

3	Gangakalyan IP sets: D.Devraju urs Backward Class Development Corporation		15.00	
4	Gangakalyan IP sets :Karnataka Minority Development Corporation		10.00	
5	Gangakalyan IP sets :Karnataka Vishwakarma Samudaya Development Corporation		5.00	
6	Gangakalyan IP sets :Bhovi Development Corporation		5.00	
	Gangakalyan total	75.00	75.00	
	GOK Sponsored Works			
7	Special Development Plan for backward talukas under Nanjundappa scheme(SDP)	16.50	30.00	Equity from State Govt
8	Rural Electrification under SCSP (Not covered under RGGVY)	5.00	15.00	Equity from State Govt & Internal resource
9	Rural Electrification under TSP (Not covered under RGGVY)	3.00	3.00	
10	Energisation of IP sets under Sheegra Samparka	0.00	20.00	90 % REC loan & Consumer contribution and Consumer contribution
11	Creating infrastructure to UAIP Sets (Before and after 2014 GOK circular)	130.00	250.00	
11.a	Arranging Power Supply on HT basis (75:25)	0.00	2.00	loan from nationalised bank/ Internal Resource
12	Nirantara Jyoti Yojana.		5.00	
		0.00	2.00	
12.a	Bifurcation of NJY Feeders	0	5.00	
	Sub - total	154.50	332.00	
	GOI Sponsored Works			
13	DDUGVY		10.00	60% GOI Grant 10% Internal resources & 30% loan from REC/PFC
14	R- APDRP.	15.00	1.00	
14.a	R-APDRP exclusively for Modem and meters	0.90	1.50	
15	IPDS		25.00	
16	Soubhagya Yojane	40.00	5.00	
	Sub - total	55.90	42.50	
17	Expansion of network and system improvement works.			
a	Additional DTCs	60.64	50.00	loan from nationalised bank/ Internal Resource
b	Enhancement of Distribution Transformers	11.03	10.00	
c	Shifting of existing transformer to load centre	5.00	5.00	
d	LT line conversion of 1Ph 2 wire or 1Ph 3 wire to 3ph 5 wire	7.00	10.00	
e	Other E & I Works (DP & GOS)	5.00	5.00	
f	Construction of new 11 KV lines for 33 KV / 110 KV sub-stations/ link lines for bifurcation of load	66.54	65.00	
g	11 KV Re-conductoring.	40.00	40.00	
h	LT Re-conductoring.	45.00	45.00	
i	Providing covered conductor for villages to prevent Theft/ accident and hazardous condition	0.00	5.00	
j	Rectification of Hazardous locations .	0	25.00	
	Sub - total	240.21	260.00	
18	Construction of new 33 KV stations	45.00	40.00	loan from

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hescom  
 Navanagar, Hubballi - 580 025

	Construction of new 33 KV lines.	35.00	20.00	nationalised bank/ Internal Resource
19	Augmentation of 33 KV stations.	40.00	20.00	
20	Replacement of 33 KV lines Rabbit conductor by Coyote conductor.	25.00	20.00	
21	Replacement of old and failed equipment's and other works of existing 33 KV stations and lines.	15.00	35.00	
	Sub - total	160.00	135.00	
	UG Cable			
22	NEF (REC) for replacing 11 KV OH feeders by UG Cables in Hubli and Belgaum cities.	0	20.00	90% REC loan and 10% Internal resources
23	Replacement of OH by UG cable in Dharwad and Vijayapur cities	50.00	50.00	
24	Commissioning of 3 Ph 4 wire HT Metering Cubicle with meter, CTs, PTs	0.00	10.00	
25	Refurbishing works on HT/LT/DTC in O & M Divisions	140.00	35.00	
	HVDS	10.00		
	Sub-total (i+ii+iii+iv+v+vi)	200.00	115.00	
	Reduction of T & D and ATC loss			
26	Providing meters to un-metered IP sets.	5.00	1.00	loan from nationalised bank/ Internal Resource
27	Providing meters to un-metered BJ/KJ installations.	2.00	2.00	
28	Replacement of faulty / MNR energy meters by static meters.	7.00	10.00	
29	Replacement of electromechanical energy meters by static meters.	25.00	40.00	
	Fixing boxes to Single Phase Meters	10.00		
30	DTC's metering ( Other than APDRP)	20.00	5.00	
	Sub - total	69.00	58.00	
6	General (In House)			
31	Rural Electrification (General)(Not covered under RGGVY)	4.00	0.00	loan from nationalised bank/ Internal Resource
32	Electrification of BPL Households (General) (Not covered under RGGVY)	6.00	1.00	
33	Water works	30.00	0.00	
34	Service connections	30.00	20.00	
35	Improvement Works at 5 Nos of Villages in each MLA Constituency & 5 Nos of Villages in each MP Constituency under MADARI VIDUYAT GRAM .	0.00	10.00	
36	Providing prepaid meters to temporary installations	0.00	5.00	
37	Providing numerical relays to provide power supply to farm houses	0.00	2.00	
38	Providing 16KVA Transformers for A/P/S to farm houses in Chikkodi Division	0.00	5.00	
39	T&P materials.	5.00	5.00	
	Sub - total	75.00	48.00	
7	New initiatives works			
40	IT initiatives, automation and call centre	3.00	20.00	loan from nationalised bank/ Internal Resource
41	Providing solar roof tops to HESCOM and other Government office buildings	5.00	5.00	
42	IPDS IT initiative Phase II	9.00	50.00	60% GOI Grant 10% Internal resources & 30% loan from

				REC/PFC
43	Establishing ALDC & SCADA.	5.00	5.00	loan from nationalised bank/ Internal Resource
44	Special Pilot project for strategic business centre at Gadag Division	2.00		
45	Smart Grid Initiative	15.00		
46	Smart Metering	100.00	20.00	
47	DSM Projects	1.00	1.00	
	Sub - total	140.00	101.00	
8	Immediate Execution (Planned/Unplanned)			
46	Replacement of failed distribution transformers.	10.00	10.00	loan from nationalised bank/ Internal Resource
47	Replacement of Power Transformers.	5.00	7.00	
48	Preventive measures to reduce the accidents. (Providing intermediate poles, Restraining of sagging lines, providing guy & studs, providing guarding, DTC earthing )	50.00	50.00	
49	Replacement of broken poles / Disaster Management Works	15.00	30.00	
50	Flood Affected Works		25.00	
	Sub - total	80.00	122.00	
51	Civil Engineering works like Construction of new office buildings/ Sub station civil works, Modernisation/Repairs to existing buildings, regular maintenance to immovable properties	30.00	40.00	loan from nationalised bank/ Internal Resource
52	Shifting of IP set in NTPC area (B Bagewadi)	0.00	1.00	
	Others	50.00		
		80.00	41.00	
	Total (i+ii+iii+iv+v)	1329.61	1329.50	

**OBSERVATION :**

- iii. HESCOM has proposed Rs.20 Crores of Capex towards energization of IP sets under Sheegra Samparka Scheme for FY22. HESCOM shall submit the breakup details about the no of DTC proposed and its cost no IP sets energized under the scheme FY20 upto November 2020 for FY21 and also the proposed Capex for FY22.

**COMPLIANCE :**

HESCOM furnishes the break up details of Sheegra Samparka Scheme enclosed as below.

1 a)Capex FY 20

No of DTC proposed	Cost in Cr	No of IP sets energized under the scheme for FY 20
987	6.42	1261

1 a)Capex FY 21(up to Nov 20)

No of DTC proposed	Cost in Cr	No of IP sets energized under the scheme for FY 21(up to Nov 20)
2678	17.47	1136

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, HESCOM  
 Navanagar, Hubballi - 580 025

1 a) Capex Proposed for FY 22

No of DTC proposed	Cost in Cr	No of IP sets energized under the scheme for FY 21 (up to Nov 20)
3000	20	4000

**OBSERVATION :**

- iv. Reasons for not including the Capital Budget for Drinking water supply works for FY22 shall be submitted.

**COMPLIANCE :**

The energisation of drinking water supply installations will be carried out as per the amount paid by the respective departments (Urban development authority, gram Panchayat, Town Panchayat etc). Actual expenditure incurred towards these works are accounted under DCW and the amount collected by concerned departments up to Sep 20 for FY 21 is Rs.30.93 crores. HESCOM is not incurring any expenditure on these works.

**OBSERVATION :**

- v. For refurbishing works on HT/LT/DTC in O & M Divisions, Rs.35 Crores has been proposed for FY22 as compared to Rs. 140 Crores proposed for the previous year. HESCOM shall furnish the Division-wise number of works awarded, completed, balance works to be taken up, target date of completion and the details of objectives achieved, as envisaged in the DPR and Capex Proposal for Refurbishing works.

**COMPLIANCE :**

The Division-wise number of works awarded, completed, balance works to be taken up, target date of completion and the details of objectives achieved, as envisaged in the DPR and Capex Proposal for Refurbishing works is enclosed as below.

