

**CHAPTER - 3****PUBLIC CONSULTATION – SUGGESTIONS / OBJECTIONS & REPLIES**

**3.1** In pursuance of the provisions of Section 64 of the Electricity Act, 2003, the Commission has undertaken the process of public consultation, to obtain suggestions / views / objections from the interested stake-holders, on the application filed by the HESCOM, for the Annual Performance Review for FY19, approval of revised ARR and revision of retail supply tariff for FY21, under the provisions of the MYT Regulations. In the written submissions as well as during the public hearing, the stake-holders and the public have raised several objections and have made suggestions, on the Tariff Application. The names of the persons who have filed written objections are given below:

**List of persons who filed written objections within due date:**

Sl. No	Application No	Name & Address of the Objectors
<b>Objections Filed with Affidavit:</b>		
1	HA-01	Sri M G Rajagopal, General Secretary, KASSIA, 2/106, 17 <sup>TH</sup> Cross, Magadi Chord Road, Vijayanagar, Bangalore – 560040.
2	HA-02	Sri Ganesh G Hegde Kadekodi, President, Uttara Kannada District Commerce & Agricultural Association (R), C P Bazar, Sirsi – 581401, Uttara Kannada.
3	HA-03	Sri Rangrej, Ex-President, Chairman, Electricity Sub-Committee, Gadag District Chamber of Commerce and Industry, APMC Road, Gadag – 582101.
4	HA-04	Sri KalaGowda S Patila, Kerura, Chikkodi Taluk, Belagavi District.
5	HA-05	Sri Dileepa Latthe, Arabyanavadi, Chikkodi Taluk, Belagavi District.
6	HA-06	Sri Prakasha Gowda Gundu Gowda Patila, Bambalawada, Umarani, Chikkodi Taluk, Belagavi District.
7	HA-07	Sri Dundappa Bhima Hinglaje, Arabyanavadi-Kerura, Chikkodi Taluk, Belagavi District.
<b>Objections Filed without Affidavit:</b>		
8	HB-01	Sri Mahesh Suguru, Plant Head, Tata Motors Ltd., Mummigatti Post, Dharwad – 580011.
<b>Objections Filed after the Public Hearing:</b>		
9		Sri Prabhulingaiah Rudrayya Karjagimatt, Ex-Municipal Member, Doddapete, Ranebennur, Haveri District.
10		Sri Shivananda L Hipparagi, State Bank Colony, Vijayapura – 586104.
11		Sri N S Biradar, President, North Karnataka Small Scale Industries Association, Industrial Estate, Gokul Road, Hubli – 580030.
12		Sri Mahendra Ladhada, President, Karnataka Chamber of Commerce & Industry, G Mahadevappa Building, J C Nagar, Hubballi – 580020.
13		Smt Prema V Patil, Hubballi.

The objections / suggestions mainly pertain to:

- a. Retail Supply Tariff;
- b. Quality of Power Supply and Service;
- c. Compliance of Commission's directives; and
- d. Certain specific requests.

The gist of objections, Replies by HESCOM and the Commission's Views are appended to this order in **Appendix-1**.

- 3.2** As a part of the Public consultations, the Commission also held public hearing at Hubballi on 17.02.2020. In the public hearing, the following persons made oral submissions before the Commission. The List of the persons who made oral submissions during the Public Hearing on 17.02.2020 is as under:

SL. No.	Names & Addresses of the Objectors
1	Shri A.S.Kulakarni, Co-Chairman, Power Sub Committee, Karnataka Chamber of Commerce and Industry, Hubli
2	Shri Amal Nair, Advocate, IEX
3	Shri. Veeranna Majjagi, Bharatiya Kissan Sangha, Shirahatti, Gadag District
4	Shri. Madhava Hedge, Bharatiya Kissan Sangha, Karwar
5	Shri. R.G. Joshi, Kumta
6	Shri. Mallana Gowda Patil, Dharwad
7	Shri Shivananda Kampli
8	Shri Vivek Moray, Bharatiya Kissan Sangha, Dharwad
9	Shri. Ramesh Koravi, Bharatiya Kissan Sangha, Hubballi
10	Shri Gopal Divate, Bharatiya Kissan Sangha, Dharwad
11	Shri Gurushantha Gowda, Belagali Village
12	Shri Shivappa, Mulagund, Gadag
13	Shri Chandru Naduvinamane, Ugginakeri, Kalaghatagi Taluk.
14	Shri Pundalik Gayakwad, Dharwad
15	Shri Parthasarathy Dasa, ISKCON, Dharwad
16	Shri Shashidhar Salimutt, Hubli
17	Shri Mallappa M.Garwad, Badami
18	Shri Ravi Koti, Badami
19	Shri Tushar Baddi, Hubli
20	Shri V.S.Patil, MGMP, Kalaghatagi
21	Shri Dundappa Bhima Hinglaje, Kerur Chikkodi Taluk

