

## APPENDIX-1

### Statement showing the Objections of the Stakeholders / Public, MESCOM's Response and the Commission's Views thereon

<b>Objections on Tariff issues:</b>	
<b>Objections</b>	<b>Replies by the MESCOM</b>
<p>1. The MESCOM's Annual Reports state that, the company is in profit. In spite of this, it proposing a Tariff hike is not correct.</p>	<p>Increase in the power purchase costs, transmission charges and inflation, are the main reasons for proposing a tariff hike.</p>
<p><b>Commission's Views:</b> The Commission has taken note of the reply furnished by the MESCOM and the matter has been dealt appropriately in the relevant chapter of this Tariff Order.</p>	
<p>2. The MESCOM has filed Tariff petition on 02-01-2018 which is not 120 days before the commencement of financial year.</p>	<p>The MESCOM has filed the petition before the Commission on 30-11-2017 which is within 120 days before the commencement of financial year.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.</p>	
<p>3. The MESCOM is not considering the meter reading of the IP Set installations, even though all the IP Sets are metered and the MESCOM is still estimating the energy consumed by the IP Sets, which is not correct.</p> <p>By exorbitant and unrealistic estimation of IP set consumption, MESCOM is trying to claim higher subsidy from the Government and, other consumers are also unnecessarily burdened with higher cross subsidy. The GPS Survey of IP sets has been not taken up.</p>	<p>As the meters fixed to IP Sets have become old, they are not giving accurate meter reading. Further, the unauthorised IP Sets consumption is not measured as they are not provided with meters. MESCOM is computing the energy consumed by IP Sets through the meters provided to the DTCs predominantly supplying the IP Sets'.</p> <p>Further, as per the directions of the Commission, MESCOM has taken up GPS survey of all the IP sets. Once the same is concluded, further course of action will be taken.</p>

<p><b>Commission's Views:</b> The Commission has noted the reply furnished by MESCOM and the matter is dealt appropriately in the relevant chapter of this Tariff Order. However, the Commission directs MESCOM to complete the GPS survey at the earliest.</p>	
<p>4. MESCOM is being forced to propose hike in tariff due to high cost power allocated to it and subsidy not being passed on in time to MESCOM.</p>	<p>As per the requirement of energy to the companies, the power purchase allocation is done by the Government of Karnataka. Being a Company owned by the Government, MESCOM has to follow its Orders.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted and the issue of power purchase is discussed in detail, in the relevant chapter of the Tariff Order.</p>	
<p>5. As per the provisions of Articles of Association of the MESCOM, its Board is empowered to delegate its powers only to Committee or a Committee consisting of its Directors and hence the Superintending Engineer (Ele), (C&amp;RP) cannot legally file the impugned applications or sign the papers to be filed before the Commission, in the absence of a duly executed power of attorney.</p>	<p>As per Clause 17 of the KERC (G&amp;C Proceeding) Regulations, representation or petition and affidavit in support, may be made before the Commission through an authorized employee also. The authorization given to the Superintending Engineer (Ele.), (Commercial), is approved in the meeting of Board of Directors of MESCOM.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.</p>	
<p>6. The information and the accounts submitted by the MESCOM for APR and revision of tariff does not comply with the orders passed by the Hon'ble APTEL in its various judgments, such as depiction of break-up of GFA into debt and equity component, Reduction of Security Deposit capitalized from the Share Capital, indicating</p>	<p>The MESCOM has detailed all the assumptions and calculations considered in the petition and also furnished the additional details / clarifications to the Commission in the replies to the preliminary observations and the Commission will validate the same.</p>

