

Mangalore Electricity Supply Company Limited

(A Government of Karnataka Undertaking)



Registered Office:
Corporate Office,
"MESCOM BHAVANA",
Bejai, Kavour Cross Road,
Mangaluru- 575 004.

Phone / Fax : 0824-2410116
E-Mail : seecoml@rediffmail.com
CIN: U40109KA2002SGC030425

No.: SEE(C&RP)/Tariff Petition FY-25 /2023-24/ 3640

Date: 27-12-2023

Encl.:

The Secretary,
Karnataka Electricity Regulatory Commission,
#16C-1, Miller Tank Bed Area,
Vasanthnagar,
Bengaluru-560 052.

Madam,

Sub.: Replies to the Preliminary Observation on application for approval of Annual Performance Review for FY23 and Annual Revenue Requirement and retail Supply Tariff for FY25 – Replies to preliminary observations.

Ref.: B/DD(Tariff)/03/23/1034/Dt.15-12-2023

I am directed to submit herewith the replies to the preliminary observations communicated vide Hon'ble Commissions' letter cited under reference for kind needful.

Yours faithfully,


Superintending Engineer (Ele.), (Coml),
MESCOM, Mangaluru.

Mangalore Electricity Supply Company Limited
(A Government of Karnataka Undertaking)



REPLIES TO PRELIMINARY OBSERVATIONS
[KERC Letter No. B/DD(Tariff)/03/23/1034/Dt.15-12-2023]

Dated: 27th December 2023

Corporate Office,
"MESCOM BHAVANA", Bejai, Kavoov Cross Road,
Mangalore-575 004.

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Yours faithfully,


Superintending Engineer (Ele.), (Coml),
MESCOM, Mangaluru.

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
AT BANGALORE

Filing No.:

Case No.:

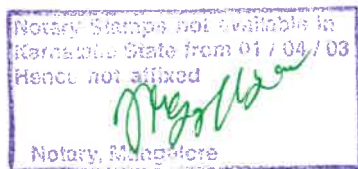
IN THE MATTER OF: An application for approval of Annual Performance Review for FY23 and Annual Revenue Requirement and Retail Supply Tariff for FY25 of Mangalore Electricity Supply Company Limited under Section 61 & 62 of the Electricity Act, 2003 read with relevant provisions of KERC (Tariff) Regulations including KERC (Terms & Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006.

AND

IN THE MATTER OF: Mangalore Electricity Supply Company Limited (herein after referred to as MESCOM), an Electricity Distribution Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at "MESCOM BHAVANA", Bejai, Kavour Cross Road, Mangaluru-575 004.

I, H.R. Dinesh S/o H.M. Ramalinga Shetty, aged 53 years residing at Mangaluru do hereby solemnly affirm and state as follows;

1. I am the Superintending Engineer (Ele.) Commercial of MESCOM and am duly authorized to make this affidavit.
2. I say that on behalf of MESCOM, I am now filing this replies to the preliminary observations of Hon'ble KERC relating to the petition filed under the provisions of Electricity Act, 2003 for approval of Annual Performance Review for FY23, ARR and retail Supply Tariff for FY25.
3. I further say that the statements made and financial data presented in the aforesaid Petition are as per the records of the Company and on the information received from the concerned officials and believed to be true to the best of my knowledge.
4. Solemnly affirmed at Mangaluru on this day 27-12-2023 that the contents of the above affidavit are true to the best of my knowledge and belief, no material information has been concealed there from.



Sworn and Signed Before me on day of 20..
H.R. Dinesh
Superintending Engineer (Ele.) (Comf.),
MESCOM, Corporate Office,
Mangaluru-575 004

NOTARY
NOTARIAL REGISTER No. 3761 Dakehina Kannada Dist

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Superintending Engineer (Ele.) Commercial
MESCOM, Corporate Office
Mangaluru - 575 004

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



KARNATAKA ELECTRICITY
REGULATORY COMMISSION

ಸಂಖ್ಯೆ : 16 ಸಿ-1, ಮಿಲ್ಲರ್ಸ್ ಟ್ಯಾಂಕ್ ಬೆಡ್ ಏರಿಯ,
ವಸಂತನಗರ, ಬೆಂಗಳೂರು - 560052.

No. 16 C-1, Millers Tank Bed Area,
Vasanthanagara, Bengaluru-560052.

No.KERC/B/DD(Tariff)/03/23 1034

Date: 15th December, 2023

The Managing Director
Mangalore Electricity Supply Company Ltd.,
Corporate Office
"MESCOM BHAVANA"
Bejal Kavour Cross Road
MANGALORE - 575 004

Sir,

Sub: Preliminary observation on MESCOM's application for approval of APR for FY23 and ARR and retail supply tariff for FY25.

Ref: Application filed by MESCOM vide letter No.SEE(Coml.)/DCA/(RA)/EE/
(RA)6th MYT/2023-24/3079 dated 29.11.2023

Please refer to your letter cited above, wherein, MESCOM has submitted the application for the approval of the Annual Performance Review (APR) for FY23 and ARR and Retail Supply Tariff for FY25. In this regard, I am directed to inform MESCOM that after scrutiny of the application, the Commission has made certain preliminary observations and the same are enclosed to this letter.

MESCOM is informed to furnish clarifications / additional information / compliance to these observations within ten days from the date of receipt of this letter, to enable the Commission to take further necessary action in the matter.

Yours faithfully

Secretary
for Karnataka Electricity Regulatory Commission

Preliminary Observations on the Applications filed by the MESCOM for approval of APR for FY23 and ARR for FY25 & Retail Supply Tariff for FY25 under MYT Framework.

1. Observations on Sales:

A. Sales- Other than IP sets:

- i) Data inconsistency:** The following inconsistencies in data may be rectified:
- a) LT3 sales for FY23 as per actuals is indicated as 445.61MU in D-2 Format, whereas at page-20 it is indicated as 445.08MU. Similarly, for LT7 energy is indicated as 24.74MU in D-2 Format whereas at page-20 it is indicated as 25.27MU.
 - b) For FY23, in Table-5.3 the LT3 actual number of installations is indicated as 244446, whereas in D-2 Format it is indicated as 245319. Similarly, for HT2(a) and HT2(c) it is indicated as 1047 and 346 respectively in Table-5.3 whereas as per D-2 Format it is 1048 and 345 respectively.
 - c) For FY24, at page-40 the number of installations under LT-3 category is 252420, whereas as per D-2 Format, it is 253293. Similarly, the HT2(a), it is indicated as 1075 in page-40, whereas as per D-2 Format it is 1076.
 - d) For FY25, at page-40 the number of installations under LT-3 category is 260532, whereas as per D2 format, it is 261405. Similarly, the HT2(a), it is indicated as 1102 in page-40, whereas as per D-2 Format it is 1103.
 - e) For FY24, at page-42 the sales under LT3 category is 455.67MU, whereas as per D2 format, it is 456.22MU.
 - f) For FY25, at page-42 the sales under LT3 category is shown as 474.73MU, whereas as per D-2 Format, it is 475.30MU.
 - g) For FY25, at page-43 the sales under HT2(c) category is shown 42.49MU, whereas as per D-2 Format, it is 142.49MU.

ii) Annual Performance Review for FY23:

The category-wise sales approved by Commission and the actuals for FY 23 are indicated in the table below:

Category Col-1	Approved** Energy in MU Col-2	Actuals** Energy in MU Col-3	Energy in MU
			Difference (MU) Col-4= Col 3 – Col 2
LT-1 greater than 40 units/month	23.08	16.97	-6.11
LT-2a	1651.39	1599.41	-51.98
LT-2b	8.28	16.78	8.50
LT-3	374.90	445.61	70.71
LT-4b	0.89	0.63	-0.26
LT-4c	10.09	6.60	-3.49
LT-5	129.57	151.67	22.10
LT-6 WS	159.82	160.22	0.40
LT-6 SL	76.80	66.87	-9.93
LT- 6 EV Charging	0.00	0.05	0.05
LT-7	18.32	24.74	6.42
HT-1	109.62	109.81	0.19
HT-2a	595.83	847.25	251.42
HT-2b	173.95	211.02	37.07
HT-2c	114.84	142.48	27.64
HT-3a & b	137.59	19.66	-117.93
HT-4	23.34	24.53	1.19
HT-5	2.29	3.29	1.00
Sub total	3610.6	3847.59	236.99
BJ/KJ less than/= 40 units/month	32.97	33.46	0.49
IP sets	1712.39	1643.06	-69.33
Sub total	1745.36	1676.52	-68.84
KPCL	6.57	6.90	0.33
DR Scheme	25.00	0.00	25.00
Grand total**	5387.53	5531.01	143.48

**Excludes sale to SEZ.

From the above Table the Commission notes that:

- i. major categories contributing to the decrease in sales with the respect to the estimates are LT-2a and HT-3 categories. The increase in sales is mainly in LT-3 and HT-2a categories.
- ii. MESCOM, in its filing has submitted that it has achieved 103% of approved sales. In respect of HT-2a, HT-2b and HT-2c category, there is increase by 315.85 MU as compared with the approved sales. With reference to FY22 sales, overall sales have increased by 8.32%.

iii. MESCOM shall analyze the reason for decrease in sales of LT-2a & HT-3 categories with a view to find out possible ways to increase in sales to LT3 and HT-2a categories.

iv. MESCOM shall furnish the details of category-wise sales under Discounted Energy Rate System (DERS) and special incentive schemes, as this may be one of the factors for increase in sales.

Further, The FY23 specific consumption of LT-2a category works out to 77.99 units/installation/month, whereas the same for BJ/KJ installations consuming more than 40 units/month is 83.70 units/installation/month, which appears to be higher. MESCOM shall furnish the reasons for such high specific consumption in BJ/KJ installations consuming more than 40 units/month.

B. Sales to IP sets:

Observations On Annual Performance Review for FY23:

Sales to IP sets for FY23:

a. The Commission, in the APR for FY22, vide its tariff order 2023 has approved the total sales to IP sets as 1,492.01 MU with a specific consumption of 4,030 units per IP set per annum with installations 3,78,493 numbers. MESCOM, in its current filing has indicated the sales to IP sets as 1,643.06 MU for FY23 with a specific consumption of 4,185 units per IP set per annum with installations 3,92,524. The Commission notes that there is an increase in the number of installations, specific consumption and total sales by 14,031, 155 units per IP set per annum and 151.05 MU respectively for FY23 as compared with the approved sales for FY22. The reasons for increase in the number of installations, specific consumption and sales for FY23 needs to be explained.

b. The details of sales to IP sets for FY23 as approved by the Commission in its tariff order 2022 and the actual sales as furnished by MESCOM in its current Tariff Filing are as follows;

Particulars	As approved by the Commission in TO 2022	As submitted by MESCOM in the current Tariff Filing for APR 23
Number of installations	3,96,885	3,92,524

Mid-year number of installations	3,88,135	
Specific consumption in units / installation / annum	4,411.83	4,185
Sales in MU	1,712.39	1,643.06

As seen in the above table, MESCOM has to furnish the reasons for the decrease in sales by 69.33 MU and specific consumption by 226.83 units per IP set per annum. It is also observed that there is decrease in the number of IP set installations by 4361 as compared to the approved figures. MESCOM shall clarify the same.

- c. MESCOM shall submit the signed copies of the calculation sheet and the abstract for FY24 up to November 2023 deducting the feeder-wise actual losses from the consumption recorded in the feeders as per the format prescribed by the KERC. MESCOM is directed to furnish the soft copy of the calculation sheets substantiating its claim of sales in respect of IP sets for **FY23** and for **FY24** till November 2023.

C. Category wise sales other than IP sets, FY24:

MESCOM has adopted the following methodology for making estimates of Number of installations and Energy Sales:

- a. Number of installations has been projected based on trend analysis, considering the growth trend during the period FY21 to FY23. Where ever for the past 3–years the trend is negative or there is no growth rate, the number of installations as on 31.03.2023 is retained for FY25.
- b. Energy sales is estimated based on 5-year CAGR for the period from FY18 to FY23. Wherever the growth is negative or abnormal, the FY23 energy sales is retained for FY24 and FY25.

i. The observations of the Commission on sales forecast for FY24 for categories other than IP Sets are as follows:

- i) Methodology:

- a. It is observed that for estimating number of installations trend method is adopted. It would be advisable to estimate the number of installations based on CAGR.
- b. Working sheets for computation of installations indicating category-wise growth rates shall be furnished.

In case of LT2b, LT4c, LT6 water supply and street lighting, HT2a, HT2c and HT4 categories, even though there is increase in number of installations, the FY24 sales are retained for FY25 also. Considering the addition of new installations, there should be some increase in sales. MESCOM shall clarify.

- ii) The table indicating the growth rates for the number of installations is furnished below:

Category	Percentage Growth Rates			
	2017-18 to 2022-23 CAGR	2019-20 to 2022-23 CAGR	FY23 growth over FY22	Growth rate proposed by MESCOM for FY25
LT-2a	2.78	2.39	2.77	2.22
LT-2b	1.52	1.34	1.83	1.47
LT-3	3.70	3.63	3.98	3.20
LT-5	4.34	4.68	4.96	4.17
LT-6 WS	4.06	4.25	3.31	3.44
LT-6 SL	7.10	6.00	4.36	4.57
HT-1	5.55	5.36	3.15	3.68
HT-2 (a)	4.85	3.29	2.54	2.51
HT-2 (b)	4.44	2.95	3.36	3.15
HT-2 (c)	4.49	4.42	2.68	3.35
HT-3(a)& (b)	15.68	20.68	52.63	0
HT-4	5.53	6.27	4.35	4.05

The Commission notes that the growth rate considered by MESCOM is lower for LT3, LT5, LTWS & SL and all HT categories as compared to the CAGR. MESCOM may consider revising the same.

iii) The table indicating the growth rates for the energy sales is furnished below:

Category	Percentage Growth Rates			
	2017-18 to 2022-23 CAGR	2019-20 to 2022-23 CAGR	FY23 growth over FY22	Growth rate proposed by MESCOM for FY25
LT-2a	3.62	2.98	2.46	3.63
LT-2b	4.00	4.13	50.90	0
LT-3	4.21	4.20	16.64	4.18
LT-5	2.07	3.48	12.68	1.61
LT-6 WS	6.16	6.68	5.67	0
LT-6 SL	-0.35	0.20	-4.36	0
HT-1	3.93	4.69	1.92	3.93
HT-2 (a)	7.28	10.08	19.11	0
HT-2 (b)	1.78	0.85	26.48	1.78
HT-2 (c)	0.78	0.62	33.65	0
HT-3(a)& (b)	-3.59	-34.41	-78.34	0
HT-4	5.14	4.01	7.26	0

The sales to HT3 category has reduced drastically in FY23 when compared to FY22. The reasons shall be analyzed.

Considering the CAGR, the growth rate for the energy sales considered by MESCOM is lower for LT2(b), LT-5, LT-6 WS & SL, and for HT2(a) and HT4 categories. MESCOM may consider revising the sales to the above categories

D. Sales to IP sets for FY25:

a. Projected sales to IP Sets for the FY25:

- i. Detailed calculations on number of installations projected for remaining months of FY24 and for FY25 are not furnished.
- ii. The number of IP set installations added to the system for FY23 is 14,031 and IP set installations to be added for FY24 is 15,749, whereas, the

numbers of IP installations estimated for FY25 is 15,320. MESCOM shall furnish the rationale for this.

- iii. The methodology adapted for computing the specific consumption in units per IP set per annum and the total sales estimated for FY25 shall be furnished.
- iv. MESCOM shall furnish the CAGR details about computing the number of installations, specific consumption and sales for 3 years and 5 years. MESCOM shall submit the comparison of the trend with CAGR for the projection for FY25.