SL. No.	Names & Addresses of the Objectors
22	Shri F.K. Patil, Kataraki, Badami Taluk
23	Shri Raghavendra Naik, Karnataka Rajya Raitha Sangha, Belagavi
24	Shri Choonappa Pujeri, Karnataka Rajya Raitha Sangha.
25	Shri Chandrasekhar Siliappanavar, Bagalkot.

**3.3** During the public hearing conducted by the Commission, the stakeholders raised several points / issues relating to the operation and working of the HESCOM. The gist of the submissions made during the Public Hearing is listed below:

Sl. No.	Gist of Objections	Replies by HESCOM
1	All the stakeholders who participated in the public hearing, opposed the tariff hike as proposed by the HESCOM, in view of the fact that public have suffered due to heavy rains and floods.	<p>The Managing Director, HESCOM stated that the replies to most of the issues raised in the public hearing have already been furnished against the written objections. The other issues not covered earlier would be looked into and remedial action taken as per rules.</p> <p>The gist of replies furnished by the MD HESCOM is as follows:</p> <p>a) Will abide by the directions of KERC in respect of making special incentive scheme attractive.</p> <p>b) More than 300 number of employees and vehicles have been appointed by outsourcing and are posted to all the Sub divisions.</p> <p>c) In the present process of recruitment of 460 JLMs, first priority will be given to people from North Karnataka.</p> <p>d) Station staff are directed to stay in the place of their posting, otherwise orders have been issued to take disciplinary action, by withholding their salary.</p>
2	Consumers are losing interest in participating in the public hearing and the number of participants is reducing year on year.	
3	Due to good monsoon, the dams are full and cheaper hydel power is available. Instead, high cost power is being purchased.	
4	Due to high cost, special incentive scheme is not attractive and only 7 consumers have opted for the scheme.	
5	HESCOM has not utilised the total capex approved.	
6	There is no progress in providing pre-paid energy meters. Even though no security deposits required when pre-paid meters are installed, HESCOM is collecting deposits.	
7	HESCOM has not adopted UDAY scheme.	
8	50% of IP set consumption has to be considered as unmetered.	
9	HESCOM has to receive huge amount of arrears from 35 other Government offices.	
10	Since, the Cross Subsidy Surcharge and Additional Surcharge are not reduced and are high, HESCOM has failed to attract open access consumers.	
11	Tariff hike shall be allowed only if HESCOM complies with at least 50% of Directives.	
12	The solar rebate of Rs.50 per installation shall also be increased in proportion to the tariff hike.	

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13	Audited accounts shall be verified before determination of cross subsidy.	e) Consumers grievance redressal meetings are being conducted at Taluka level and Section office level, which will be continued.
14	If proper check on electricity theft are brought in, the question of increase in tariff would not arise.	
15	HESCOM has to take suitable actions to recover arrears from water supply installations and all other installations.	f) Posters giving information on SoP are glued in the Division and Sub-division offices. Consumer education activity in this regard will be taken up shortly.
16	The linemen who are working in the same places for more than 20-30 years are to be transferred.	
17	HESCOM is insisting on production of lot of unwanted documents from the consumers for providing electricity supply connections.	g) Information on the solatium is collected in the review meetings to review the progress of revenue collections and the reason for the delay is due to delayed receipt of accident reports from the Electrical Inspectorate.
18	More number of poles will be provisioned in the estimates, but after execution, that many numbers of poles are <u>not</u> seen in the field.	
19	The work awarded to M/s Bajaj Company for Rs.500 Crores has not delivered properly. Instead, HESCOM is collecting amount from the consumers for installing meters.	h) Action will be taken for providing and use of light weight safety equipments.
20	HESCOM has to take up the work of setting right the faulty distribution transformers.	
21	Several villages in the jurisdiction of HESCOM needs to be electrified.	i) Power supply is being provided to IP set consumers registered between 2014 and 2018 till now by collecting Rs.50. IP set consumers registered till September 2018 are also being regularised by collecting Rs.50. Tenders amounting to Rs.500 Crores has been invited and is under process for providing proper infrastructure.
22	Progress of the Company is seen only in books and no appreciable physical progress is seen.	
23	Request the Commission to stop collection of FAC.	j) Rs.40 Crores is reserved in the budget to provide additional DTCs to the IP set consumers of Dharwad District and to enhance the capacity of the existing DTC.
24	Though the meters are burnt out on account of line faults, HESCOM is collecting Rs.200, as penalty.	
25	Appreciated the performance of HESCOM in providing reliable power supply and the good customer relationship by the officers.	k) Old conductors are already being replaced. In future, 10 hazardous locations will be identified and rectified every
26	Linemen may be instructed to be present in their place of assignment.	
27	Consumer Interaction Meetings and Grievance Redressal meetings have to be increased.	
28	Failed distribution transformers are to be replaced as per the time line specified by the Commission.	
29	Consumers may be educated on the Standards of Performance. For consumer education, Section office wise consumer meetings shall be arranged.	
30	Many of the participants/ consumers	