<p>category-wise cross subsidy with reference to voltage-wise cost of supply.</p>	
<p><b>Commission's Views:</b> The reply furnished is noted and the issue is appropriately dealt with in the relevant Chapter of this Tariff Order.</p>	
<p>7. The assignment of PPAs to each ESCOMs ought to be proportionate to their total energy requirement. GoK has no authority to modify the original power allocation notification and also the subsequent power purchases made by the ESCOMs through PCKL. Hence, all notifications modifying the initial power allocation notification issued by the GoK effective from 10-06-2005 are issued without authority, illegal and null and void.</p>	<p>The PPAs have been allocated by the Government and being a Government owned Company, the MESCOM has followed the order of the GoK.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. The Commission has dealt with the matter appropriately in the relevant chapter of the Order.</p>	
<p>8. As per the APTEL judgment dated 08-10-2014, the MESCOM has not followed the principles of determination of cross subsidy. Also, the MESCOM has not furnished a statement of proposed cross subsidy to the affected consumers. The MESCOMS is making excuses for not implementing Cost to Serve Model.</p>	<p>The MESCOM has indicated the absolute cross subsidy amount against each of the categories. The implementation of "Cost to Serve" model would be a policy matter of the Government because of its far-reaching implications on the consumers in the State.</p>
<p><b>Commission's Views:</b> The Commission takes note of the replies furnished by the MESCOM. The Commission has implemented the Orders of the Hon'ble ATE in indicating the cross subsidy levels both under average cost as well as voltage-wise cost</p>	

of supply.	
9. The MESCOM has not furnished Form D-18A which shows the subsidy details of GOK to the consumers to whom subsidy is directed.	The GOK is extending tariff subsidy in respect of the energy consumption of IP sets up to 10HP load (excluding Private Horticultural & Nursery, Coffee, Tea, Rubber Plantations) and in respect of BJ/KJ installations upto the consumption limit of 40 units. This has been indicated in format D-24 of the tariff petition.
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.	
10. The MESCOM is claiming returns on the capital which includes the consumer security deposit that had been capitalized as per the directions of the Govt., On the other hand, MESCOM is paying the interest to the consumers on the security deposits which includes the capitalized amount also and claiming this interest charges to be passed on to the consumers through tariff.	In the Tariff Order 2015 and Tariff Order 2016, the Commission has settled the issue by stating that "The Commission has computed allowed ROE at 15.5% on equity plus reserves and surplus as at the beginning of the year end also considering recapitalized Rs.26 Crores in compliance with the order of Hon'ble ATE in Appeal No 46/2014, besides allowing taxes as per actual".
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable. The issue has been appropriately dealt with in the relevant chapters of this tariff Order.	
11. The MESCOM has totally failed to improve the efficiency of its operations by implementing the directions issued by the Commission.	The MESCOM is making all efforts for compliance of the directives of the Commission, which is a continuous process and the Commission is reviewing the compliance periodically.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. The compliance to directives is a continuous process and the same has been dealt with suitably in this Order.	
12. The MESCOM has failed to reconcile the consumer security	The MESCOM has not furnished any reply to this issue.

<p>deposit figures at the Accounting Sections and the Corporate office level and has been furnishing the same answer for the past years which being that, efforts are being made to complete the same.</p>	
<p><b>Commission's Views:</b> The Commission directs MESCOM to address this issue and complete the reconciliation and report compliance thereon to the Commission under intimation to the objector within three months from the date of this Order.</p>	
<p>13. The MESCOM has not opposed the transmission tariff proposals of KPTCL, but it has been supporting the same since the Managing Director of KPTCL is the Chairman of MESCOM and all the employees of the MESCOM are on deputation from KPTCL.</p>	<p>The KPTCL has not proposed any increase in Transmission Tariff for FY19.</p>
<p><b>Commission's Views:</b> The reply by MESCOM is noted. The Commission has dealt with the revision of transmission tariff, in the relevant chapters of the Order on APR of KPTCL for FY17.</p>	
<p>14. The Commission, while considering passing of any expenses incurred by the MESCOM to the consumers, has the duty to prudently check such expenditure, while fixing the annual revenue requirement and determining the tariff.</p>	<p>The Commission is validating the proposals of MESCOM as per the provisions of the Regulations.</p>
<p><b>Commission's Views:</b> The MESCOM's reply is noted. The Commission, as per the MYT Regulations is taking all measures to ensure that, the expenses are subjected to scrutiny, before passing it on to the consumers in the revised Tariff.</p>	