**Capex Proposal for FY22: ( V )**

**Name of the Project : OTM**

SI No	Name of the Division	No of feeders proposed	Progress as on 31.03.2020	Progress as on 30.11.2020	Target date of completion	Remarks	Details of Objectives achieved
1	Ranebennur	10	10	0	-	Completed	1) Reduction in unforeseen Interruptions. 2) Improved reliability of power supply. 3) System strengthening. 4) Reduction in accidents
2	Gadag	16	16	0	-	Completed	
3	Belagavi	14	3	0	-	Works were Short closed	
4	Bagalkot	26	0	0	-		

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hescor  
 Navanagar, Hubballi - 580 025

**Name of the Project : Refurbishing**

Sl No	Name of the Division	No of feeders proposed	Progress as on 31.03.2020	Progress as on 30.11.2020	Target date of completion	Remarks	Details of Objectives achieved
1	Athani	104	104	0	-	Completed	1) Reduction in unforeseen Interruptions. 2) Improved reliability of power supply. 3) System strengthening. 4) Reduction in accidents
2	Chikkodi	64	47	0	30.06.2021	17 feeder works to be taken	
3	Sirsi	51	43	4	30.03.2021	04 feeder works under progress	
4	Dandeli	22	8	2	30.06.2021	12 feeder works under progress	
5	Indi	21	21	0	-	Completed	
6	Raibag	59	22	0	-	Works were Short closed	
7	Honnagar	20	13	0			
8	Haveri	15	0	0			
9	Dharwad Rural	7	0	0			
10	Bailhongal	24	0	0			

**OBSERVATION :**

- vi. HESCOM, in its filing, has proposed a Capex of Rs.250 Crores towards providing infrastructure to UNIP for FY20. HESCOM shall furnish the actual number of UNIP connections existing as on 01.12.2020 and the action plan to undertake these works during FY22. HESCOM shall also furnish sources of funding for execution of these works for FY22.

**COMPLIANCE :**

In HESCOM the total No of UNIP sets for which Infrastructure needs to be created as on 1.12.2020 is 2,21,448 Nos. HESCOM has proposed to create the required infra in phased manner for the beneficiaries who have paid the necessary deposits depending on the availability of funds. Initially tenders have been processed for 24,107 Nos of IP sets which is inclusive of IP beneficiaries who have paid necessary deposits other than the UNIP scheme & are under process. The said works are proposed to complete during the FY-2021-22. DPRs have been prepared & letter addressed to REC for fund tie up & is under process.

Further for 8,986 Nos of UNIPs beneficiaries work awards are issued & targeted to complete the said works by March-2021.

  
**Executive Engineer (EI)**  
**RA Section**  
 Corporate Office, Hescm  
 Navanagar, Hubballi - 580 025

**OBSERVATION :**

- vii. HESCOM has proposed Rs.75 Crores for Ganga kalyana works and Rs.40 Crores for replacement of electromechanical energy meters by static meters for FY22. HESCOM, has proposed Rs.10 Crores for enhancement of distribution transformers and Rs 50 Crores for Additional DTC. HESCOM shall submit Division-wise brake up details for the proposed expenses for FY22.

**COMPLIANCE :**

The Division wise breakup details for Ganga kalyana works and replacement of electromechanical energy meters by static meters and enhancement of distribution transformers and Additional DTC as below.

**Division wise breakup details for FY 22:**

<b>Capital budget proposed for FY 22 in crores</b>				
<b>Division</b>	<b>Ganga Kalyan</b>	<b>Replacement of electromechanical energy meters by static meters</b>	<b>Providing Additional Transformers</b>	<b>Enhancement of Transformers</b>
Hubli Urban	56.00	0.00	95.50	45.00
Hubli Ruran	270.75	7.00	95.02	38.20
Dharwad Urban	65.14	0.00	85.00	55.52
Dharwad Rural	284.80	200.00	120.12	27.06
Gadag	288.25	660.81	149.00	28.35
Ron	317.96	570.00	91.56	20.01
Haveri	335.65	0.00	120.00	28.19
Rannebennur	388.92	1000.00	313.10	91.99
Sirsi	432.98	0.00	707.00	29.35
Dandeli	357.91	75.00	102.40	53.77
Honnavar	309.49	60.00	318.38	35.32
Karwar	155.19	30.00	136.85	94.00
Belgaum Urban	78.00	0.00	71.96	24.61
Belgaum Rural	290.38	0.00	73.07	29.10
Bailhongal	326.43	393.65	205.27	27.00
Ramdurg	273.73	171.09	286.23	26.26
Ghataprabha	313.70	161.89	72.36	27.06
Chikkodi	308.09	0.00	117.01	27.81
Athani	296.00	212.96	438.00	95.31
Raibag	296.01	0.00	764.57	28.19
Bagalkot	281.84	42.20	105.00	35.69
Jamkhandi	241.44	255.41	101.56	26.95
Mudhol	217.88	160.00	89.06	21.66
Vijayapur	342.33	0.00	132.53	27.33
Indi	221.08	0.00	139.43	23.50
B Bagewadi	250.10	0.00	70.00	32.76
<b>TOTAL</b>	<b>7000.05</b>	<b>4000.00</b>	<b>5000.00</b>	<b>1000.00</b>



**Executive Engineer (EI)**  
RA Section

Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

**OBSERVATION :**

- viii. HESCOM has proposed Rs .20 Crores towards Smart meter for the FY22. HESCOM shall furnish the achievements for the works already under taken by furnishing the details regarding number of works sanctioned, completed for FY20 and up to 30<sup>th</sup> November 2020 and works to be taken up in the remaining period for FY21 and FY22.

**COMPLIANCE:**

The achievements of the above works will be submitted at the earliest.

**OBSERVATION :**

- ix. HESCOM shall furnish the work-wise abstract for the proposed Rs.50 Crores towards preventive measures to reduce the accidents for FY22, duly indicating the achievements in terms of reduction of electrical accidents as compared with last 3 years (FY18, FY19 and FY20).

**COMPLIANCE:****Workwise details of PMREA works to be taken up in FY 22**

SI No	Particulars	Quantity	Probable expenditure
1	Providing intermediate poles	7500	16.00
2	Restranging of sagging lines(HT)	1500	7.00
3	Restranging of sagging lines(LT)	3500	10.00
4	Providing guy & studs,	1500	4.40
5	Providing guarding	2500	2.00
6	Reconditioning of earthing	5000 sets	10.00
7	Awareness programmes		0.50
8	Training programs		0.10
			50.00

Achievement in respect of reduction in electrical accidents as compared with last 3 years figures is noticeable during FY 21 where the number of accidents are only 348 as compared to 478 in the previous year. Stringent action plan will be implemented to reduce the accidents to a possible extent in future by executing all the planned preventive measure works.

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hescorn  
 Navanagar, Hubballi - 580 025

## 8. Observations on Other Items of ARR filing by HESCOM:

### OBSERVATION :

#### A. ARR FY20:

1. Data Inconsistency: HESCOM in its tariff application in page No.1 has indicated the number of employees working strength as 9637 as against the sanctioned strength of 16942 employees as on 30.09.2020. It is observed from the details that, as against 15923 number of sanctioned post of all other staff below the officer's grade, 8942 employees are working. HESCOM shall furnish the cadre-wise details of employees covered under all 'other staff' and explain how it is managing its affairs with the existing staff. HESCOM shall also furnish the number of persons working on outsource/on-contract basis and remuneration incurred thereon during FY 20 and up to October 2020.

### COMPLIANCE:

Cadre wise details of employees covered under all 'other staff' is enclosed as **Annexure L**. Nearly 57 % of the posts are vacant in HESCOM and HESCOM is managing its activities by making in-charge/additional Charge arrangement of the existing staff and also engaging persons on outsource/on-contract basis. Total Number of persons working on outsource/on-contract basis for FY-20 is 2825 and total Number of persons working on outsource/on-contract basis up to October 2020 is 3006 and enclosed as **Annexure M** Total Remuneration incurred for persons working on outsource/on-contract basis is Rs. 65.43 Cr. and 21.31 Cr. for FY 20 and FY-21 (up to September 2020) respectively.

### OBSERVATION :

2. HESCOM, in its filing, has not submitted the details of employees in Format-D6(a) for FY20 to FY22. HESCOM shall submitted the same.

### COMPLIANCE:

Details of employees in Format-D6(a) for FY20 to FY22 is submitted and enclosed as **Annexure. L**.

### OBSERVATION :

3. HESCOM, in its filing in Format - D7 and in page 194, has claimed the actual expenditure of Rs.66.22 Crores towards 'Professional charges' for FY20 and has projected Rs.74.50 Crores for FY21 and Rs.83.81 Crores for FY22. Further, HESCOM, in its application has claimed the actual expenditure of Rs.16.60 Crores for FY20 and projected Rs.18.68 Crores and Rs.21.00 Crores towards the remuneration payable to Contract Agencies engaged in computerization activities for FY21 & FY22 respectively. HESCOM shall

  
Executive Engineer (EI)  
RA Section  
Corporate Office, Hescorn  
Navanagar, Hubballi - 580 025



submit the number of persons outsourced on contract basis, besides furnishing the reasons for claiming higher amount under this head of expenditure.

