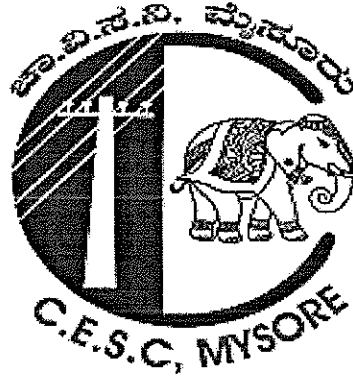


**CHAMUNDESHWARI ELECTRICITY SUPPLY  
CORPORATION LIMITED, MYSORE**



**Replies to the Preliminary Observations  
to the application of APR of FY-20 and  
ARR/ERC for FY-22 of CESC, Mysore.**

**Filed on 24-12-2020**

**Before**

**Karnataka Electricity Regulatory Commission,  
Bengaluru.**





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

FILE NO. \_\_\_\_\_  
CASE NO. \_\_\_\_\_

In the Matter of

An application for approval for replies to the observations of Hon'ble Commission in respect of the application filed for Annual Performance Review (APR) for FY-20 and Aggregate Revenue Requirement/ Expected Revenue Charges for FY-22 of Chamundeshwari Electricity Supply Corporation Limited, Mysuru (CESC Mysuru) under Section 61 & 62 of the Electricity Act 2003 and under section 27 of the Karnataka Electricity Reforms Act 1999 read with relevant Regulations of KERC (Tariff) Regulations including KERC (Terms and Conditions for Determination of Tariff for Distribution and Retail Sale of Electricity) Regulations, 2006.

AND

In the Matter of  
Chamundeshwari Electricity Supply Corporation Limited (CESC), Mysore.

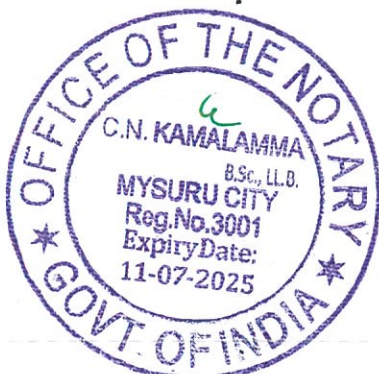
**AFFIDAVIT**

I, Sri.Prakash.V, aged 55 years, S/o Venkataramu, General Manager (Commercial), Corporate Office, CESC, Mysore, do solemnly affirm and say as follows:

- I am dealing with Regulatory Affairs and have been duly authorized by the Board of Directors of CESC Mysuru in the 75<sup>th</sup> meeting of Board of Directors of CESC, Mysuru held on 11.09.2019 to make this Affidavit.
- The Statement made in pages 1 to 105 and related Annexures herein now shown to me are true to the best of my knowledge and the Statements made in pages 1 to 105 are based on information I believe to be true.
- Solemnly affirmed at Mysore on this day 24.12.2020 that the contents of this Affidavit are true to my knowledge, no part of it is false and no material has been concealed there from.

Place: Mysuru  
Date: 24.12.2020

on behalf of CESC, Mysore



24 DEC 2020

General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru

No. of Corrections.....nk.....

Solemnly Affirmed & Sworn to  
Before me on.....24 DEC 2020

Document No. 434 Date 24 DEC 2020  
Page No. 26 Book No. 11  
NOTARY, MYSORE





**Replies to the Preliminary Observations on the Applications filed by the CESC for approval of APR for FY-20 and ARR & Retail Supply Tariff for FY-22 under MYT Framework**

**1. Observations on Sales:**

**A. Sales- Other than IP sets:**

**Commission's Observations:**

**Data Inconsistency:**

At page-52, in the Table, the sales to IP set for FY19 should be 2733.39 MU as approved by the Commission and the total sales should be 6203.44 MU. The above inconsistency in data shall be rectified.

**CESC Replies:**

At page-52, the sales to IP set for FY19 is mentioned as 2885.52 MU and total sales as 6203.44 MU is as per the APR of FY-19 submitted to the Hon'ble Commission. The rectified data as approved by the Hon'ble Commission in Tariff order 2020 issued on 04.11.2020 is as follows,

CATEGORY	ACTUAL SALES IN MU FOR FY-19	SALES FOR FY-20		VARIATION OVER APPROVED SALES IN MU	% VARIATION OVER APPROVED SALES
		APPROVED SALES IN MU	ACTUAL SALES IN MU		
BJ/KJ> 40 Units	30.07	14.28	34.34	20.06	140.48
LT-2a	981.90	1051.66	1020.5	-31.16	-2.96
LT-2b	9.77	11.03	10.31	-0.72	-6.53
LT-3	298.45	317.61	320.75	3.14	0.99
LT-4(B)	0.75	0.77	0.85	0.08	10.39
LT-4(C)	20.05	25.32	19.29	-6.03	-23.82
LT-5	146.04	147.08	151.16	4.08	2.77
LT-6WS	250.53	292.79	262.12	-30.67	-10.48



No. of Corrections.....*Nil*

24 DEC 2020

General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru





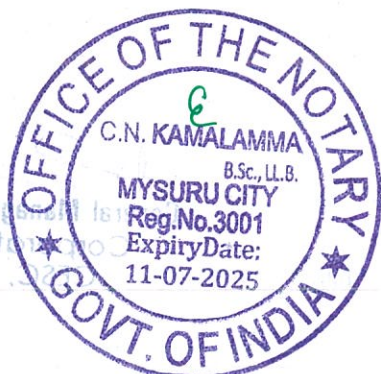
Preliminary Observations on APR-20 & ARR/ERC-22

CATEGORY	ACTUAL SALES IN MU FOR FY-19	SALES FOR FY-20		VARIATION OVER APPROVED SALES IN MU	% VARIATION OVER APPROVED SALES
		APPROVED SALES IN MU	ACTUAL SALES IN MU		
LT-6PL	117.48	125.61	121.67	-3.94	-3.14
LT-7	17.63	19.50	18.18	-1.32	-6.77
HT-1	445.06	446.21	464.48	18.27	4.09
HT-2(A)	765.28	875.34	665.31	-210.03	-23.99
HT-2(B)	132.38	136.85	133.13	-3.72	-2.72
HT-2c	51.21	59.23	55.22	-4.01	-6.77
HT3 a & b	92.17	102.90	84.46	-18.44	-17.92
HT-4	4.15	4.23	4.15	-0.08	-1.89
HT-5	1.90	2.80	2.62	-0.18	-6.43
<b>Subtotal other than BJ/KJ and IP sets</b>	<b>3364.81</b>	<b>3633.21</b>	<b>3368.54</b>	<b>-264.67</b>	<b>-7.28</b>
BJ/KJ < 40 Units	100.21	97.45	97.78	0.33	0.34
IP	2885.52	2528.81	2934.98	406.17	16.06
<b>Subtotal of BJ/KJ and IP sets</b>	<b>2985.73</b>	<b>2626.26</b>	<b>3032.76</b>	<b>406.5</b>	<b>15.48</b>
Auxiliary Consumption	5.02	5.13	5.25	0.12	2.34
<b>Total</b>	<b>6355.57</b>	<b>6264.60</b>	<b>6406.55</b>	<b>141.83</b>	<b>2.26</b>

I. Annual Performance Review for FY20

Commission's Observations:

The Commission in its Tariff Order 2018 dated 30.05.2019 had approved total sales to various consumer categories at 6264.59 MU, as against the CESC proposal of 6335.34 MU. The actual sales of CESC as per the current APR filing [D-2 format] is 6406.56 MU, indicating an increase in sales to the extent of 141.97 MU with respect to the approved sales, including the auxiliary consumption. There is an increase in sales of 360.16 MU in LT-categories and decrease in sales of 218.19 MU in HT-categories.



*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru

No. of Corrections.....*NV*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

The category-wise sales approved by Commission and the actuals for FY20 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
BJ/KJ Consuming more than 40 units/month	14.28	34.34	20.06
LT-2a	1051.66	1020.50	-31.16
LT-2b	11.03	10.31	-0.72
LT-3	317.61	320.75	3.14
LT-4b	0.77	0.85	0.08
LT-4c	25.32	19.29	-6.03
LT-5	147.08	151.16	4.08
LT-6 WS	292.79	262.12	-30.67
LT-6 SL	125.61	121.67	-3.94
LT-7	19.50	18.18	-1.32
HT-1	446.21	464.48	18.27
HT-2a	875.34	665.31	-210.03
HT-2b	136.85	133.13	-3.72
HT-2c	59.23	55.22	-4.01
HT-3a & b	102.90	84.46	-18.44
HT-4	4.23	4.15	-0.08
HT-5	2.80	2.62	-0.18
<b>Sub total</b>	<b>3633.20</b>	<b>3368.54</b>	<b>-264.66</b>
BJ/KJ Consuming less than or equal to 40 units/month	97.45	97.79	0.34
IP	2528.81	2934.98	406.17
<b>Sub total</b>	<b>2626.26</b>	<b>3032.77</b>	<b>406.51</b>
<b>Auxiliary</b>	<b>5.13</b>	<b>5.25</b>	<b>0.12</b>
<b>Grand total</b>	<b>6264.59</b>	<b>6406.56</b>	<b>141.97</b>

The Commission notes that the major categories contributing to the reduction in sales are LT2a (31.16 MU), LT-6WS (30.67 MU), HT-2a (210.03 MU) & HT-3(18.44 MU) and the categories contributing to increase in sales are



No. of Corrections... *mk* .....

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Page 3

*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru





BJ/KJ consuming more than 40 units/month (20.06 MU), IP Set .LT-4a (406.17 MU) and HT-1 (18.27 MU).

CESC has attributed the decrease in HT-2a sales to OA/wheeling transaction by EHT/HT consumers. The Commission notes that the reduction in HT-2a sales in FY20 is 210.03 MU. On the other hand, there is reduction in OA/wheeling sales also by 60.82 MU. Thus, the reasoning of CESC is not satisfactory. Probably, the reduction may be due to reduced number of installations when compared to estimates for FY20. As against the estimated number of installations of 1075 under HT-2a category, the actuals are 1070 only.

**CESC Replies:**

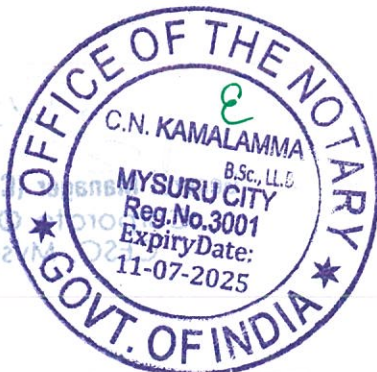
As noted by the Hon'ble Commission, the reduction in the HT-2a sales in FY20 may be due to reduced number of installations when compared to estimates for FY20. CESC Mysuru humbly requests to consider the same.

**Commission's Observations:**

The reduction in LT-4c and HT-3 categories is attributed to heavy rains during FY20. The above logic should apply to LT-4a category also, which is not the case. Thus, the reasoning of CESC is not appropriate.