<p>15. The MESCOM has supplied 18.31MU power to MSEZ at Rs.5.63 per unit and not collected FAC charges.</p>	<p>The MESCOM collected FAC charges from MSEZ installation also as per the FAC orders of the Commission. However, FAC is being accounted under a separate head of account and included under 'other receipts'.</p>
<p><b>Commission's Views:</b> The reply of MESCOM is acceptable.</p>	
<p>16. The MESCOM has not shown any plan for the introduction of prepaid meters to consumers.</p>	<p>The MESCOM taking action to introduce prepaid meters to LT-7 installations.</p>
<p><b>Commission's Views:</b> The reply furnished is acceptable.</p>	
<p>17. The GoK cannot impose power purchase through the provisions of Section 11 of the Electricity Act, 2003 on MESCOM. If it has done so, the Power purchase cost in excess of average cost of realization needs to be borne by GoK.</p>	<p>Section 11(1) empowers the State Government to order for procurement of power under the circumstances given in the Act. Section 11(2) empowers the State Commission to determine the compensation payable to the generators from whom power under section 11(1) is purchased.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.</p>	
<p>18. The MESCOM has withdrawn an amount of Rs.267 Crore relating to interest on inter-ESCOM energy balancing dues. This is to be disallowed.</p>	<p>The MESCOM had charged the interest on the receivables from other ESCOMs on account of Energy Balancing for period from 2004-05 to 2014-15. The same has been treated as income and accounted in the books of accounts during FY14 and FY15, and has also been shown as receivables from other ESCOMs. Since the amount is not realized from other ESCOMs and the debt was not acknowledged by the ESCOMs and also to comply with the Statutory Audit Observations, the Company has decided not to charge the interest on the receivables from other ESCOMs from FY16. The interest already charged upto the year 2015-16 has been written off during</p>

	the FY17.
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.	
19. MESCOM has claimed more than allowable ROE under MYT Regulations. The GFA is considered instead of NFA.	The MESCOM has calculated ROE as per the MYT Regulations. The Computation of ROE has been indicated in the chapter "Annual Revenue Requirement".
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
20. The MESCOM has calculated the average cost of supply to all the consumers irrespective of their geographical area, load patterns and voltage level etc.	As per prevailing norms, MESCOM has submitted detailed calculations considered in the petition and the Commission would be validating the same.
<b>Commission's Views:</b> The replies furnished by MESCOM are acceptable. The tariff, as per the existing practice, is being determined on the basis of average cost of supply and therefore the question of determination of tariff based on geographical area, load pattern, will not arise.	
21. The MESCOM has purchased power from DVC, UPCL, without the prior approval of the Commission, Cost claimed for such purchase should not be allowed as pass through.	The Commission is approving the power purchase quantum and cost for sourcing of power from UPCL, DVC other sources in the tariff orders issued by it.
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.	
22. Certain generators have been considered as captive generating plants illegally, thereby losing surcharge on open access which ultimately is transferred to the ordinary consumers.	The MESCOM it is following the orders of the Commission on collecting surcharge from the consumers who are under open access.
<b>Commission's Views:</b> The collection of surcharge is being done as per the existing rules. Specific cases of illegal claims as captive generators may be brought to the notice of the MESCOM for taking corrective action.	
23. The MESCOM has proposed to	The MESCOM is realizing only 20% of the fixed

<p>increase the fixed charges. It is unreasonable for MESCOM to burden the consumers by increasing fixed charges.</p>	<p>cost and remaining 80% of the fixed cost is inbuilt in the variable charges. Hence, for financial viability of the Company MESCOM has to recover entire fixed cost component.</p>
<p><b>Commission's Views:</b> The reply by MESCOM is noted. The Commission has dealt with the matter appropriately in the relevant chapter of this Tariff Order.</p>	
<p>24. The MESCOM has ignored the fact that MSEZL is a deemed distribution licensee and not a consumer of MESCOM. The proposed increase of Rs.1/- for their consumption is not as per the methodology adopted by the KERC in the previous orders and as per the methodology, the MESCOM ought to have proposed a tariff of Rs.6.12 / unit to MSEZ.</p>	<p>Since MSEZ is drawing power from MESCOM under an agreement, MSEZL is also one of the consumers of MESCOM on par with any other 110 kV consumers. It can be noted that though MESCOM has proposed a hike of Rs.1/-per unit to MSEZL, its average tariff per unit will be Rs.6.80 / unit only as against the average tariff of Rs.8.29/unit to other HT consumers of MESCOM, including 110 kV class. This shows that MSEZL will get a price lower by Rs.1.49 / unit.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted and the Commission has dealt with the matter appropriately in the relevant chapters of the MESCOM and the MSEZL Tariff Orders.</p>	
<p>25. The marginal cost methodology being followed by KERC for fixation of purchase tariff to MSEZ needs a relook. The method should be to identify one particular source to cater power to MSEZ and add transmission cost &amp; trading margin to arrive at the power purchase cost. The tariff for MSEZ should be Rs.5.44 / unit.</p>	<p>The Commission may consider the hike of Rs.1/- per unit to MSEZL over the tariff approved for FY19, as proposed by MESCOM, since the tariff proposed is lower by Rs.1.49 / unit compared to other 110 kV class consumers of MESCOM.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. The marginal cost of power purchase is adopted to encourage the consumers in the SEZ area. However, the Commission examine the suggestion made.</p>	
<p>26. The MESCOM has considered MSEZL</p>	<p>Since MSEZ is drawing power from MESCOM</p>