**COMPLIANCE:**

Total Number of persons working on outsource/on-contract basis for FY-20 is 2825 and total Number of persons working on outsource/on-contract basis up to October 2020 is 3006 and enclosed as **Annexure. M** Nearly 57 % of the posts are vacant in HESCOM and HESCOM is managing its activities by engaging persons on outsource/on-contract basis and the total expenditure is incurred for payment of remuneration to contract agencies Is Rs. 65.43 Crs. for FY-20.

Rs. 16.60 Crs. is the expenditure booked towards the payment of bill towards Contract agencies engaged in computerisation of billing in Sections and Sub-divisions.

**OBSERVATION :**

4. HESCOM in its filing, has claimed the actual expenditure of Rs.48.60 Crores towards conveyance, vehicle hiring and travelling expenses for FY20 and has projected Rs.54.68 Crores for FY21 and Rs.61.51 Crores Rs. 22.14 Crores for FY22. The Commission, in its earlier Tariff Orders has directed HESCOM to control the expenses under A&G head of account. In spite of the direction, the expenditure under this head of account is increasing year on year. HESCOM shall explain the reason for having incurred higher expenses under this head of account, covered under A&G expenses, besides furnishing the details about the actual expenditure incurred on behalf of regular employee's and service station maintenance along with number of vehicles hired.

**COMPLIANCE:**

HESCOM has incurred expenditure of Rs. 48.60 Crs. for FY-20 towards Travelling expenses, which includes Rs. 22.30 Crs. towards payment to GVP's, Rs. 6.68 Crs. towards payment of TA bills of regular employees, Rs. 19.43 Crs. towards vehicle hiring expenses including store vehicles.

The number of vehicles and men for station maintenance is attached as **Annexure-M** Rs. 28.87 Crs. is the expenditure booked towards the payment of bill towards private contractors engaged for shift and minor maintenance duties of Stations/MUSS (under professional charges head of account).

**OBSERVATION :**

5. HESCOM, in its filing has claimed an amount of Rs.217.96 Crores towards un-controllable additional employees cost (Terminal Benefits) for FY20 as against the actual expenditure of Rs.174.96 booked for FY19. Further, HESCOM has projected Rs.275.86

  
**Executive Engineer (E1)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

Crores as terminal benefits for FY22. HESCOM shall furnish the detailed computation sheet for having incurred / proposed expenditure under this head of account for FY20 and FY22, along with the Actuarial Valuation Report.

**COMPLIANCE:**

**The details of the terminal benefit for FY-20 :**

A/C Code	Account Head	Amount in Crs.
75.810	Terminal Benefits (PF) Corporation's Contribution	0.01
75.820	Terminal Benefits (FPS) Corporation's Contribution	0.01
75.830	Terminal Benefits (Pension) Corporation's Contribution	177.30
75.831	Terminal Benefits - HESCOM Contribution to new defined contributory pension scheme w.e.f 01.04.2006.	36.38
75.832	Lump sum Compensation paid to the legal heirs on death of the employee / Officers while in service in respect of employees / officers appointed on or after 01-04-2006 under NDCP Scheme.	0.38
75.840	Terminal Benefits (Gratuity)	13.87
75.860	Family Benefit Fund Contribution	(-)10.07
75.880	Compensation under KPTCL life cover scheme, 1987	0.05
75.890	Pension & leave contribution of employees on deputation.	0.03
<b>Total</b>		<b>217.96</b>

Preparation of Actuarial Valuation Report is under process at KPTCL P& G Trust. Based on the expenditure of the previous year, expenditure under these heads of account for FY22 is projected.

**OBSERVATION :**

- HESCOM, in its application under Format - D9 has indicated Rs.720.31 Crores as new long-term loan borrowings during FY20. HESCOM shall submit the capital loan details (loan-wise) along with the purpose for which the capital loan amounts were drawn for FY20 and up to 30.11.2020 for FY21 in the format enclosed (**Annexure-6**).

**COMPLIANCE:**

Annexure-6 is submitted.

**OBSERVATION :**

- HESCOM, in its filing has indicated the actual capital expenditure as Rs.1267.61 Crores in page-173 and considered under format D17, Rs.667.39 Crores for FY20. HESCOM shall submit the actual capital expenditure incurred during FY20 duly tallied to the figures booked under each sub head of accounts under 14 series as per audited accounts for FY20.

  
**Executive Engineer (EI)**  
**RA Section**  
**Corporate Office, Hescm**  
**Navanagar, Hubballi - 580 025**

**COMPLIANCE:**

HESCOM furnishes the actual capital expenditure incurred during FY-20 duly tailed to the figures booked under each sub head of accounts under 14 series as per audited accounts for FY-20 as above table ii(a)

**OBSERVATION :**

8. HESCOM shall submit loan-wise details for short term/overdraft (working capital) drawn up to November, 2020 in FY21 in the format enclosed. **(Annexure - 7)**

**COMPLIANCE:**

Annexure-7 is submitted.

**B. Observations on ARR/ tariff Revision for FY 22:**

**OBSERVATION :**

- 1) HESCOM, in its filing of ARR for FY22, under Format - D9, has projected Rs.100.14 Crores as new long term loan borrowings for FY22 as against the proposed Capex of Rs.1329.50 Crores. HESCOM shall submit how it can manage with this amount of new loan borrowing to meet the proposed Capex of Rs.1329.50 Crores for FY22.

**COMPLIANCE:**

Government of India has announced special economic package on 13th May 2020, which includes liquidity injection for Distribution Companies (DISCOMs) in power sector for clearance of outstanding dues of CPSU GENCOs/ TRANSCOs, IPPs and RE generators as on 31.03.2020 due to Covid-19 pandemic crisis. The interest amount works out to Rs. 230.90 Crore for FY -22 towards proposed covid loan of Rs. 2675.49 Crore under Atma Nirbhar Bharath Package. Total interest on working capital worked out to Rs. 338.94 Crs. (approved is Rs. 187.57 Crs.) However, the total interest and finance charges for FY-22 approved by the Hon'ble Commission is Rs. 587.59 Crs.

Hence, HESCOM has projected only Rs. 100.14 Crores as new long-term loan borrowings for FY22, even though the required new capex loan is on higher side, in view of the adverse financial situation prevailing among all the sectors of economy due to Covid-19 pandemic and to ensure that the consumers are not burdened due to adverse economic conditions prevailing due to the current Covid-19 pandemic situation for FY-22.

HESCOM proposes the actual interest on capital loan borrowed in FY-22 during APR of FY-22.



**Executive Engineer (EI)**  
**RA Section**

**Corporate Office, Hescor**  
**Navanagar, Hubballi - 580 025**

**OBSERVATION :**

- 2) The Commission notes from the details under Format – D9 that that, majority of capital loan were proposed to be drawn from PFC/REC at the interest rate of above 11% and the working capital from commercial banks / REC / GoK at a higher rate of interest. HESCOM shall submit the reasons for not availing the loans at a lower rates offered by the banks in the financial market. HESCOM shall submit the source of funding to each category capital works proposed for FY22.

**COMPLIANCE:**

HESCOM has availed majority of capital loan proposed to be drawn from PFC/REC at the interest rate of above 11% and the working capital from commercial banks at a higher rate of interest due to Non –issuing of Government Guarantee by the Government which is essential for availing loans from the banks at lower rate offered by the banks in the financial market.

**OBSERVATION :**

- 3) HESCOM shall submit the details about the measures taken / action plan drawn to reduce the interest burden on Capital loans / working capital loans and late payment surcharge to the power generators as per the guidelines issued by the Govt. of India to reduce the financial burden of the transmission and distribution Companies suffering due to slowdown of economic activities on account of COVID-19 Pandemic.

**COMPLIANCE:**

Government of India has announced special economic package on 13th May 2020, which includes liquidity injection for Distribution Companies (DISCOMs) in power sector for clearance of outstanding dues of CPSU GENCOs/ TRANSCOs, IPPs and RE generators as on 31.03.2020 due to Covid-19 pandemic crisis. HESCOM has got sanctioned of Rs. 2675.49 Crore Term loan from commercials bank under Atma Nirbhar Bharath Package during the month of November-2020 and December-2020.

**OBSERVATION :**

- a) HESCOM has got sanctioned Rs. 2675.49 Crore Term loan from commercials bank under Atma Nirbhar Bharath Package during the month of November-2020 and December-2020 and availed Rs.1000.00 crores from SBI and Canara bank Rs.500.00 crores each and already cleared the power purchase dues up to the same. And remaining Rs.1675.00 crores of loan is under process. Substantially repaying the PP dues as on 31.03.2020.

