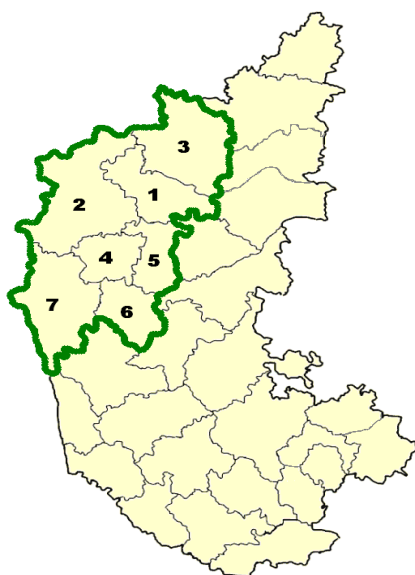


CHAPTER – 1

INTRODUCTION

1.0 Hubli Electricity Supply Company Limited (HESCOM):

Hubli Electricity Supply Company Ltd., (HESCOM) is a Distribution Licensee under Section 14 of the Electricity Act, 2003 (hereinafter referred to as the Act). HESCOM is responsible for purchase of power, distribution and retail supply of electricity to its consumers and also providing infrastructure for Open Access, Wheeling and Banking in its area of operation which includes seven Districts of the State as indicated below:



1. Bagalkote
2. Belagavi
3. Vijayapura
4. Dharwad
5. Gadag
6. Haveri
7. Uttara Kannada

HESCOM is a company registered under the Companies Act, 1956, incorporated on 30th April, 2002. HESCOM commenced its operations on 1st June, 2002.

O&M Zones	O&M Circles	O&M Divisions
Hubli Zone	Hubli Circle	Hubli Urban
		Hubli Rural
		Dharwad Urban
		Dharwad Rural
		Gadag
		Ron
	Haveri Circle	Haveri
		Ranebennur
	Sirsi Circle	Sirsi
		Karwar
Belagavi Zone	Belagavi Circle	Belagavi Urban
		Belagavi Rural
		Bailahongal
		Ghataprabha
		Ramadurga
	Chikkodi Circle	Chikkodi
		Athani
		Raibagh
	Vijayapura Circle	Vijayapura
		Indi
		Basavana Bagewadi
	Bagalkote Circle	Bagalkote
		Jamakandi
		Mudhol

The O & M divisions of HESCOM are further divided into seventy eight sub-divisions. These sub-divisions are further divided into 246 O & M section offices.

Section offices are the base level offices looking into the operation and maintenance of the distribution system in order to provide reliable and quality power supply to the HESCOM's consumers.

1.1 HESCOM at a glance:

The profile of the HESCOM is as indicated below:

Sl. No.	Particulars (As on 30-09-2016)		Statistics
1.	Area	Sq. km.	54513
2.	Districts	Nos.	7
3.	Taluks	Nos.	49
4.	Population	Lakhs	1.66
5.	Consumers	Lakhs	43.16
6.	Energy Sales for FY16	MU	10092.02
7.	Zone	Nos.	2
8.	DTCs	Nos.	151298
9.	Assets as on 31.03.2016	Rs. in Crores	7373.42
10.	HT lines	Ckt. kms	68101.82
11.	LT lines	Ckt. kms	116711.18
12.	Total employees strength:		
A	Sanctioned	Nos.	16150
B	Working	Nos.	8727
13.	Revenue Demand for FY16	Rs. in Crores	5520.80
14.	Revenue Collection for FY16	Rs. in Crores	5593.72

1.2 The Number of Consumers, Sales in MU and Revenue details of HESCOM in FY16 is as follows:

CATEGORY	HESCOM for 2015-16		
	No. of Installation	Sales in MU	Revenue in Rs.Crores.
Domestic	3091504	1551.72	680.43
Commercial	319321	533.24	440.45
Industrial	102733	1243.66	824.76
Agriculture	639949	5960.61	3045.28
Others	94483	802.79	629.87
Total	4246990	10092.02	5520.80

The Hukeri Rural Electric Co-operative Society Limited, Hukeri (HRECS) is one of the distribution licensees purchasing power from HESCOM on payment of the bulk supply tariff determined by the Commission. HRECS has filed separate application for approval of Revision of ARR and retail supply tariff for its distribution and supply area for the control period FY18.

HESCOM has filed its application for approval of Annual Performance Review for FY16, Revision of Annual Revenue Requirement (ARR) for FY18 and revision of Retail Supply Tariff for FY18.

HESCOM's application, the objections / views of stakeholders thereon and the Commission's decisions on the approval of Annual Performance Review for FY16, Revision of ARR for FY18 and revision of Retail Supply Tariff for FY18 are discussed in detail in the subsequent Chapters of this Order.