<p>as a consumer to calculate Cross Subsidy Surcharge (CSS).</p>	<p>under an agreement, MSEZL is also one of the consumers of MESCOM on par with any other 110kV consumers. Hence, asking MSEZ to pay cross subsidy surcharge is appropriate.</p>
<p><b>Commission's Views:</b> The reply by MESCOM is noted. The matter is dealt appropriately in the relevant chapters of this Tariff Order and MSEZ Tariff Order.</p>	
<p>27. The MESCOM has huge arrears pending for recovery from various consumer categories. If the same is recovered, then the total revenue deficit will come down and MESCOM does not require price hike.</p>	<p>The MESCOM it is following accrual basis of accounting rather than cash basis. Hence, the view that the recovery of arrears to full extent will reduce the revenue deficit is not appropriate.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.</p>	
<p>28. The Revenue deficit of Rs.537.82 Crores relating to FY15 has been proposed to be carried forward to FY19. Since this amount does not pertain, to control period FY17, FY18 &amp; FY19, the same is to be disallowed.</p>	<p>The revenue deficit of Rs.537.82 Cr relates to FY17 and the same has been explained in the tariff petition with all the details.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. The Commission scrutinises all the claims in the light of MYT Regulations before admitting any claim</p>	
<p>29. The energy sales to HT-2a category for FY17 is reduced. But the power purchase cost has increased over the approved figures. This indicates that the additional power purchase has gone to the IP Sets of farmers. Hence, the excess power purchase cost is required to be recovered from the Government.</p>	<p>The Government is releasing the subsidy to ESCOMs to the extent of energy supplied to the IP sets with capacity below 10 HP. The power purchase cost approved by the Commission for FY17 was only an estimate and the same is compared with the actuals of FY17.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. However, the Commission directs MESCOM to make all efforts to increase sale of power to the</p>	

<p>paying categories and restrict the power supply to the IP Sets as per the number of Hours of Power supply stipulated by the GoK, besides realising promptly the subsidy recoverable towards free power to IP sets and BJ/KJ installations</p>	
<p>30. The ToD tariff is meant to bring down the evening peak. Domestic consumers are contributing to peak but TOD is being applied to HT consumers. Hence, ToD should be made optional instead of making it compulsory for HT consumers.</p>	<p>The rationale behind the ToD tariff is to incentivize the usage during off-peak hours and dis-incentivise peak hour usage. The Commission has introduced the ToD tariff considering the overall load curve of the State. The MESCOM will follow the orders of the Commission in this regard.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. The ToD billing is compulsory for 500kVA and above installations and others can opt for the ToD facility. The positive impact of ToD is indisputable, but will be visible, only when the quantum of power consumed by the ToD metered category is substantial in the respective ESCOM's jurisdiction.</p>	
<p>31. The Proposal of MESCOM for upward revision of electricity tariff will add to the burden of the planters. The Commission may consider the paying capacity of various categories while determining the tariff.</p>	<p>The MESCOM has sought only 50 paise increase in respect of LT-4b &amp; LT-c category. As the cost of supply is increasing due to increase in power purchase cost, transmission cost, O&amp;M expenses, etc., an upward revision of power tariff is inevitable to sustain the business.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted.</p>	
<p>32. The receivables by MESCOM from KPTCL &amp; other ESCOMs etc. have increased to Rs.887.65 Crores from Rs.234 Crores during 2007-08 and there should be a clear mechanism for the settlement of the same. In the annual accounts, it is stated that, these balances are subject to confirmations &amp; reconciliations and hence, MESCOM should get a certificate from the concerned</p>	<p>The receivables from the ESCOMs are being reconciled periodically and efforts are being to liquidate the same. Further, at the request of MESCOM, the GOK is also diverting a part of the subsidy of other ESCOMs to MESCOM towards energy balancing dues.</p>