  
**Executive Engineer (ಇಇ)**  
**RA Section**  
**Corporate Office, Hescor**  
**Navanagar, Hubballi - 580 025**

b) Action has been initiated to negotiate with the generators to reduce the interest and late payment surcharge amount on payment of PPC dues in lump sum as a one-time measure.

d) Monthly Revenue Review Meeting are being conducted & the revenue Target for the collection has been fixed to each Divisions & mass collection drive is also initiated. Necessary steps will be taken to recover the arrears of all tariffs including the RLB ULB and Government installations to minimize the revenue arrears to strengthen the Company's financial position. Further measures will be taken to revise the target of collection as per the tariff order in force and directions in this regard will be issued to the concerned to achieve the target collection.

4) HESCOM, in its filing in page 244 has claimed Rs.45.62 Crores and Rs.48.32 Crores as interest on consumer security Deposits for FY21 and FY22, without giving the basis for reckoning the Bank Rate of 5.40% for FY21. HESCOM shall submit the documents in support of claiming the Bank Rate as per the provisions of KERC Regulation on payment of interest on consumer's security deposit.

**COMPLIANCE :**

The interest rate of 5.40% is considered as per Reserve Bank Notification No. RBI/2019-20/77 DBR. No. Ret.BC.19/12.01.001/2019-20 dtd. 04.10.2019 and is enclosed as **Annexure-N**

**OBSERVATION :**

5) HESCOM shall submit the actual details of slab-wise of number of consumers, sectioned load and sales for FY 20 and up to October,2020 for FY21 under LT-2 (a) domestic category as made out in the following Table:

**COMPLIANCE:**

Details of LT 2(a) for FY-20

Slab	No. of Consumers	Sanctioned load in Kw	Sales in MU	Demand in Rs. Crores
0-50	1021866	1141120.65	400.52	374.71
51-100	633864	707837.72	385.98	232.44
101-150	773355	863585.38	236.45	283.58
151-200	336994	376322.15	297.25	123.57
Above 200	81643	91170.97	192.04	29.94

  
**Executive Engineer (Ei)**  
RA Section  
Corporate Office, Hescorm  
Navanagar, Hubballi - 580 025

Details of LT 2(a) for FY-21 (up to Oct-20)

Slab	No. of Consumers	Sanctioned load in Kw	Sales in MU	Demand in Rs. Crores
0-50	1043180	1172702	367.76	239.37
51-100	647085	727429	228.12	148.48
101-150	789465	887487	278.32	181.16
151-200	344022	386736	121.28	78.94
Above 200	83346	93694	29.38	19.12

**OBSERVATION :**

7) HESCOM, in page No. 47 has indicated Rs.2338.97 Crores as arrears of long term disconnected installations as on 30.09.2020 and the recovery from April – September, 2020 is shown as nil. HESCOM shall submit the categorise wise breakup details for this arrears amount and the action taken to recover the arrears thereon. Further, HESCOM shall immediately chalk out an action plan to recover the amount by following the provisions of Recovery of Dues Act and submit the same to the Commission within 15 days' time.

**COMPLIANCE:**

The Total Arrears as per the september-2020 DCB is Rs 2338.97 crores out of which Rs 29.60 crores is outstanding under Long Disconnected Installations. For Recovery of arrears under Long Disconnected Installations is under progress. Persuasion is being made from HESCOM duly issuing Form A, Form B & Form C. 2) The Category wise breakup for Rs 29.60 Crores and the details of Category wise Live arrears of Rs 2338.97 Crores is attached as **Annexure-O**.

Necessary directions will be issued to the concerned to recover the revenue arrears including the long-disconnected installations duly following the Recovery of Dues Act 1976.

**OBSERVATION :**

8) HESCOM under format A-2 (Balance sheet), has indicated Rs.1534.92 Crores and Rs.1723.32 Crores as opening and closing balance of receivable from consumers for sales of power, as against the actual revenue demand of Rs.4262.88 Crores for FY 20. Full (100%) recovery of the amounts towards billing demand is the key to running the Company financially viable. This will also a key factor in arriving at the lower percentage of AT &C losses of the Company, besides reducing the interest burden towards power purchase dues and outstanding bank loans. HESCOM shall furnish the reasons for the accumulation of revenue receivables from the consumers during FY20 and efforts made and the action plan drawn for the recovery of arrears. HESCOM shall also explain the basis for projecting same figures of closing balance of receivables of Rs.2360.95 Crores for FY21 and FY22.

  
**Executive Engineer (Ei)**  
**RA Section**  
**Corporate Office, Hescm**  
**Navanagar, Hubballi - 580 025**

**COMPLIANCE:**

a) The Net Revenue Demand of HESCOM for FY 20 is Rs 7855.02 Crores and the amount of Rs 7602.76 Crores has been collected during FY 20.

b) The Amount of Arrears Receivable from RDPR (RLB) & from ULB towards Electricity Bills as on 31.03.2020 is Rs 280.33 Cr & Rs 152.33 crores respectively. Letter has been addressed to the concerned officials of RDPR and UDD's departments regarding release of Grants.

d) The Subsidy receivables from Power loom Department as on 31.3.2020 is Rs 49.77 Crores and every month the letter correspondence has been made to the concerned department regarding the payment of the Arrears.

e) The receivables From BSNL as on 31.03.2020 is Rs 5.78 crores.

f) Other Govt. Department Dues as on 31.10.2020 is Rs 44.18 Crores.

Monthly Revenue Review Meeting are being conducted & the revenue Target for the collection has been fixed to each Divisions & mass collection drive is also initiated. Necessary steps will be taken to recover the arrears of all tariffs including the RLB ULB and Government installations to minimize the revenue arrears to strengthen the Company's financial position. Further measures will be taken to revise the target of collection as per the tariff order in force and directions in this regard will be issued to the concerned to achieve the target collection.

HESCOM is not proposing any modification for FY-21 in this filing.

**OBSERVATION :**

9) HESCOM shall submit the following category / sub-category-wise details under LT and HT, in respect of Poultry Farms, Cold Storage Plants and Ice Manufacturing Plants based on the actual as on 31.03.2020 and as on 30.11.2020.

**COMPLIANCE:**

Category/Sub-category-wise details under LT & HT, in respect of Poultry Farms, Cold Storage Plants and Ice Manufacturing Plants as on 31.03.2020 & 30.11.2020

Date	Category of consumers	No. of Consumers	Sanctioned load in HP	Sales in MU	
As on 31.03.2020 (From 01.04.2019 to 31.03.2020)	HT	Poultry Farms	8	1303.80	3.37
		Cold Storage Plants	44	10078.92	8.00
		Ice Manufacturing Plants	22	6145.00	12.16
	LT	Poultry Farms	2465	18669.33	4.97

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescorm  
Navanagar, Hubballi - 580 025

		Cold Storage Plants	57	1607.18	2.19
		Ice Manufacturing Plants	158	4113.54	7.22
As on 30.11.2020 (From 01.04.2020 to 30.11.2020)	HT	Poultry Farms	10	1385.00	1.81
		Cold Storage Plants	45	9660.42	6.18
	LT	Ice Manufacturing Plants	19	5691.33	8.40
		Poultry Farms	2494	16124.84	2.93
		Cold Storage Plants	63	1681.04	1.32
		Ice Manufacturing Plants	148	4034.20	3.91

**OBSERVATION :**

- 9) HESCOM in its application has indicated the actual closing balance of work in progress of Rs.679.90 Crores for FY20, Rs.1097.50 Crores for FY21 and Rs.1496.35 Crores for FY22. Considering the actual Capex of FY20 and the proposed Capex for FY21 and FY22, the actual / proposed closing balance of work-in-progress is on the higher side.

As regards, the year on year increase in the balance under work-in-progress, HESCOM has to take necessary action to complete the capex works on time so that the desired benefit of the works should reach the ultimate consumers. HESCOM shall furnish the reasons for the high accumulation of balances under work-in progress account and also submit an action plan thereon for the reduction of amounts under work-in-progress.

**COMPLIANCE:**

During 2019-20, HESCOM was affected with massive flood during August- September due to which huge infrastructure was damaged. Main focus was to restore power supply and the materials procured were utilized to restore infrastructure in flood affected areas.

Action will be taken to complete the balance works which are in progress and care will be taken to complete all works within this financial year.

**OBSERVATION :**

- 10) BESCO, in its ARR filing under 'New Proposals for FY22', has proposed the new scheme to HT consumers with the objective of bring back the HT consumers, who have opted for open access/wheeling/ captive power and also to sell the surplus power in the state at the reduced rate of energy charges. HESCOM shall submit, its views on the proposal of BESCO.
- 11) HESCOM shall submit its views on continuation of present incentive scheme approved by the Commission for FY22.

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hescor  
 Navanagar, Hubballi - 580 025



**COMPLIANCE:**

HESCOM agrees for continuation of present incentive scheme approved by the Commission for FY22.