**CESC Replies:**

In CESC jurisdiction, most of the LT4-c installations are in Hassan & Kodagu districts. During FY-20, there were heavy rains in these areas due to which the sales may be decreased. Due to heavy rains, the lift irrigation installations may not have been operational in full-fledged, hence it may



No. of Corrections.....*nil*

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have resulted in reduction of HT-3 sales. CESC Mysuru humbly requests to consider the same.

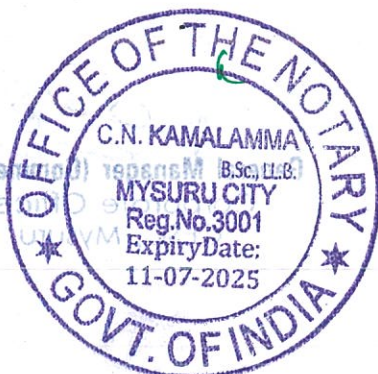
**Commission's Observations:**

The reduction in LT-2a sales is attributed by CESC to energy savings measures. However, CESC has not furnished any details of energy saving program carried out in FY20 for domestic consumers. **CESC shall furnish the details of DSM program indicating the incremental energy savings due to DSM program carried out in FY20, if any.**

**CESC Replies:**

CESC has taken up "Hosabelaku Yojane DELP" an energy savings program for domestic consumers. In Hosabelaku Yojane 9W LED Bulbs, 20 W LED Tube lights and 5 star Energy Efficient fans are distributing by M/s EESL, New Delhi. The progress and Energy saving up to Nov-20 is as follows:

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (up to nov-20)	Total
Sales of 9w LED Bulbs (In Nos.)	15,81,775	14,81,448	7,92,969	4,06,086	2,40,536	30957	45,34,653
Sales of 20w LED Tube Lights (In Nos.)	0	7394	33,640	9,901	9,155	0	60,090
Sales of 50w Energy Efficient Fan (In Nos.)	0	667	4,214	5,866	3,735	331	14,813
Appr. Total Energy Saved Per Year ( Mu)	31.22	29.42	16.46	8.36	5.03	0.62	91.11



No. of Corrections.....*nil*.....

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General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru





**Commission's Observations:**

The Commission notes that the specific consumption per month of BJ/KJ installations consuming more than 40units/month works out to 102.78 units/installations, which is considerably high when compared to LT-2a specific consumption of 42.96 units/month/installation. **CESC shall analyze the reasons for such high specific consumption.**

**CESC Replies:**

Due to some wrong interpretation in the minds of the BJ/KJ consumers, they are resisting and agitating against to use the energy as specified by GoK within 40 units per month, especially some BJ/KJ consumers in Chamarajanagar, Mandya, and Hassan district. Also, they are demanding to waive off all the BJ/KJ arrears which were already demand raised by CESC & they would be expecting waiver in future as like waived in 2013. Hence, the specific consumption is considerably high in above 40 units in BJ/KJ category.

Last 3 years 40 units BJ/KJ category as hereunder for your kind perusal

Year	Sales	No of Consumers	specific consumption
FY-18	29.60 MUs	33980	72.59
FY-19	30.07 MUs	28170	88.95
FY-20	34.34 MUs	27842	102.78

BJ/KJ installations are using the electricity quantum varies from month to month specific consumption per month of consuming more than 40units/month details as follows

Month	No of Installation	Sales	Specific Consumption
Apr-19	34611	2667181	77.06
May-19	32581	2422688	74.36



No. of Corrections.....  
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General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru





Preliminary Observations on APR-20 & ARR/ERC-22

Month	No of Installation	Sales	Specific Consumption
Jun-19	33290	2361486	70.94
Jul-19	35049	2268071	64.71
Aug-19	40089	2453144	61.19
Sep-19	42282	8207904	194.12
Oct-19	39160	3117653	79.61
Nov-19	36905	2560108	69.37
Dec-19	32537	2341382	71.96
Jan-20	33524	2407855	71.82
Feb-20	32921	1846410	56.09
Mar-20	27842	1685095	60.52
<b>TOTAL</b>	<b>27842</b>	<b>34338977</b>	<b>102.78</b>

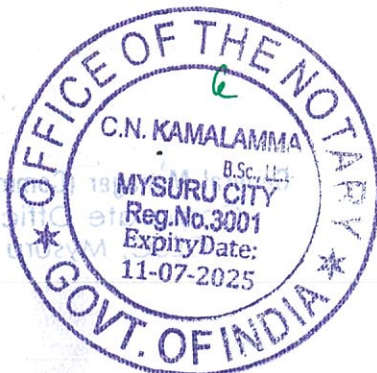
Note:- Mass Test check readings have been conducted during September 2019 specially for BJ/KJ installations wherever readings done by MFF and left out readings/ consumptions accounted. Hence, recorded sales were abnormal in September 2019. CESC Mysuru humbly requests to consider the same.

**Commission's Observations:**

In FY20, the number of installations has grown by 12.42% & 46.67% over FY19 for HT-2b & HT-4 respectively. **The reasons for such increase shall be analyzed.**

**CESC Replies:**

In HT-2(b) category, though the percentage of increase in number of installations of FY20 over FY19 is 12.42%, the increase in installations is 81 no's and 42 no's over the approved numbers. Similarly, in HT-4 category, the increase in number of installations of FY20 over FY19 is 07 no's. The division-wise details are as follows,



No. of Corrections.....*NK*

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*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru



Preliminary Observations on APR-20 & ARR/ERC-22

SI No	Name of the Division	No of Installation serviced FY 20	
		HT-2 B	HT-4
1	N R Mohalla	25	6
2	V V Mohalla	22	1
3	Nanjangud	1	-
4	K R Nagar	4	-
5	Kollegala	2	-
6	Madikeri	6	-
7	Mandya	5	-
8	Maddur	2	-
9	Pandavapura	2	-
10	Hassan	11	-
11	C R Patna	1	-
<b>Total</b>		<b>81</b>	<b>7</b>

CESC Mysuru requests to consider the same.

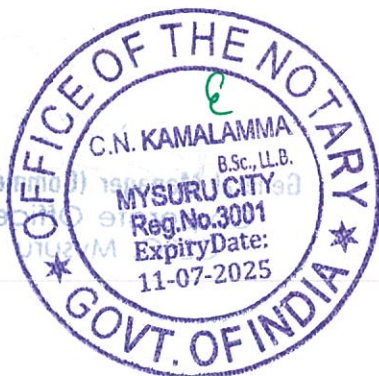
**Commission's Observations:**

In FY20, the sales growth rate over FY19 in respect of LT 2b, LT-6, HT 2a, HT 2c & HT-3, is considerably higher. **The reasons for such high increase shall be analyzed.**

**CESC Replies:**

In FY20, the sales growth rate over FY19 in respect of LT 2b, LT-6, HT 2a, HT 2c & HT-3, is as below,

TARIFF CATEGORY	ACTUAL SALES OF FY-19	ACTUAL SALES OF FY-20	DIFFERENCE
LT-2B	9.77	10.31	0.54
LT-6 WS	250.53	262.12	11.59
LT-6 PL	117.48	121.67	4.19
HT-2A	765.28	665.31	-99.97
HT-2C	51.21	55.22	4.01
HT-3	92.17	84.46	-7.71



No. of Corrections.....*nikh*

24 DEC 2020

*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru



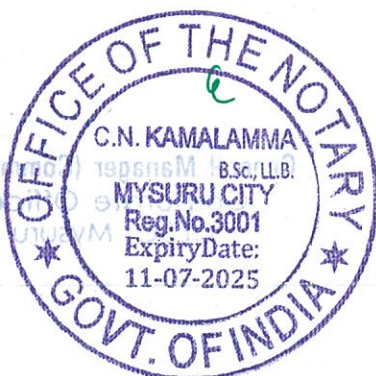


There is no such high increase in the sales of LT 2b, LT-6 & HT 2c, wherein there is decrease in the sales of HT 2a & HT-3 for which the reasons are depicted in the pre-paras. CESC Mysuru humbly requests to consider the same.

**II. Category wise sales for FY22:**

- a. CESC in its filing has stated that forecasting for FY21 & FY22 are based on CAGR for the period FY15 to FY20, FY16 to FY20, FY17 to FY20, FY18 to FY 20 and the previous year growth rates. It is also submitted that due to Covid-19, anticipated growth rates as approved in earlier tariff orders is not achievable and therefore, minimum of the CAGRs over the years is considered. It is also stated that comparison has been made with forecast reports of 19th EPS and PRDC report and that the projections as per above reports are not considered, as they are way off the mark.
- b. CESC has adopted 3-year CAGR for estimating number of installations for LT-2a, LT-2b, HT-3, HT-5, 2-year CAGR for LT-3 & HT-2a, 5-year CAGR for LT-4b & HT-4 and for all other categories except BJ/KJ it has adopted previous year growth rate. For BJ/KJ, the number of installations is retained at September,2020 level, stating that there are no new schemes under BJ/KJ category.
- c. Similarly, CESC has adopted 5-year CAGR for estimating energy sales for LT-5& HT-1, 4-year CAGR for HT-3, 3-year CAGR for LT-2a, LT-4c, HT-2a, HT-2c & HT-4, 2-year CAGR for LT-1, LT-2b, LT-3, LT-4b and for all other categories CESC has adopted previous year growth rate.

**General Manager (Commercial)**  
Corporate Office,  
CESC, Mysuru



No. of Corrections.....*N/A*.....

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**Commission's Observations:**

The observations of the Commission on sales forecast are as follows:

1. Sales estimates for BJ/KJ, LT-4b & LT-4c is done considering CAGR. CESC shall estimate the sales to BJ/KJ LT-4b & LT-4c based on FY20 specific consumption.

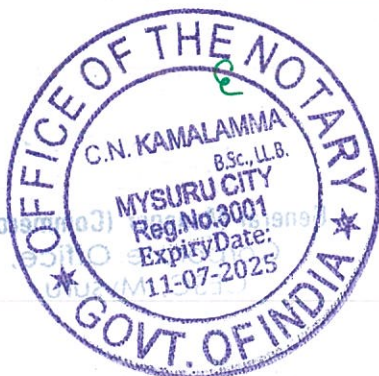
**CESC Replies:**

For BJ/KJ, the sales estimate is considered up to mid-year of FY-21 and projected considering the 2 year CAGR method. As almost all installations are on NJY or rural feeders, with continuous power supply & reduced interruptions, the consumption pattern is on increasing trend. Hence considering specific consumption may not project the actual requirement. Hence, projections made by CESC Mysore may be considered.

As installations under LT-4b category are metered, it is projected considering the 2-year CAGR, as the 5-year CAGR, 4-year CAGR; 3-year CAGR is negative. Similarly, as installations under LT-4c category are metered, it is projected considering 3 year CAGR, as 5 year CAGR & 4 year CAGR is high, wherein 2 year CAGR & growth over previous year is negative. Hence, it is requested to consider the same.

**Commission's Observations:**

2. At Page134, the total BJ/KJ sales as per the break up furnished [Apr-Sep & Oct-March] works out to 204.96 MU, whereas in the same page for FY-21, the estimated sales is indicated as 142.14 MU. The data shall be reconciled.