parties confirming the balance due from them.	
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.	
33. The ToD tariff should be designed only to incentivize usage during the period from 20.00 Hrs to 8.00 Hrs without having any disincentive factor for usage in peak hours.	The rationale behind the ToD tariff is to incentivize the usage during off-peak hours and disincentivize peak hour usage, so that, there will be a curtailment of overall peak in the system.
<b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.	
<b>Objections relating to Quality of Power Supply and Service;</b>	
34. The MESCOM has sanctioned regular power supply to Multi-storied (MS) buildings which do not have Occupancy Certificate.	The power supply is being sanctioned to MS building as per the Conditions of Supply (CoS) of Electricity of Distribution Licensees in The state of Karnataka.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
35. The MESCOM is considering Bantwal, Sullya & Belthangady as dark and grey areas and imposing conditions for sanctioning power to IP sets arbitrarily, which is contrary to the KERC (Electricity) Supply Code and the CoS. The MESCOM cannot impose any condition contrary to the provisions of CoS and the Supply Code.	The consumers of MESCOM can avail power supply to their IP sets as per the provisions stipulated in Condition of Supply of Electricity of Distribution Licensees in the State of Karnataka.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. Any specific violation of the Conditions of Supply may be brought to the notice of the MESCOM, to take corrective measures.	
36. The MESCOM should seek amendment to the KERC (Electricity Supply Code), 2004 in view of the order passed by the Central Government, Viz, Electricity (Removal of Difficulties) Rules, 2005	For theft of electricity, the method of assessment is already available vide clause 42.06 of conditions of Supply of Electricity of Distribution Licensees.

<p>under which the State Commissions were entrusted with the duty of specifying the method of assessment of the electricity charges payable in case of theft of electricity pending adjudication by the appropriate court.</p>	
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. Any issues not dealt with in the CoS may be brought to the notice of the Commission for considering suitable amendments thereon.</p>	
<p>37. Commission should direct the GOK for creation of separate Govt. Company to administer the SLDC.</p>	<p>Commission may take a view on this aspect.</p>
<p><b>Commission's Views:</b> The reply by MESCOM is noted. The Commission in its public consultation process of KPTCL's APR application has also suggested to KPTCL to make the functioning of SLDC independent and ring fence the SLDC for unbiased operation of the Grid. It is noted that GoK is the competent authority to decide this issue.</p>	
<p>38. The MESCOM is not able to adhere to the directions of the Commission from time to time due to lack of man power.</p>	<p>The MESCOM has recruited 441 employees during FY18 and it will be recruiting some more employees during FY19. The recruitment process is a continuous process to address the manpower shortage.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is acceptable.</p>	
<p>39. The MESCOM is not replacing the conductors and not trimming the trees, due to which the distribution transformers are failing. This has to be viewed seriously by the Commission.</p>	<p>During FY16 and FY17 re-conductoring of the HT/LT lines of 831km and 600kms respectively has been carried out. More than 5000 DTCs have been added to alleviate the overloading problems. 3058 kms and 3193 kms of HT and LT lines have been added to the existing network. With these measures, the failure has been reduced to a significant extent.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. Further, the Commission directs the MESCOM to continuously monitor and improve the quality and reliability of</p>	