To bring back the HT consumers, who have opted for open access/wheeling/ captive power and also to sell the surplus power in the state at the reduced rate of energy charges, HESCOM had furnished opinion vide Ltr. No. HESCOM/GM(T)/EE(RA)/2019-20/52-57 Dtd. 07.04.2020 and copy of the same is attached as Annexure-P

**OBSERVATION :**

- 12) HESCOM shall submit the Audited Accounts with note / explanation / Director Reports on audited accounts for FY20.

**COMPLIANCE:**

Audited Accounts with note / explanation / Director Reports on audited accounts for FY20 is enclosed as Annexure -Q

**OBSERVATION :**

- 13) HESCOM, in page-193, has submitted the details of the additional equity amount received from the Government of Karnataka during FY20 without indicating the actual date of receipt of the equity amount. HESCOM shall submit the actual date of receipt of equity amount against various Government Orders for FY20 and upto November, in FY21.

**COMPLIANCE:**

Statement of details of equity and date of receipt for FY-20 is submitted. Equity is not received for FY-21 (up to November 2020).

		Statement of Details of Equity		
Sl. No.	Government Orders & Date	Rs. In Crores	Date of receipt	Remarks
67	ENERGY 82 PSR 2019/13.06.2019	39.00	28.06.2019	Equity contribution GoK
68	ENERGY 86 PSR 2019/13.06.2019	9.32	25.06.2019	SDP
69	ENERGY 84 PSR 2019/13.06.2019	3.00	27.06.2019 & 01.07.2019	SCSP/TSP
70	ENERGY 82 PSR 2019/23.09.2019	39.00	17.10.2019	Equity contribution GoK
71	ENERGY 84 PSR 2019/19.09.2019	3.11	26.09.2019	SCSP/TSP
72	ENERGY 86 PSR 2019/19.09.2019	9.57	25.09.2019	SDP
73	ENERGY 84 PSR 2019/21.12.2019	3.11	03.01.2020	SCSP/TSP
74	ENERGY 86 PSR 2019/21.12.2019	9.57	03.01.2020	SDP
75	ENERGY 82 PSR 2019/21.12.2019	39.00	03.01.2020	Equity contribution GoK
76	ENERGY 82 PSR 2019/20.02.2020	39.00	06.03.2020	Equity contribution GoK
77	ENERGY 84 PSR 2019/25.02.2020	3.11	05.03.2020 & 07.03.2020	SCSP/TSP
78	ENERGY 86 PSR 2019/28.02.2020	8.83	09.03.2020	SDP
	<b>Total</b>	<b>205.62</b>		

**Executive Engineer (EI)**

RA Section

Corporate Office, Hescom

Navanagar, Hubballi - 580 025

### **OBSERVATION :**

- 14) HESCOM, in page-172, has indicated Rs.151.90 Crores towards replacement of failed distribution transformer and Rs.1.47 Crores on Replacement of Power Transformer as against Rs.10 Crores and Rs.6.38 Crores approved by the Commission for FY21 and FY22. The Commission, in its earlier Tariff orders, has made it clear that, the cost of written down value of the repaired failed transformers when issued to the works under 14 series of account does not involve any cash out flow on booking of capital expenditure and is only accounting treatment in the book of accounts. As such, the expenditure incurred on repair of failed transformers need to be booked under Repair and Maintenance expenditure. Hence, HESCOM shall submit the details by considering the above aspects for proposing Rs.151.90 Crores as capital expenditure for FY 20 and Rs.74.51 Crores incurred up to September 2020, besides recasting the projected Capex figures for FY21 and FY22.

### **COMPLIANCE :**

In respect of replacement of failed distribution transformers, the Hon'ble Commission in its Tariff Order dated 30.03.2016 has ordered that the failed transformers should be replaced by repaired good transformers only and it should be charged to revenue expenditure. In case the failed transformer is scrapped, it can be replaced by a new transformer which has to be accounted under capital expenditure.

In HESCOM as far as possible the failed distribution transformers are being replaced by repaired good transformers. However, in case of non-availability of particular capacity of repaired good transformers in the concerned stores, new transformers are being utilized to restore the power supply in time.

When the failed transformers are released and returned to stores, the original value of released transformer is withdrawn from the Asset account along with the accumulated depreciation. A separate repaired good transformer or new transformer will be issued from the stores for restoring the power supply. The repaired good transformers will be valued at their written down value only. However, since this transformer needs to be capitalized once again to the asset account, the same is being passed through Capex accounts.

The above details are submitted for kind perusal with a request to kindly allow HESCOM to continue the existing accounting procedure.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescm  
Navanagar, Hubballi - 580 025

**OBSERVATION :**

- 15) HESCOM in page 200, has indicated Rs.116.96 Crores as the Capex to carry out the Disaster Management Works due to massive flood up to September 2020 and projected Rs.55 Crores for FY22. HESCOM shall submit the total number of transformer, poles, lines affected due to flood, the works already carried out and the balance work to be carried out and its cost.

**COMPLIANCE:**

Details of damages due to flood Furnished as below:

Infrastructure damaged				Replacement details			Balance to be replaced		
Poles	Transformers	Lines	Total Cost	Poles	Transformers	Lines	Poles	Transformers	Lines
Nos	Nos	Kms	Rs Lakhs	Nos	Nos	Kms	Nos	Nos	Kms
7810	1046	142.18	2068.06	6138	997	91.63	1672	49	50.55

**9. Compliance to directives issued by the Commission.**

**1. Consumer interaction meeting at Subdivision level.**

- c. HESCOM was directed to conduct consumer interaction meetings at Subdivision level chaired by the SEE once in a quarter to redress the consumer complaints.

As per the details furnished in Annexure-1, it is observed that, most of the CIMs are chaired by the Assistant Executive Engineers and not chaired by the jurisdictional Superintending Engineers or Executive Engineers. HESCOM shall submit a separate data clearly showing the CIMs chaired by the officers as directed by the Commission once in each sub-division apart from the ones chaired by the Assistant Executive Engineers.

- d. As directed, the HESCOM is not furnishing the details of the CIMs conducted once in three months to the Commission. HESCOM has to confirm on, whether the proceedings of such meetings are being hosted on its website. HESCOM shall furnish compliance thereon.

**COMPLIANCE:**

Consumer interaction meetings in HESCOM were conducted at the sub-divisional level on every 3rd Saturday at every sub-division office compulsorily along with Lok - Adalats. As per the directions of the Hon'ble Commission via Tariff Order-2020 Dtd: 04.11.2020 strict instructions has been issued vide circular No : HESCOM/GM(T)/EE-RA/AEE/20-21/CYS-3543 Dtd : 15.12.2020 to all SEE'/EE's of the O & M Circles and Divisions to conduct the consumer interaction meeting once in a quarter in all sub divisions and to ensure that

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

Consumer Interaction Meetings (CIM conducted in each of its O&M sub-division) is chaired by the Superintending Engineers or Divisional Executive Engineers failing which penalty will levied by the Commission as stated in the directive. Further, it is also directed to in addition to the quarterly CIM. The meetings conducted by the Assistant Executive Engineer (EI) at the Sub-Division level on third Saturday of every month, may be continued, so as to attend to the grievance of the consumers.

The CIMs chaired by the Superintending Engineers or Executive Engineers once in each sub-division apart from the ones chaired by the Assistant Executive Engineers is enclosed as annexure:R. It is submitted that, the no. of meetings conducted are less due to Covid-19 pandemic.

It is also submitted that details of the meetings conducted during April-2020 to September-2020 is submitted KERC vide this Office Letter No : HESCOM/GM(T)/EE(RA)/AEE/20-21/13429 Dtd : 10.12.2020 and the same is hosted on HESCOM website quarterly.

**2. Directive on preparation of energy bills on monthly basis by considering 15 minute's time block period.**

HESCOM has furnished the month-wise details of number of open access consumers sourcing power from power exchange, open access, units scheduled / consumed in MU and illegally banked energy, if any, for FY20 and for FY21 up to September 2020. HESCOM has to furnish the details of revenue gain for the above periods.

**COMPLIANCE:**

The revenue gain for FY-20 and FY-21(up to Sept-20) approximately works out to Rs. 5.16 Crs. considering Rs. 7.20 per unit.

Details of Open Access transactions for the year FY-20.