No. of Corrections.....*with*

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*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru



**CESC Replies:**

At Page-134, the total BJ/KJ sales as per the break up furnished [Apr-Sep & Oct-March] works out to 204.96 MU. Hence, for FY-21, the estimated sales shall be corrected as 204.96 MU. CESC Mysuru humbly requests to consider the same.

**Commission's Observations:**

3. In order to analyze HT sales, CESC shall furnish the breakup of sales data of HT2(a), HT2(b), HT 2(c) and HT-4 categories along with the consumption from open access / wheeling for the period 2018-19 and 2019-20 in the following format:

**CESC Replies:**

The details are as follows

**HT2A**

Year	Sales by CESC	Energy procured by HT Consumers under open access / wheeling	Total of HESCOM Sales & OA/Wheeling consumption	% share of OA energy to Total energy
2018-19	765.28	543.14	1308.42	41.51
2019-20	665.31	620.91	1286.22	48.27

**HT2B**

Year	Sales by CESC	Energy procured by HT Consumers under open access / wheeling	Total of HESCOM Sales & OA/Wheeling consumption	% share of OA energy to Total energy
2018-19	132.38	11.45	143.83	7.96
2019-20	133.13	15.66	148.79	10.52

**HT2C**

Year	Sales by CESC	Energy procured by HT Consumers under open access / wheeling	Total of HESCOM Sales & OA/Wheeling consumption	% share of OA energy to Total energy
2018-19	51.21	3.23	54.44	5.94
2019-20	55.22	4.50	59.72	7.53



No. of Corrections.....*nikh*.....

24 DEC 2020

*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru



Preliminary Observations on APR-20 & ARR/ERC-22

**HT4**

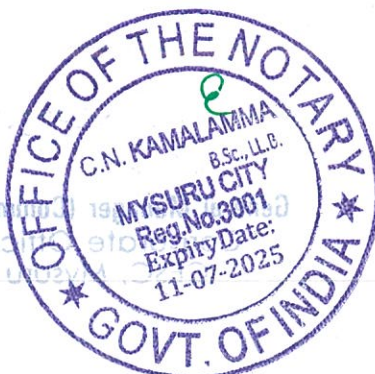
Year	Sales by CESC	Energy procured by HT Consumers under open access / wheeling	Total of HESCOM Sales & OA/Wheeling consumption	% share of OA energy to Total energy
2018-19	-	-	-	-
2019-20	-	-	-	-

**Commission's Observations:**

- i. The table indicating the growth rates for the no. of installations is furnished below:

Category	Percentage Growth Rates			
	2014-15 to 2019-20 CAGR	2016-17 to 2019-20 CAGR	FY20 growth over FY19	Growth rate proposed by CESC for FY22
LT-2a	4.04	3.74	4.52	3.74
LT-2b	4.18	2.74	2.84	2.74
LT-3	5.42	4.37	4.37	4.20
LT-5	4.56	3.53	3.08	3.08
LT-6 WS	6.76	6.62	4.88	4.88
LT-6 SL	4.71	4.96	4.04	4.04
HT-1	8.26	11.01	6.88	6.86
HT-2	6.20	6.90	7.43	5.49
HT-2 (b)	8.21	9.00	12.42	7.96
HT-2 (c)	12.42	9.01	8.87	8.98
HT-3(a) & (b)	5.65	4.94	6.12	4.59
HT-4	5.29	22.39	46.67	-4.17

It is noted that the growth rate considered is on the lower side for LT-3, LT-6, and all HT categories, when compared to the CAGR. **CESC may consider revising the figures for these categories.**



No. of Corrections.....*nish*.....

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*[Signature]*  
General Manager (Commercial)  
Corporate Office,  
CESC, Mysuru





**CESC Replies:**

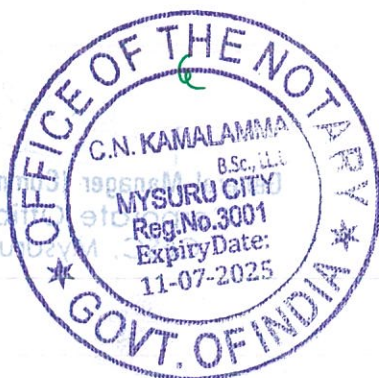
The minimum of the 5 year CAGR, 4 year CAGR, 3 year CAGR, 2 year CAGR & Growth over previous is considered for the projection of the number of installations, the table indicating is as below,

Category	Percentage Growth rates					Growth considered
	2014-15 to 2019-20 CAGR	2015-16 to 2019-20 CAGR	2016-17 to 2019-20 CAGR	2017-18 to 2019-20 CAGR	FY20 growth over FY19	
LT2a	4.04%	3.89%	3.74%	4.06%	4.52%	3.74%
LT2b	4.18%	3.13%	2.74%	2.92%	2.84%	2.74%
LT3	5.42%	4.59%	4.37%	4.20%	4.38%	4.20%
LT4b	1.34%	2.06%	3.63%	2.64%	3.28%	1.34%
LT4c	11.71%	10.84%	11.07%	10.11%	9.30%	9.30%
LT5	4.56%	3.72%	3.53%	3.38%	3.08%	3.08%
LT6 WS	6.76%	6.99%	6.62%	5.57%	4.88%	4.88%
LT6 SL	4.71%	5.04%	4.96%	5.33%	4.04%	4.04%
LT7	11.90%	16.59%	18.18%	21.22%	23.41%	11.90%
HT-1	8.26%	9.03%	11.01%	7.49%	6.88%	6.88%
HT2a	6.20%	6.08%	6.90%	5.52%	7.43%	5.52%
HT2b	8.21%	7.94%	9.00%	9.62%	12.42%	7.94%
HT2c	12.42%	9.44%	9.01%	9.51%	8.87%	8.87%
HT3 a&b	5.65%	5.80%	4.94%	6.32%	6.12%	4.94%
HT4	5.29%	8.29%	22.39%	30.09%	46.67%	5.29%
HT5	21.29%	10.67%	5.27%	-6.46%	16.67%	5.27%

CESC Mysuru humbly requests to consider the same..

**Commission's Observations:**

- ii. The table indicating the growth rates for the energy sales is furnished below:



No. of Corrections.....*nk*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

Category	Percentage Growth Rates			
	2014-15 to 2019-20 CAGR	2016-17 to 2019-20 CAGR	FY20 growth over FY19	Growth rate proposed by CESC for FY22
LT-2a	3.78	2.67	5.88	2.67
LT-2b	7.41	4.75	10.73	3.55
LT-3	5.46	5.33	6.65	5.31
LT-5	1.73	2.45	1.36	1.73
LT-6 WS	13.21	5.98	18.88	4.26
LT-6 SL	6.12	5.54	7.65	3.56
HT-1	2.33	3.56	0.69	2.12
HT-2 (a)	-2.22	1.58	7.15	1.40
HT-2 (b)	4.18	4.33	3.87	0.57
HT-2(c)	8.56	4.73	10.82	4.72
HT-3(a)& (b)	10.84	8.56	13.22	0.60
HT-4	-6.54	3.62	0.00	3.49

The sales growth rate considered for **LT-2b**, **LT-6**, **HT2b** & **HT-3** is lower, keeping in view the CAGR. CESC may consider revising the sales for these categories.

**CESC Replies:**

The minimum of the 5 year CAGR, 4 year CAGR, 3 year CAGR, 2 year CAGR & Growth over previous is considered for the projection of the energy sales, the table indicating is as below,

Category	Percentage Growth rates					
	2014-15 to 2019-20 CAGR	2015-16 to 2019-20 CAGR	2016-17 to 2019-20 CAGR	2017-18 to 2019-20 CAGR	FY20 growth over FY19	Growth considered
LT2a	3.78%	3.49%	2.67%	2.87%	3.93%	2.67%
LT2b	7.43%	7.07%	4.76%	3.55%	5.55%	3.55%
LT3	5.46%	5.43%	5.33%	5.31%	7.47%	5.31%
LT4b	-0.92%	-6.66%	-5.77%	7.91%	12.86%	7.91%

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Preliminary Observations on APR-20 & ARR/ERC-22

Category	Percentage Growth rates					
	2014-15 to 2019-20 CAGR	2015-16 to 2019-20 CAGR	2016-17 to 2019-20 CAGR	2017-18 to 2019-20 CAGR	FY20 growth over FY19	Growth considered
LT4c	14.57%	13.58%	3.18%	-1.47%	-3.78%	3.18%
LT5	1.73%	2.57%	2.45%	3.69%	3.50%	1.73%
LT6 WS	13.21%	12.62%	5.98%	5.20%	4.63%	4.63%
LT6 SL	6.12%	5.05%	5.53%	4.60%	3.56%	3.56%
LT7	9.42%	8.93%	8.28%	6.36%	3.11%	3.11%
HT-1	2.33%	2.52%	3.56%	4.90%	4.36%	2.33%
HT2a	-2.22%	-2.95%	1.58%	-0.29%	-13.06%	1.58%
HT2b	4.18%	5.57%	4.33%	4.66%	0.57%	0.57%
HT2c	8.56%	5.16%	4.73%	5.25%	7.83%	4.73%
HT3 a&b	10.84%	0.60%	8.55%	7.36%	-8.37%	0.60%
HT4	-6.55%	-5.81%	3.56%	7.19%	-0.04%	3.56%
HT5	-0.67%	-2.00%	-8.54%	-10.21%	38.23%	1.00%

CESC Mysuru requests to consider the same.

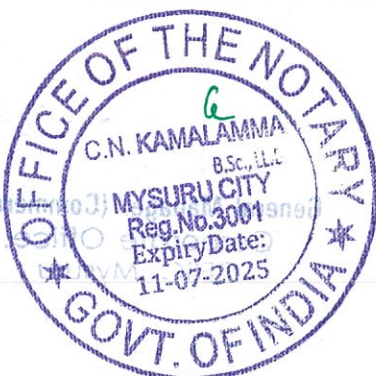
## B. Sales to IP sets:

### Commission's Observations:

#### 1. Sales for FY20:

a. The Commission, in the APR for FY19, vide its Tariff Order 2019 has approved the total sales to IP sets as 2733.39 MU after disallowing 152.13 MU with a specific consumption of 7415 units per IP set per annum for FY19. CESC in its current filing has indicated the sales to IP sets as 2934.98 MU for FY20 with a specific consumption of 7408 units per IP set per annum. While calculating the specific consumption, CESC has not taken the mid-year installations into consideration. By considering the mid-year installations of 387240  $[(378274 + 396205) / 2]$ , the specific consumption for FY20 works out to 7579  $(2934.98 /$

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387240). The Commission notes that there is an increase in the specific consumption by 164 (7579 – 7415) units per IP set per annum for FY20 as compared to approved sales for FY19. CESC needs to explain the reasons for this increase in the specific consumption for FY20.

**CESC Replies:**

CESC has considered the mid-year installations for calculating the assessed consumption of IP set installations.