E. Validation of Sales:

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

a. No. of Installations

Category	2021-22 Actuals		2022-23 Actuals		2023-24	
	As on 30 th Nov 2021	As on 31 st March 2022	As on 30 th Nov 2022	As on 31 st March 2023	As on 30 th Nov 2023	As on 31 st March 2024 (Estimate)
LT-2a						
LT-2b						
LT-3						
LT-4 (b)						
LT-4 (c)						
LT-5						
LT-6 WS						
LT-6 SL						
Lt-6 EV Charging						
LT-7						
HT-1						
HT-2 (a)						
HT-2 (b)						
HT2C						
HT-3(a)& (b)						
HT-4						
HT-5						
Sub Total (Other than BJ/KJ and IP)						
BJ/KJ<=40units/month						

BJ/kJ > 40						
IP sets-LT-4a						
Sub Total (BJ/KJ and IP)						
Grand Total						

b. Energy Sales:

Category	2021-22 Actuals		2022-23 Actuals		2023-24	
	1st April 2021 to 30th Nov 2021 (cumulative)	1st Dec 2021 to 31st March 2022 (cumulative)	1st April 2022 to 30th Nov 2022 (cumulative)	1st Dec 2022 to 31st March 2023 (cumulative)	1st April 2023 to 30th Nov 2023 (cumulative actuals)	1st Dec 2023 to 31st March 2024 (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						
Sub Total (Other than BJ/KJ and IP sets)						
BJ/KJ<=40units/month						
BJ/kJ > 40 units/month.						
IP sets LT 4a						

	2021-22 Actuals		2022-23 Actuals		2023-24	
Sub Total (BJ/KJ and IP)						
Grand Total						

F. Sales to MSEZ:

Sales to MSEZ as considered by MESCOM and MSEZ are as follows:

Million Units

Year	MESCOM	MSEZL
FY23	67.35	67.37
FY24	67.35	To be furnished by MSEZL
FY25	67.35	45.37

MESCOM shall reconcile the above data and furnish the correct data.

2. Observations on Capex:

A. APR for FY23:

- MESCOM, in its filing of APR of FY23, has indicated the actual capex of Rs. 464.86 Crores incurred for FY23, as against the Commission reckoned capex of Rs.550 Crores considered for determination of ARR for FY23.

In view of this MESCOM shall furnish the following details:

- MESCOM shall submit the details of source of fund for Rs.464.86 Crores incurred during FY23.
- E & I work: Abstract of physical and financial progress in respect of additional transformers, link lines, HT/LT reconductoring, HVDS and UG/AB cable etc., for having incurred capex of Rs.164.38 Crores and quantified analysis in respect of reduction in HT/LT ratio, line losses, benefits achieved for reconductoring works as per DPR.

The Commission has withdrawn the Directives for implementation of HVDS scheme, whereas MESCOM has indicated same in the filing without furnishing

the break-up details. In this regard, MESCOM shall furnish the details and reason for incurring expenditure despite commission's earlier directions not to incur any capex on HVDS.

- d. Division-wise abstract of number of IP sets energized and cost incurred thereon, under energization general IP sets and GK schemes for having incurred capex of Rs.99.17 Crores separately. The details of amount of capital grants received and balance amount to be received from the Government of Karnataka and action taken thereon with relevant references in respect of GK works, may be furnished.
- e. Division-wise abstract of capacity-wise replacement of faulty transformers by new transformers with reasons for having incurred amount of Rs.2.37 Crores.
- f. Under Model sub division works for FY23, furnish an abstract of number of works sanctioned, Completed, balance number of works to be taken up, benefits to the consumers, details source of funding for capex for Rs.56.20 Crores along with benefits achieved as per DPR.
- g. List of works carried out under 33KV Station and Line works for having incurred amount of Rs.19.06 Crores.
- h. Break up of actual capital expenditure incurred during FY23, as per annexure-1

B. Capital Investment Plan for FY25:

MESCOM has proposed the revised Capex of Rs.600 Crores for FY25, as against the recognized capex of Rs.509.69 Crores for FY25 approved in MYT Order 2022.

MESCOM shall submit the details of source of fund to meet the proposed capex for FY25.

MESCOM shall provide necessary justification on each of the following works in terms of its purpose, requirement, physical progress, cost and timelines of completion along with Division-wise abstract of works, no. of works proposed to be taken up in FY25:

- I. E & I work (Addl. Transformers, Link-Lines, HT/LT Reconductoring, UG/AB cable) for the proposed capex of Rs.250 Crores.
- II. Replacement of MNR / DC, Electromagnetic meters by static meters and smart metering for the proposed capex of Rs.8 Crores.
- III. The Commission has been disallowing depreciation and interest on loans in respect of these works which are being treated as imprudent works, during earlier years in the relevant tariff orders. In this regard, the Commission, in its review meeting held on 28.08.2023 has clearly directed all ESCOMs to take up energy and of all the DTCs where meters are provided by addressing the communication issues. In this regard, MESCOM needs to clarify whether the proposed capex of Rs.5 Crores is for fresh works or for rectification of faults in the existing DTCs, duly furnishing necessary details thereon.
- IV. List of works to be carried out under 33 KV stations and line works for Rs.30 Crores.
- V. Abstract for energization of general IP sets and category wise GK works separately for the proposed capex of Rs.100 Crores.
- VI. List of works to be carried out and anticipated benefits under model sub division works for the proposed capex of Rs.41.99 Crores.
- VII. civil engineering works for the proposed capex of Rs.25.00 Crores.
- VIII. The GOI initiated RDSS scheme has subsumed existing DDUGJY and IPDS schemes. In view of this, MESCOM shall clarify why it has proposed Rs.39.49 Crores for FY25, in respect of schemes which are already closed. The details shall be submitted with justification. It may also be noted that no RDSS works have not been approved by MoP, GoI for the State of Karnataka. Hence, no scheme under RDSS shall be included in the Capex programmes.
- IX. MESCOM shall furnish the details of sources of funding (like grants, debt, equity and internal sources) for the proposed capex.

3. Power Purchases:

A. Observations on APR FY23:

a. MESCOM shall furnish the details relating to power purchase, in respect of KPCL, CGS and UPCL thermal units in the following format.

- b. It is requested to provide the APR of power purchase for FY23 in the format approved by the Commission in Annexure-2(i) of Tariff Order 2022 in excel sheets, comparing actuals with approved parameters indicating percentage variations in respect of Energy, total Capacity Charges, per unit Capacity Charges, Variable Charges, per unit Variable Charges against each of the generating station/other charges and along with reasons, wherein variations are more than 5% on any of the above parameter in the remarks column corresponding to that generating station/other charges on the right side.
- c. MESCOM shall furnish Energy Balance Statement at 66kV & above and 66kV & below for FY23, signed by all the ESCOMs.
- d. MESCOM shall furnish the Breakup of particulars of power purchase viz. energy, cost etc. as per Annual Accounts/Annual report/Directors report in comparison with particulars in D1 format in excel sheet, along with soft copy of the above reports.
- e. There is an increase in ISTS charges by Rs. 52.44 Cr. Whether MESCOM has verified these bills issued in respect to ascertain that they are correct and are in line with corresponding CERC Regulations? If so, what are the exact reasons for increase in these charges and which elements of the ISTS lines have caused this increase in ISTS Charges?
- f. MESCOM shall furnish details in respect of power being backed down along with reasons, along with details of corresponding fixed charges paid and reasons for not selling or not banking this power in a commercially viable manner.
- g. There is increase in average power purchase cost by 41 paise/unit. In this regard, MESCOM should furnish the details of the corresponding generating station, period, quantum of energy which has caused increase in the cost of power purchase with appropriate reason and applicable.
- h. There is increase in both ISTS charges and InSTS charges of MESCOM. Whether this is in proportion to increase in purchase of energy by MESCOM, needs to be confirmed.
- i. Break up of charges under the head 'other charges' mentioned in columns and rows of the D1 statement shall be furnished by MESCOM.

- j. MESCOM shall furnish the statement of source-wise RE energy purchased and cost associated with it.
- k. In Tariff Order 2023, the Commission had directed ESCOMs to ensure proper metering arrangements at all the required interface points below 66kV level in line with CEA (installation and Operation of Meters) Regulations, 2006 and its amendments thereof for proper accounting of Inter-ESCOM energy transaction and to report on the same to the Commission within Two months from date of issuance of it. Till date there is no response from MESCOM in this regard. Appropriate response is needed in this regard.
- l. In Tariff Order 2023, ESCOMs were directed to reconcile the power purchase costs among themselves and with the generating stations/transmission utilities/SLDC etc. for a financial year for which APR is being submitted before the Commission. Whether the power purchase claims in the present APR submitted are reconciled in line with the above directions of the Commission, need to be confirmed. Please furnish the details/information in this regard.
- m. MESCOM shall throw light on having ended up paying Rs.23.92/unit in respect of energy balancing of 24.55 MU and also on Banking arrangement of 68.94 MU.
- n. In the Tariff Order 2023, in order to reduce the deviations under Deviation Settlement Mechanism(DSM), ESCOMs were directed to analyze the reasons for deviations and o take steps needed to reduce the deviation charges. Action taken by MESCOM in this regard may be furnished.

B. Observation on Power Purchases-ARR FY25:

- i. MESCOM, in its ARR filing has indicated its requirement of power at 6668.01 MU at a cost of Rs. 3826.29 Crores, at a per unit cost of Rs.5.74 for the FY25. The Commission, in the MYT Tariff Order 2022, had approved energy requirement and power purchase cost at 6586.425MU at a cost of Rs. 2916.591 Crores respectively, at a per unit cost of Rs.4.428 for FY25. The source-wise difference between the Commission's approved power purchase quantum and cost and the projection made by MESCOM for FY25 are as under:

Sl. No	Source	KERC Approved for FY2024-25			MESCOM Projections for FY 2024-25			Difference
		Energy in MU	Amount in Crs.	Avg. Cost in Rs	Energy in MU	Amount in Crs.	Avg. Cost in Rs	
1	2	3	4	5	6	7	9	10=9-5
1	KPCL –Hydro	2425.32	285.297	1.18	1625.33	177.63	1.09	-0.09
2	KPCL-Thermal	929.78	534.922	5.75	1232.7	937.51	7.61	1.86
3	Central Projects	1459.01	702.028	4.81	2381.15	1249.96	5.25	0.44
4	Major IPP (UPCL)	241.02	182.59	7.58	170.46	169.62	9.95	2.37
5	Renewable Energy & Bundled Power	1515.65	612.84	4.04	1516.51	636.52	4.19	0.15
6	Other Hydro	15.66	4.39	2.8	21.3	4.37	2.05	-0.75
7	PGCIL & POSOCO Charges		168.495			227.38		0
8	KPTCL Transmission Charges and SLDC		426.028			426.55		0
9	Energy Balancing				-279.44	-3.25	0.12	0.12
Total		6586.425	2916.591	4.428	6668.01	3826.29	5.74	1.312

In this regard, MESCOM shall furnish the basis for projecting the source-wise energy for FY25 with the necessary justification for having projecting reduced/increased quantum of energy/ per unit rates, with substantial increase in the total cost of power purchase cost.

- ii. MESCOM shall furnish the month wise, source wise merit order dispatch considered during FY23 and FY 24 upto November 2023.
- iii. MESCOM, shall furnish the basis with reason for considering the projection of energy/cost for balancing the energy available during the year.
- iv. MESCOM shall furnish the basis and the computation sheet of the fixed cost and variable charges in respect of each of the thermal generating stations and other stations along with necessary documents in support of computation of fixed cost and variable costs.

- v. MESCOM shall furnish source-wise capacity and quantum of energy to be procured from RE projects, for which it has executed the PPAs.
- vi. MESCOM shall furnish the methodology for forecasting the RE energy from different sources for FY25.

4. Distribution Loss:

A. MESCOM's Distribution Losses for FY23:

1. MESCOM in its APR application for FY23 has indicated the actual distribution loss of 8.42% as against approved loss level of 9.10%. MESCOM shall submit the details of the town/city where the distribution loss has reduced and what is the action taken in reducing the loss? If any new technology is being used the same may be highlighted.
2. MESCOM has indicated energy purchase of 6430.14 MU with a transmission loss of 4.93%. However, KPTCL, in its filing has shown the overall transmission loss in the State as 2.977%. This shows that transmission loss in MESCOM area is more. MESCOM shall give the reason for the same, in consultation with the KPTCL, for considering higher transmission loss in MESCOM area.

B. MESCOM's Distribution Losses for FY25:

1. MESCOM, in its ARR application for FY25 has indicated to retain the target distribution loss approved by the Commission for FY 25 as detailed below:

Particulars	Target for distribution loss FY25 in %
Upper Limit	8.85
Average	8.60
Lower Limit	8.35

MESCOM in FY23 has reduced the loss to 8.42% and for FY24 it has projected the loss at 8.85%. MESCOM shall furnish the reasons for projecting a higher loss target as compared to a lower loss already achieved during FY23.

Further, MESCOM's proposal to retain the approved target as 8.60% for FY 25 is not acceptable in view of achievement of loss level of 8.42% in FY23. Hence, MESCOM shall re-assess and propose revised target distribution loss for FY25.

MESCOM shall also submit an action plan for FY25 in reducing the distribution loss and achieving better targets.

5. RPO Compliance:

MESCOM furnishing the details has submitted that it has complied with RPO to the extent of 36.40% against the target of 25% for FY23.

The Commission notes that:

- a) At page 34 the banked energy is indicated as 32.80MU, whereas at page-35 it is indicated as 33.82MU. The data shall be reconciled.
- b) The breakup details for arriving at input energy net of hydro of 4060.72MU shall be furnished.
- c) As per D-1 Format the breakup of RE is as follows:

Source	MU
Bundled solar (old)	9.53
Bundled solar (new)	108.94
Mini-hydel	366.36
Wind	259.10
Solar	716.97
Total	1460.9
Solar roof-top	9.38
Mani	3.61
Shimsha	2.93
Sub Total	15.92
Grand Total	1476.82

However, for RPO compliance 1514.90MU is considered. MESCOM shall furnish source-wise RE energy purchased for FY23 duly reconciling the data with the audited accounts.

- d) In D1 format, energy purchased from power exchange and banking is not indicated for FY23. Also, SRTPV power purchase is not indicated separately. MESCOM shall clarify.

- e) MESCOM shall furnish the hydel energy considered under energy balancing.

6. Cross subsidy surcharge:

MESCOM has submitted that the CSS is worked out as per revised tariff policy dated, 28.01.2016. Accordingly, for FY25 the following CSS is proposed:

Voltage Class	HT1	HT2a	HT2b	HT2C(i)	HT2C(ii)	HT3a	HT4	HT5
66kV & above	1.46	1.60	2.53	1.40	2.22	-	1.17	3.66
HT	1.46	1.55	1.53	1.35	2.22	-	1.12	3.66
LT	1.46	0.87	2.53	0.67	2.02	-	0.44	3.66

The observations on CSS are as follows:

- a) In the above Table under LT category, CSS is indicated for HT categories which is not correct. For LT Categories, category-wise CSS shall be furnished separately.
- b) In Annexure-3 working details for arriving at the voltage-wise cost of supply shall be furnished. Also, the heading in the last two columns should be rectified as CSS and not voltage-wise cost of supply as indicated.

7. Additional Surcharge:

MESCOM has submitted that the ASC has been computed as per the order of the Commission dated, 17.11.2023. accordingly, the ASC works out to Rs.1.93/unit, which is proposed to be levied.

MESCOM may clarify as to whether concessions to RE sources in ASC has to be continued. If so how much concession is to be given?

8. APR On APR FY23 & ARR FY25:

1. In Format D-11, an amount of Rs.13.95 Crores is indicated as "Other Debits". MESCOM shall furnish the breakup for this expenditure.
2. In Format D-2, revenue of Rs.34.62 Crores is observed to be reflected against "wheeling consumption" which appears to be cross subsidy surcharge and additional surcharge. MESCOM shall furnish the amount of Cross Subsidy Surcharge and Additional Surcharge recovered from the consumers in FY2022-23, separately.

3. Pay scales of employees of KPTCL / ESCOMs have been revised with effect from 01.04.2022 and the arrears relating to the period FY2022-23 is ordered to be paid in the current year i.e., FY2023-24. MESCOM shall confirm whether the arrears relating to FY2022-23 is incorporated in the Annual Accounts for FY2022-23 and shall also furnish amount of pay revision arrears so paid.
4. In Format D-15, the details relating to the Gross Fixed Assets created out of consumer contribution and grants are not reflected. MESCOM shall furnish the details in the following format.

FY 2022-23 (Actual)				
Particulars	Opening Balance	Addition	Retirement	Closing Balance [2+3-4]
1	2	3	4	5
Capital Subsidy / Grants received from GOK / GOI				
Consumers' contribution towards capital assets				
Total:				

FY 2023-24 (projections)				
Particulars	Opening Balance	Addition	Retirement	Closing Balance [6+7-8]
1	6	7	8	9
Capital Subsidy / Grants received from GOK / GOI				
Consumers' contribution towards capital assets				
Total:				

FY 2024-25 (projections)				
Particulars	Opening Balance	Addition	Retirement	Closing Balance [6+7-8]
1	6	7	8	9
Capital Subsidy / Grants received from GOK / GOI				
Consumers' contribution towards capital assets				
Total:				

5. Special Incentive Scheme (SIS) and Discounted Energy Rate Scheme (DERS): MESCOM shall furnish the impact of the schemes in the following format:

Particulars	No. of consumer under the scheme as on 31.03.2023	No. of consumer under the scheme as on 31.10.2023	Additional consumption due to the scheme in FY2022-23	Additional consumption due to the scheme during the period from Apr-2023 to Oct-2023

			(MU)	(MU)
SIS				
DERS				
Total:				

Further, BESCO has proposed for revisiting the terms & conditions / base consumption of the SIS and DERS schemes. In this regard, MESCOM shall submit its comments and a comprehensive proposal of the scheme for consideration.