Sl. No.	Month	Scheduled Units as per SLDC/IEX	Actual Open Access Units	Profit units to HESCOM
1	Apr-19	7.27	6.56	0.71
2	May-19	6.97	6.76	0.21
3	Jun-19	13.84	13.30	0.54
4	Jul-19	13.96	13.81	0.15
5	Aug-19	11.81	11.38	0.43
6	Sep-19	18.77	18.09	0.68
7	Oct-19	21.99	21.34	0.65
8	Nov-19	26.07	25.70	0.37
9	Dec-19	23.90	22.81	1.09
10	Jan-20	24.42	23.87	0.55
11	Feb-20	25.81	25.42	0.39
12	Mar-20	18.63	18.42	0.21
	<b>Total</b>	<b>213.44</b>	<b>207.46</b>	<b>5.98</b>

  
**Executive Engineer (EI)**  
**RA Section**  
 Corporate Office, Hescorm  
 Navanagar, Hubballi - 580 025

### Details of Open Access transactions for the year FY-21 (up to Sept-20).

Sl. No.	Month	Scheduled Units as per SLDC/IEX	Actual Open Access Units	Profit units to HESCOM
1	Apr-20	6.12	5.95	0.17
2	May-20	5.05	5.02	0.03
3	Jun-20	11.61	11.37	0.24
4	Jul-20	13.21	13.01	0.20
5	Aug-20	17.10	16.77	0.33
6	Sep-20	16.95	16.74	0.21
	<b>Total</b>	<b>70.04</b>	<b>68.86</b>	<b>1.18</b>

### 3. Directive on Energy Conservation:

The HESCOM is not submitting the compliance regularly. It has not informed the action taken for promoting energy conservation by the use of EE appliances, while servicing the installations, especially the street lights. HESCOM shall submit the compliance as per the Commission's directions.

#### COMPLIANCE:

HESCOM has issued direction to all the Chief Engineer (EI) / Superintending Engineer (EI) / Executive Engineer (EI) and also regularly pursuing towards implementation of the Directive and for providing of LED lamps / energy efficient lamps while servicing of new streetlight / high mast installations including extensions made to the existing streetlight circuits. HESCOM is constantly creating awareness for using LED bulbs and BEE 5star rated appliance through many modes for consumer awareness such as through distribution of pamphlets, newspaper, stalls, electricity bills, ring bank tune (for all HESCOM employees Cell Number) and through radio jingles (daily advertisements through AIR PC) and conducted the section wise awareness programme, etc. The compliance has been submitted quarterly.

Further once again circulars are issued to all the Chief Engineer (EI) / Superintending Engineer (EI) / Executive Engineer (EI)/Asst. Ex Engineer (EI) to strictly adhere to the directive while servicing all new streetlight / high mast installations including extensions made to the existing streetlight circuits only after ensuring that the LED lamps / energy efficient lamps like induction lamps are provided to the street light points and it is informed that any violation in this regard will be viewed seriously (Circular copy and letter is enclosed).

Further it is also requested local bodies to provide Street light only with LED or EE lamps and it is informed that it will be advantageous in respect of electricity bill due to different tariff rate for Street light provided with LED / EE lamps. (copy of letter is enclosed)

HESCOM will adhere to the directive and strictly follow the commission's order.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

#### 4. Directive on implementation of Standards of Performance (SoP):

The HESCOM was directed to display the parameters on SoP, in all its O&M Subdivisions and O&M Sections. Also directed the HESCOM to carry out effective supervision over the functioning of field offices particularly in rendering various services to the consumers such as restoration of supply of electricity, replacement of failed transformers etc. and to submit the details of number of violations of SoP by officers, sub-division-wise, month-wise and the amount of penalty levied on the officers and the amount paid to the consumers for any delay in service.

HESCOM was also directed to conduct awareness campaigns at Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. HESCOM was also required to conduct necessary orientation programmes for all the field officers and the staff up to linemen to educate them on the SoP and the consequences of non - adherence to the SoP.

HESCOM has not reported anything on the conduct of awareness campaigns in the Hobli levels for educating consumers and orientation programs for educating the officers and field staff up to the level of lineman.

HESCOM shall submit the compliance regularly.

#### **COMPLIANCE:**

Strict instructions have been issued vide this office circular No: HESCOM/GM(T)/EE(RA)/AEE/20-21/CYS-3542 Dtd: 15.12.2020 as per the Tariff Order 2020 Dtd: 04.11.2020 to the concerned officers to display the Standards of Performance (SOP) posters in all the O & M offices of HESCOM and any breach in rendering services of the SoP will be penalized as per the provision of SoP Regulations. The progress report on SoP is being submitted to the Commission every quarter and the same is hosted in the HESCOM's website: [hescom.karnataka.gov.in](http://hescom.karnataka.gov.in) The HESCOM is making all efforts to strictly implement the specified SoP while rendering services related to supply of electricity. The details of number of violations of SoP by officers, the amount of penalty levied on the officers and the amount paid to the consumers for FY-20 and FY-21 up to September 2020 is Nil.

HESCOM is carrying out the awareness campaigns regarding the Standards of Performance through the DSM activities. The banner of the various services such as replacing the failed transformers, attending to fuse off call / line breakdown complaints, arranging new services, change of faulty meters, reconnection of power supply, etc., rendered by it as per Schedule-1 of the KERC (Licensee's Standards of Performance) Regulations, 2004 is displayed in the HESCOMs stall under the DSM activity to make the consumer aware regarding services.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

## 5. Directive on use of safety gear by linemen:

HESCOM is not submitting the quarterly compliance report to the Commission. However, HESCOM has informed that it has provided safety gear to all Linemen / Power men. HESCOM shall submit the details indicating the number of linemen, both regular and engaged on contract, who are provided with complete set of safety gear and the definite timeline by which all the remaining linemen will be provided with the complete set of safety gear including the additional tools, if any, proposed to be given. Details of the action taken on erring staff also may be furnished.

### COMPLIANCE:

The Safety is our "Prime Moto". HESCOM is committed to its standards on safety issues. The Hon'ble Commission had issued safety regulations wherein it has directed all distribution licence to take adequate measures to ensure safety to all the working staff while working as well as general public also while using electricity. It is bonded duty of Licence to provide safety gears, proper tools and adequate knowledge about work to its working staff while they are on job. Adhering to these regulations HESCOM is striving to provide safety gears to all its working men, so that no untoward incidents should occur while carrying out works. During last 2 years HESCOM has procured and provided safety gears and also tool kits to its working staff as below.

Sl. No	Year	No. of Working staff (Linemen)	Safety gears issued							Balance to be issued
			Rainwear (in Pairs)	LED Torch (in Nos)	Reflective Jackets (in Nos)	Helmet (in Nos)	Tool kit (in sets)	Rubber Hand gloves (in pairs)	Safety shoes with socks (in pairs)	
1	2020	5481	4600	1600	1700	3300	4200	--	--	--
2	2021 upto Nov-20)	5441	--	--	--	--	--	4200	5756	--

Primarily it is planned to provide safety gear to all working staff. But due to staggered procurement and stringent quality check of the materials (safety gears which are being procured). HESCOM has planned to procure the same in phased manner and year on year basis so that good quality safety gears are made available to staff continuously. Presently safety gears supplied/ procured are as mentioned in the above table which is of 66% to its total working strength. Keeping in view to provide safety gears to its all working staff, HESCOM is making all its efforts to procure them within short period of time. All the balance working staff will be provided with safety gears and tool kits by end of FY 2022 and process of procurement of safety gears and tool kit will be a continuous process and procurement will be made year on year basis depending upon the requirement. No lineman will be

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

allowed to work or to engage in repair and maintenance jobs without using safety gears, tool kits and ensuring proper safety steps are being taken. No additional Safety gears are proposed and no staff is reluctant in using safety gears, hence no action is being initiated on any of the working staff. Hence HESCOM will adhere to the directive and strictly follow the commission's directives.

#### **6. Directive on providing Timer Switches to Street lights by ESCOMs:**

The HESCOM has not submitted the quarterly compliance report in respect of installation of timer switches, to the Commission.

As per the statistics furnished in the present tariff filing in 19,789 Street lights installations are required to be provided with timer switches. Whereas, as per the information furnished in the previous year tariff filing, 19,203 number of Street lights installations are to be provided with the timer switches. This shows that, in spite of the directions of the Commission, HESCOM is servicing the Street lights installations without timer switches, thereby increasing the inventory of Street lights installations to be provided with timer switches.

HESCOM has also not submitted the compliance as to whether LED / energy efficient lamps are being used while servicing of new streetlight installations. HESCOM shall submit the compliance on the same.

#### **COMPLIANCE:**

HESCOM has issued direction to all Chief Engineer (EI) / Superintending Engineer (EI) / Executive Engineer (EI) to ensure that all new streetlight / high mast installations including extensions made to the exciting streetlight circuits shall be serviced only after providing with timer switches also regularly pursuing towards implementation of the Directive. Further HESCOM is relentlessly pursuing local bodies for installing timer switches to avoid wastage of energy and spreading awareness about providing timer switches to Streetlights through newspaper and awareness programs. The compliance has been submitted quarterly. HESCOM is and will adhere to the directives of the Hon'ble Commission while servicing the new or the extended circuit of the street light installations by getting the timers switches installed only.