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	appreciated the increase in efficiency of the officers from the Assistant Executive Engineers to the Section Officers.	month.
31	Solatum against death of animals, is not paid in time, even after the lapse of 4 – 5 years, which puts the farmers in hardship.	l) Action will be taken to increase the duration of power supply from 7 hrs to 10 hrs, as per the directions of KERC.
32	Most of the times, Section officers and Sub Divisional Officers are not available in the offices and will be informed that they will be attending the meetings. The number of meetings should be reduced and they must be instructed to be available in the office for at least 2-3 days in a week.	m) 614 consumers have registered under Ganga Kalyana scheme recently. This work will be completed by the end of March.
33	HESCOM has regularised IP installations and issued RR Nos. by collecting Rs.50. This has increased the number of IP installations on the DTC and hence resulted in increased failure. Necessary action must be taken to either increase the capacity or provide additional DTCs.	n) The plot identified for installing of Substation in Dharwad Taluk is the pasture. Since, the Government will not permit installing the substation in such a place, suitable action will be taken, if some other suitable plot is identified.
34	It is required to check the transfers of Officers and Staff from rural areas to the urban areas.	
35	Sufficient number of service vehicles to be provided to rural areas.	o) Action will be taken to provide interest on security deposit as per the KERC Regulations.
36	Sophisticated safety equipment with modern technology shall be provided to the linemen.	
37	Time allowed to make payment of energy bill shall, be increased from the present 15 days to 30 days.	
38	Facilitate to make payments on second Saturdays and Sundays as well, by opening the cash counters.	
39	Farmers shall be encouraged to produce solar power and solar IP sets shall be encouraged.	
40	HESCOM is not properly utilising the Government schemes and the consumers are also not being educated on the schemes.	
41	Rural areas are not aware of the sale of LED bulbs and fans.	
42	HESCOM has to resolve low voltage issues.	
43	Increase in electricity tariff will affect the Akshaya Patra a non-governmental organisation, which is working on the funds raised.	
44	Small and medium scale industries shall be encouraged by way of grants and subsidies.	

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45	Few offices of HESCOM are collecting 3 MMD in place of 2 MMD against the Regulations. Interest on security deposits are being paid at different rates by various offices across HESCOM, which needs to be made uniform across HESCOM and as per Regulations.	
46	Ice cold storage installations shall be treated as industrial units.	
47	HESCOM has to provide uninterrupted power supply to industries. A huge number of interruptions to an extent of 100 times has been noticed in few months.	
48	Action must be taken to maintain DTCs in good and safe working condition, by providing GOS etc.,	
49	Neighbouring Maharashtra is providing electricity supply to industries in LT up to 160 HP. Whereas, LT power supply is provided to industries in Karnataka up to 67 HP only. This threshold limit needs to be increased.	
50	Sufficient number of transformer repair centres may be opened.	
51	HESCOM shall provide early resolution of the issues relating to replacement of faulty DTCs, setting right the sag in conductors, replacing the deteriorated jumps, conductors etc.,	

### Commission's views:

After hearing the public and the replies from the MD HESCOM, the Commission issued the following directions:

- Not to conduct large number of meetings, during office hours.
- Workshops shall be conducted to educate the staff on Standards of Performance (SoP), behavioural attitude etc.,
- Action shall be taken to reduce distribution losses.

Also, the Commission directed HESCOM to look into the unresolved issues and attend to them on priority, under intimation to the respective objectors.