6. MESCOM shall submit the Audited Accounts with Annual Report for FY23 covering both technical and financial performance.
7. MESCOM in its filing has considered the actual amount of Rs.48.6058 Crores for FY23 and Rs.46.60 Crores and Rs.50.73 Crores respectively for FY24 and FY25 towards depreciation on assets created out of consumer contribution / grants. MESCOM shall submit the details of assets created and depreciation thereon on the assets created out of consumer contributions / grants (OB, addition, CB and depreciation) for FY23 (actual) and FY24 and FY25 (estimated).
8. MESCOM in its filing in D-11 Format, as per audited accounts has claimed Rs.13.9536 Crores as other debits for FY23. MESCOM shall submit the details for the same.
9. MESCOM shall submit the details for inclusion of pay revision amount due to its employees from 01.04.2022 under employees cost for FY23.
10. MESCOM under format D-14 has indicated Rs. (-)65.08 Crores as other adjustment along with the capitalization of capital expenditure of Rs.620.88 Crores for FY23. MESCOM shall submit the details for the same.
11. MESCOM in its APR application under Table -3 has elaborated and claimed Rs. 1,250.91 Crores as trued up deficit of previous years from FY2007-2008 to FY2021-22. MESCOM though indicated this amount in the format A-1 Profit & Loss account has not included this amount in arriving the annual revenue requirement for FY23 to FY25. The Commission in its Tariff Order 2023 dated 12.05.2023 on the similar claims made by MESCOM in its Tariff application has made its observation and decisions very clearly on the same. Now, in spite of Commission's decision on the same issue, MESCOM in the present Tariff application has raised the same issue once again without any basis. MESCOM shall submit the explanation for disobeying the decisions of the Commission on the same issue.

12. MESCOM shall submit the Audited Accounts with Annual Report for FY23 covering both technical and financial performance.
13. MESCOM, in its filing has considered the actual amount of Rs.48.6058 Crores for FY23 and Rs.46.60 Crores and Rs.50.73 Crores respectively for FY24 and FY25 towards depreciation on assets created out of consumer contribution / grants. MESCOM shall submit the details of assets created and depreciation thereon on the assets created out of consumer contributions / grants (OB, addition, CB and depreciation) for FY23 (actual) and FY24 and FY25 (estimated).
14. MESCOM in its filing, in D-11 Format, as per audited accounts has claimed Rs.13.9536 Crores as other debits for FY23. MESCOM shall submit the details for the same.
15. MESCOM shall submit the details for inclusion of pay revision amount due to its employees from 01.04.2022 under employees cost for FY23.
16. MESCOM, in Format D-14 has indicated Rs. (-)65.08 Crores as other adjustment along with the capitalization of capital expenditure of Rs.620.88 Crores for FY23. MESCOM shall submit the details for the same.
17. MESCOM, in its APR application in Table -3 has elaborated and claimed Rs. 1,250.91 Crores as trued up deficit of previous years from FY2007-2008 to FY2021 Though MESCOM has indicated this amount in the Format A-1 (Profit & Loss account) it has not included this amount while arriving at the annual revenue requirement for FY23 to FY25. The Commission, in its Tariff Order 2023 dated 12.05.2023 on a similar claim made by MESCOM, in its Tariff application for FY24, the Commission has explicitly made its observation and decision clear on the issue. It is to reiterate that the scope of APR (truing up) is limited to comparing the approved and actual expenses with reference to the audited accounts and upon such a comparison, to pass order orders on sharing of gains/ losses. There is no scope of truing up of revenue once the effect of truing up of a given year is passed on to the consumers in the ensuing ARR of the subsequent year. Now, despite Commission's decision on the issue, MESCOM, in the present Tariff application has again raised the same issue arbitrarily without, any basis. MESCOM shall submit the explanation for disobeying the Order/ decision of the Commission on the issue.

9. Directives:

Directive No	Directives Issued by the Commission	Observation made
NEW .1	Linking of RR Numbers to Aadhaar Number of IP sets having a sanctioned load of 10 HP and below	MESCOM shall furnish the details of RR numbers linked to the Aadhaar numbers of IP sets having sanctioned load of 10 HP and below till November 2023, duly giving reasons for not achieving 100 % progress. The details may be furnished in an abstract form, giving division-wise total no. of IP sets availing free power, No. of IP sets linked to Aadhaar No. and the balance yet to be linked along with reasons for the same.
Exiting Directives 3	Directive on implementation of Standards of Performance (SoP)	<p>KERC (Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters) Regulations, 2022 was notified in the gazette on 14.10.2022.</p> <p>In respect of consumers' SoP, it is specified that the Distribution Licensee shall develop a suitable mechanism for automatic payment of Compensation and also to register the claim for compensation in case of non-compliance of Standards of Performance, within six (6) months from the date of Notification.</p> <p>In the meeting held in the Commission on 28.08.2023, this aspect was also reviewed. In spite of this, MESCOM has not furnished the progress in this regard.</p> <p>Therefore, the Mechanism put in place for Automatic Payment of Compensation by the MESCOM shall be furnished with details and if not developed so far, reasons for not adhering to the Regulations issued by the Commission shall be submitted.</p> <p>Further, from the compliance it is noted that the amount claimed by the Consumers for violation of SoP is nil which goes to show that Consumers are not aware of this facility. MESCOM is directed to furnish details of awareness programme conducted in this regard.</p>
4	Directive on use of safety gear by linemen	MESCOM shall submit the details of the number of regular and contract basis field staff working and the number of staff provided with the safety gear till November 2023.
6	Directives on Energy Audit	<p><u>Energy Audit of cities / towns</u></p> <p><u>Energy Audit of cities / towns</u></p> <p>MESCOM shall furnish the details of consumer indexing till</p>

Directive No	Directives Issued by the Commission	Observation made
		<p>November 2023 and to confirm whether the consumer tagging work of Shivamogga and Chikkamagaluru Circles has been completed or still in progress and timeline for completing the same for taking up energy auditing effectively.</p> <p><u>DTCs Energy Audit:</u></p> <p>The MESCOM has stated that 50,064 numbers of DTC's are metered and 53,943 number of DTCs are yet to be metered. MESCOM shall furnish remedial measures initiated to reduce losses in the DTCs and the timeline by which all the balance DTCs will be metered and audited.</p> <p>MESCOM shall submit the details of energy audit conducted for the metered DTCs for FY23 and for FY24 till October 2023 and the timeline for conducting the EA of all the DTCs. MESCOM shall also indicate the action taken to reduce the losses in high loss making DTCs.</p>
9	Prevention of Electrical Accidents	<p>MESCOM shall furnish the details of hazardous locations identified by it, the number of hazardous locations rectified during FY23 and FY24 the balance nos. to be rectified till November 2023 along with an action plan to rectify them. It is noted that fatal electrical accidents are occurring unabated which goes to show that hazardous network in the Distribution system is not being attended.</p> <p>The Commission also issued Safety Technical Manual which provides guidelines to field staff to identify and attend to such networks and reduce the occurrence of the electrical accidents. Action taken by the MESCOM in this regard shall also be furnished.</p> <p>MESCOM shall furnish the summary of the analysis made on the reports submitted by Electrical Inspectorate for FY23 and for FY 24 up to September 2023, action taken to prevent such accidents in future.</p>

Annexure-1

Break up of actual capital expenditure.

Sl. No.	Particular of the works under Major/ Minor heads	Commission approved Capex in Rs. Crores for FY23	Expenditure incurred for FY23 in Rs. Crores	Total Number of works	Expenditure pertains to spill over works in Rs. Crores	Number of Spill over works	Expenditure pertains to Fresh/New works in Rs. Crores	Number of Fresh/New works	Remarks for exceeding /underutilization of capex
1.	Extension & Improvement (E&I) works (Additional Transformers, Link-Lines, HT/LT Re-conductoring, HVDS, UG/AB Cable etc.)								
2.	DTC metering								
3.	Replacement of MNR/DC Electromagnetic meters by Static meters and SMART Metering								
4.	Replacement of faulty Distribution Transformers								
5.	Service Connection including promoter vanished layout works								
6.	Rural Electrification (General)								
a.	Electrification of Hamlets								
b.	Energization of general IP sets including Ganga Kalyana								
c.	Electrification of BPL Households								
	Sub- Total								
7.	Tribal Sub-Plan								
a.	Electrification of Tribal Colonies								

b.	Energisation of IP sets								
c.	Improvement works in Tribal colonies								
	Sub- Total								
8.	Special Component Plan								
a.	Electrification of S.C Colonies								
b.	Energization of IP sets								
c.	Improvement works in S.C. colonies								
	Sub- Total								
9.	Tools & Plants & Computers								
10.	Civil Engineering Works								
11.	IT infrastructure and Software, DSM								
12.	33 KV Station and Line Works (UG/AB cable)								
13.	Solar Roof top on Company Buildings								
14.	EV Charging Stations								
15.	Deen Dayal Upadyaya Grama Jyoti Yojana (DDUGJY)								
16.	IPDS: System improvement & Strengthening works in R-APDRP / statutory towns (includes metering/solar rooftop on Govt. Office)								
17.	IPDS: Gas insulated								

	substations								
18.	IPDS (Integrated Power Development Scheme) Phase II-IT)								
19.	Providing Infrastructure to regularized UIP and general IP								
20.	Improvement works for Model Electricity Village								
21.	Improvement works for Model Sub-division								
TOTAL									

MESCOM

Reply to the Preliminary Observations on the Applications filed by the MESCOM for approval of APR for FY23 and ARR for FY25 & Retail Supply Tariff for FY25 under MYT Framework.

1. Observations on Sales:

A. Sales- Other than IP sets:

i) Data inconsistency:

a.	LT3 sales for FY23 as per actuals are indicated as 445.61MU in D-2 Format, whereas at page-20 it is indicated as 445.08MU. Similarly, for LT7 energy is indicated as 24.74MU in D-2 Format whereas at page-20 it is indicated as 25.27MU.																									
b.	LT3 sales for FY23 as per actuals are indicated as 445.61MU in D-2 Format, whereas at page-20 it is indicated as 445.08MU. Similarly, for LT7 energy is indicated as 24.74MU in D-2 Format whereas at page-20 it is indicated as 25.27MU.																									
c	For FY23, in Table-5.3 the LT3 actual number of installations is indicated as 244446, whereas in D-2 Format it is indicated as 245319. Similarly, for HT2(a) and HT2(c) it is indicated as 1047 and 346 respectively in Table-5.3 whereas as per D-2 Format it is 1048 and 345 respectively.																									
Reply	<p>In the TO 2023, LT-7(b) is reclassified as LT-3(b). This change is effective from FY-24.</p> <p>Hence in the prescribed format the No. of Installations, Sales, Revenue Demand and Avg. rate per unit shown under LT-3(b) for FY-2022-23 is of LT-7(b) and hence the data shown in Page No 20 is correct.</p> <table border="1" style="width: 100%; text-align: center;"><thead><tr><th>Tariff</th><th>Installation</th><th>Sales MU</th><th>Demand (Rs crs)</th><th>Avg Rate Ps/unit</th></tr></thead><tbody><tr><td>LT-3</td><td>244446</td><td>445.08</td><td>482.99</td><td>1085</td></tr><tr><td>LT-7(a)</td><td>21944</td><td>24.74</td><td>63.21</td><td>2555</td></tr><tr><td>LT-7(b)/shown under LT-3(b)</td><td>873</td><td>0.53</td><td>0.91</td><td>1721</td></tr><tr><td>Total LT-7</td><td>22817</td><td>25.27</td><td>64.13</td><td>2538</td></tr></tbody></table> <p>The No of Installation respectively shown as 1047 under HT-2(a) and 346 HT-2(c) [i.e., HT-2(c)(i) 148 & HT-2(c)(ii) 198] in Page 39 Table 5.3 is Correct. The same may kindly be considered.</p>	Tariff	Installation	Sales MU	Demand (Rs crs)	Avg Rate Ps/unit	LT-3	244446	445.08	482.99	1085	LT-7(a)	21944	24.74	63.21	2555	LT-7(b)/shown under LT-3(b)	873	0.53	0.91	1721	Total LT-7	22817	25.27	64.13	2538
Tariff	Installation	Sales MU	Demand (Rs crs)	Avg Rate Ps/unit																						
LT-3	244446	445.08	482.99	1085																						
LT-7(a)	21944	24.74	63.21	2555																						
LT-7(b)/shown under LT-3(b)	873	0.53	0.91	1721																						
Total LT-7	22817	25.27	64.13	2538																						

c	For FY24, at page-40 the number of installations under LT-3 category is 252420, whereas as per D-2 Format, it is 253293. Similarly, the HT2(a), it is indicated as 1075 in page-40, whereas as per D-2 Format it is 1076.
Reply	In the TO 2023, LT-7(b) is reclassified as LT-3(b). This change is effective from FY-24. The No. of Installations 253293 (i.e., 252420+873) shown under LT-3 in D-2 format is correct. The No. of Installations 1075 shown under HT-2(a) in Page-40 is correct. However, No. of Installations 1076 shown in D-2 is incorrect. Total Number of Installations will be 27,02,462 for FY 24(RE).
d	For FY25, at page-40 the number of installations under LT-3 category is 260532, whereas as per D2 format, it is 261405. Similarly, the HT2(a), it is indicated as 1102 in page-40, whereas as per D-2 Format it is 1103.
Reply	In the TO 2023, LT-7(b) is reclassified as LT-3(b). This change is effective from FY-24. The No. of Installations 261405 (i.e., 260532+873) shown under LT-3 shown in D-2 format is correct. The No. of Installations 1102 shown under HT-2(a) in Page-40 is correct. However No. of Installations 1103 shown in D-2 is incorrect. Total Number of Installations will be 27,68,861.
e	For FY24, at page-42 the sales under LT3 category are 455.67MU, whereas as per D2 format, it is 456.22MU.
Reply	In the TO 2023, LT-7(b) is reclassified as LT-3(b). This change is effective from FY-24. Hence, sales under Lt-3 as shown in D-2 being 456.22 MU are correct.
f	For FY25, at page-42 the sales under LT3 category are shown as 474.73MU, whereas as per D-2 Format, it is 475.30MU.
Reply	In the TO 2023, LT-7(b) is reclassified as LT-3(b). This change is effective from FY-24. Hence, sales under Lt-3 as shown in D-2 being 475.30 MU are correct.
g	For FY25, at page-43 the sales under HT2(c) category are shown 42.49MU, whereas as per D-2 Format, it is 142.49MU.
Reply	The sales under HT2(c) as shown in D-2 Format being 142.49 MU are correct.

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 Superintending Engineer (Ele.) Commercial
 MESCOM, Corporate Office
 Mangaluru - 575 004

ii) **Annual Performance Review for FY23:**

The category-wise sales approved by Commission and the actuals for FY 23 are indicated in the table - (Noted):

i	Increase in Sales under LT2 A and HT-3 categories are noted
ii	Overall achievement in sales by 103% as compared to approved sales is noted.
iii	MESCOM shall analyze the reason for decrease in sales of LT-2a & HT-3 categories with a view to find out possible ways to increase in sales to LT3 and HT-2a categories.
Reply	<p>a. During the year 2021-22 the domestic consumption was comparatively high due to Covid-Lockdown situations and work from home system. However, during 2022-23 the lockdown condition was relaxed and domestic consumption came to normal. Therefore, the actual consumption is less than the approved figure.</p> <p>b. Due to the continuous rain fall the electricity consumption by Lift Irrigation Installation (HT-3) has reduced during FY 2023.</p> <p>Out of 58 installations, 52 are in Shivamogga Zone. And 6 are in Mangalore Zone. Out of 52 of Shivamogga Zone 22 installations are in Chikkamagaluru Division and 16 are in Kaduru Division.</p> <p>The rain fall data from Jan-22 to Dec-22 at Chikkamagaluru district shows 2278 mm as against normal rain fall of 1833mm. In the place of Chikkamagaluru itself the rain fall was 2069 mm as against normal rain fall of 836 mm.</p> <p>Similarly in Kadur, the rain fall data from Jan-22 to Dec-22 at Chikkamagaluru district was 1059 mm as against normal rain fall of 639 mm.</p> <p>Submitted for kind information of the Hon'ble Commission.</p> <p>c. With regard to BJ/KJ consumption, the calculation to be made including the consumption from '0' as calculated under LT-2 (a) Tariff. The average BJ/KJ consumption works out to 24.74 units only per month.</p>

iv MESCO shall furnish the details of category-wise sales under Discounted Energy Rate System (DERS) and special incentive schemes, as this may be one of the factors for increase in sales.