As per the statistics furnished in the present tariff filing 19,789 SL installations are required to be provided with timer switches (out of 25,573 St light installations - 5,784 No's already provided with timer switches). As per the information furnished in the previous year tariff filing 19,982 number of Street Light installations are to be provided with the timer switches (out of 25,119 street light- 5,137 No's provided timer switches).

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025



Total 454 No's of Street light installation were serviced during this time period, whereas St light provided with Timer Switches are 647 Numbers (All new 454 No's of St light serviced, are provided with timer switches and remaining 193 No's timer switches are provided for the existing earlier street light installations).

Further once again circulars are issued to all the Chief Engineer (EI) / Superintending Engineer (EI) / Executive Engineer (EI)/Asst. Ex Engineer(EI) to strictly adhere to the directive. ensure that, the new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches and failed/damaged timer switches to be replaced by good one at earliest to avoid the wastage of energy. It is informed that any violation in this regard will be viewed seriously (Circular copy and letter is enclosed).

Further it is once again requested local bodies that the new streetlight installations and any extension / modification to be carried out to the existing streetlight installations shall be serviced only with timer switches and failed/damaged timer switches to be replaced by good one at earliest to avoid the wastage of energy (letter copy enclosed).

HESCOM will adhere to the directive and strictly follow the commission's order.

#### **7. Directive on Load shedding:**

HESCOM, in its tariff filing has informed that it is making use of "URJA MITRA" app developed by MoP for the dissemination of SMS on outage information to the citizens, by field staff. However, it is observed that the details of only 37.73 lakhs consumer are uploaded in the Application out of 49.27 lakh consumers. HESCOM shall submit the action plan for updating the details of 100% of consumers, in order to utilize the Application effectively.

#### **COMPLIANCE:**

HESCOM has issued circular where in consumers can opt the following mode to update their mobile numbers:

- To call toll-free number "1912"
- To visit subdivision office/cash counters of subdivisions
- At ATP KIOSKs of HESCOM
- Through meter readers /feeder franchisee/micro feeder franchisee while issuing bill collection.
- Through HESCOM website [www.hescom.karnataka.gov.in](http://www.hescom.karnataka.gov.in). In HESCOM website, consumer mobile update portal has been developed wherein consumers can update the mobile numbers regularly. Circular copy enclosed.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

- Paper notification is given in newspapers for updating mobile numbers. Copy of paper notification enclosed.

Linking of API Web services to avail facilities with real time monitoring through Urja Mitra application is under process. After completion of integration of web API, consumer data along with mobile numbers will be updated regularly.

**8. Directive on establishing a 24 X 7 fully equipped centralized consumer service centers:**

HESCOM was directed to reduce the consumer downtime to address the complaints. HESCOM is directed to report the average time taken to attend to a complaint as at present and the efforts made to further reduce the downtime in future.

The HESCOM shall furnish compliance in this regard. Comparison of the downtime analysis for FY19 and FY20 shall be furnished.

**COMPLIANCE:**

To facilitate consumers and better redressal of consumer Grievances, HESCOM has established a well-integrated 24x7 Customer Helpline through the latest technology & software developments along with in-built automatic call transfer system. Telephone No. 1912 is the helpline number.

To reduce the consumer downtime to address the complaints, HESCOM Helpline is enhanced from 7-seater to 15-seater, i.e., additional 8 seats have been added from August-2019 and upgraded its Hardware infrastructure new version and Providing CMS Solution from June-2020.

Avg speed time taken to address the consumer is 06 sec.

A 15-seater Call Centre is servicing through 15 concurrent lines 24X7 with Multi-Channel Complaint Registration Facility (Phone, Online, e-mail, Facebook, WhatsApp & Twitter). Whenever any consumer registers complaint, they will be provided with the Complaint Number, using which they can track their complaint status through Helpline or HESCOM Website.

Different modes of Customer Complaint registrations made available for Consumers to reduce downtime:

- Online Registration of Complaint through Website:

<https://hescom.karnataka.gov.in/>

**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

- Email ID: [customercare@hescom.co.in](mailto:customercare@hescom.co.in)
- Facebook account: <https://facebook.com/Hescom Orgn>
- WhatsApp Number: 9480883899
- Twitter Account: <https://twitter.com/Hubli Hescom>

HESCOM'S 24X7 consumer service center is monitoring 24X7 to attend and reduce the average downtime by repeatedly following up action with Sub-Divisional and field officers till the restoration of power supply.

The Total No. of complaints received at CCC for the FY 2019-20 are 342327 Nos and FY 2020-21 i.e. up to Sep-2020 are 257510 Nos. the complaints are attended under different categories as given below:

**FY 2019-20:**

Name of the ESCOM	Complaints received CCC	Complaints received at other than CCC	Details of complaints received					Time taken to attend complaints	
			Fuse off call	LT Line	Transformer	11kV feeder interruptions	Total	Min time	Max. time
1	2	3	4	5	6	7	8	9	10
HESCOM	337117	5210	319289	711	22327	2661	342327	10 min	30 days (based on nature of complaint)

**FY 2020-21:**

Name of the ESCOM	Complaints received CCC	Complaints received at other than CCC	Details of complaints received during FY 2020-21 up to Sep-2020					Time taken to attend complaints	
			fuse off call	LT Line	Transformer	11kV feeder interruptions	Total	Min time	Max. time
1	2	3	4	5	6	7	8	9	10
HESCOM	246997	10513	243582	693	13235	2386	257510	10 min	30 days (based on nature of complaint)

Avg time take to attend the complaint for the FY 2019-20 is 48 min and for the FY 2020-21 is 19 min.

HESCOM is continuously striving to improve services to consumer and further to reduce consumer downtime in future the existing 15 seaters will be expanded as on need basis.

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hescom  
 Navanagar, Hubballi - 580 025

## 9. Directives on Energy Audit:

### Energy Audit of cities / towns

The HESCOM is not furnishing the energy audit reports regularly to the Commission. HESCOM shall furnish details of feeder-wise energy audit along with the details of measures initiated to reduce loss levels wherever the same are above 15% up to September, 2020.

### DTCs Energy Audit:

HESCOM was directed to furnish the details of energy audit conducted in respect of DTCs for which meters have been fixed and the remedial measures initiated to reduce losses in those DTCs every month to the Commission regularly.

HESCOM is said to have conducted Energy Audit for only 19,000 to 24,000 number of DTCs, out of 64,511 number of metered DTCs. HESCOM shall furnish remedial measures initiated to reduce losses in those DTCs and the timeline by which all the balance DTCs will be metered, and audited.

It has come to the notice of the Commission that, HESCOM has taken initiative and invested huge capital on remote reading of energy meters provided to various DTCs for achieving efficient energy auditing. HESCOM has not clearly furnished the status of communication facility, action taken to achieve 100% communication and to analyse the data towards remedial measures for setting right the issues, conducting energy audit etc., HESCOM shall furnish the details on the number of meters provided to DTCs to have AMI in place by the earlier agencies, % of communication achieved, percentage energy audit conducted with the AMI fetched readings etc.,

HESCOM is directed to comply with the directives of the Commission issued in all the preceding Tariff Orders, in respect of energy audit of DTCs.

HESCOM shall also indicate the definite timeline by which it will complete the consumer indexing for taking up energy auditing effectively.

### **COMPLIANCE:**

#### 1) Energy Audit of cities / towns

The details of Town wise energy audit from April-2020 to Sep-2020 is enclosed for kind consideration. All the town feeders are well within 15%.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

2) **DTCs Energy Audit:**

DTC wise energy audit from April-2020 to Sep-2020 is enclosed for kind consideration.

ESCOM	Month wise	Existing DTCs	Metered DTC	No. of DTCs for which DTC wise Energy audit done	<5%	5% to 10%	10% to 15%	15% to 20%	>20
HESCOM	Apr-2020	224086	64338	23126	5872	5881	5937	1477	3959
	May-2020	225028	64339	19443	5343	4972	5306	1455	2367
	June-2020	225820	64393	22482	5919	5986	6508	1597	2472
	July-2020	227271	64497	22881	5563	6485	6339	1783	2711
	Aug-2020	227800	64511	24315	6098	7151	6567	1694	2805
	Sept-2020	228471	64521	25558	6578	6581	6367	2122	3910

Following Measures have been initiated for reduction of loss in DTCs wherever there is high loss.

- 1) Measures are being taken to complete the billing cycle within the stipulated time.
- 2) Replacement of MNR meters work is under progress.
- 3) It is informed to MRT staff to arrange for testing of meters and sealing of meters on high loss feeders.
- 4) Instructed to concerned Officials to keep vigil on illegal hooking of Streetlight/WS/ Domestic installations and servicing of such installations is under progress.
- 5) LT Conversion work of 1-Ph 2 w& 3w to 3 Ph 5 wire system is under progress.
- 6) Work of Replacement of 250 KVA DTCs by lower capacity DTCs is under progress
- 7) Tagging work is being under progress
- 8) Theft cases are being booked under LT1, LT2 , LT 3 & LT4.
- 9) Replacement of old aged conductor by cables, providing static meters to all installations
- 10) Balancing of load , providing additional transformers, educating consumers to fix capacitors for motive loads

  
**Executive Engineer (EI)**  
 RA Section  
 Corporate Office, Hesco  
 Navanagar, Hubballi - 580 025

**Energy Audit of cities / towns:**

The Energy Audit of town wise/ Feeder wise of 29 RAPDRP towns of HESCOM is regularly uploaded in NPP portal and monitored by PFC/MoP.

