

CHAPTER – 3

PUBLIC CONSULTATION - SUGGESTIONS / OBJECTIONS & REPLIES

As per the provisions of Section 64 of the Electricity Act, 2003, in order to obtain suggestions / views / objections from the interested stake-holders on the KPTCL's application for Annual Performance Review for FY17 and Revision of ARR and Transmission Tariff Application for FY19, the Commission undertook the process of public consultation.

3.1 Written Objections:

In response to the proposal of KPTCL, written objections were received from the following:

Sl. No	Application No.	Name & Address of Objector
1	KA-01	Karnataka Working Group on Electricity Bangalore

In the written submission, the above stake-holder has raised objections on the tariff application made by the KPTCL. A summary of the objections raised, KPTCL's reply and the Commission's views are given below:

1. Issues relating to Distribution Tariff:

The objector has raised issues relating to allocation of power and the fixation of retail supply tariff.

KPTCL Reply:

Copies of the objections have been sent to the ESCOMs on 09.02.2018.

Commission views:

The issues raised do not pertain to KPTCL.

2. Assessment and Collection of Transmission Charges from ESCOMs:

The transmission charges collected by KPTCL are not correlated to the actual transmission activity carried out by it in the area of each distribution licensee and transmission charges per MW at 220 kV are collected. This method is not scientific, as the supply is made at different voltage levels by KPTCL i.e. for BESCOM at 11 KV, HESCOM & GESCOM at 33 kV levels. The appropriate method of collecting transmission charges from ESCOMs should be based on the voltage of supply, number of stations maintained by KPTCL in the area of each distribution licensee and the length of lines & bays maintained by KPTCL.

Reply of KPTCL:

Transmission charges are fixed by the Commission on the basis of actual transmission capacity in each ESCOM and as per the Regulations, the transmission charges are to be collected based on the transmission capacity. Hence, the charges are in order. As per Regulations, the O & M charges are computed based on the total transmission infrastructure created in the State and computation of O&M charges ESCOM-wise does not arise.

Commission's views:

The primary objective of the fixation of transmission tariff is to recover the ARR of KPTCL for a given year. The recovery of the ARR based on the transformation capacity allocation in the respective ESCOMs is most reasonable.

3. Transmission charges payable by HERCS, MSEZ & AEQUS SEZ:

For supply to HRECS and AEQUS SEZ, HESCOM is paying transmission charges and for supply to MSEZ, MESCOM is paying transmission charges and thereby the ESCOMs are burdened with transmission charges of these entities.

Reply of KPTCL:

The Commission has, in the tariff orders of HRECS, AEQUS and MSEZ, factored the transmission charges of KPTCL in the power purchase cost. Hence, ESCOMs are not burdened with the charges, as alleged.

Commission's views:

The reply furnished by KPTCL is acceptable.

4. Prudence Check of Income Tax paid by KPTCL:

Commission has to conduct prudence check as to how KPTCL paid Rs. 618.44 Crores as Income Tax during FY-17.

Reply of KPTCL:

KPTCL has not furnished any reply to this.

Commission's views:

The Commission has considered this aspect during the course of Annual Performance Review (APR) for FY17 of KPTCL.

3.2 Public Hearing on KPTCL's filling held on 20.02.2018:

The Commission also conducted a Public Hearing on 20th February, 2018 to enable the Stakeholders to make oral submissions on the KPTCL's application. During the hearing the KPTCL representatives made a brief presentation of its activities, progress of various works under taken and the efforts in improving the quality and reliability of power besides highlighting the efforts made to reduce transmission losses. They also justified the prayers made in the application. However, none of the stakeholders participated in the public hearing.

- 3.3** During the Public hearing held at Mangaluru on 2nd March, 2018 it was brought to the notice of the Commission that, there has been an inordinate delay in completion of construction work of 66kV line between 220kV

substation Chikkamagaluru and 66kV substation Balehonnuru in the existing corridor of 66kV SC line and the same is affecting the reliability of power supply to Balehonnuru, Sringeri, Horanadu, and nearby areas which are vital religious and pilgrimage centres.

The Commission has taken serious note of the delay in completion of this project and here by directs the KPTCL to complete the above said work which is pending for the last 10 years, in order to improve the reliability of the power supply.

Also it was brought to the notice of the Commission that there has been an inordinate delay in Commissioning of 110kV substations at Konanduru and Kammaradi in Thirathahalli Taluk, Shivamogga District and is affecting the reliability of power supply.

The Commission has taken serious note of the delay in completion of these projects and hereby direct the KPTCL to Commission the above said works which is pending for the last 11 years, in order to improve the reliability of the power supply in and around Konanduru and Kammaradi villages in Thirthahalli Taluk, Shivamogga District.