Further, The FY23 specific consumption of LT-2a category works out to 77.99 units/installation/month, whereas the same for BJ/KJ installations consuming more than 40 units/month is 83.70 units/installation/month, which appears to be higher. MESCO shall furnish the reasons for such high specific consumption in BJ/KJ installations consuming more than 40 units/month.

Reply

The Category-wise sales during FY 23 under DERS is as below;

Tariff Category	Sum Total of Energy above the Base Consumption FY 23
HT-2A	33.55
HT-2B	0.48
HT-2C(I)	0.48
HT-2C(II)	1.15
Total Energy under DERS	35.65

Category-wise sales during FY 23 under SIS is as below;

Tariff Category	Sum Total of Energy under Special Incentive Scheme		
	Sum total of Excess Energy above the base In time slot 10.00 Hrs to 18.00 Hrs	Sum total of Energy In time slot 22.00 Hrs to 06.00 Hrs	Total energy under SIS
HT2A	88.39	198.74	287.14
HT2B	1.68	7.07	8.75
HT2C (i)	1.07	3.90	4.96
HT2C (II)	0.15	2.09	2.25
TOTAL	91.29	211.81	303.10

B. Sales to IP sets:

Reply to the observations On Annual Performance Review for FY23:

Sales to IP sets for FY23:

a	<p>The Commission, in the APR for FY22, vide its tariff order 2023 has approved the total sales to IP sets as 1,492.01 MU with a specific consumption of 4,030 units per IP set per annum with installations 3,78,493 numbers. MESCOM, in its current filing has indicated the sales to IP sets as 1,643.06 MU for FY23 with a specific consumption of 4,185 units per IP set per annum with installations 3,92,524. The Commission notes that there is an increase in the number of installations, specific consumption and total sales by 14,031, 155 units per IP set per annum and 151.05 MU respectively for FY23 as compared with the approved sales for FY22. The reason for increase in the number of installations, specific consumption and sales for FY23 needs to be explained.</p>												
b	<p>The details of sales to IP sets for FY23 as approved by the Commission in its tariff order 2022 and the actual sales as furnished by MESCOM in its current Tariff Filing are as follows;</p> <table border="1" data-bbox="347 808 1471 1144"> <thead> <tr> <th data-bbox="347 808 794 927">Particulars</th> <th data-bbox="794 808 1123 927">As approved by the Commission in TO 2022</th> <th data-bbox="1123 808 1471 927">As submitted by MESCOM in Tariff Filing for APR 23</th> </tr> </thead> <tbody> <tr> <td data-bbox="347 927 794 976">Number of installations</td> <td data-bbox="794 927 1123 976">3,96,885</td> <td data-bbox="1123 927 1471 976">3,92,524</td> </tr> <tr> <td data-bbox="347 976 794 1059">Mid-year number of installations</td> <td data-bbox="794 976 1123 1059">3,88,135</td> <td data-bbox="1123 976 1471 1059"></td> </tr> <tr> <td data-bbox="347 1059 794 1144">Specific consumption in units / installation / annum</td> <td data-bbox="794 1059 1123 1144">4,411.83</td> <td data-bbox="1123 1059 1471 1144">4,185</td> </tr> </tbody> </table> <p>MESCOM has to furnish the reasons for the decrease in sales by 69.33 MU and specific consumption by 226.83 units per IP set per annum. It is also observed that there is decrease in the number of IP set installations by 4361 as compared to the approved figures. MESCOM shall clarify the same.</p>	Particulars	As approved by the Commission in TO 2022	As submitted by MESCOM in Tariff Filing for APR 23	Number of installations	3,96,885	3,92,524	Mid-year number of installations	3,88,135		Specific consumption in units / installation / annum	4,411.83	4,185
Particulars	As approved by the Commission in TO 2022	As submitted by MESCOM in Tariff Filing for APR 23											
Number of installations	3,96,885	3,92,524											
Mid-year number of installations	3,88,135												
Specific consumption in units / installation / annum	4,411.83	4,185											
Reply (a & b)	<p>As observed by Hon'ble Commission the actual number of IP Set installations for the year 2022-23 was decreased by 4361 numbers as against approved no of installations i.e. 396885. However it is submitted that actual number of IP Set installation increased during 2022-23 by 14031 when compared to 2021-22 i.e., 3,92,524 as on 31.03.2023.</p> <p>As the actual number of IP Set installations is less than the Hon'ble Commission approved no of installations, the actual consumption of IP Set installations is also comparatively less to the approved consumption. It is also kindly submitted that, the consumption will depend upon the usage pattern of the individual consumer.</p>												

c	MESCOM shall submit the signed copies of the calculation sheet and the abstract for FY24 up to November 2023 deducting the feeder-wise actual losses from the consumption recorded in the feeders as per the format prescribed by the KERC. MESCOM is directed to furnish the soft copy of the calculation sheets substantiating its claim of sales in respect of IP sets for FY23 and for FY24 till November 2023.
Reply	Signed Copies of month wise (Apr-23 to Sept-23) IP set consumption details are enclosed as ANNEXURE - A to F . The soft Copy of the same in detail will be submitted through e-mail on 28.12.2023.

C. Category wise sales other than IP sets, FY24:

- i. The observations of the Commission on sales forecast for FY24 for categories other than IP Sets are as follows:

i) **Methodology:**

a	It is observed that for estimating number of installations trend method is adopted. It would be advisable to estimate the number of installations based on CAGR.
Reply	MESCOM has been applying trend method for estimating number of installations and CAGR to estimate the energy. The estimated data are found reasonable. Therefore the Hon'ble Commission is requested kindly to consider the same projected number of installations.
b	Working sheets for computation of installations indicating category-wise growth rates shall be furnished. In case of LT2b, LT4c, LT6 water supply and street lighting, HT2a, HT2c and HT4 categories, even though there is increase in number of installations, the FY24 sales are retained for FY25 also. Considering the addition of new installations, there should be some increase in sales. MESCOM shall clarify.
Reply	The working sheet for computation of installations is attached vide ANNEXURE- 1 . Reason for not increasing the energy in following tariff categories even if there is increase in number of installations is submitted below;

Tariff	FY23	FY24	FY25	FY23	FY24	FY25	Reason
	Installation			Energy			
LT2b(i)	1890	1952	2008	9.56	9.83	9.83	CAGR is 2.82 %. If it is considered there will be minor increase of 0.32 mu.
LT2b(l)	1846	1846	1846	7.22	7.22	7.22	CAGR> 5 i.e., 5.79%
LT4c	5464	5775	6068	6.60	6.60	6.60	(-)ve CAGR 3.56%
LT6	47523	49658	51714	227.14	227.14	227.14	CAGR> 5 i.e., 6.16%
HT2a	1048	1076	1103	847.25	847.25	847.25	CAGR> 5 i.e., 7.28%
HT2c	346	358	370	142.49	142.49	142.49	CAGR< 1 i.e., 0.78%
HT4	72	74	77	24.53	24.53	24.53	CAGR> 5 i.e., 5.13%

The Hon'ble Commission is requested to consider the projected energy as proposed.

ii **The Commission notes that the growth rate considered by MESCOM is lower for LT3, LT5, LT WS & SL and all HT categories as compared to the CAGR. MESCOM may consider revising the same.**

Reply MESCOM has been applying trend method for estimating number of installations and CAGR to estimate the energy. The estimated data are found reasonable. Therefore the Hon'ble Commission is requested kindly to consider the same projected number of installations.

iii **The sales to HT3 category has reduced drastically in FY23 when compared to FY22. The reasons shall be analyzed.**
Considering the CAGR, the growth rate for the energy sales considered by MESCOM is lower for LT2(b), LT-5, LT-6 WS & SL, and for HT2(a) and HT4 categories. MESCOM may consider revising the sales to the above categories

Reply Due to the continuous rain fall the electricity consumption by Lift Irrigation Installation has reduced during FY 2023.
Out of 58 installations, 52 are in Shivamogga Zone. And 6 are in Mangalore Zone. Out of 52 of Shivamogga Zone 22 installations are in Chikkamagaluru Division and 16 are in Kaduru Division.
The rain fall data from Jan-22 to Dec-22 at Chikkamagaluru district shows 2278 mm as against normal rain fall of 1833mm. In the place of Chikkamagaluru itself the rain fall was 2069 mm as against normal rain fall of 836 mm.
Similarly in Kadur, the rain fall data from Jan-22 to Dec-22 at Chikkamagaluru district was 1059 mm as against normal rain fall of 639 mm.

D. Sales to IP sets for FY25:

a. Projected sales to IP Sets for the FY25:

i	Detailed calculations on number of installations projected for remaining months of FY24 and for FY25 are not furnished.																		
Reply	MESCOM has applied trend method for estimating number of installations year on basis, since it covers the growth pattern of the entire year. Therefore the Hon'ble Commission is requested kindly to consider the projected number of installations as proposed.																		
ii	The number of IP set installations added to the system for FY23 is 14,031 and IP set installations to be added for FY24 is 15,749, whereas, the numbers of IP installations estimated for FY25 is 15,320. MESCOM shall furnish the rationale for this.																		
Reply	While projecting the installation for FY 24, the trend pattern for previous 3 years from FY 21 gives the result of 15749 additions. Similarly, while projecting the installation for FY 25, the trend pattern of preceding years from FY 21 gives the result of 15320. The resultant additions depend on the installations growth patten over the preceding years. Hence the addition during FY 25 is less when compared to the additions of FY 24(RE).																		
iii	The methodology adapted for computing the specific consumption in units per IP set per annum and the total sales estimated for FY25 shall be furnished.																		
Reply	The methodology adapted for computing the specific consumption in units per IP set per annum the total sales estimated for FY25 is as below; <table border="1" data-bbox="343 1444 1257 1697"> <tr> <td>a</td> <td>Sales under LT-4(a) for FY 23:</td> <td>1643.06 MU</td> </tr> <tr> <td>b</td> <td>No of Installations in FY 22</td> <td>378493</td> </tr> <tr> <td>c</td> <td>No of Installations in FY 23</td> <td>392524</td> </tr> <tr> <td>d</td> <td>No. of Installations added during the year</td> <td>14031</td> </tr> <tr> <td>e</td> <td>Mid-Year No. of Installations</td> <td>385508</td> </tr> <tr> <td>f</td> <td>Specific consumption (a/e)</td> <td>4262 MU</td> </tr> </table>	a	Sales under LT-4(a) for FY 23:	1643.06 MU	b	No of Installations in FY 22	378493	c	No of Installations in FY 23	392524	d	No. of Installations added during the year	14031	e	Mid-Year No. of Installations	385508	f	Specific consumption (a/e)	4262 MU
a	Sales under LT-4(a) for FY 23:	1643.06 MU																	
b	No of Installations in FY 22	378493																	
c	No of Installations in FY 23	392524																	
d	No. of Installations added during the year	14031																	
e	Mid-Year No. of Installations	385508																	
f	Specific consumption (a/e)	4262 MU																	
iv	MESCOM shall furnish the CAGR details about computing the number of installations, specific consumption and sales for 3 years and 5 years. MESCOM shall submit the comparison of the trend with CAGR for the projection for FY25.																		

Reply	The details are submitted as below;							
	No. of IP Installation <10 HP:							
	FY18	FY19	FY20	FY21	FY22	FY 23	CAGR %	
							5 year	3 year
	3,06,053	3,26,187	3,44,482	3,61,885	3,78,493	3,92,524	5.10 %	4.45 %
	Comparison of No. of IP Installation for FY 25 under Trend and CAGR:							
	As filed in tariff application under Trend Method		As per 5 year CAGR		As per 3 year CAGR		Remarks	
	FY 24	FY 25	FY 24 - RE	FY 25	FY 24- RE	FY 25	Nil	
	4,08,273	4,23,593	4,12,553	4,33,604	4,09,983	4,28,219		

E. Validation of Sales:

For validation of sales, category wise information in the prescribed format is submitted as below;

a	No. of Installations
Reply	The Details are submitted in ANNEXURE- 2
b	Energy Sales:
Reply	The Details are submitted in ANNEXURE-3

F. Sales to MSEZ:

Sales to MSEZ as considered by MESCOM and MSEZ are reconciled as submitted as follows:

Year	Energy as in MESCOM Tariff Application (MU)	Energy after Reconciliation (MU)	Remarks
FY- 23	67.35	67.37	67.37 MU is acceptable

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[Signature]
 Superintending Engineer (Ele.) Commercial
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Further to submit that, the energy approved for FY 23 to MESZ from MESCOM at IF point was 44.1825 MU. However, as shown above the actual energy to M/s MSEZ is 67.37 MU.

For FY24 the energy approved to MESZ from MESCOM at IF point is 62.49 MU. Due to increase in sales to MSEZ observed in FY23, the actual energy of FY 23 is retained for projections for FY24 and for FY25.

2. Observations on CAPEX:

A. APR for FY23:

- a. **MESCOM, in its filing of APR of FY23, has indicated the actual CAPEX of Rs. 464.86 Crores incurred for FY23, as against the Commission reckoned CAPEX of Rs.550 Crores considered for determination of ARR for FY23. In view of this MESCOM shall furnish the following details:**

b	MESCOM shall submit the details of source of fund for Rs.464.86 Crores incurred during FY23.
Reply	Details regarding the source of fund for Rs 464.86 Crs incurred during FY 23 is enclosed vide ANNEXURE-4
c	<p>E & I work: Abstract of physical and financial progress in respect of additional transformers, link lines, HT/LT reconductoring, HVDS and UG/AB cable etc., for having incurred CAPEX of Rs.164.38 Crores and quantified analysis in respect of reduction in HT/LT ratio, line losses, benefits achieved for reconductoring works as per DPR.</p> <p>The Commission has withdrawn the Directives for implementation of HVDS scheme, whereas MESCOM has indicated same in the filing without furnishing the break-up details. In this regard, MESCOM shall furnish the details and reason for incurring expenditure despite commission's earlier directions not to incur any capex on HVDS.</p>
Reply	E & I work: Abstract of physical and financial progress in respect of additional transformers, link lines, HT/LT reconductoring, HVDS and UG/AB cable etc., for having incurred capex of Rs.164.38 Crores is submitted in ANNEXURE-5

d	<p>Division-wise abstract of number of IP sets energized and cost incurred thereon, under energization general IP sets and GK schemes for having incurred capex of Rs.99.17 Crores separately. The details of amount of capital grants received and balance amount to be received from the Government of Karnataka and action taken thereon with relevant references in respect of GK works, may be furnished.</p>
Reply	<p>The Division-wise abstract of number of IP sets energized and cost incurred thereon, under energization general IP sets and GK schemes for having incurred capex of Rs.99.17 Crores is enclosed vide ANNEXURE-6. The details of the amount to be received from various corporation in respect of GK works are also enclosed.</p>
e	<p>Division-wise abstract of capacity-wise replacement of faulty transformers by new transformers with reasons for having incurred amount of Rs.2.37 Crores.</p>
Reply	<p>New transformers were used for replacement of faulty transformers to the extent of transformers scrapped during the year. Details if the division wise abstract of capacity wise replacement of faulty transformers in enclosed vide ANNEXURE-7</p>
f	<p>Under Model sub division works for FY23, furnish an abstract of number of works sanctioned, Completed, balance number of works to be taken up, benefits to the consumers, details source of funding for capex for Rs.56.20 Crores along with benefits achieved as per DPR.</p>
Reply	<p>The work of Conversion of Overhead system by UG cables with conversion of LT Overhead lines by LT UG cables, providing RMUs, providing Spun poles to the existing DTCs and other works on Total Turnkey in the following 13 nos. of 11kV feeders in Attavara sub-division of Mangaluru division-1 of Mangaluru Circle was awarded to M/s. Asain Fab Tech Ltd., Bengaluru on 18-07-2018 for the total award cost of Rs. 90,91,14,700/- and the work is completed & commissioned in all aspects on 30-12-2022.</p>

The Details of the works are as below;

Model Sub-division works in Attavara sub-division of Mangaluru division-1 of Mangaluru Circle, MESCOM

Name of the 11kV feeders	Estimated cost (In Rs.)	Actual cost (In Rs.)	Conversion of 11kV lines in kms	Conversion of LT lines in Kms	Total no. of consumers benefited in Nos.	HTVR in %	
						Before	After
South warf	9,54,28,700	8,91,03,200	11.044	26.574	1281	0.71	0.65
Muttappa	12,73,06,000	9,84,35,742	12.724	21.573	1737	0.87	0.56
Gokarnan	20,96,84,000	14,85,00,000	15.999	65.034	1216	4.05	4.01
BEM					1337	1.02	0.77
MPT					1830	0.68	0.60
Cartstreet	13,49,81,000	8,53,11,000	9.305	26.942	2298	1.07	0.87
Market	5,80,68,000	4,23,07,550	5.917	12.258	1585	1.47	1.20
Vishwabhavan	4,09,81,000	4,07,00,200	5.386	8.14	486	0.90	0.82
Vivek	4,92,47,000	3,67,50,100	5.431	9.332	1160	0.38	0.32
Ansari					356	0.16	0.12
Pragathi					384	2.42	2.38
Dongarakeri	8,72,98,000	6,41,32,580	8.746	7.066	149	2.63	2.53
Pandeshwara	10,61,21,000	7,66,70,961	9.896	19.247	1832	1.0	0.45
Total	90,91,14,700	68,19,11,333	84.45	196.17	15651		

Model Sub-division works in CSD-1 sub division of Shivamogga division, Shivamogga Circle, MESCOM

The work of Conversion of Overhead system by UG cables in 11kV **AF-10, TCF-2 & TCF-9 feeders** with conversion of LT Overhead lines by LT UG

cables, providing RMUs, providing Spun poles to the existing DTCs and other works on Total Turnkey in CSD-1 sub division of Shivamogga division, Shivamogga Circle was award to **M/s. Larsen & Toubro Ltd., Chennai on 18-07-2018** for the total award cost of **Rs. 46,45,29,006/-** and the work is completed & commissioned in all aspects on **10-07-2022**.