**DTCs Energy Audit:**

As per RAPDRP Part-A project,

Out of 15897 DTCs, 15524 nos of modems were fixed to DTCs by modems vendors.

The contract period of M/s Analogics and M/s Amitech for AMR system was expired in Sept-2019 & Mar-2019 respectively. Both the firms were not ready to extend the contract period. During 1st track lead meeting of all ESCOMs held on 14<sup>th</sup> & 15<sup>th</sup> under IPDS IT Phase-II project, discussed about the maintenance of AMR system whose AMC has ended, HESCOM being the nodal agency for RAPDRP & IPDS project has been requested to share the action taken to capture DTC meter data of RAPDRP towns.

Further, HESCOM has taken up supply, Installation, commissioning and maintenance of ETV meter being AMR compliant with associated CT's modem & sim for metering of 40793 Nos of DTCs in two Phases (Phase-I & II) in all the Non-RAPDRP Town Areas and Rural Areas in all O & M Divisions.

Online transfer of Data from Thread through type meter (meter is having in-built Current Transformer (CT), Modem, SIM. Modem and SIM for online data transfer) to the centralized server by establishing communication.

The agency is maintaining server and has hosted web-based application. URL (address of the web application, 125.16.20.2/ HESCOM), user login id and password have been given to the concerned HESCOM officials.

Communication was established for 33947 DTCs in the centralized server during the month of Sept-2020 out of 40793 Metered DTCs.

100% Communication and Energy Audit of 100% Metered DTCs is not achieved due to network connectivity Problem for establishing communication with the server, Mismatch in the DTC Meter code updated in M/s. N-soft server and actual existing in the field, Damaged Lead wire, MNR Meters and Burnt out Meters which will be addressed at the earliest.

Further, due to heavy rainfall in northern districts of Karnataka state which comes under HESCOM Jurisdiction. meters and lead wire of some the DTCs got damaged and also Modem of the some of the DTCs is damaged which affected the Network connectivity.

*[Faint, illegible text]*



**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

The following are the remedial measures initiated to achieve 100% Communication, Energy Audit report generation of metered DTCs and also reduce losses in those DTCs wherever the loss levels are at higher levels;

1. A separate Energy Audit cell is constituted for the specific purpose of conducting and monitoring energy audit functions.
2. The subject works is taken in rural areas and Malanad area of Uttar Kannada district, agency is facing network connectivity Problem for establishing communication with the server. Hence, Agency is directed to carry out the manual meter reading of DTCs which are not in cellular coverage area.
3. All the field officials are directed to verify and Match the DTC Meter Sl.No. as existing in the Field to DTC Meter Sl. No updated in the TRM Software.
4. All the field officials are directed to check the mapping of DTCs to Feeders and installations to DTCs and rectify the same.
5. With regard to Negative and High Loss DTCs, It is directed to match the reading of DTCs and installation mapped on the respective DTCs to make sure readings are carried out on same day.
6. Calibration of Meters, Replacement of MNR and Burnt out Meters.
7. HESCOM has taken up the work of replacement the existing Electro-mechanical /High Precision Meters by static Meters under DDUGJY and IPDS schemes.
8. Energy Report of DTCs wherever the loss levels are at higher levels are shared with HESCOM MT and Vigilance staff to check any authorized connections on the DTCs and correctness of the Meter.
9. Due to software issues while integrating the data and mismatch in DTC Code, Energy Audit of the some of the Metered DTCs is not being done. this Issue is being addressed will be resolved by the HESCOM in coordination with M/s. Asian Fab Tech and the System Provider viz., M/s. N-soft service private Ltd at the earliest.
10. Notices are served to agency M/s. Asian Fab Tech to provide network connection immediately.

#### **10. Lifeline Supply to Un -Electrified households:**

The Commission observed that out of 88 707 number of identified households under DDUGJY scheme, HESCOM has reported that only 86,846 households are electrified as on 30.09.2020. HESCOM shall submit the compliance as to the action plan for completing the electrification of all the households identified.

**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescom  
Navanagar, Hubballi - 580 025

**COMPLIANCE:**

New connections are provided to 86846 Nos of Un -electrified House holds out of 88707 Nos of HHs under DDUGJY Scheme. The balance 1861 no. of HHs have availed Power supply on their own and the project is completed in all respects.

**11. Implementation of Financial Management Framework:**

HESCOM is not submitting the compliance on the directive regularly to the Commission. HESCOM has not submitted the O & M Division wise target fixed as per the directive, performance analysis etc.,

HESCOM has reported arrears to the extent of Rs. 2,338.97 Crores as on 30.09.2020. Commission also observed a huge gap in recovery from RLB and ULB in the jurisdiction of HESCOM.

HESCOM shall submit the action taken towards the recovery of arrears along with the action plan.

**COMPLIANCE:**

The Division wise target fixed as per the directive again it will be instructed to the Zones/units to revise the desired Target.

1) The Total Arrears as per the september-2020 DCB is Rs 2338.97 crores out of which Rs 29.60 crores is outstanding under Long Disconnected Installations. For Recovery of arrears under Long Disconnected Installations is under progress. Persuasion made from HESCOM duly issuing Form A, Form B & Form C.

2) The Category wise breakup for Rs 29.60 Crores is attached.

3) The details of Category wise Live arrears of Rs 2338.97 Crores is also attached as annexure ....

**12. Prevention of Electrical Accidents:**

As per the details of hazardous locations furnished, it is found that, as high as 5,426 number of hazardous locations are yet to be rectified as on October 2020. HESCOM shall furnish the stringent action plan for rectifying the hazardous locations.

HESCOM has to furnish the summary of the analysis made on the reports submitted by Electrical Inspectorate for FY20 and FY21 up to September, 2020, action taken to prevent such accidents in future.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025



## COMPLIANCE:

There are 8408 Nos of Hazardous locations identified and 2931 Nos. rectified during this year 2020-21 (till November -2020) there are 5477 Nos of locations are yet to be rectified and these will be ratified Financial year end.

All efforts are being made to reduce the accidents in all the area coming under the jurisdiction of HESCOM making all possible efforts. HESCOM is continuously engaged in identification and rectification of all the hazardous locations/installation to prevent electrical accidents. HESCOM is striving to have continuous awareness campaigns through visual / print media on safety aspects among public. Along with all this the following measures has been taken for prevention of accidents to Employees /consumers / Public.

The details of Hazardous Locations identified and rectified for the year 2020-21 till November-2020 is as given below.

### Details of Hazardous Locations

Sl No	Name of the Circle	Hazardous locations existing at the beginning of the year	Hazardous locations identified from April to November 2020	Hazardous locations rectified	Balance to be rectified	Remarks
1	Hubballi	834	1672	776	896	Works already sanctioned and some of the works are under progress.
2	Haveri	512	657	231	426	
3	Sirsi	925	1283	604	679	
4	Belagavi	1103	1236	478	758	
5	Chikkodi	387	1173	515	658	
6	Vijaypur	604	757	259	498	
7	Bagalkot	1708	1630	68	1562	
Total		6073	8408	2931	5477	

Summery of analysis made on the report submitted by electrical inspectorate for FY-20 and FY-21 upto Sep-2021 and action taken to prevent such incidents in future is attached (As per Annexure-1(Planning)) with this for the kind consideration of Hon'ble Commission.

Achievement in respect of reduction in electrical accidents as compared with last 3 years figures is noticeable during FY 21 where the number of accidents are only 348 as compared to 478 in the previous year. Stringent action plan will be implemented to reduce the accidents to a possible extent in future by executing all the planned preventive measure works.

  
**Executive Engineer (EI)**  
RA Section  
Corporate Office, Hescor  
Navanagar, Hubballi - 580 025

Action plan to reduce electrical accident for FY-22 is as following for PMRA work budget previous of 50.00 crores made and all the proposed works will be carried out to reduce the electrical accidents.

Sl No	Particulars	Quantity	Probable expenditure
1	Providing intermediate poles	7500	16.00
2	Restranging of sagging lines(HT)	1500	7.00
3	Restranging of sagging lines(LT)	3500	10.00
4	Providing guy & studs,	1500	4.40
5	Providing guarding	2500	2.00
6	Reconditioning of earthing	5000 sets	10.00
7	Awareness programmes		0.50
8	Training programs		0.10
			50.00



**Executive Engineer (EI)**

RA Section

Corporate Office, Hescom

Navanagar, Hubballi - 580 025

~~0~~