Earlier, the power supply arrangement to the agricultural feeders was 6 to 7 hours that was discontinuous (i.e. 3 hours at day-time & 4 hours at night-time). During 2019-20, due to surplus solar energy during day-time, 7 hours of continuous 3 phase supply is provided to 80% of the agricultural feeders wherever it is technically feasible. Due to heavy rains in FY20, the water table has increased. This might have resulted in the increase in the specific consumption for FY20.

CESC humbly requests the Hon'ble Commission to consider the same.

**Commission's Observations:**

- b. The details of sales to IP sets for FY20 as approved by the Commission in its Tariff Order 2019 and the actual sales as furnished by CESC, in its Tariff Filing for FY21, are as follows;

Particulars	As approved by the Commission in ARR for FY20	As submitted by CESC Mysore for APR of FY20
Number of installations	3,89,701	3,96,205 (after deducting dried up installations)
Mid-year number of installations	3,82,031	3,87,240
Specific consumption in units / installation / annum	6,619.38	7,579
Sales in MU	<b>2,528.81</b>	<b>2,934.98</b>



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**Commission's Observations:**

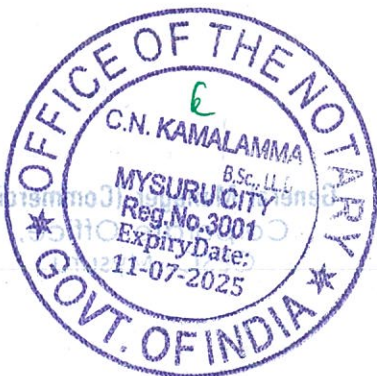
c. The Commission has noted the increase in specific consumption by 959.62 MU compared to the specific consumption approved by the Commission for FY20. Also, an increase in sales by 406.17 MU as compared to the approved value has been observed. CESC has to furnish the reasons for increase in specific consumption and sales when compared to the approved figures, when there is an increase in the number of installations is very insignificant (i.e. 6504).

**CESC Replies:**

The statement showing the details of Hon'ble Commission approved installation & sales and Actuals from FY17 to FY20 is as follows,

Year	Actuals			KERC Approved		
	Installations	Total Consumption in MU	Specific Consumption Units/Annum	Installations	Total Consumption in MU	Specific Consumption Units/Annum
FY-17	338682	3143.13	9578	345526	2622.39	7843
FY-18	359021	2540.15	7293	369402	2386.77	6728
FY-19	378274	2733.39 (After disallowing 152.43)	7415	390834	2979.51	7843
FY-20	396699	2934.97	7579	389701	2528.81	6619.38

As seen from the above statement, the increase in the installations from FY17 to FY20 is 19339 no's on an average (i.e. FY18-FY17=20339, FY19-FY18=19253 & FY20-FY19=18425). For an increase of 18425 no's over FY19,



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there is also increase in the sales. CESC humbly requests the Hon'ble Commission to consider the same.

**Commission's Observations:**

- d. It is found that, CESC has considered different values of distribution losses for all agricultural feeders for assessment of sales to IP sets in its submission in feeder wise, month wise calculations. CESC has to substantiate its claim for considering the distribution losses in the above pattern, for assessing the sales to IP sets.

**CESC Replies:**

CESC has considered the kVA-km methodology to fix the T&D loss for all the segregated agricultural feeders. The model calculation sheet is as annexed in **Annexure-A**. In some of the feeders, the values of distribution losses are differently considered. The average value of distribution loss will be closer to the annual T&D loss.

CESC humbly requests the Hon'ble Commission to consider the same.

**Commission's Observations:**

- e. Number of segregated agricultural feeders considered for assessment of sales to IP sets during April 2019 are 652 numbers, whereas the number of segregated IP feeders considered for March 2020 are 731 numbers as per the month-wise details furnished to the Commission. CESC has to furnish the reasons for not considering all the segregated agricultural feeders for assessment of sales to IP sets.

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**CESC Replies:**

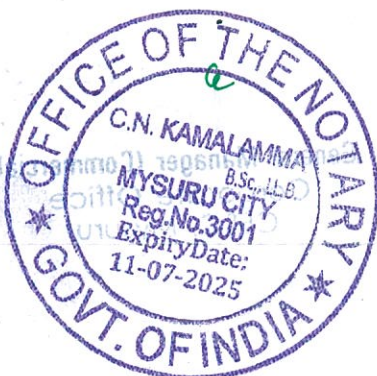
The number of segregated agricultural feeders at the end of March 2019 is 642 no's, at the end of April 2019 is 652 no's and at the end of March 2020 is 731 no's. The month-wise agricultural feeders segregated/commissioned in FY20 is as follows,

SI No	Month	No. of feeders segregated/commissioned	SI No	Month	No. of feeders segregated/commissioned
1	April-19	10	7	October-19	2
2	May-19	3	8	November-19	7
3	June-19	8	9	December-19	6
4	July-19	3	10	January-20	11
5	August-19	6	11	February-20	10
6	September-19	1	12	March-20	22
<b>TOTAL</b>					<b>89</b>

89 no's of feeders were added in FY-20. Hence, at the end of March 2020, the number of feeders is 731 feeders. CESC humbly requests the Hon'ble Commission to consider the same.

**Commission's Observations:**

- f. Based on the actual data of sales to IP set installations for FY20, the specific consumption of IP sets per annum for FY20 i.e., 7,579 units per IP per annum, the monthly consumption works out to 631.6 units per IP per month. Whereas the specific consumption per IP per month in few of the O&M Sub-divisions is more than 1500 units per IP per month. CESC has to furnish the reasons for recording of such a high specific consumption per IP per month for all the feeders, where it is seen.



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**CESC Replies:**

The power supply arrangement to the agricultural feeders was 6 to 7 hours that was discontinuous (i.e. 3 hours at day-time & 4 hours at night-time, vice versa). During 2019-20, due to surplus solar energy during day-time, 7 hours of continuous 3 phase supply is provided to 80% of the agricultural feeders wherever it is technically feasible. This might have resulted in the increase in the specific consumption for FY20.

CESC humbly requests the Hon'ble Commission to consider the same.

**Commission's Observations:**

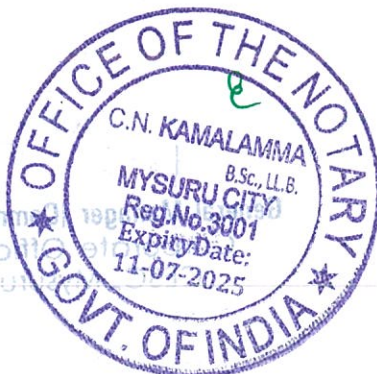
- g. CESC shall furnish the Division-wise number of hours of supply provided to IP sets as against the Government of Karnataka Orders for FY20 and up to September 2020.

**CESC Replies:**

The Division-wise number of hours of supply provided to IP sets as against the Government of Karnataka Orders for FY20 and up to September 2020 is as annexed in **Annexure-B**. As per the orders of Government of Karnataka, it is supposed to provide 7 hours of supply to IP feeders. In some of the months, the power supply provided is exceeding 7 hours, which is in order to maintain the grid discipline such as maintaining the voltage & frequency as per the SLDC directions.

**Commission's Observations:**

- h. CESC has not furnished the GPS survey data by reconciling the details with the DCB as on 31.03.2020.



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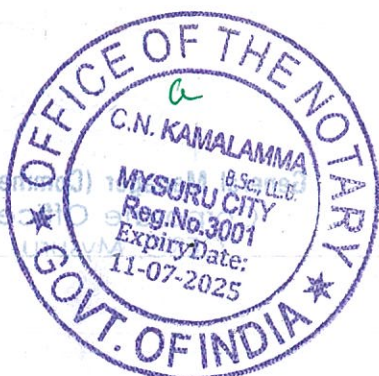
CESC shall furnish the reasons for the difference in number of consumers in the data as per GPS survey, if any, and the IP set assessment data, the action taken to reconcile the details of number of consumers with the figures as per the DCB statement and the action taken to regularize the unauthorized IP installations.

**CESC Replies:**

- The Enumeration of IP sets and DTC details as on 31.03.2020 is as annexed in **Annexure-C**
- The GPS based survey of IP set installations works was entrusted to M/s.BCITS, Bangalore on 24.07.2015 for total period of 24 Months and again extended up to 30.06.2018 and as per the survey above information is updated.
- The number of unauthorized working IP sets under GPS survey as on 30.06.2018 is 48716 no's. Some of these installations were shifted from original locations and no proper records are available for validations and no proper tagging is been made.

As per Survey, total no. of LT-4 installations	LT-4 installation as on Sep-2019 DCB	LT-4 installation as on Mar-2020 DCB	LT-4 installation as on Oct-2020 DCB
413088	386789	406380	423211
Difference	26299	6708	-10123

- The difference in GPS survey data and the March-2020 DCB figures 6708 no's. As on Oct-2020, difference is -10123, this indicates CESC has taken steps to regularize the unauthorized IP sets.
- The regularization of unauthorized IP sets is a continuous process. As per GOK circular number: EN 41 VSC 2014/P1 dated:14.07.2014, there was a direction



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to regularize/arrange power supply to all unauthorized IP set installations duly collecting all deposit amounts and regularization fees Rs.10,000/-. CESC has initiated 15 days UNIP regularization drive during Nov-2020.

- Further, the activity of training to field staff and handing over of servers, GPS instrument by agency is under process.

**Commission's Observations:**

**Based on the above observations, CESC shall re-submit the IP assessed consumption for FY20, duly furnishing clarity on the data.**

**CESC Replies:**

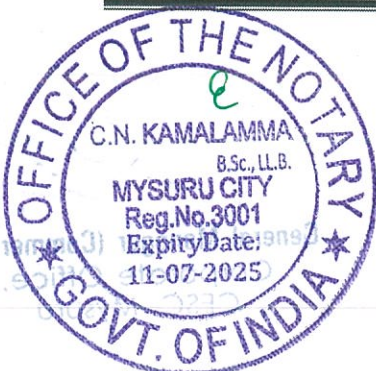
CESC humbly prays the Commission to consider the IP assessed consumption for FY20, as submitted vide letter no: CESC/GM(Coml)/DGM(Coml)/AGM(Coml)/2020-21/11661 dated:24.09.2020

As per the directions of the Hon'ble in Tariff order-2020, the actual loss for the year will be considered for assessment of IP for 2020-21. For FY20, the IP assessment is calculated & submitted to the Hon'ble Commission based on the number of installations in DCB. **Hence, CESC humbly prays to consider the same.**

**Commission's Observations:**

**2. Projected sales to IP Sets for the FY22:**

- i. Details of the number of consumers as per actuals added to the system during the period April 2020 to September 2020 and the sales occurred during the same period are not considered for projection of IP sales for FY20 and FY21. CESC has mentioned that, it has considered the GOPY (Growth Over Previous Year) method



No. of Corrections.....*NIL*.....

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for estimating the number of installations. The numbers considered doesn't match the calculations methodology explained. CESC has not furnished the methodology adopted to arrive at the number of IP installations for FY21 and FY22. In respect of sales, simply considered the specific consumption for FY20, without even reckoning the mid-year figures and projected the sales for FY21 and FY22.