the Distribution system.	
40. The MESCOM is creating confusion in the tariff fixed to the dairy farming. The dairy farming needs to be treated at par with the IP Sets and should be subsidised.	The tariff categorisation is decided based on the usage. If there is a difficulty faced by the consumers on the categorisation, they can approach the company for remedies.
<b>Commission's Views:</b> The reply furnished is noted. The Commission directs MESCOM to resolve any such issues immediately.	
41. The MESCOM is not restoring the power supply quickly in the rural areas. There is no improvement in supply of power to rural areas. If transmission loss and distribution losses are reduced, the Company need not seek increase in tariff.	For early restoration of power supply and to extend efficient services to all the consumers, necessary training is being given to all the newly deployed linemen. Further, MESCOM has undertaken measures to replace the deteriorated conductors and failed distribution transformers. Based on the availability, the MESCOM is supplying power to the consumers in rural areas. The MESCOM is taking all the remedial measures to bring down the losses in distribution system and the losses have been reduced to 11.40% during FY17.
<b>Commission's Views:</b> The replies furnished by MESCOM is noted. However, the Commission directs MESCOM to take all the necessary measures to quickly restore the power supply to all categories of consumers.	
42. The MESCOM is resorting to load shedding without approval of KERC. The Commission should direct MESCOM not to resort to such load shedding.	The scheduled load shedding is being notified in advance. But, the unscheduled load shedding occurs only when there is failure of equipment/ lines and also due to demand supply mismatch.
<b>Commission's Views:</b> The reply furnished are noted. However, the Commission directs MESCOM to reduce the duration of unscheduled as well as scheduled load shedding to improve its services to the consumers.	
43. The Nirantara Jyothi Scheme is being done as per the	The Central Government will provide 60% grant for implementing feeder segregation

<p>Government directions for better supply to rural consumers. As this is the Government welfare scheme, the related capital cost should be borne by the Government and not by the consumers.</p>	<p>scheme. The remaining 40% have to be borne by respective ESCOMs.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. Further, it is to be noted that, the NJY would be beneficial to the consumers of the Rural area for availing 24X7 power supply, Therefore, MESCOM should complete the works at the earliest and get the reimbursement of funds from the respective Governments.</p>	
<p>44. The MESCOM has not taken any plan to prevent electrical accidents.</p>	<p>The MESCOM is periodically identifying the hazardous installations and system improvement programmes are being suitably taken up to rectify the hazardous installations and prevent electrical accidents.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. The Commission directs MESCOM to take immediate measures to rectify all the hazardous locations in a phased manner and minimise accidents.</p>	
<p>45. HT/LT lines ratio not maintained at the level of 1:1.</p>	<p>While implementing system improvement works the improvement of HT / LT ration is always kept in view.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. However, the Commission directs MESCOM to bring down the HT:LT ratio to reap the benefits of LT loss reduction.</p>	
<p>46. The MESCOM has not given the details of failures of Distribution Transformers.</p>	<p>During FY17, MESCOM has recorded a failure rate of Distribution Transformers at 11.67%. In the current year, upto December 2017, the failure rate is only 8.72%.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. But, the Commission considers that, MESCOM needs to take a serious view of this matter and bring down the failure rate of distribution transformers by taking remedial measures.</p>	
<p>47. The MESCOM has not taken any action to install timer switches in spite of the directions issued by the</p>	<p>The tendering process was not successful. The same has been brought to the notice of the Commission and was communicated to the</p>

Commission in this regard.	local authorities to take up the work of fixing timer switches in their respective areas.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. However, MESCOM shall take up the matter with the civic authorities and complete the process early.	
48. The MESCOM is not serious in implementing HVDS in its jurisdiction, in spite of Directives issued by the Commission.	The MESCOM has included the Nirantara Jyothi and HVDS schemes under Deen Dayal Upadhyaya Gram Jyothi Yojana (DDUGJY) as per guidelines of REC and the works are under progress.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
49. The MESCOM has not completed metering of DTCs to work out the losses in order to plug the same.	The MESCOM has taken action to provide meters to all the DTCs and about 60% DTCs are provided with meter at the end of November, 2017.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. The Commission however, directs MESCOM to speed up the process and complete the installation of the DTC meters. MESCOM shall also conduct energy audit of the metered DTCs in order to plug leakages and commercial losses.	
50. The MESCOM is hiding the data relating to Reliability Index as it appears that, there is no improvement in quality of supply.	The MESCOM is submitting the data of Reliability Indices to the Commission regularly and the same is also being hosted on the its website.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted and The Commission, directs MESCOM to carry out the analysis of the reports and take necessary steps to improve the reliability of the system in places, where the reliability indices are found to be far less than allowable.	
51. The data on actual number of IP sets is not furnished by MESCOM and it has not regularized the un-authorized IP sets. The specific consumption should be worked out taking into account the un-authorized IP sets also, so that, more subsidy will come from the	As per the directions of the Commission, MESCOM has taken up GPS survey of all the IP sets. Once the GPS survey is completed, the action will be taken as suggested.