The work in respect of Conversion of Overhead system by UG cables in 11kV MRS F-2 & MRS F-4 feeders was awarded to **M/s. Aravinda Elctricals, Bangalore** on **30-06-2021** for the total award cost of **Rs. 17,41,50,881/-**. The actual cost of the work is **Rs. 18,34,59,399/-** and the work is completed & commissioned in all aspects on **25-09-2022**.

The Details of the works are as below;

Name of the 11kV feeders	Estimated cost (In Rs.)	Actual cost (In Rs.)	Conversion of 11kV lines in kms	Conversion of LT lines in Kms	Total no. of consumers benefited in Nos.	HTVR	
						Before	After
MRSF-2 Feeder	17,41,50,881.61	18,34,59,399	10.6	22.4	4355	8.70	7.81
MRSF-4 Feeder			10.3	22.1	5461	7.93	6.17
TCF-2-LBS Nagara Feeder	18,91,79,470	17,81,57,538	29.38	23.04	3719	6.68	4.78
TCF-9- Guddappa Shed Feeder	7,44,52,138	7,30,73,878	11.04	7.68	5972	2.87	2.20
AF-10 Gandhi Nagar Feeder	20,08,97,403	21,57,49,825	25.69	41.16	6594	6.09	3.92
F3-ZP office (New feeder)					2798		1.46
Total	638679892.60	650440640	87.01	116.38	28899		

g List of works carried out under 33KV Station and Line works for having incurred amount of Rs.19.06 Crores.

Reply List of works carried out under 33KV Station and Line works for having incurred amount of Rs.19.06 Crores is enclosed vide **ANNEXURE-8**

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h	Break up of actual capital expenditure incurred during FY23, as per annexure-1
Reply	Details of breakup of actual capital expenditure incurred during FY 23 is enclosed vide ANNEXURE-9


B. Capital Investment Plan for FY25:

MESCOM has proposed the revised Capex of Rs.600 Crores for FY25, as against the recognized capex of Rs.509.69 Crores for FY25 approved in MYT Order 2022.

-	MESCOM shall submit the details of source of fund to meet the proposed capex for FY25.
Reply	Out of projected CAPEX of Rs.600 Crs., 85 % (Rs. 510 Crs) is expected to be booked during the year. Funding of expenditure from Long term loan to the extent of Rs.320 crs is estimated and the balance out of internal resources.

MESCOM shall provide necessary justification on each of the following works in terms of its purpose, requirement, physical progress, cost and timelines of completion along with Division-wise abstract of works, no. of works proposed to be taken up in FY25:

I	E & I work (Addl. Transformers, Link-Lines, HT/LT Reconductoring, UG/AB cable) for the proposed capex of Rs.250 Crores.																					
Reply	The System improvement works like providing additional transformers, Link-Lines, Re-conductoring of HT/LT/33kV lines are being carried out regularly. Hence a yearly Budget provision of Rs.250.00 Crores is made for FY 25. The physical targets are given below: <table border="1" data-bbox="475 1482 1316 1841"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th>2024-25</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No. of DTC's proposed to be added</td> <td>1300</td> </tr> <tr> <td>2</td> <td>New 11 KV lines & Link-Lines in RKms</td> <td>600.00</td> </tr> <tr> <td>3</td> <td>HT lines reconductoring in RKms</td> <td>460.00</td> </tr> <tr> <td>4</td> <td>LT line</td> <td>100.00</td> </tr> <tr> <td>5</td> <td>LT line reconductoring in RKms</td> <td>1500.00</td> </tr> <tr> <td>6</td> <td>Providing intermediate poles</td> <td>8000</td> </tr> </tbody> </table>	Sl. No.	Particulars	2024-25	1	No. of DTC's proposed to be added	1300	2	New 11 KV lines & Link-Lines in RKms	600.00	3	HT lines reconductoring in RKms	460.00	4	LT line	100.00	5	LT line reconductoring in RKms	1500.00	6	Providing intermediate poles	8000
Sl. No.	Particulars	2024-25																				
1	No. of DTC's proposed to be added	1300																				
2	New 11 KV lines & Link-Lines in RKms	600.00																				
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5	LT line reconductoring in RKms	1500.00																				
6	Providing intermediate poles	8000																				

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II	Replacement of MNR / DC, Electromagnetic meters by static meters and smart metering for the proposed capex of Rs.8 Crores.
Reply	The Budget provision of Rs. 8.00 Crores is made for Smart metering.
III	MESCOM needs to clarify whether the proposed CAPEX of Rs.5 Crores is for fresh works or for rectification of faults in the existing DTCs, duly furnishing necessary details thereon.
Reply	As per the guidelines of the Hon'ble Commission, the DTC metering work has been taken up and completed during 2017-18 including maintenance for a period of 5 years. Hence, a Budget provision of Rs. 5.00 Crores is made for FY-25 for Maintenance bill, Additional material charges (Wiring Kit).
IV	List of works to be carried out under 33 KV stations and line works for Rs.30 Crores.
Reply	It is proposed to establish 4 Nos of new 33/11KV sub-stations and 8Nos of Enhancement/additional Power Transformers in existing 33/11KV sub-stations and Construction of three nos. of new 33kV lines as an alternative route source of supply to the existing 33/11kv substations during 2025. Hence, budget provision of Rs. 30.00 Crores is made for the FY 25 . List enclosed in ANNEXURE-10
V	Abstract for energization of general IP sets and category wise GK works separately for the proposed capex of Rs.100 Crores.
Reply	A provision of Rs. 100.00 Crores has been made for FY-25 for the works such as Electrification of hamlets, Energisation of new IP sets including Ganga Kalyana schemes and providing infrastructure to the regularized IP sets. The physical targets are enclosed in ANNEXURE-11 .
VI	List of works to be carried out and anticipated benefits under model sub division works for the proposed capex of Rs.41.99 Crores.
Reply	Since the existing RC is extended to carry out the Model sub-division works in Mangalore division for remaining RC amount for which a budget provision of Rs.41.91 Crores is made for FY-25. The approval has been accorded on 14.12.2023 for extension of awarded

Rate Contract till 20.03.2025 to the firm M/s. Asian Fab Tec Ltd., Bengaluru entrusted for the execution of Model sub-division works and to carry out the additional works proposed in Attavara sub-division of Mangalore division.

The work of Conversion of HT Overhead system by HT UG cables, providing RMUs, providing Spun poles to the existing DTCs and other works on Total Turnkey for 14 nos. of 11kV feeders pertaining to Jeppu section of Attavara sub-division of Mangaluru division-1 of Mangaluru Circle has been proposed in the said RC work costing approximate of total **Rs. 76.85 Crores.**

The details of 11kV feeders proposed are as follows;

Sl. No.	Name of the 11kV feeders	Estimated cost (In Lakhs)	Conversion of 11kV lines in kms	Total no. of consumers benefited in Nos.
1	Mangaladevi	1041.60	6.4	4276
2	Bolar	968.94	5.73	4068
3	Mahakalipadpu	868.00	6.3	1692
4	Morgansgate	385.26	2.7	725
5	Nandigudda	368.82	2.03	1351
6	Souterpete	923.20	6.4	3670
7	Valencia	776.70	6.4	1885
8	Starruck Road	506.80	2.2	1250
9	Mithamogaru	256.47	2.2	758
10	Avery Junction	163.20	0.6	487
11	Attavara	434.50	1.8	1256
12	Falnir	458.18	2.7	2648
13	Vaidyanath Nagara	341.05	2.1	1213
14	Muttappa temple	192.60	1.6	2284
Total		7685.32	49.16	27,563

VII Details of civil engineering works for the proposed capex of Rs.25.00 Crores.


Reply Budget provision of Rs. 25.00 crores has been made for FY-25 for various construction works including spillover works list enclosed in **ANNEXURE-12.**

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VII	The GOI initiated RDSS scheme has subsumed existing DDUGJY and IPDS schemes. In view of this, MESCOM shall clarify why it has proposed Rs.39.49 Crores for FY25, in respect of schemes which are already closed.
Reply	<p>Since, the payment is pending in respect of already completed some works and for some other works which under maintenance period the budget provision has been made for FY-25.</p> <p>a) Deen Dayal Upadhyaya Grama Jyoti Yojana (DDUGJY) Budget provision of Rs.35.69 crores is made for FY 25for payment of pending bills.</p> <p>b) IPDS: System improvement & Strengthening works in R-APDRP/statutory towns Budget provision of Rs.3.14 crores is made for payment of pending bills and Rs.0.27Crores is made towards solar annual maintenance payment. Accordingly total budget provision of Rs.3.41 Crores is made for FY 25</p> <p>c) IPDS:Gas insulated substations Budget provision of Rs.0.35 Crores is made for FY -25 considering approximate GIS Modules payment (10% of GIS module cost for 5 years)</p> <p>d) IPDS: Phase II IT Budget provision of Rs.0.04 Crores is made for FY 25for payment of pending bills.</p>
IX	MESCOM shall furnish the details of sources of funding (like grants, debt, equity and internal sources) for the proposed capex.
Reply	<p>Out of projected CAPEX of Rs.600 Crs., 85 % (Rs. 510 Crs) is expected to be booked during the year.</p> <p>Funding of expenditure from Long term loan to the extent of Rs.320 crs is estimated and the balance out of internal resources.</p>

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3. Power Purchases:

A. Observations on APR FY23:

a	MESCOM shall furnish the details relating to power purchase, in respect of KPCL, CGS and UPCL thermal units
Reply	The power purchase details in respect of KPCL, CGS, UPCL thermal units are submitted in the prescribed format in ANNEXURE-13
b	It is requested to provide the APR of power purchase for FY23 in the format approved by the Commission in Annexure-2(i) of Tariff Order 2022 in excel sheets, comparing actuals with approved parameters indicating percentage variations in respect of Energy, total Capacity Charges, per unit Capacity Charges, Variable Charges, per unit Variable Charges against each of the generating station/other charges and along with reasons, wherein variations are more than 5% on any of the above parameter in the remarks column corresponding to that generating station/other charges on the right side.
Reply	<p>It is to submit that, Net metered energy is considered for billing in respect of RPCL and KPCL units.</p> <p>In respect of CGS units, it is to submit that provisional tariff for 2019-24 is received in 2022-23 and 2023-24. The bills received in 2023-24 related to 2019-24 are accounted in 2022-23. Hence there is variation in capacity charges compared to approved charges.</p> <p>Energy generated as per SRPC-REA data is considered for monthly billing and variable charges are computed as per the PPA and Regulation.</p> <p>The comparison of energy approved in FY-22 & FY -23 in respect of NTPC Tamilandu and NLC Tamilnadu submitted vide Annexure:</p> <p>The generator wise details are submitted in ANNEXURE-14 & 14 (A)</p>
c	MESCOM shall furnish Energy Balance Statement at 66kV & above and 66kV & below for FY23, signed by all the ESCOMs.
Reply	Energy Balance Statement at 66kV & above and 66kV & below for FY23, signed by all the ESCOMs is enclosed as ANNEXURE-15 (PDF) .
d	MESCOM shall furnish the Breakup of particulars of power purchase viz. energy, cost etc. as per Annual Accounts/Annual report/Directors report in comparison with particulars in D1 format in excel sheet, along with soft copy of the above reports.

Reply	The power purchase particulars viz. energy, cost etc. details submitted in D-1 format are as per the Audited Annual Accounts of FY 23. Submitted vide ANNEXURE-16
e	There is an increase in ISTS charges by Rs. 52.44 Cr. Whether MESCOM has verified these bills issued in respect to ascertain that they are correct and are in line with corresponding CERC Regulations? If so, what are the exact reasons for increase in these charges and which elements of the ISTS lines have caused this increase in ISTS Charges?
Reply	It is to submit that received bills related to revision of charges, the details are submitted vide ANNEXURE-17 The total charges paid (regular monthly bills) is Rs.128.83 Crs and it is within the approved cost. Due to revision there is increase in the ISTS charges during 2022-23.
f	MESCOM shall furnish details in respect of power being backed down along with reasons, along with details of corresponding fixed charges paid and reasons for not selling or not banking this power in a commercially viable manner.
Reply	SLDC being the grid operator maintain and observe the grid security, based on the energy requirement/surplus power decision is taken for backed down or selling of energy. The quantum of energy sold and amount realized in 2022-23 through exchanges is as below: (MESCOM share) Energy : 379.36 MU amount Rs.219.25 Crs.
g	There is increase in average power purchase cost by 41 paise/unit. In this regard, MESCOM should furnish the details of the corresponding generating station, period, quantum of energy which has caused increase in the cost of power purchase with appropriate reason and applicable
Reply	The Power purchase cost per unit of 41 paise is increased during FY-2023. The Reasons analyzed below; 1. 23 paise due to the variation in actual energy allocation mix among high cost and low cost energy sources as against the approved energy mix. The major contribution to the increase is observed under CGS category as submitted below table (Detailed workings are in ANNEXURE-18.)

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Particulars	Energy in MU	FC per Unit in Rs.	VC per Unit in Rs.	TFC in Crs.	TVC In Crs.	TC Crs.	Avg Cost per Unit In Rs.
Approved Energy & Cost (As per Annexure-II) -A	6151.47	1.85	2.56	1138.93	1575.65	2714.58	4.41
Actual Energy @ Approved Cost When Grand Total Considered -B	6702.59	1.85	2.56	1240.97	1716.82	2957.78	4.41
Actual Energy @ Approved Cost When Station Wise considered -C	6702.59	2.07	2.57	1387.26	1721.77	3109.03	4.64
Diff. - D =(B-C)	0.00	-0.22	-0.01	-146.30	-4.95	-151.24	-0.23

2. 2 paise increase is the net impact of variable charges relating to energy procurement & energy sale through exchange and energy balancing and Others as submitted below table;

Particulars	Energy in MU	FC per Unit in Rs.	VC per Unit in Rs.	TFC in Crs.	TVC In Crs.	TC Crs.	Avg Cost per Unit In Rs.
Actual Energy @ Actual Cost - A	6702.59	1.61	3.04	1080.60	2036.34	3116.95	4.65
Exchange energy and energy/ cost accounted under Energy Balancing & other -B	-272.45	-0.04	4.18	1.00	-113.92	-112.92	4.14
	6430.14			1081.60	1922.43	3004.03	4.67
Difference = C = A-B							-0.02

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3. The contribution of prior period expenditure & other costs to the increase in average power purchase is 14 paise out of approved source **AND** 2 paise for prior period expenditure & other expenses which are not in the approved list as submitted below table;

Particulars	Energy	Prior period cost Per Unit In Rs.	Other Cost Per Unit In Rs.	TPP Cost in Crs.	Total other Cost In Crs.	Total Cost In Crs..	Avg Cost Per unit In Rs.
Other Charges for approved source	6702.59	0.08	0.06	54.72	38.36	93.07	0.14
Other Charges for sources not in the approved list	-272.45	-0.0611	0.08414	1.66	-2.29	-0.63	0.02

4. Further submitted that, Rs.314.58 Crs variable charges has increased due to the increase in fuel price and the impact of this is subsumed by decrease in fixed cost to the extent of Rs.306.66, when compared to the actual energy @ approved rates per unit.