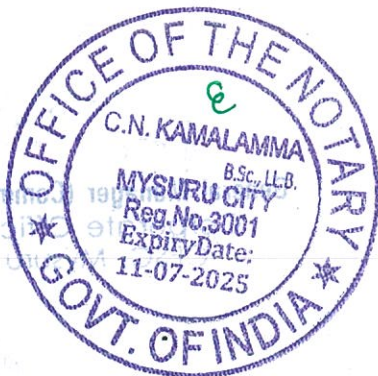
**CESC Replies:**

The number of installations projected for FY21 & FY22 is calculated by considering the growth rate of the previous year i.e. 4.87% to the mid-year figures, the details are as follows,

- |   |   |                          |
|---|---|--------------------------|
| a. Installations as on 31.03.2020                             | : | 396699                   |
| b. Mid-year no's of installations                             | : | 410116 no's              |
| c. % of FY20 growth over FY19                                 | : | 4.87%                    |
| d. 4.87% of 410116  | : | 19973 no's               |
| e. For remaining half year i.e.<br>(Oct-20 to March-20) (d/2) | : | 9986 no's                |
| f. Hence, projection for FY-21 (b+e)                          | : | 420102 no's ~420104 no's |
| g. Projection for FY22 (f+[f-a])                              | : | 443509                   |

Approximately 420104 no's is estimated for projection of no's of installations for FY-21.

The growth rate of mid-year sales of FY-21 is negative; hence, the sales of FY-20 was considered for projection with minimum CAGR of growth over previous year i.e 1.71%.



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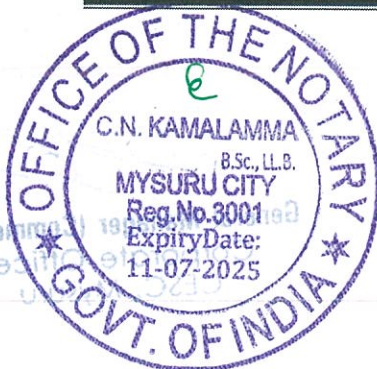
**Commission's Observations:**

- j. The CESC, in its tariff application for FY21 has furnished IP consumption as 1,363.9289 MU for the period April to September 2020 without furnishing the month-wise break-up, as per the prescribed formats. In the absence of clear data, the Commission will not accept the projected consumption for FY22.

**CESC Replies:**

The month-wise, division-wise breakup of IP consumption from April to September 2020 is as follows,

SI No	Name of the Division	Consumption Per I P						TOTAL
		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	
1	NR Mohalla	6.22	4.57	2.60	2.27	2.61	2.65	20.93
2	VV Mohalla	4.79	4.32	3.57	1.95	1.84	2.03	18.49
3	Nanjangud	32.48	23.73	15.83	14.03	13.48	14.06	113.61
4	Hunsuru	28.51	23.71	18.07	9.63	8.66	6.40	94.99
5	KR Nagara	20.99	15.19	10.65	10.21	6.72	8.44	72.19
6	Chamarajanagar	30.71	29.16	24.86	25.03	12.84	18.50	141.09
7	Kollegala	25.18	20.80	17.26	13.33	14.49	13.61	104.67
8	Madikeri	3.76	5.53	3.63	2.86	1.92	1.68	19.38
9	Mandya	19.54	10.76	7.75	10.73	11.74	8.13	68.65
10	Maddur	34.74	23.15	17.53	17.77	18.61	17.55	129.35
11	Pandavapura	19.10	12.90	11.70	9.33	11.89	9.14	74.06
12	KR Pete	32.76	21.42	13.85	13.01	15.97	16.74	113.75
13	Nagamangala	17.71	11.17	6.01	4.75	9.75	8.08	57.47
14	Hassan	14.13	6.90	6.49	3.86	3.38	3.29	38.06



No. of Corrections.....*nil*

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Preliminary Observations on APR-20 & ARR/ERC-22

SI N o	Name of the Division	Consumption Per I P						TOTAL
		Apr-20	May-20	Jun-20	Jul-20	Aug- 20	Sep-20	
15	Sakaleshpura	10.87	3.27	4.51	3.50	2.18	2.07	26.40
16	C R Patna	30.18	17.19	9.07	5.18	9.74	7.04	78.41
17	Arasikere	19.86	12.44	8.86	4.98	5.56	4.40	56.09
18	Holenarasipura	24.34	18.87	12.75	13.18	11.82	8.96	89.93
	<b>Total</b>	<b>375.87</b>	<b>265.10</b>	<b>194.99</b>	<b>165.59</b>	<b>163.21</b>	<b>152.76</b>	<b>1317.51</b>

The mid-year IP consumption is 1317.51 MU, which is wrongly furnished as 1363.9289 MU. CESC prays to consider the same.

**Commission's Observations:**

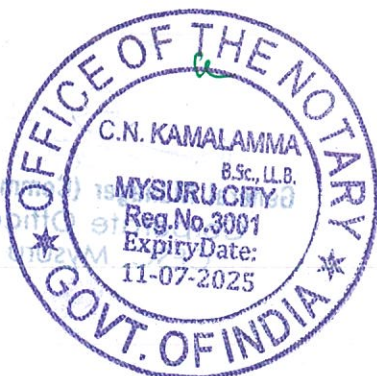
**C. Validation of Sales:**

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

**CESC Replies:**

**a. No. of Installations:**

Category	2018-19 Actuals		2019-20 Actuals		2020-21	
	As on 30 <sup>th</sup> Nov 2018	As on 31 <sup>st</sup> March 2019	As on 30 <sup>th</sup> Nov 2019	As on 31 <sup>st</sup> March 2020	As on 30 <sup>th</sup> Nov 2020	As on 31 <sup>st</sup> March 2021 (Estimate)
LT-2a	1864882	1893800	1950900	1979375	2020552	2053433
LT-2b	3097	3133	3189	3222	3254	3244
LT-3	242580	246235	253073	256984	263122	267774
LT-4 (b)	213	335	212	217	219	207
LT-4 (c)	8352	8659	9117	9464	9867	9777
LT-5	41264	41800	42588	43089	43984	44418
LT-6	27332	27999	28905	29366	29963	29826



No. of Corrections..... Nil

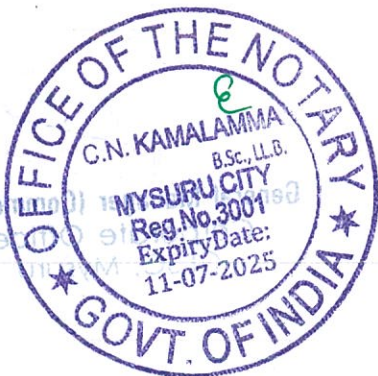
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Category	2018-19 Actuals		2019-20 Actuals		2020-21	
	As on 30 <sup>th</sup> Nov 2018	As on 31 <sup>st</sup> March 2019	As on 30 <sup>th</sup> Nov 2019	As on 31 <sup>st</sup> March 2020	As on 30 <sup>th</sup> Nov 2020	As on 31 <sup>st</sup> March 2021 (Estimate)
LT-6	23173	23552	24135	24504	25200	24992
LT-7	42715	45885	52297	56627	66077	63366
Auxiliary	203	205	230	244	250	255
HT-1	157	160	166	171	175	175
HT-2 (a)	985	996	1046	1070	1095	1129
HT-2 (b)	641	652	700	733	761	791
HT2C	269	282	300	307	316	334
HT-3(a)& (b)	97	98	102	104	107	109
HT-4	14	15	19	22	25	24
HT-5	20	18	17	21	32	32
<b>Sub Total (Other than</b>	<b>2255994</b>	<b>2293824</b>	<b>2366996</b>	<b>2405520</b>	<b>2464999</b>	<b>2499886</b>
BJ/KJ<=40unit s/month	463026	464785	455317	464339	452652	452661
BJ/kJ > 40 units/month.	30572	28170	36905	27842	39372	39376
IP sets-LT-4a	368797	378274	388534	396699	413135	420104
Sub Total ( BJ/KJ and IP )	<b>862395</b>	<b>871229</b>	<b>880756</b>	<b>888880</b>	<b>905159</b>	<b>912141</b>
<b>Grand Total</b>	<b>3118389</b>	<b>3165053</b>	<b>3247752</b>	<b>3294400</b>	<b>3370158</b>	<b>3412027</b>



No. of Corrections.....*nil*

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Preliminary Observations on APR-20 & ARR/ERC-22

**b. Energy Sales**

Category	2018-19 Actuals		2019-20 Actuals		2020-21	
	1st April 2018 to 30th Nov 2018 (cumulative)	1st Dec 2018 to 31st March 2019 (cumulative)	1st April 2019 to 30th Nov 2019 (cumulative)	1st Dec 2019 to 31st March 2020 (cumulative)	1st April 2020 to 30th Nov 2020 (cumulative actuals)	1st Dec 2020 to 31st March 2021 (cumulative Estimate)
LT-2a	662.20	319.69	696.94	323.56	741.85	305.92
LT-2b	6.42	3.35	6.75	3.57	4.19	6.50
LT-3	198.54	99.91	216.06	104.69	180.37	157.40
LT-4 (b)	0.42	0.33	0.58	0.27	1.05	0.00
LT-4 (c)	10.44	9.61	11.44	7.85	13.11	6.79
LT-5	96.05	50.00	99.85	51.31	94.70	59.07
LT-6	165.17	85.36	176.91	85.21	176.01	98.24
LT-6	77.26	40.23	81.47	40.20	76.16	49.85
LT-7	10.96	6.68	12.24	5.94	10.08	8.67
Auxiliary	3.00	2.02	3.44	1.80	2.40	2.92
HT-1	295.48	149.57	310.75	153.73	311.17	164.12
HT-2 (a)	539.87	225.41	459.43	205.88	338.18	337.65
HT-2 (b)	87.74	44.64	89.98	43.15	51.53	82.36
HT2C	34.24	16.97	37.34	17.88	29.16	28.68
HT-3(a)& (b)	61.02	31.15	55.31	29.14	47.62	37.34
HT-4	2.80	1.35	2.87	1.28	2.51	1.79
HT-5	1.50	0.40	2.13	0.49	2.14	0.51
<b>Sub Total (Other than BJ/KJ &amp; IP)</b>	<b>2253.10</b>	<b>1086.67</b>	<b>2263.49</b>	<b>1075.96</b>	<b>2082.22</b>	<b>1347.76</b>
BJ/KJ<=40units/month	66.50	33.71	65.45	32.34	66.15	36.59



No. of Corrections.....*nika*

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Category	2018-19 Actuals		2019-20 Actuals		2020-21	
	1st April 2018 to 30th Nov 2018 (cumulative)	1st Dec 2018 to 31st March 2019 (cumulative)	1st April 2019 to 30th Nov 2019 (cumulative)	1st Dec 2019 to 31st March 2020 (cumulative)	1st April 2020 to 30th Nov 2020 (cumulative actuals)	1st Dec 2020 to 31st March 2021 (cumulative Estimate)
BJ/kJ > 40 units/month.	17.39	12.67	26.06	8.28	22.92	11.46
IP sets LT 4a	1601.07	1284.45	1707.92	1227.06	1682.49	1302.81
<b>Sub Total ( BJ/KJ&amp;IP)</b>	<b>1684.96</b>	<b>1330.84</b>	<b>1799.43</b>	<b>1267.68</b>	<b>1771.56</b>	<b>1350.86</b>
<b>Grand Total</b>	<b>3938.06</b>	<b>2417.51</b>	<b>4062.91</b>	<b>2343.63</b>	<b>3853.78</b>	<b>2698.62</b>

## 2. Capital Expenditure:

### Commission's Observations:

#### A. CESC APR Capex FY20:

- a. CESC, in its APR filing has indicated in page no. 65 that the actual incurred Capex is Rs.585.88 Cores and in page number 66 the same is indicated as Rs.575.23 Cores for FY20, while furnishing the work-wise source of funding. Further under Format D-17, the capital expenditure is mentioned as Rs.667.39 Cores, as against approved amount of Rs.700 Crores for FY20. Hence CESC shall furnish the correct amount of actual capex incurred, as per the audited, for the FY20.