Government.	
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. The Commission directs MESCOM to speed up the GPS survey and complete the regularisation of Unauthorised IP Sets at the earliest.	
52. The MESCOM is quoting only distribution losses but not indicating anything about the ATC losses.	The ATC loss is correlated with the distribution loss and the ATC loss of MESCOM during FY17 is 12.11%.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. However, the Commission directs MESCOM to improve its billing and collection efficiency and bring down the ATC losses along with the reduction in distribution losses.	
53. The MESCOM is not monitoring the implementation of Standards of Performance as per the directions of the Commission.	The Standards of performance as per the KERC (Licensee's standards of performance) Regulation-2004 is hosted on MESCOM website. Action is taken to display the SoP in all the subdivisions /Divisions of MESCOM. The periodical reports are being sent to the Commission regularly.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
54. The MESCOM should not collect Rs.10,000/- to be paid while arranging power supply to IP sets.	The amount of Rs.10,000/- is collected to create the infrastructure as per the directions of the Government.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
55. KCCI has requested to increase the present limit of 67 HP to 100 HP for availing LT power supply.	The MESCOM has stated that, it will follow the CoS issued by the Commission.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
56. The IP Set consumption figure estimated by MESCOM is irrational and not practical since geographical and weather characteristics of the areas coming under MESCOM is different and versatile. Also, the MESCOM should consider the actuals	The IP set specific consumption considered by MESCOM is that of the Company average. But, it is different for different subdivisions / sections, as the energy recorded in the DTCs feeding predominantly IP sets of particular sub-divisions / sections are being considered for estimating that particular sub-divisions/sections only. Further, taking



<p>readings at the meters instead of estimating the energy consumption.</p>	<p>meter readings from IP set installations is being continuously objected by the farmers, and some of the meters were un-authorizedly removed by the farmers.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted. However, the Commission directs MESCOM to complete the feeder segregation at the earliest and consider the feeder meter readings for arriving at the IP Set consumptions.</p>	
<p><b>Specific Requests:</b></p>	
<p>57. Sri K.N. Venkatagiri Rao, has requested that, instead of present practice of considering the certificate issued by Income Tax Authorities to classify whether the installations are charitable, as per Commission's order, the ESCOMs may be authorised to scrutinize such of the installations to check whether they are actually doing charitable activities or not before giving any rebate / incentive in the tariff.</p>	<p>The As per the directions of the Commission, MESCOM is considering the certificate issued by the Income Tax Authorities to identify whether an institution is charitable or not.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted.</p>	
<p>58. Sri K.N. Venkatagiri Rao, has requested that, the office of consumer advocacy cell (OCA) working under KERC, which has been stopped recently needs to be started once again, as the OCA has been doing wonderful work for the benefit of consumers.</p>	<p>The Commission may take a view on the issue.</p>
<p><b>Commission's Views:</b> The reply furnished by MESCOM is noted.</p>	
<p>59. Laghu Udyog Bharathi has requested that, the consumers to be incentivized for achieving</p>	<p>The MESCOM it will follow the orders of the Commission.</p>

Power Factor over 90%.	
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
60. The Planters Association has requested to ensure uninterrupted power supply for pulping of Coffee between 3 PM to 8 PM and requested to provide uninterrupted power during February and March.	As far as possible it is trying to maintain uninterrupted power supply.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	
61. The KASSIA has requested that, the Solar rebate should be enhanced to Rs.100/-.	The MESCOM will follow the directions of the Commission in this regard.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted. The solar rebate at the current rates is considered as a DSM measure.	
62. Sri K.N. Venkatagiri Rao, has requested the Commission for third party verification of the MESCOM's performance on compliance to directives.	The Commission is issuing directives to ESCOMs on the issues and also periodically reviewing the same.
<b>Commission's Views:</b> The reply furnished by MESCOM is noted.	