5. Rs.92.45 Crs expenditure relates to prior period bills on energy & capacity charges.

Approved Cost per Unit In Rs.	4.41
Actual Cost per Unit In Rs.	4.82
Increase in Cost per Unit in Rs. (a)	(0.41)
Increase due to the change in allocation mix (Point-1)	0.23
Increase against Other energy sources (Point-2)	0.02
Increase due to period expenditure & other costs(Point-2)	0.16
Net cost Increase per Unit In Rs. (b)	0.41
Net (a)-(b)	0

h There is increase in both ISTS charges and In STS charges of MESCOM. Whether this is in proportion to increase in purchase of energy by MESCOM, needs to be confirmed.

Reply It is to submit that received bills related to revision of charges, the details are submitted vide **Annexure-17**

The total charges paid (regular monthly bills) is Rs.128.83 Crs and it is within the approved cost for ISTS. Due to revision there is increase in the ISTS charges during 2022-23. The incentive amount of Rs.1.81 Crs paid to KPTCL as per their Tariff Order - 23 contributed to STS charges.

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i	Break up of charges under the head 'other charges' mentioned in columns and rows of the D1 statement shall be furnished by MESCOM.
Reply	The details of charges under the head 'other charges' mentioned in columns and rows of the D1 statement is submitted vide Annexure-19 & 19 A
j	MESCOM shall furnish the statement of source-wise RE energy purchased and cost associated with it.
Reply	The statement of source-wise RE energy purchased and cost associated with it are submitted vide Annexure-20
k	In Tariff Order 2023, the Commission had directed ESCOMs to ensure proper metering arrangements at all the required interface points below 66kV level in line with CEA (installation and Operation of Meters) Regulations, 2006 and its amendments thereof for proper accounting of Inter-ESCOM energy transaction and to report on the same to the Commission within Two months from date of issuance of it. Till date there is no response from MESCOM in this regard. Appropriate response is needed in this regard.
Reply	In MESCOM out of 25 nos. of Inter ESCOM interface points 21 Nos. Interface points are metered. The action has been taken to meter the balance 4 interface points
l	In Tariff Order 2023, ESCOMs were directed to reconcile the power purchase costs among themselves and with the generating stations/transmission utilities/SLDC etc. for a financial year for which APR is being submitted before the Commission. Whether the power purchase claims in the present APR submitted are reconciled in line with the above directions of the Commission, need to be confirmed. Please furnish the details/information in this regard.
Reply	It is to submit that, meetings were conducted by PCKL for reconciliation of variable cost in respect of CGS units and the same yet to be finalized. The balances are reconciled with the CGS and payment details are being shared with the RE generators every month. Transmission charges are paid as per the approved cost in respect of KPTCL and PGCIL is as per actual bill. Inter ESCOM payable receivables are finalized , copy of the statement is submitted vide Annexure-21 (PDF) However, it is submitted for kind consideration that, the direction of the Hon'ble Commission will be followed w.r.t. the reconciliation of power purchase cost.
m	MESCOM shall throw light on having ended up paying Rs.23.92/unit in respect of energy balancing of 24.55 MU and also on Banking arrangement of 68.94 MU.
Reply	It is to submit that as per the Energy balancing finalized by SLDC, KPTCL the details of energy underdrawn and energy overdrawn and related amount is submitted vide Annexure-22 It is submitted that the Cost per unit is less in MESCOM compared to other ESCOMS.

	<p>Hence even though the energy underdrawn is more than overdrawn MESCOM is on the payable side.</p> <p>The details of ESCOM wise power purchase cost is submitted vide Annexure-21 (PDF)</p> <p>The details of banking arrangement made and the quantum of energy received during 2022-23 is as below:</p> <p>UPPCI 26.03 MU PSPCL 42.91 MU Total 68.94 MU.</p> <p>The energy received has to be returned the entities @ 105% during the agreed period.</p>
n	<p>In the Tariff Order 2023, in order to reduce the deviations under Deviation Settlement Mechanism(DSM), ESCOMs were directed to analyze the reasons for deviations and o take steps needed to reduce the deviation charges. Action taken by MESCOM in this regard may be furnished.</p>
Reply	<p>Deviation is mainly due to the under generation of state thermal units and less RE generation. SLDC is the grid operator of all ESCOMs in the state, alerts in the event of deviation in the power drawn by MESCOM and instructs to reduce the load of MESCOM area. MESCOM implements the same to avoid DSM charges.</p>

B. Observation on Power Purchases-ARR FY25:

i	<p>MESCOM, in its ARR filing has indicated its requirement of power at 6668.01 MU at a cost of Rs. 3826.29 Crores, at a per unit cost of Rs.5.74 for the FY25. The Commission, in the MYT Tariff Order 2022, had approved energy requirement and power purchase cost at 6586.425MU at a cost of Rs. 2916.591 Crores respectively, at a per unit cost of Rs.4.428 for FY25.</p> <p>In this regard, MESCOM shall furnish the basis for projecting the source-wise energy for FY25 with the necessary justification for having projecting reduced/increased quantum of energy/ per unit rates, with substantial increase in the total cost of power purchase cost.</p>
Reply	<p>The energy required to meet the demand of the MESCOM has increased to 6668.01 Mus as compared to earlier projection of 6586.425 MUs, with an increase of 82 Mus. In addition, MESCOM has to return the 279.44 Mus during the FY 2024-25 which was banked/swapped energy from UPPCL & PSPCL.</p> <p>The variable cost of the thermal plants has increased due to blending of imported coal, increase in transportation and fuel cost. The comparison of the energy</p>

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charges approved by Hon'ble Commission and projected now is show as below:

	<u>KPCL Thermal Stations:</u>	Capacity Charges projected now in Rs crores	Capacity Charges approved by Commission in Rs Cr	Difference in Rs cr	Variable cost projected now Rs/kwh	variable cost approved by Commission Rs/kwh	Difference in Rs/kwh
1	Raichur Thermal Power Station_RTPS 1-7 (7x210)	1261.59	1136.56	125.03	5.03	3.00	2.03
2	Raichur Thermal Power Station_RTPS 8 (1x250)	226.87	232.62	-5.75	4.97	2.99	1.98
3	Bellary Thermal Power Station_BTSP-1 (1x500)	313.01	360.74	-47.73	5.02	3.04	1.98
4	Bellary Thermal Power Station_BTSP-2 (1x500)	438.63	457.52	-18.89	4.69	3.00	1.69
5	Bellary Thermal Power Station_BTSP-3 (1x700)	855.48	826.50	28.98	4.52	2.91	1.61
6	YTSP (800X@)	2223.04	2400.00	-176.96	4.72	3.04	1.68
				-95.31			
	<u>Central Generating Thermal Stations:</u>						
1	NTPC_RSTP-I&II (3x200 + 3x500)	266.16	235.53	30.63	3.73	2.82	0.91
2	NTPC_RSTP-III (1x500)	75.32	62.00	13.32	3.67	2.77	0.90
3	NTPC_Thalcheri (4x500)	225.66	195.40	30.26	1.96	1.84	0.12
4	Simhadri Unit 1&2 (2x500)	219.26	212.69	6.57	4.40	3.08	1.32
5	NTPC Tamilnadu Energy Company Ltd (NTECL_V)	205.03	206.90	-1.87	3.78	3.38	0.40
6	NTPC Kudgi STPP(800 X3)	1590.05	1590.04	0.01	5.17	3.69	1.48
7	NTPC Telagana STPP(800X2)	74.85		74.85	3.68		3.68
8	NTPC Khalgon	50.10		50.10	3.70		3.70
9	Neyveli Lignite Corporation_TPS II_Stage 1 (3x210)	84.23	71.55	12.68	3.21	2.77	0.44
10	Neyveli Lignite Corporation_TPS II_Stage 2 (4x210)	117.16	99.04	18.12	3.21	2.77	0.44
11	Neyveli Lignite Corporation_TPS I_Expansion (2x210)	81.97	72.58	9.39	2.85	2.51	0.34
12	Neyveli Lignite Corporation_TPS II_Expansion (2x210)	191.55	188.89	2.66	3.04	2.65	0.39
13	NLC Tamilnadu Power Ltd (NTPL) (Tuticorin) (2x500)	242.01	232.54	9.47	3.51	3.28	0.23
14	New NLC Thermal Project	96.41	93.29	3.12	2.59	2.28	0.31
15	MAPS (2x220)	0.00	0.00	0.00	2.60	2.67	-0.07
16	Kaiga Unit 1 & 2 (2x220)	0.00	0.00	0.00	3.50	3.60	-0.10
17	Kaiga Unit 3 & 4 (2x220)	0.00	0.00	0.00	3.50	3.60	-0.10
18	NPCIL-Kudankulam Atomic Power Generating Station	0.00	0.00	0.00	4.30	4.26	0.04
19	NPCIL-Kudankulam Atomic Power Generating Station	0.00	0.00	0.00	4.30	4.26	0.04
20	DVC_Unit 1 & 2_Meja TPS (2x500)	205.56	203.84	1.72	3.26	3.06	0.20
21	DVC_Unit 7 & 8_Koderma TPS (2x500)	283.51	293.93	-10.42	2.99	2.80	0.19
	Total			250.60			
	<u>Independent Power Producers (other than RE):</u>						
	UPCL	1091.48	1091.48	0.00	5.34	4.46	0.88
	Net increase			155.28			

From the above it is clear that, there is no much variation in the fixed cost projected earlier and projected now. The major difference is due to variation in the variable cost, which is being paid by the MESCOM.

The projection of energy and cost is based on the following factors:

a) Availability of energy from different sources:

- i) The energy availability from KPCL stations including RPCL is as per the energy details furnished by KPCL and RPCL in the letter and email dated 24.11.2023 respectively.

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- ii) Energy availability from CGS stations viz., NTPC, NLC, Nuclear Power Corporation as per SRPC email dated 20.11.2023
- iii) UPCL in the letter dated 21.11.2023 has furnished the energy and cost details
- iv) Energy actual supplied during year 2022-23 has been considered for 2024-25 in respect of NCE projects
- v) The actual energy drawal from Jurala Priyadarshini and TBHE for the year 2022-23 has been considered for the year 2024-25

b) Projected Cost:

KPCL Thermal

The tariff rates worked out by KPCL based on various parameters of tariff orders in respect of thermal stations RTPS units 1 to 7, RTPS-8, BTPS unit-I, II & III is considered. Tariff proposed in the letter dated 24.11.2023 by KPCL is considered.

Capacity charges as determined by KERC in the order dated 17.1.2022 is considered for the RPCL / YTPS for FY 2024-25. The same is furnished by RPCL in the email dated 24.11.2023.

Energy charges:

The average variable cost for the months of April 2023 to September 2023 is considered for the FY 2024-25.

CGS:

CERC has determined the tariff for the control period 2019 to 2024. The tariff for the further control period shall be determined after filing tariff petition by the generator. Hence, the applicable capacity charges for the year 2023-24 has been considered for the FY 2024-25.

The average variable cost for the month of April -2023 to Sept 2023 is considered for energy charges for FY 2024-2025.

ii	MESCOM shall furnish the month wise, source wise merit order dispatch considered during FY23 and FY 24 up to November 2023.
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Reply	BESCOM is the Nodal agency for MoD, the source wise, month wise statement of MoD has been obtained from BESCOM and submitted in ANNEXURE- 23 to 34 (Total 12 Annexures)																																																						
iii	MESCOM, shall furnish the basis with reason for considering the projection of energy/cost for balancing the energy available during the year.																																																						
Reply	Based on the variable cost / energy charges of each station are considered for scheduling of power and balancing of energy.																																																						
iv	MESCOM shall furnish the basis and the computation sheet of the fixed cost and variable charges in respect of each of the thermal generating stations and other stations along with necessary documents in support of computation of fixed cost and variable costs.																																																						
Reply	The basis and the computation sheet of the fixed cost and variable charges are submitted in Annexures as stated below;																																																						
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Aug-23	4.93	4.80	5.20	5.16	4.50	4.77
Sep-23	6.09	5.99	4.88	4.36	4.54	5.19
Total	30.19	29.80	30.10	28.15	27.13	28.35
Average rate/unit	5.03	4.97	5.02	4.69	4.52	4.72

Central Generating Stations:

CERC has determined the tariff for the control period 2019 to 2024. The tariff for the further control period shall be determined after filing tariff petition by the generator. Hence, the applicable capacity charges for the year 2023-24 have been considered for the FY 2024-25.

The average variable cost for the month of April -2023 to Sept 2023 is considered for energy charges for FY 2024-2025.

UPCL:

The capacity charges determined by CERC in the order dated 22.01.2020 applicable for FY 2018-19 is considered for FY 2024-25. The average variable cost for the month of April 2023 to Oct-2023 is considered for FY 2023-24

Stations	Energy in Mus	Fixed cost Rs in Cr	Variable cost Rs/kwh	Other Charges Rs crores
UPCL	2435.09	1091.48	5.34	32.00

Month wise Variable cost per unit is as below;

Month	Rs /unit
Aug-23	6.008
Sep-23	5.207
Oct-23	4.797
Average	5.337

V	MESCOM shall furnish source-wise capacity and quantum of energy to be procured from RE projects, for which it has executed the PPAs.
vi	MESCOM shall furnish the methodology for forecasting the RE energy from different sources for FY25.
Reply (V & VI)	The actual generation of NCE projects for the financial year 2022-23 has been considered for FY 2024-25 including Solar, Co-generation, Bio-mass, Wind Mills and Mini Hydel projects.

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Sources	Energy in MUs
Co-generation	0.00
Mini HydeL_EXISTING	132.54
Mini HydeL_New	0.00
Wind Mill_EXISTING	92.12
Wind Mill_New	0.00
Solar_EXISTING	335.36
Solar_New	0.00
Biomass_EXISTING	0.00
Biomass_New	0.00
KPCL-Wind (9x0.225+10x0.230)	0.00
KPCL-Solar (Yelesandra, Itnal, Yapaldinni, Shimsha) (3x1+3x1+1x3+1x5)	0.00
KUSUM C	0.00
Waste to Energy	0.00
Total	560.02
Bundled Power:	
Bundled Power Coal (old)	17.84
Bundled Power Solar (old)	9.21
Bundled Power Coal (new)	0.00
Bundled Power Solar (new)	49.45
Sub Total	136.91
Grand total	696.94

The average cost of the year 2022-23 is considered for Hydro , wind and Solar. The tariff in respect of commission order dated 15.11.2021 has been considered for Co-generation projects..