### CESC Replies:

Capital expenditure mentioned in D-17 of Rs.667.39 Crores includes a sum of Rs.81.5 crores of expenditure pertaining to replacement of failed transformers the same has been deducted out of the total expenditure



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No. of Corrections.....*nik*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

booked i.e (Rs.667.39 crs- Rs.81.5crs =Rs.585.88 crs) and revised Capex funding the revised source of funding is as furnished below

CAPITAL EXPENDITURE DURING 2019-20 RS.IN CRS	
ACTUAL EXPENDITURE INCURRED DURING THE YEAR	585.88
<b>TOTAL</b>	<b>585.88</b>
SOURCE OF FUNDING RS .IN CRS	
GRANTS FROM GOVERNMENT OF INDIA	56.90
GRANTS FROM GOVERNMENT OF KARNATAKA	97.60
FRESH BORROWINGS	165.52
INTERNAL RESOURCES	265.86
<b>TOTAL</b>	<b>585.88</b>

The details of project/work-wise source of funding are as furnished below

Sl.no	projects	Actual Expenditure incurred during the FY-20	Source of funding Rs. In crs				
			Grants from Government		Fresh borrowings	Internal Resources	Total
			GOI	GOK			
1	NJY PHASE-2	16.18	0.00	13.18	0.00	3.00	16.18
2	DDUGJY	90.02	21.15	0.00	66.71	2.16	90.02
3	DDG	1.49	0.00	0.00	0.00	1.49	1.49
4	IPDS	40.54	29.04	0.00	11.49	0.01	40.54
5	HRMS	0.00	0.00	0.00	0.00	0.00	0.00
6	MODEL SUBDIVISION	43.12	0.00	0.00	37.31	5.81	43.12
7	OTHER PROJECTS	55.95	6.71	2.94	16.80	29.50	55.95
8	RAPDRP PART A& B	4.16	0.00	0.00	0.00	4.16	4.16
9	UNIP	111.08	0.00	0.00	33.21	77.87	111.08
10	RGGVY/DDG	1.05	0.00	0.00	0.00	1.05	1.05
11	SMART GRID	2.01	0.00	0.00	0.00	2.01	2.01



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Sl.no	projects	Actual Expenditure incurred during the FY-20	Source of funding Rs. In crs				
			Grants from Government		Fresh borrowings	Internal Resources	Total
			GOI	GOK			
12	SUPPLY BILLS	87.89	0.00	47.85	0.00	40.04	87.89
13	CIVIL	47.73	0.00	0.00	0.00	47.73	47.73
14	LC BILLS	26.04	0.00	0.00	0.00	26.04	26.04
15	GK/WS	52.51	0.00	27.52	0.00	24.99	52.51
16	DTC METERING	6.11	0.00	6.11	0.00	0.00	6.11
<b>TOTAL</b>		<b>585.88</b>	<b>56.90</b>	<b>97.60</b>	<b>165.52</b>	<b>265.86</b>	<b>585.88</b>

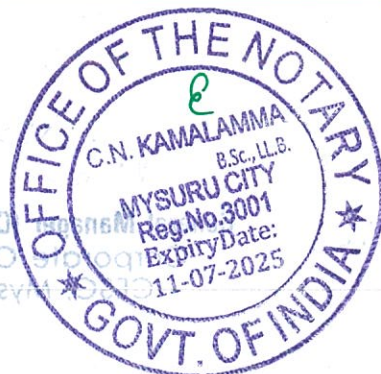
**Commission's Observations:**

- b. CESC shall submit the break-up details for actual Capex incurred during FY20 as per the **Format-4** annexed hereunder.

**CESC Replies:**

The break-up details for actual Capex incurred during FY20 as per the Format-4 is as follows,

Sl. No.	Heads of works	Provisional expenditure utilized in Crores submitted as per tariff filing 2020	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
1	E&I Works						
a	Add. Transformers	133.72	11337	80.232	1184	53.488	10153
b	Link-Lines		177		155		22
c	HT/LT Re conductoring		243		180		63
2	IPDS	60.05		60.05	33 Towns	0	0
3	DDUGJY	105.95	0	105.95		0	0
4	NJY	11.84	0	11.84		0	0
5	RGGVY	3.35	0	3.35		0	0
6	Replacement of failed transformers	2.06	193	0	0	2.06	193



No. of Corrections...nil.....

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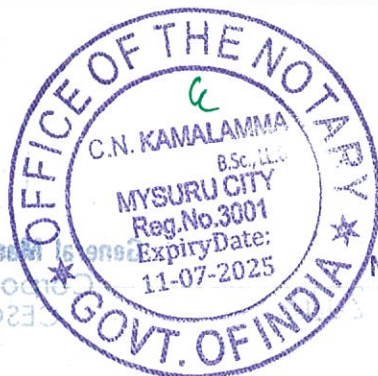
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Preliminary Observations on APR-20 & ARR/ERC-22

Sl. No.	Heads of works	Provisional expenditure utilized in Crores submitted as per tariff filing 2020	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
7	Service Connections						
a	Water supply	6.95	692	2.52	251	4.43	441
b	New connections	25.60	109936	0.23	976	25.38	108960
8	TSP-Energization of IP sets	1.00	64	0	0	1.00	64
9	SCP-Energization of IP sets	7.00	363	0	0	7.00	363
10	Ganga Kalyana works - Energization of IP sets	41.89	2566	29.34	1797	12.55	769
11	Tools and Plants	3.20	0	0	0	3.2	0
12	Civil Engineering Works	32.02	0	5.02	0	27.00	0
13	Providing meters						
a	DTC	11.27	7979	0	0	11.27	7979
b	BJ/KJ	0	0	0	0		0
c	Street light	0	0	0	0		0
13	Replacement of electromechanical meters	0	61113	0	0		61113
14	Providing modems to meters for communication.	0	0	0	0	0	0
15	IT initiatives	0.15		0.15			
16	5 Model villages in each MLA/MP constituencies	11.39		11.39	168 Villages	0	0
17	Model Sub Division	17.01		17.01	4 Sub divisions	0	0
18	Smart grid	0.91	0	0.91	0	0	0
19	UNIP	110.53	15726	25.10	3578	85.42	12148
	<b>Total</b>	<b>585.88</b>		<b>353.08</b>		<b>232.80</b>	



*[Signature]*  
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No. of Corrections.....*Nil*.....

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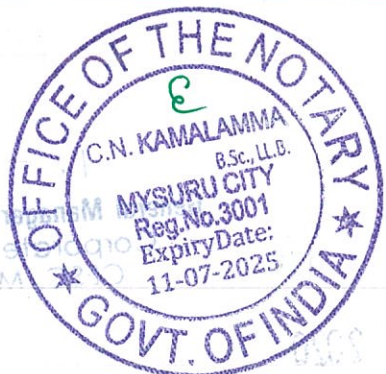
**Commission's Observations:**

- c. CESC shall furnish the division-wise details of Pump sets energized under Ganga Kalyana Schemes and SCP/TSP schemes, amount spent, amount of capital grants received from the Government of Karnataka, and the balance amount to be received from the Government of Karnataka and the action taken thereon, with documentary evidence.

**CESC Replies:**

The division-wise details of Pump sets energized under Ganga Kalyana Schemes and SCP/TSP schemes is as follows

Sl. no.	Name of the Division	No. of borewells energized during 2019-20 Under Gangakalyana	No. of borewells energized during 2019-20 Under SCP	No. of borewells energized during 2019-20 Under TSP	Total
1	N.R Mohalla	82	3	4	89
2	V.V Mohalla	106	3	2	111
3	Nanjanagud	198	30	20	248
4	Hunsur	264	38	5	307
5	K.R.Nagar	135	49	7	191
<b>Mysore District (O&amp;M Circle, Mysore)</b>		<b>785</b>	<b>123</b>	<b>38</b>	<b>946</b>
6	C.H.Nagar	429	42	2	473
7	Kollegala	266	20	3	289
<b>Ch.Nagara District</b>		<b>695</b>	<b>62</b>	<b>5</b>	<b>762</b>
8	<b>Coorg District</b>	78	6	5	89
<b>Chn-Kodagu Circle, Mysore</b>		<b>773</b>	<b>68</b>	<b>10</b>	<b>851</b>
9	Maddur	99	16	0	115
10	Mandya	53	7	2	62



No. of Corrections.....*n.k.*.....

