

No: B/5/14

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,  
BENGALURU**

**Dated: 11<sup>th</sup> March, 2016**

**Present:**

|                              |          |
|------------------------------|----------|
| Sri M.K. Shankaralinge Gowda | Chairman |
| Sri H.D. Arun Kumar          | Member   |
| Sri D.B. Manival Raju        | Member   |

**PREAMBLE**

1. The Commission, in its Tariff Orders dated 2<sup>nd</sup> March, 2015, had directed all the ESCOMs to carry out in their jurisdiction the energy audit of the distribution transformers (DTCs) in at least ten per cent of the feeders (other than segregated IP set feeders) every month and to record the feeder level meter readings in respect of agricultural feeders segregated under NJY scheme, at the sub-stations from April, 2015 onwards and regularly submit a monthly report to the Commission in this regard. This direction was issued to achieve definite milestones in regard to a more accurate assessment of consumption of power by IP sets in the light of doubts expressed about the veracity of the claims made by the ESCOMs regarding IP set consumption by the stake-holders in the Public Hearings held by the Commission on ESCOMs' Tariff Applications.
2. The Commission had linked the release of subsidy towards power supplied to IP sets of 10 HP and below, from the State Government to the ESCOMs' compliance of the said directive and had advised the State Government to release 90 per cent of the subsidy assessed for the FY16 in the Tariff Order, in monthly installments and to release the balance 10 per cent only on compliance of the said directive by the ESCOMs.

3. A detailed methodology for conducting 11 kV feeder wise, DTC wise energy audit and computation of IP set consumption for 11 kV segregated agricultural feeders along with relevant formats was forwarded to all the ESCOMs during April 2015 for facilitating them to comply with the above directions.
4. As the ESCOMs had failed to submit the required information in the prescribed formats, the Commission had issued notices seeking their compliance to its directions. The ESCOMs in their response have explained the difficulties in complying with the directives.
5. The main reasons for delay in carrying out and submitting energy audit reports, as stated by the ESCOMs, are summarized below:
  - (a) Observance of several gaps due to improper tagging of consumer installations with the respective DTCs/feeders.
  - (b) Updating of incremental assets, awarded to the Agencies, for execution of works, which has taken considerable time.
  - (c) Non-functioning of several Modems fixed to the DTCs.
  - (d) Considerable time involved in procurement and installation of ETV meters to the DTCs.
  - (e) Need for time to capture data for submission of DTC-wise energy audit report.
6. Recently, the Commission had received energy audit reports by the ESCOMs, for part of the year, relating to segregated NJY feeders.
7. The Commission had made several observations on the shortcomings in such energy audit reports and the ESCOMs have attended to the observations and submitted the revised energy audit reports, in respect of the segregated rural feeders and urban / industrial feeders.
8. The Commission notes that the ESCOMs have justifiable reasons in not complying fully with the Commission's directions in the matter. The Commission is of the

considered view that the directions issued in the matter in its Tariff Order dated 2.3.2015 have had a salutary impact on the measures being taken to compute consumption of energy by IP sets and the ESCOMs have made significant progress in complying with the Commission's directions. The Commission is of the considered opinion that there has been substantive compliance to its directions. The Commission would continue to monitor the progress of achievement by the ESCOMs in this matter and ensure that it is computed expeditiously.

9. For the foregoing reasons, the Commission decides to pass the following order:

**ORDER**

- (1) The Commission hereby advises the GoK to release the balance ten per cent of the subsidy payable to all ESCOMs towards supply of power to IP sets for FY16.***
- (2) The ESCOMs shall submit immediately their subsidy claims to the GoK.***

***This order is signed and issued by the Karnataka Electricity Regulatory Commission at Bangalore, this day, the 11<sup>th</sup> of March, 2016.***

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|-----------------------------------|--------------------------|----------------------------|
| Sd/-                              | Sd/-                     | Sd/-                       |
| <b>(M.K. SHANKARALINGE GOWDA)</b> | <b>(H.D. ARUN KUMAR)</b> | <b>(D.B. MANIVAL RAJU)</b> |
| <b>CHAIRMAN</b>                   | <b>MEMBER</b>            | <b>MEMBER</b>              |