4. Distribution Loss:

A. MESCOM's Distribution Losses for FY23:

1	<p>MESCOM in its APR application for FY23 has indicated the actual distribution loss of 8.42% as against approved loss level of 9.10%. MESCOM shall submit the details of the town/city where the distribution loss has reduced and what is the action taken in reducing the loss? If any new technology is being used the same may be highlighted.</p>																																																																																																																					
Reply	<p>City/Town Audit is being carried out regularly in MESCOM. The comparison statement for FY-22 and FY-23 is as shown below.</p> <table border="1" data-bbox="419 555 1445 1845"> <thead> <tr> <th rowspan="2">SL NO</th> <th rowspan="2">Division</th> <th>2021-22</th> <th>2022-23</th> <th rowspan="2">Diff</th> </tr> <tr> <th>Distribution losses in (%)</th> <th>Distribution losses in (%)</th> </tr> </thead> <tbody> <tr><td>1</td><td>Mangaluru</td><td>3.00</td><td>2.85</td><td>-0.15</td></tr> <tr><td>2</td><td>Udupi</td><td>4.95</td><td>4.29</td><td>-0.65</td></tr> <tr><td>3</td><td>Shivamogga</td><td>7.90</td><td>5.67</td><td>-2.23</td></tr> <tr><td>4</td><td>Bhadravathi</td><td>4.34</td><td>5.05</td><td>0.71</td></tr> <tr><td>5</td><td>Sagar</td><td>8.20</td><td>8.39</td><td>0.20</td></tr> <tr><td>6</td><td>Chikkamagaluru</td><td>8.92</td><td>7.94</td><td>-0.98</td></tr> <tr><td>7</td><td>Bantwala</td><td>8.00</td><td>6.77</td><td>-1.23</td></tr> <tr><td>8</td><td>Belthangady</td><td>4.72</td><td>4.63</td><td>-0.09</td></tr> <tr><td>9</td><td>Puttur</td><td>5.27</td><td>9.39</td><td>4.12</td></tr> <tr><td>10</td><td>Sullya</td><td>3.76</td><td>4.23</td><td>0.47</td></tr> <tr><td>11</td><td>Karkala</td><td>6.36</td><td>6.58</td><td>0.22</td></tr> <tr><td>12</td><td>Kundapura</td><td>5.14</td><td>5.98</td><td>0.85</td></tr> <tr><td>13</td><td>Thirthahalli</td><td>6.02</td><td>4.58</td><td>-1.44</td></tr> <tr><td>14</td><td>Shikaripura</td><td>7.57</td><td>7.04</td><td>-0.54</td></tr> <tr><td>15</td><td>Soraba</td><td>8.68</td><td>10.32</td><td>1.65</td></tr> <tr><td>16</td><td>Hosanagar</td><td>5.63</td><td>5.76</td><td>0.12</td></tr> <tr><td>17</td><td>Kadur</td><td>7.62</td><td>6.43</td><td>-1.19</td></tr> <tr><td>18</td><td>Tarikere</td><td>7.16</td><td>7.99</td><td>0.82</td></tr> <tr><td>19</td><td>Mudigere</td><td>4.38</td><td>4.20</td><td>-0.19</td></tr> <tr><td>20</td><td>Koppa</td><td>4.58</td><td>4.67</td><td>0.09</td></tr> <tr><td>21</td><td>Sringeri</td><td>3.97</td><td>3.88</td><td>-0.10</td></tr> <tr><td>22</td><td>N.R.Pura</td><td>4.73</td><td>4.81</td><td>0.08</td></tr> </tbody> </table>	SL NO	Division	2021-22	2022-23	Diff	Distribution losses in (%)	Distribution losses in (%)	1	Mangaluru	3.00	2.85	-0.15	2	Udupi	4.95	4.29	-0.65	3	Shivamogga	7.90	5.67	-2.23	4	Bhadravathi	4.34	5.05	0.71	5	Sagar	8.20	8.39	0.20	6	Chikkamagaluru	8.92	7.94	-0.98	7	Bantwala	8.00	6.77	-1.23	8	Belthangady	4.72	4.63	-0.09	9	Puttur	5.27	9.39	4.12	10	Sullya	3.76	4.23	0.47	11	Karkala	6.36	6.58	0.22	12	Kundapura	5.14	5.98	0.85	13	Thirthahalli	6.02	4.58	-1.44	14	Shikaripura	7.57	7.04	-0.54	15	Soraba	8.68	10.32	1.65	16	Hosanagar	5.63	5.76	0.12	17	Kadur	7.62	6.43	-1.19	18	Tarikere	7.16	7.99	0.82	19	Mudigere	4.38	4.20	-0.19	20	Koppa	4.58	4.67	0.09	21	Sringeri	3.97	3.88	-0.10	22	N.R.Pura	4.73	4.81	0.08
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Major factor in reduction of losses in town limits are commissioning of new substations and allied new 11 kV feeders. Due to creation of new feeders length of feeders reduced consequently losses are also reduced. By the end of the financial year 2021-22, 4 No's of 33 kV gas insulated substations are commissioned which also contributed in reduction of losses. Due to bifurcation of IP feeders and NJY scheme in few towns/cities length of feeders reduced.

Several initiatives have been taken up for reduction of distribution loss in MESCOM by strengthening distribution systems which includes establishment of new sub stations, enhancements in the existing substations, addition of new distribution transformers in low voltage pockets, enhancement of DTCs to avoid overloading of systems, re-conductoring of HT/LT lines/EHT lines, bifurcation of feeders, construction of link lines, etc.

Sl. No.	Year	No. of DTC's added	HT line including 11KV Express Link Lines in RKMs	HT Line reconductoring RKMs	LT lines in RKMs	LT line reconductoring in RKMs	33 kV New station	33 kV station enhancement /augmentation
1	2021-22	908	553.52	495.32	91.27	2077.70	6/84	4/36
2	2022-23	1220	689.55	394.76	169.48	1411.16	2/10MVA	2/15MVA

2 MESCOM has indicated energy purchase of 6430.14 MU with a transmission loss of 4.93%. However, KPTCL, in its filing has shown the overall transmission loss in the State as 2.977%. This shows that transmission loss in MESCOM area is more. MESCOM shall give the reason for the same, in consultation with the KPTCL, for considering higher transmission loss in MESCOM area.

Reply In this regard, it is to submitted that 4.93 % loss indicated as 'transmission loss' is not actually the transmission loss. It is the difference between the energy at interface point and quantum of energy for which payment has been made by MESCOM in FY-23. In fact, it is the scheduled energy for which MESCOM has released the payment.


 Superintending Engineer (Ele.) Commercial
 MESCOM, Corporate Office
 Mangaluru - 575 004

B. MESCOM's Distribution Losses for FY25:

1	<p>MESCOM in FY23 has reduced the loss to 8.42% and for FY24 it has projected the loss at 8.85%. MESCOM shall furnish the reasons for projecting a higher loss target as compared to a lower loss already achieved during FY23.</p> <p>Further, MESCOM's proposal to retain the approved target as 8.60% for FY 25 is not acceptable in view of achievement of loss level of 8.42% in FY23. Hence, MESCOM shall re-assess and propose revised target distribution loss for FY25. MESCOM shall also submit an action plan for FY25 in reducing the distribution loss and achieving better targets.</p>
Reply	<p>MESCOMs distribution loss for FY 23 is 8.42% which is comparatively lower. Given the situation that due to servicing of the LT installations LT network is being expanded and pending LT reconductoring works which is contributing to increased distribution loss. Majority of the capex utilized for system improvement works are to maintain the distribution loss to the existing loss level rather than reducing the same since the increase in LT network is in fact nullifying the loss reduced due to improvement works. In spite of that, efforts are being made to expand the HT network and reduce the LT network wherever possible so that the distribution losses are reduced further.</p> <p>Further during the year FY-24 due to shortage of rainfall, the consumption of all categories is in increasing trend (especially there is a substantial increase in consumption of IP sets), which is also one of the reason in increase the loss limit.</p> <p>Hence, same loss level targets approved for FY-24 and FY-25 may kindly be considered.</p>

5. RPO Compliance:

MESCOM furnishing the details has submitted that it has complied with RPO to the extent of 36.40% against the target of 25% for FY23.

a	At page 34 the banked energy is indicated as 32.80MU, whereas at page-35 it is indicated as 33.82MU. The data shall be reconciled.																		
Reply	The banked energy at page 34 is erroneously written as 32.80 MU. The banked energy 33.82 shown in Page 35 is correct and the same is considered in the in Total RE Purchase 1478.23 MU at Page 34.																		
b	The breakup details for arriving at input energy net of hydro of 4060.72MU shall be furnished.																		
Reply	The breakup data is as below; <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Energy in MU</th> </tr> </thead> <tbody> <tr> <td>Total energy Procured</td> <td style="text-align: right;">6430.14</td> </tr> <tr> <td>Less: Hydel Energy:</td> <td></td> </tr> <tr> <td>KPCL except Mani and Shimsa</td> <td style="text-align: right;">2431.36</td> </tr> <tr> <td>Energy Balancing - Hydel Energy</td> <td style="text-align: right;">-111.93</td> </tr> <tr> <td>Priyadarshini Jurala Hydro Electric Station (6x39)</td> <td style="text-align: right;">43.35</td> </tr> <tr> <td>Tunga Bhadra Dam Power House_TBPH (4x9+4x9)</td> <td style="text-align: right;">6.64</td> </tr> <tr> <td>Net energy from other than hydro</td> <td style="text-align: right;">4060.72</td> </tr> </tbody> </table>	Particulars	Energy in MU	Total energy Procured	6430.14	Less: Hydel Energy:		KPCL except Mani and Shimsa	2431.36	Energy Balancing - Hydel Energy	-111.93	Priyadarshini Jurala Hydro Electric Station (6x39)	43.35	Tunga Bhadra Dam Power House_TBPH (4x9+4x9)	6.64	Net energy from other than hydro	4060.72		
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c	As per D-1 Format the RE energy is 1476.82 However, for RPO compliance 1514.90MU is considered. MESCOM shall furnished source-wise RE energy purchased for FY23 duly reconciling the data with the audited accounts.																		
Reply	The breakup for 1514.90 mu considered for RPO as per D-1 of FY 23 is as below; <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Energy in MU</th> </tr> </thead> <tbody> <tr> <td>Bundled Power Solar (old) & (New)</td> <td style="text-align: right;">107.38</td> </tr> <tr> <td>Co-generation</td> <td style="text-align: right;">12.11</td> </tr> <tr> <td>Mini Hydel</td> <td style="text-align: right;">381.84</td> </tr> <tr> <td>Wind Mill</td> <td style="text-align: right;">257.32</td> </tr> <tr> <td>Solar</td> <td style="text-align: right;">749.70</td> </tr> <tr> <td>Mani</td> <td style="text-align: right;">3.61</td> </tr> <tr> <td>Shimasa</td> <td style="text-align: right;">2.93</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1514.90</td> </tr> </tbody> </table>	Particulars	Energy in MU	Bundled Power Solar (old) & (New)	107.38	Co-generation	12.11	Mini Hydel	381.84	Wind Mill	257.32	Solar	749.70	Mani	3.61	Shimasa	2.93	Total	1514.90
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d	In D1 format, energy purchased from power exchange and banking is not indicated for FY23. Also, SRTPV power purchase is not indicated separately. MESCOM shall clarify.																		
Reply	In D 1 format the energy purchased from power exchange and energy purchased from banking arrangement, SRTPV power purchase are shown, however the exchange details of power purchase and energy purchased from banking arrangements from UPPCL, PSPCL, SRTPV power purchase are submitted vide Annexure-41																		

e	MESCOM shall furnish the hydel energy considered under energy balancing.
Reply	Details of Hydel energy considered under energy balancing are submitted vide Annexure-42

6. Cross subsidy surcharge:

a	MESCOM has submitted that the CSS is worked out as per revised tariff policy dated, 28.01.2016. The observations on CSS are as follows: In the above Table under LT category, CSS is indicated for HT categories which are not correct. For LT Categories, category-wise CSS shall be furnished separately.																																																								
Reply	The CSS for LT category is erroneously submitted in Page No-96. Hence the same is re-worked and submitted below; (in Rs per unit)																																																								
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b	In Annexure-3 working details for arriving at the voltage-wise cost of supply shall be furnished.																																																								
Reply	The voltage-wise cost of supply for CSS is taken from D-23 format which is submitted in Page 388 of the tariff application.																																																								

— 60 — 

Superintending Engineer (Ele.) Commercial
MESCOM, Corporate Office
Mangaluru - 575 004

7. Additional Surcharge:

	<p>MESCOM has submitted that the ASC has been computed as per the order of the Commission dated, 17.11.2023. Accordingly, the ASC works out to Rs.1.93/unit, which is proposed to be levied.</p> <p>MESCOM may clarify as to whether a concession to RE sources in ASC has to be continued. If so how much concession is to be given?</p>
Reply	<p>The concession of 50% to RE sources is in the KERC in Order No N/68/2023 dated 17.11.2023. Further in the said order it has been noted that, with the more and more integration of RE sources, concessions cannot be extended forever and such concessions need to be removed fully in a phased manner. Hence, MESCOM proposes 40% concession to RE sources for FY 25 for kind consideration of the Hon'ble Commission.</p>

8. APR On APR FY23 & ARR FY25:

1	<p>In Format D-11, an amount of Rs.13.95 Crores is indicated as "Other Debits". MESCOM shall furnish the breakup for this expenditure.</p>																		
Reply	<p>Breakup of expenditure indicated as "Other Debits" is given below:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="2">Break up of expenditure booked as "Other Debits"</th> </tr> <tr> <th>Other Debits</th> <th>Amount (In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Asset Decommissioning Costs</td> <td>234.11</td> </tr> <tr> <td>Small & Low value items Written off</td> <td>0.95</td> </tr> <tr> <td>Bad Debts Written off- Dues from consumers</td> <td>0.71</td> </tr> <tr> <td>Bad & Doubtful Debts Written off / provided for</td> <td>317.97</td> </tr> <tr> <td>Miscellaneous losses and Write offs</td> <td>375.32</td> </tr> <tr> <td>Write off of amount deposited with Andhra Pradesh Power Generation Corporation Ltd – Jurala Project</td> <td>466.30</td> </tr> <tr> <td>Sub-total</td> <td>1395.36</td> </tr> </tbody> </table>	Break up of expenditure booked as "Other Debits"		Other Debits	Amount (In Lakhs)	Asset Decommissioning Costs	234.11	Small & Low value items Written off	0.95	Bad Debts Written off- Dues from consumers	0.71	Bad & Doubtful Debts Written off / provided for	317.97	Miscellaneous losses and Write offs	375.32	Write off of amount deposited with Andhra Pradesh Power Generation Corporation Ltd – Jurala Project	466.30	Sub-total	1395.36
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2	In Format D-2, revenue of Rs.34.62 Crores is observed to the reflected against "wheeling consumption" which appears to be cross subsidy surcharge and additional surcharge. MESCOM shall furnish the amount of Cross Subsidy Surcharge and Additional Surcharge recovered from the consumers in FY2022-23, separately.																														
Reply	The breakup of Cross Subsidy Surcharge and Additional Surcharge is as below; Cross Subsidy Surcharge: : Rs. 26.33 Cs Additional Surcharge : Rs. 8.28 Crs Total : Rs. 34.62 Crs																														
3	Pay scales of employees of KPTCL / ESCOMs have been revised with effect from 01.04.2022 and the arrears relating to the period FY2022-23 is ordered to be paid in the current year i.e., FY2023-24. MESCOM shall confirm whether the arrears relating to FY2022-23 is incorporated in the Annual Accounts for FY2022-23 and shall also furnish amount of pay revision arrears so paid.																														
Reply	The provisions for arrears pertaining to revised pay scale w.e.f 01.04.2022 of employees of MESCOM were made while finalizing the accounts for FY 2022-23. Details regarding the arrears relating to the pay revision of employees for FY 2022-23 paid in FY 2023-24 is enclosed vide Annexure-44.																														
4	In Format D-15, the details relating to the Gross Fixed Assets created out of consumer contribution and grants are not reflected. MESCOM shall furnish the details in the following format																														
Reply	The details relating to the Gross Fixed Assets created out of consumer contribution and grants in the prescribed format is given below: <table border="1" data-bbox="448 1305 1401 1794"> <thead> <tr> <th colspan="5">FY 2022-23 (Actual)</th> </tr> <tr> <th>Particulars</th> <th>Opening Balance</th> <th>Addition</th> <th>Retirement</th> <th>Closing Balance [2+3-4]</th> </tr> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Capital Subsidy / Grants received from GOK / GOI</td> <td>330.14</td> <td>27.09</td> <td>21.22</td> <td>336.00</td> </tr> <tr> <td>Consumers' contribution towards capital assets</td> <td>411.12</td> <td>99.59</td> <td>27.39</td> <td>483.32</td> </tr> <tr> <td>Total:</td> <td>741.25</td> <td>126.67</td> <td>48.61</td> <td>819.32</td> </tr> </tbody> </table>	FY 2022-23 (Actual)					Particulars	Opening Balance	Addition	Retirement	Closing Balance [2+3-4]	1	2	3	4	5	Capital Subsidy / Grants received from GOK / GOI	330.14	27.09	21.22	336.00	Consumers' contribution towards capital assets	411.12	99.59	27.39	483.32	Total:	741.25	126.67	48.61	819.32
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FY 2023-24 (projections)				
Particulars	Opening Balance	Addition	Retirement	Closing Balance [6+7-8]
1	6	7	8	9
Capital Subsidy / Grants received from GOK / GOI	27.09	21.22	341.87	27.09
Consumers' contribution towards capital assets	99.59	27.39	555.52	99.59
Total:	126.67	27.39	897.39	126.67
FY 2024-25 (projections)				
Particulars	Opening Balance	Addition	Retirement	Closing Balance [6+7-8]
1	6	7	8	9
Capital Subsidy / Grants received from GOK / GOI	27.09	21.22	347.74	27.09
Consumers' contribution towards capital assets	99.59	27.39	627.72	99.59
Total:	126.67	27.39	975.46	126.67
..				
5	Special Incentive Scheme (SIS) and Discounted Energy Rate Scheme (DERS): MESCOM shall furnish the impact of the schemes in the following format:			
Reply	The details are submitted in the table below:			
Particulars	No. of consumer under the scheme as on 31.03.2023	No. of consumer under the scheme as on 31.10.2023	Additional consumption due to the scheme in FY2022-23 (MU)	Additional consumption due to the scheme during the period from Apr-2023 to Oct-2023 (MU)
SIS	181	179	303.10	156.13
DERS	111	114	35.65	26.52
Total:	292	293	338.75	182.65

Further, BESCO has proposed for revisiting the terms & conditions / base consumption of the SIS and DERS schemes. In this regard, MESCOM shall submit its comments and a comprehensive proposal of the scheme for consideration.