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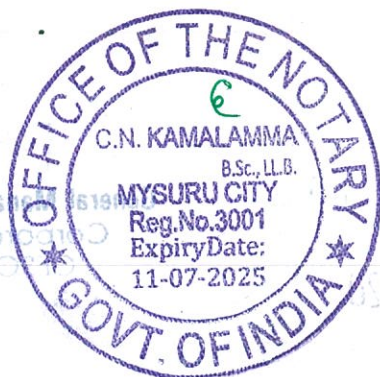


Preliminary Observations on APR-20 & ARR/ERC-22

Sl. no.	Name of the Division	No. of borewells energized during 2019-20 Under Gangakalyana	No. of borewells energized during 2019-20 Under SCP	No. of borewells energized during 2019-20 Under TSP	Total
11	P.Pura	41	25	0	66
12	K.R.Pet	91	22	0	113
13	Nagamangala	4	10	0	14
<b>Mandya District (Mandya Circle)</b>		<b>288</b>	<b>80</b>	<b>2</b>	<b>370</b>
14	Hassan	146	15	0	161
15	Sakaleshapura	228	17	4	249
16	C.R.Patna	91	25	3	119
17	Arasikere	156	13	2	171
18	H.N.Pura	99	22	5	126
<b>Hassan District (Hassan Circle)</b>		<b>720</b>	<b>92</b>	<b>14</b>	<b>826</b>
<b>CESC Total</b>		<b>2566</b>	<b>363</b>	<b>64</b>	<b>2993</b>

The details of grants received from GoK and balance amount to be received from GoK is as follows,

Sl No.	Name of the Division	Expenditure Booked	Amount received from corporation	Amount received from GOK as equity	Balance to be received
1	N.R.Mohalla	1.52	10.13	8.00	35.42
2	V.V.Mohalla	1.55			
3	Nanjangud	3.68			
4	Hunsur	4.29			
5	K.R.Nagara	3.49			
6	Ch.Nagar	10.61			
7	Kollegala	5.34			
8	Madikeri	2.25			
9	Mandya	1.83			
10	Maddur	1.83			
11	Pandavapura	0.93			
12	K.R.Pete	2.00			



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Preliminary Observations on APR-20 & ARR/ERC-22

13	Nagamangala	0.44			
14	Hassan	2.32			
15	Sakaleshpura	3.69			
16	C.R.Patna	2.27			
17	Arasikere	2.98			
18	H.N.Pura	2.54			
<b>Total</b>		<b>53.55</b>	<b>10.13</b>	<b>8.00</b>	<b>35.42</b>

To release the balance amount to be received from the GoK, letters are addressed to the concerned Corporations (i.e. Devaraja Urs Backward category development Corporation Limited, Karnataka Minority Development Corporation Limited & D.Ambedkar Development Corporation Limited). The letters are as annexed in **Annexure-D**

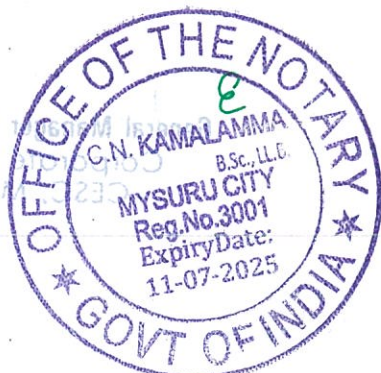
**Commission's Observations:**

- d. CESC shall furnish the work-wise details covered under E&I works for having incurred the actual Capex of Rs.133.72 Crores for FY20 duly tallying with the audited accounts figures for FY20.

**CESC Replies:**

The work-wise details covered under E&I works for having incurred the actual Capex of Rs.133.72 Crores for FY20 duly tallying with the audited accounts figures for FY20 is as follows,

SI No	A/c Head	Particulars	(Rs. in Crores)
			CWIP Incurred
1	14.1206	CWIP-Step down stations-(GP)33/11kv station	0.0027
2	14.1407	Lines transformers etc-extension(GP)	9.4244



No. of Corrections.....*nil*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

3	14.1506	CWIP-Transmission lines-Transformers etc. improvements-(GP)	0.0438
4	14.1507	Lines transformers etc improvements-(GP)	90.5183
5	14.1607	Reduction of losses in lines	18.212
6	14.2007	REC plan schemes	0.4737
7	14.3187	Capital Work In Progress –Special Development Programme (SDP)	15.0529
<b>Total</b>			<b>133.72</b>

**Commission's Observations:**

- e. CESC shall submit Work-wise break up details for other projects, supply bills, LC bills as indicated in page 66 of the filing for FY20 as indicated in the sources of funding for Capex incurred for FY20.

**CESC Replies:**

The Work-wise break up details for other projects, supply bills, LC bills as indicated in the sources of funding for Capex incurred for FY20. Is as follows,

Sl.No	Other projects	Rs. In Crs
1	SDP	8.02
2	Belaku scheme	13.43
3	E&I	19.87
4	Elephant Corridor	14.63
5	Covered Conductor	3.08
6	Soubhagya Scheme	5.32
<b>TOTAL</b>		<b>81.99</b>

Supply bills

Sl.No	Material	Rs. In Crs
1	Distribution Transformer	42.75
2	ACSR Conductors	27.28
3	RCC/PCC poles	13.83
4	Insulators	4.03
<b>TOTAL</b>		<b>87.89</b>



No. of Corrections.....*NK*

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**Commission's Observations:**

- f. CESC shall furnish the sources of funding for each of the category of works carried out during FY20 duly tallying the figures with the audited accounts for FY20.

**CESC Replies:**

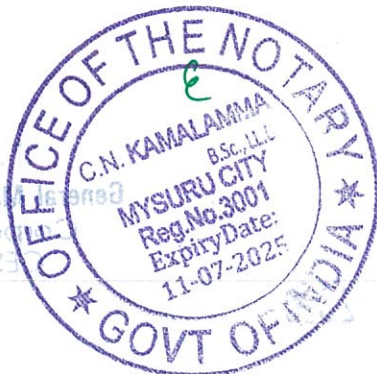
The revised details of sources of funding for each of the category of works carried out during FY20 duly tallying the figures with the audited accounts for FY20 is as below,

The source of funding together with cost is as furnished below

CAPITAL EXPENDITURE DURING 2019-20 RS.IN CRS	
ACTUAL EXPENDITURE INCURRED DURING THE YEAR	585.88
<b>TOTAL</b>	<b>585.88</b>
SOURCE OF FUNDING RS .IN CRS	
GRANTS FROM GOVERNMENT OF INDIA	56.90
GRANTS FROM GOVERNMENT OF KARNATAKA	97.60
FRESH BORROWINGS	165.52
INTERNAL RESOURCES	265.86
<b>TOTAL</b>	<b>585.88</b>

The details of project/work-wise source of funding are as furnished below

Sl.no	projects	Actual Expenditure incurred during the FY-20	Source of funding Rs. In crs				
			Grants from Government		Fresh borrowings	Internal Resources	Total
			GOI	GOK			
1	NJY PHASE-2	16.18	0.00	13.18	0.00	3.00	16.18
2	DDUGJY	90.02	21.15	0.00	66.71	2.16	90.02
3	DDG	1.49	0.00	0.00	0.00	1.49	1.49
4	IPDS	40.54	29.04	0.00	11.49	0.01	40.54
5	HRMS	0.00	0.00	0.00	0.00	0.00	0.00
6	MODEL SUBDIVISION	43.12	0.00	0.00	37.31	5.81	43.12



No. of Corrections... *n.c.*

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Sl.no	projects	Actual Expenditure incurred during the FY-20	Source of funding Rs. In crs				
			Grants from Government		Fresh borrowings	Internal Resources	Total
			GOI	GOK			
7	OTHER PROJECTS	55.95	6.71	2.94	16.80	29.50	55.95
8	RAPDRP PART A& B	4.16	0.00	0.00	0.00	4.16	4.16
9	UNIP	111.08	0.00	0.00	33.21	77.87	111.08
10	RGGVY/DDG	1.05	0.00	0.00	0.00	1.05	1.05
11	SMART GRID	2.01	0.00	0.00	0.00	2.01	2.01
12	SUPPLY BILLS	87.89	0.00	47.85	0.00	40.04	87.89
13	CIVIL	47.73	0.00	0.00	0.00	47.73	47.73
14	LC BILLS	26.04	0.00	0.00	0.00	26.04	26.04
15	GK/WS	52.51	0.00	27.52	0.00	24.99	52.51
16	DTC METERING	6.11	0.00	6.11	0.00	0.00	6.11
<b>TOTAL</b>		<b>585.88</b>	<b>56.90</b>	<b>97.60</b>	<b>165.52</b>	<b>265.86</b>	<b>585.88</b>

CESC prays the Hon'ble Commission to consider the same.

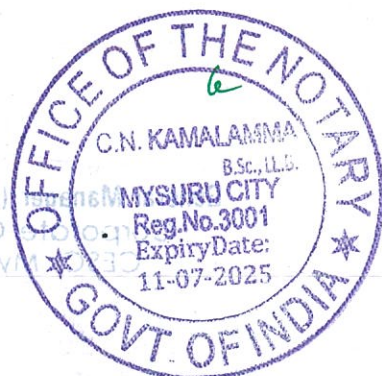
**Commission's Observations:**

- g. CESC shall furnish the capacity-wise details of replacement of failed transformers with new transformers and its cost against Capex of Rs.2.06 Crores incurred for FY20.

**CESC Replies:**

The capacity-wise details of replacement of failed transformers with new transformers and its cost against Capex of Rs.2.06 Crores incurred for FY20 is as below,

SL NO	CAPACITY	NO'S	RS IN CRS
1	500 KVA	0	0.00
2	250 KVA	0	0.00
3	100 KVA	70	1.0687



No. of Corrections.....*mk*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

SL NO	CAPACITY	NO'S	RS IN CRS
4	63 KVA	34	0.4113
5	25 KVA	89	0.85844
6	15 KVA	0	0.00
total		193	2.0644

CESC Mysuru humbly requests to consider the same.

**Commission's Observations:**

- h. CESC shall furnish the target date of completion of the projects sanctioned, total number of BPL beneficiaries serviced under DDUGVY and IPDS Schemes, amount spent, amount of capital grants received from the Government of India, additional grants of 15% from GOI on achievement of prescribed milestones set by GOI from the date of inception of the project till date and the balance amount to be received from the Government of India and the action taken thereon with documentary evidence.

**CESC Replies:**

The details are as follows,

Sl. No.	Name of work	Target	BPL Beneficiary serviced	Amount spent FY-2020 (Rs.in Crs)	Capital grants received Rs.in Crs)
1	DDUGJY (RGGVY XII Plan)	March-19	11264	5.26	8.70
2	IPDS	Dec-2019	-	130.94	87.38
3	DDUGJY	Dec-2020	38569	220.55	146.68



No. of Corrections.....*nil*.....

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**Commission's Observations:**

- i. CESC shall furnish the reasons with justification for incurring the Capex in FY20 under NJY and RGGJY, as these works were not covered in the approved Capex for FY20 as per MYT Tariff Order 2019.

**CESC Replies:**

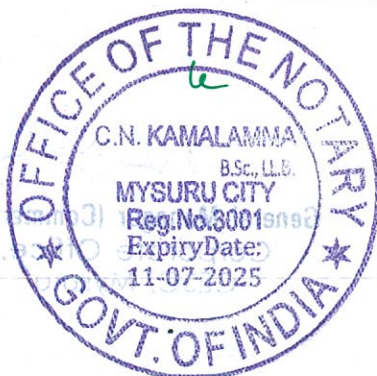
The works of NJY & RGGVY were completed during March-2019. However, the payments for these works are booked in FY20.

**Commission's Observations:**

- j. CESC in page no. 64 in Table indicating the capex for FY20, has furnished lump sum amount of Rs.143.07 Crores, for service connections, water supply, IP sets and new confections. CESC shall furnish work-wise break breakup details for each of these works and the capex incurred thereon against each head. CESC shall furnish the government grants received in respect of water supply, UNIP etc. and the outstanding amount to be received from the Government. CESC shall furnish the actual number of UNIP connections existing as on 01.04.2019, works completed and closing balance of UNIP installations to be provided with infrastructure during FY20 and up to November 2020. CESC shall also furnish source of funding in execution of these works in FY20 to FY22.

