has fixed distribution losses at 14.00% for FY18 after considering the actual distribution losses of 15.04% reported by HRECS for FY15. **Considering the capital investment being incurred in the recent past and distribution loss levels achieved in FY16, HRECS is required to reassess the distribution losses for FY18.**

#### **5. Power Purchase:**

HRECS has purchased 311.46 MU at IF points from HESCOM at a cost of Rs.134.52 Crores inclusive of prior period power purchase expenses of Rs.33.70 Crores and interest component of Rs.4.41 Crores during FY16. This is against an approved quantum of 303.43 MU at an estimated cost of Rs. 92.87 Crores inclusive of transmission charges payable to KPTCL. Thus as against an average cost of power purchase of Rs.3.06 per unit, HRECS has incurred Rs. 4.32 per unit.

HRECS is required to furnish the month wise power purchase cost incurred in FY16 along with details of computation on payment of arrears of power purchase cost of prior period including interest component.

#### **6. Issues pertaining to items of Revenue and Expenditure:**

- i. Subsidy claim submitted to GoK and subsidy received for the year FY16 in respect of IP and BJ/KJ installations needs to be furnished along with the details of energy sales. HRECS should clarify whether it has received subsidy pertaining to past period during FY16 and if so, details of the amount received may be furnished separately.

- ii. HRECS shall furnish the details in respect of the following items indicated under A&G expenses for FY16:
- |                                     |                  |
|-------------------------------------|------------------|
| i) General Body Meeting expenditure | - Rs.38.28 Lakhs |
| ii) Legal charges                   | - Rs.5.95 Lakhs  |
| iii) Advertisements                 | - Rs.11.00 Lakhs |
- iii. In form D17, the expenditure capitalised for FY18 is Rs.9.89 Crores with total capital expenditure of Rs.17.01 Crores inclusive of opening work in progress of Rs.7.11 Crores. Hence, the amount of expenditure proposed to be capitalised for FY18 is only 41.56%. HRECS is required to furnish the reasons for indicating such low capitalisation. Further, HRECS has proposed a capex of Rs. 9.90 Crores for FY18. HRECS shall furnish the source of funding for each categories of works proposed for FY18.
- iv. HRECS is required to furnish the computations of depreciation on assets created out of consumer contribution/grants for FY16 and projections for FY18.
- v. HRECS has reported transformer failure of 23.30% during FY16 and 17.53% in FY17 (upto September, 2016) without furnishing reasons for such abnormal failure rates. HRECS is required to details of capacity wise failure of transformers and reasons thereon. Also HRECS shall furnish the breakup of expenditure of Rs.2.22 Crores incurred towards repairs of transformers for FY16.
- vi. HRECS is required to furnish the D19 format for FY18.
- vii. HRECS shall furnish the actual data of demand/fixed charges and energy charges demanded from LT and HT Consumers during FY16 and FY17 (Upto October, 2016).
- viii. HRECS is required to furnish the details of monthly Minimum and Maximum load recorded during January, 2016 to November, 2016 for the morning (6.00AM to 10.00 AM)/evening (6.00PM to 10.00 PM) peak periods and off-peak periods



(10.00PM to 6.00 AM). Also, for the same period, HRECS shall furnish the amount of penalty levied and incentives given under the existing ToD scheme.

## 8. Compliance to directives issued by the Commission

<b>Hukeri</b>		
<b>Sl. No</b>	<b>Directives issued by the Commission</b>	<b>Observations made</b>
1	<b>Directive on Energy Conservation</b>	<p>The HRECS was directed to service all the new installations only after ensuring that the BEE ***** (Bureau of Energy Efficiency five-star rating) rated Air Conditioners, Fans, Refrigerators, etc., are being installed in the applicant consumers' premises and also to service all streetlight installations with LED/energy efficient lamps.</p> <p>The HRECS has not submitted compliance on the above directive.</p> <p>HRECS has also not submitted compliance regarding the program undertaken by it to educate all the existing domestic, commercial and industrial consumers, through media / distribution of pamphlets along with monthly bills, regarding the benefits of using five star rated equipment in reduction of their monthly electricity bills and conservation of energy.</p> <p>The HRECS shall submit the compliance on the same.</p>
2	<b>Service Centers for improved responsiveness</b>	HRECS shall furnish the details of service centres established for redressal of complaints in its jurisdiction and the average time taken to attend to the complaints. Also, HRECS is required to furnish the reasons for delay in functioning of the CGRF despite the Commission approving the same with nomination of members to the CGRF some time back.
3	<b>Implementation of HVDS</b>	As per the directions of the Commission, Hukeri RECS is required to implement the HVDS in its jurisdiction for reducing the distribution losses and furnish compliance. HRECS shall submit the DPR of the HVDS scheme for approval of the Commission.
4	<b>Implementation of NJY</b>	HRECS shall furnish the reasons for delay in implementation of NJY. Also, HRECS is required to analyze the benefits accrued to the system post implementation of NJY in respect of commissioned 15 feeders. Further, HRECS is required to furnish the IP consumption data of exclusive agriculture feeders segregated under NJY, for FY16 and FY17(October 2017) as per the format approved by the Commission.
5	<b>DSM in Agriculture</b>	HRECS should identify the O&M Section for implementation of Demand side management in agriculture and the details of the current status/progress of the same shall be submitted.
6	<b>Optimizing Transformer Capacities</b>	HRECS shall submit the details of number of transformers for which the capacities have been optimized in its jurisdiction.

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