Reply

a. Comment SIS scheme:

MESCOM proposes to continue the existing Special Incentive Scheme with the same base year.

b. Comment on DERS scheme:

MESCOM has proposed for increase of only 5 paise. Accordingly, the DERS rate per unit that may be revised will be Rs.5.05 / unit as against the present rate of Rs.5.00 per unit, so that, concession per unit remains the same as shown below;

Tariff	Present Rate/unit	DERS Rate/unit	Diff.	Proposed Rate/unit	Proposed DERS Rate/unit	Diff
HT-2 a	7.40	5.00	2.40	7.45	5.05	2.40
HT-2 b	9.25	5.00	4.25	9.30	5.05	4.25
HT-2C(i)	7.50	5.00	2.50	7.55	5.05	2.50
HT-2C(ii)	8.50	5.00	3.50	8.55	5.05	3.50

MESCOM proposes to continue the DERS at the same terms and conditions except revision of DERS rate per unit so as to maintain the concession per unit.

It is further opined that, some of the following factors also will have the impact on SIS/DERS schemes to become effective;

1. Rate of additional Surcharge, Cross Subsidy Surcharge
2. Per unit rate at which the energy is available under Open Access(OA)
3. Quality of power supply/ Reliability Index under
4. Availability of sources under OA and grid
5. Electivity consumption Pattern of the Consumer at different time slots.

6

MESCOM shall submit the Audited Accounts with Annual Report for FY23 covering both technical and financial performance.

Reply	Annual report of MESCOM comprising of both technical and financial performance is enclosed. (ANNEXURE- 43) (PDF).																																				
7	MESCOM in its filing has considered the actual amount of Rs.48.6058 Crores for FY23 and Rs.46.60 Crores and Rs.50.73 Crores respectively for FY24 and FY25 towards depreciation on assets created out of consumer contribution / grants. MESCOM shall submit the details of assets created and depreciation thereon on the assets created out of consumer contributions / grants (OB, addition, CB and depreciation) for FY23 (actual) and FY24 and FY25 (estimated).																																				
Reply	The details of asset created out of consumer contribution / grants are as below;(in Rs) <table border="1"> <thead> <tr> <th>Year</th> <th>OB</th> <th>Addition</th> <th>Retirement</th> <th>CB</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>741.25</td> <td>126.69</td> <td>48.60</td> <td>819.32</td> </tr> <tr> <td>2023-24</td> <td>819.32</td> <td>126.67</td> <td>27.39</td> <td>897.39</td> </tr> <tr> <td>2024-25</td> <td>897.39</td> <td>126.67</td> <td>27.39</td> <td>975.46</td> </tr> </tbody> </table> <p>The details of depreciation on asset created out of consumer contribution / grants are as below;(in Rs)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Depreciation @ 5.28% on OB</th> <th>Depreciation @ 5.28% * ½ on Addition</th> <th>Total Amount of Depreciation</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>39.14</td> <td>3.34</td> <td>42.18</td> </tr> <tr> <td>2023-24</td> <td>43.26</td> <td>3.34</td> <td>46.60</td> </tr> <tr> <td>2024-25</td> <td>47.38</td> <td>3.34</td> <td>50.73</td> </tr> </tbody> </table>	Year	OB	Addition	Retirement	CB	2022-23	741.25	126.69	48.60	819.32	2023-24	819.32	126.67	27.39	897.39	2024-25	897.39	126.67	27.39	975.46	Year	Depreciation @ 5.28% on OB	Depreciation @ 5.28% * ½ on Addition	Total Amount of Depreciation	2022-23	39.14	3.34	42.18	2023-24	43.26	3.34	46.60	2024-25	47.38	3.34	50.73
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8	MESCOM in its filing in D-11 Format, as per audited accounts has claimed Rs.13.9536 Crores as other debits for FY23. MESCOM shall submit the details for the same.																																				
Reply	Information pertaining to "Other Debits" is provided in Reply to Q. No.1 above.																																				
9	MESCOM shall submit the details for inclusion of pay revision amount due to its employees from 01.04.2022 under employees cost for FY23.																																				
Reply	Information regarding arrears pertaining to pay revision of employees' for FY 2022-23 is provided in Sl. No. 6 above.																																				
10	MESCOM under format D-14 has indicated Rs. (-)65.08 Crores as other adjustment along with the capitalization of capital expenditure of Rs.620.88 Crores for FY23. MSCOM shall submit the details for the same.																																				

Reply	An amount of Rs. 65.08 Crs shown as "Other Adjustments" in Format D-17 represents the asset created under Self Execution Works and Deposit contribution works which is debited to asset account and credited to Consumer Contributions account.
11	<p>MESCOM in its APR application under Table -3 has elaborated and claimed Rs. 1,250.91 Crores as trued up deficit of previous years from FY 2007-2008 to FY2021-22 and in A- 1 format the same is not included in arriving ARR for FY 23 to FY 25.</p> <p>The Commission in its Tariff Order 2023 dated 12.05.2023 on the similar claims made by MESCOM in its Tariff application has made its observation and decisions very clearly on the same. Now, in spite of Commission's decision on the same issue, MESCOM in the present Tariff application has raised the same issue once again without any basis. MESCOM shall submit the explanation for disobeying the decisions of the Commission on the same issue.</p>
Reply	In this regard it is kindly submitted that, MESCOM has made a mention of Rs.1250.91 Crs about trued up deficit of previous years from FY 2007-2008 to FY2021-22 as is being made in the preceding tariff applications without affecting the ARR of for FY 23 to FY 25. It is submitted that, the same will not be shown from the next year.


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 MESCOM, Corporate Office
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9. Directives:

1. NEW-1. Linking of RR Nos. to Aadhar Nos. of IP sets having a sanctioned load of 10HP and below.

Observation made by the Commission:

MESCOM shall furnish the details of RR Numbers linked to the Aadhaar numbers of IP sets having sanctioned load of 10HP and below till November 2023, duly giving reasons for not achieving 100% progress. The details may be furnished in an abstract form, giving division-wise total no. of IP sets availing free power, No. of IP sets linked to Aadhaar No. and the balance yet to be linked along with reasons for same.

MESCOM's Reply:

Name of the division	No of IP Installations at the beginning of the month (01.11.2023)	No of IP set Installations for which Aadhar Collected	No of IP Installations for which Aadhar linked in TRM software of MESCOM	Balance Ip installations to be linked with adhar No in TRM	Balance IP sets Adhaar no. to be collected
KAVOOR	18484	18484	18484	0	0
BANTWAL	60923	60923	60884	39	0
MANGALURU	5571	5440	5440	131	131
PUTTUR	48062	47960	47960	102	102
MANGALURU CIRCLE	133040	132807	132768	272	233
UDUPI	29641	29641	29641	0	0
KUNDAPURA	36749	36401	36401	348	348
KARAKALA	18243	17308	16143	2100	935

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UDUPI CIRCLE	84633	83350	82185	2448	1283
SHIVAMOGGA	33250	33154	33154	96	96
BHADRAVATHI	11774	10391	5714	6060	1383
SAGARA	32303	29516	29446	2857	2787
SHIKARIPURA	31841	31357	31357	484	484
SHIVAMOGGA CIRCLE	109168	104418	99671	9497	4750
CHIKKAMAGALURU	9536	7768	7768	1768	1768
KOPPA	10143	8592	8592	1551	1551
KADUR	55637	40321	39546	16091	15316
CHIKKAMGALURU TOTAL	75316	56681	55906	19410	18635
MESCOM TOTAL	402157	377256	370530	31627	24901

As on date **93.80%** progress achieved in collecting adhaar details, further Instructions are given to field officers to complete the adhaar details collection and linking process by the end of January-2024. Collected adhar details sent to Centre of E-governance, government of Karnataka for further processing of linking activity with KUTUMB application.

3. Existing Directives :

Directives on implementation of Standards of Performance (SoP)

Observation made by the Commission:

KERC (Rights of Consumers Relating to Supply of Electricity, Standards of Performance (SoP) and allied matters) Regulations, 2022 was notified in the gazette on 14.10.2022.

In respect of consumers' SoP, it is specified that the distribution licensee shall develop a suitable mechanism for automatic payment of compensation and also to register the

claim for compensation on case of non-compliance of Standards of Performance within six (6) months from the date of notification.

In the meeting held on the Commission on 28.08.2023, this aspect was also reviewed. In spite of this, MESCOM has not furnished the progress in this regard.

Therefore, the Mechanism put in place for Automatic Payment of Compensation by the MESCOM shall be furnished with details and if not developed so far, reasons for not adhering to the Regulations issued by the Commission shall be submitted.

Further, from the compliance it is noted that the amount claimed by the consumers for violation of SoP is nil which goes to show that consumers are not aware of this facility. MESCOM is directed to furnish details of awareness programme conducted in this regard.

MESCOM's Reply:

MESCOM is adhering to the Regulations issued by the Hon'ble Commission. It is to bring to the kind notice of the Commission that, major parameters of Standards of Performance such as attending to fuse off calls, line breakdowns, interruptions, replacement of faulty transformers, attending voltage variation issues, processing of applications for new connection/additional loads etc., are being attended in MESCOM within the specified time limits. However, under certain unavoidable conditions such as natural calamity, difficulties in transportation of materials due to the terrain of the workspots etc., attending breakdown works get delayed. Under such conditions also field officers of MESCOM put in maximum efforts to restore the supply with minimum possible duration of interruptions. Also, in some cases such as arranging power supply, transfer of ownership etc., there will be delay from consumer end in completing the formalities.

Discussions on software development, incorporation & implementation of automatic payment of compensation to the consumers regarding non-compliance of SoP parameters and related constraints if any to be addressed are being held to prepare final report in order to implement a suitable mechanism for automatic payment of compensation, effectively.

MESCOM has taken action to display SoP parameters in all its O&M Subdivisions, O&M Sections, Division and circle offices in a conspicuous place which can be viewed by all the visitors. Further, consumers are made aware of the said regulations in all the Jana Samparka Sabha's, Consumer interaction meetings and other public meetings conducted at each level of Offices.

4. Directive on use of safety gear by linemen

Observation made by the Commission:

MESCOM shall submit the details of the number of regular and contract basis field staff working and the number of staff provided with the safety gear till November-2023.

MESCOM's Reply:

In MESCOM 2683 Nos. of Linemen are working and they are provided with complete set of safety gears; and no contract employees are working. Out of the above said line staff, 150 Nos. of line staff are newly reported and for them procurement of safety gears is in progress which will be completed shortly.

Further, action is initiated for procurement of following safety gears:

- 4200sets Rainwears amounting to Rs.46.57Lakhs are procured & supplied to the Power men.
- 530Nos of Telescopic Tree Pruners are procured & supplied.

Tenders have been floated for procurement of following Safety Materials and are in process:

1. 4200pairs of Safety Shoes
2. 710Nos of FRP Telescopic Ladder
3. 2160Nos of FRP Telescopic Discharge Rod
4. 3400Nos of Electrical Grade Safety Helmet
5. 610Nos of LDPE Safety Cone with MESCOM Logo.
6. 3400Nos of Hi Visibility Reflective Jacket.
7. 710Nos of Rechargeable LED Hand Torch.
8. 3400Pairs of Rubber Hand Gloves.
9. 3400Sets of Tool Kit.

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10. 370Nos of Manual Wire/Bolt Cutter.

11. 1500Nos of Insulated GOS Operating Handle.

Filed staff are instructed to use the safety gears provided, ensure proper line clear from the concerned section officers and to create safety zone and to execute the works duly adhering to safety principles.

6. Directives on Energy Audit

Observation made by the Commission:

Energy Audit of cities / towns

MESCOM shall furnish the details of consumer indexing till November 2023 and to confirm whether the consumer tagging work of Shivamogga and Chikkamagaluru Circles has been completed or still in progress and timeline for completing the same for taking up energy auditing effectively.

DTCs Energy Audit

The MESCOM has stated that 50,064 numbers of DTC's are metered and 53,943 number of DTCs are yet to be metered. MESCOM shall furnish remedial measures initiated to reduce losses in the DTCs and the timeline by which all the balance DTCs will be metered and audited.

MESCOM shall submit the details of energy audit conducted for the metered DTCs for FY23 and for FY24 till October 2023 and the timeline for conducting the EA of all the DTCs. MESCOM shall also indicate the action taken to reduce the losses in high loss making DTCs.

MESCOM's Reply:

In MESCOM 50096 DTCs have been metered at the end of November-23. The audit is being carried out on the DTCs with good meters. Following remedial measures has been taken to reduce the losses in DTCs.

- All the field staffs are directed to carry out DTC wise tagging of installation and to submit the energy audit of all metered DTCs every month.

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- All circle SEEs have been instructed to review energy audit in monthly review meeting and to analyse the data and to take necessary action in this regard.
- Action has been taken to replace MNR meters/faulty meters and faulty CT/PT so as to get the accurate DTCs consumption.

The details of DTCs audited for the year FY-23 and FY-24 (Upto Oct-23) is as shown below:

Sl. No	Loss range	As at the end of March-2023	As at the end of Oct-2023(Provisional)
1	DTCs having less than 5% losses	9805	10735
2	DTCs having losses between 5% to 10%	11143	10830
3	DTCs having losses between 10% to 15%	1543	797
4	DTCs having losses between 15% to 20%	1	0
5	DTCs having more than 20% losses	0	0
	Total	22492	22362

Consumer indexing is regular process. All the field staffs are instructed to tag the consumers to respective DTCs and feeders. As compared to the previous year tagging of consumers to the respective DTCs in Shivamogga and Chikkamagaluru circles have been increased and an instruction to the concerned SEEs of circle has also been given to complete the tagging activity by the end of **January-2024**.

- Tagging details is as at the end of OCTOBER-23 is as follows:

Circle	Consumers existing	Consumers tagged	% of tagging
Mangaluru	916719	916719	100
Udupi	529269	529269	100
Shivamogga	738777	726365	98.32
Chikkamagaluru	491115	431574	87.87
Total	2675880	2603927	97.31

9. Prevention of Electricals Accidents

Observation made by the Commission:

MESCOM shall furnish the details of hazardous locations identified by it, the number of hazardous locations rectified during FY23 and FY24 the balance nos. to be rectified till November 2023 along with an action plan to rectify them. It is noted that fatal electrical accidents are occurring unabated which goes to show that hazardous network in the Distribution system is not being attended.

The Commission also issued Safety Technical Manual which provides guidelines to field staff to identify and attend to such networks and reduce the occurrence of the electrical accidents. Action taken by the MESCOM in this regard shall also be furnished.

MESCOM shall furnish the summary of the analysis made on the reports submitted by Electrical inspectorate for FY23 and for FY24 upto September 2023, action taken to prevent such accidents in future.

MESCOM's Reply:

The details of hazardous locations identified, rectified during FY 23 and FY24 and the balance number of such locations pending for rectification are furnished below:

Sl. No	Year	OB	No. of hazardous locations (both HT & LT) identified during the year	No. of hazardous locations rectified during the year	No. of hazardous locations yet to be rectified
1	2022-23	59	1491	1491	59
2	2023-24 (upto Nov-23)	59	1005	857	207

MESCOM has given priority for rectification of balance number of hazardous locations through replacement of deteriorated conductors/poles, providing intermediate poles where span length is more than the standards and where ground clearance is not maintained as per safety Regulations. Also, action is taken for straightening of slant poles, shifting of HT/LT lines passing near/above the buildings.

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As identification of hazardous locations and rectification of the same is a continuous process, necessary actions are taken to rectify such locations at the earliest as and when identified.

The safety technical manual has been issued to the field officers in order to get the distribution network audited and take preventive measures in reducing the no. of accidents. Also, instructed to conduct training programmes for all Power men/Section Officers/Assistant Executive Engineers on Safety/Technical audit.

Analysis is made on the reports submitted by Electrical Inspectorate. MESCOM has taken action to train the power men regarding safety.

Majority of electrical accidents are occurred for the following reasons in MESCOM area.

1. Snapping of conductor due to heavy wind as the majority of lines pass through forest area and plantations.
2. Unawareness of the victim while carrying conducting material across the line in plantation area.

In this regard, awareness programs are held in Jana Samparka Sabha's, consumer interaction meetings etc. National Electricity Safety week program was conducted at all Sub-divisions offices in the month of June-23. It is also instructed to conduct the next safety week program by the end of Jan-24.


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