**CESC Replies:**

The work-wise break breakup details for each of these works and the capex incurred thereon against each account head is as follows,



No. of Corrections.....*Nik*

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Preliminary Observations on APR-20 & ARR/ERC-22

SI No	A/c Head	Particulars	CWIP Incurred Rs in Crs
1	14.1527	CWIP-Providing 25 kva transformer to IP sets Under Self Execution Project.	6.05
2	14.3207	Power supply to IP sets (GP)	4.18
3	14.3257	IP sets under own your transformer scheme	0.68
4	14.3267	CWIP-Regularisation of IP sets under OYT Scheme	99.42
5	14.4007	Service connections	25.61
6	14.4027	CWIP-Drinking Water Supply	3.05
7	14.4507	CWIP-Water supply works and for pending bills payment-Rural Local Bodies.	3.90
8	14.4607	CWIP-Water supply works and for pending bills payment- Urban Local Bodies.	0.18
<b>TOTAL</b>			<b>143.07</b>

The details of UNIP connections is as follows,

Opening Balance as on 01.04.2019	During 2019-20			Balance for which infrastructure is provided
	IP sets Regularized	IP sets for which infrastructure is provided	IP sets serviced through Service Mains	
<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>E=(a+b)-(c+d)</b>
25079	18082	15726	560	26875

For FY20, the UNIP works amounting Rs.111.08 Crs are funded by fresh borrowings amounting Rs.33.21 Crs and Internal Resources amounting Rs.77.87Crs.

**Commission's Observations:**

- k. Under Model Sub-division works CESC shall furnish the list and number of works sanctioned, Completed, balance number of works to be taken up, details of sources of funding for Capex incurred as per audited accounts, as there is huge difference in the amount submitted by the CESC in page 65(amount incurred is



No. of Corrections.....*nile*

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Preliminary Observations on APR-20 & ARR/ERC-22

Rs.17.01 Crores) and page 66 (amount incurred is Rs.43.12 Crores) for FY20 and up to November 2020.

**CESC Replies:**

The details of works under Model Sub-division are as annexed in **Format 1, 2 & 3**. In page 65, the amount of Rs.17.01 Crs is booked under the account head 14.1507. Wherein, the amount of Rs.43.12 Crs in page 66 includes the payment under account head 26.606 (Advance). The loan details released by REC is as annexed in **Format-8**

**Commission's Observations:**

- I. Under 5 model villages in each MLA/MP constituencies for FY20, CESC shall furnish the list and number of works sanctioned, completed, balance number of works to be taken up, details of source of funding and the amounts incurred, as per audited accounts for FY20.

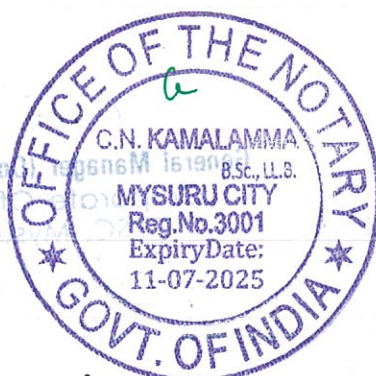
**CESC Replies:**

The list and number of villages selected under 5 model villages in each MLA/MP constituencies is as annexed in **Annexure-E**. Further, the details are as annexed in Format 1, 2 & 3. The Actual Expenditure is Rs.11.39 crs, which is funded by Internal Resources of CESC.

**Commission's Observations:**

- m. The CESC has utilized 'nil' amount in respect of DSM activities (Ag-DSM and Others). This clearly shows lack of seriousness on the part of CESC, in analyzing and managing the peak Load, chalking out

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No. of Corrections.....*nil*

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Preliminary Observations on APR-20 & ARR/ERC-22

Load Strategies, Demand Response, reducing technical and commercial losses etc. CESC shall submit the reason thereof.

**CESC Replies:**

The budget provision was made to implement the Ag-DSM project in Hoskote feeder i.e. in smart grid area where smart meter was proposed to install for IP installations. Out of 618 no's of IP installation, only 55 no's of IP sets were installed with smart meters.

The project was not taken up because of communication for the installed meters were not able to achieve due to the poor mobile signal in rural area.

**Commission's Observations:**

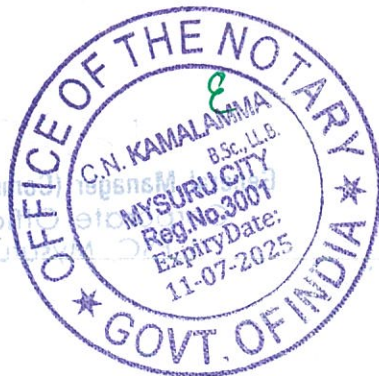
- n. CESC shall submit the compliance to the observations made regarding target date of Completion, **Cost benefit ratio**, status of works with respect to the Model Village, Model Sub-Division, DDUGJY and IPDS works as mentioned in the Tariff Order 2020.

**CESC Replies:**

The details are as follows,

Sl.No	Name of work	Target date of completion	Status of work	Cost Benefit Ratio
1	IPDS	Dec-19	Completed in Dec-2019	-
2	DDUGJY	Dec-2020	Completed in Dec-2020	-
3	Model Sub division	Dec-2020	Work under progress. Expected completion by Mar-2021	-
4	Model Village	31.03.2021	Work under progress. Expected completion by Mar-2021	5.04

The detailed progress is as annexed in Format 1, 2 & 3



No. of Corrections.....*nih*

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**Commission's Observations:**

- o. CESC shall submit the study report on techno-economic study initiated for providing Thyristor Controlled switched capacitor bank to improve Power factor, as directed in the Tariff Order 2020

**CEsc Replies:**

Due to COVID-19 pandemic outbreak, CESC was not able to conduct the techno-economic study for providing Thyristor Controlled switched capacitor bank to improve Power factor. At present, in CESC jurisdiction, the sub-stations are provided with capacitor banks ranging from 2.50 MVAR to 30 MVAR for reactive compensation and the power factor is maintained within permissible limits.

**Commission's Observations:**

- p. CESC shall submit the details as per Tariff Order 2020 (refer Page no 44) for in respect of the following for having incurred the Capex for FY20:
- I. Distribution losses,
  - II. HT LT ratio,
  - III. Transformer failures,
  - IV. Segregation of loads,
  - V. Power Theft Reduction (number of discrepancies detected),
  - VI. Awareness programs among consumers on the usage and conservation of energy.
  - VII. Metered consumption.

**CEsc Replies:**

Sl no	Particulars	For FY-19	For FY-20	Remarks
1	Distribution losses	12.04	11.12	Distribution loss reduced
2	HT LT Ratio	1:1.47	1:1.42	HT LT ratio improved





Preliminary Observations on APR-20 & ARR/ERC-22

Sl no	Particulars	For FY-19	For FY-20	Remarks
3	Transformer failures	9.93%	8.82%	There is decrease in failures due to proper maintenance. New transformers are added to the systems & through DTLMS, proper monitoring is done.
4	Segregation of loads in feeder	1798	1900	102 no's of additional feeders commissioned during FY-20 with effective segregation of loads.
5	Power theft reduction (No of discrepancies detected)	8326	4643	Vigilance activities carried out to check the theft of energy & misuse of energy
6.	Awareness programs among consumers on usage and conservation of energy			Awareness programs among consumers has been initiated through advertisements in print media, visual media & vivid bharathi programmes and highlighting the issues on the reverse side of the monthly electricity bill and highlighting during consumer interaction meetings.
7.	Metered consumption	3504.28	3507.83	There is marginal increase in metered consumption. Due to COVID-19 pandemic in month of March-20, the metered consumption mainly Industrial & Commercial is nil.

**Commission's Observations:**

- q. CESC, in its APR filing while furnishing the details of project/work-wise source of funding, has indicated the Capex under the head - Supply Bills and LC Bills. Here it is to pointed out that the actual capital expenditure is supposed to be booked /categorized against the respective capital expenditure head of account. Therefore, CESC shall categorized the actual Capex under the respective heads of account and submit the details to the commission.



No. of Corrections.....*nih*.....

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**CESC Replies:**

The categorized details depicting actual Capex under the respective heads of account is as annexed in **Annexure-F**

**Commission's Observations:**

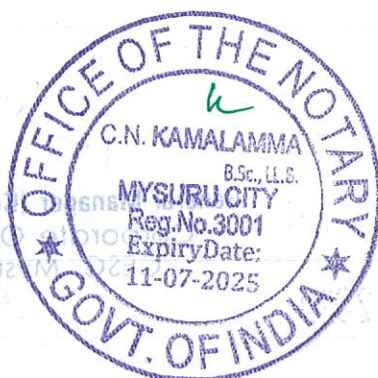
- r. The Commission in its Tariff order 2020, has disallowed the Capex incurred for the following Capital works attributable to CESC and KPTCL:
- I. Construction of link line for Nallur feeder from 66/11 KV Ponnampet MUSS to 11 KV Kanoor feeder in Balele section, Gonikoppal Sub-division, Madikeri division.
  - II. Providing the link line to new Ramenahalli feeder for the overloaded F-3 J.C pura feeder opposite to petrol bunk at J.C. pura towards Ramenahalli in D.M.Kurke section and Banavara Sub-division ,CESC for the categorized amount of Rs 0.2122 Crores.

The Commission had decided that the status of the works, which were not meeting the prudence check norms, would be reviewed in the next Tariff order. Hence, CESC shall furnish the present status of the work, which are considered as imprudent and conditionally prudent in Tariff order 2020 attributable to CESC and KPTCL.

**CESC Replies:**

- I. Construction of link line for Nallur feeder from 66/11 KV Ponnampet MUSS to 11 KV Kanoor feeder in Balele section, Gonikoppal Sub-division, Madikeri division

As the work nomenclature describes the construction of 11kV link line for a distance of 1.2km from existing 11kV Nallur feeder to delink the technically





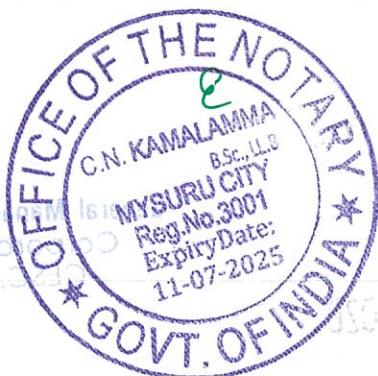
not feasible network of existing 11kV Kanoor feeder emanating from 33/11kV Sreemangala sub-station. AS such, the line is passing through the area of jungle & hilly terrain, the technical not feasible network has been made feasible with improved and better voltage regulation. Thus enabled good tail-end voltage to 5 villages and minimizing the level of interruptions. The work was carried in a prudent way as set in the DPR. Considering the hilly area and demographic terrain, further improvement works envisaged to the distribution network in coordination with KPTCL to connect the line to new feeder breaker to the proposed new feeder breaker from Balele substation. Hence, it is requested to categorize the conditionally prudent as prudent work.

- III. Providing the link line to new Ramenahalli feeder for the overloaded F-3 J.C pura feeder opposite to petrol bunk at J.C. pura towards Ramenahalli in D.M.Kurke section and Banavara Sub-division ,CESC for the categorized amount of Rs 0.2122 Crores.

CESC has established better coordination with the jurisdictional KPTCL since from inception of DPR preparation and up to commissioning and the work completed and commissioned prudently on 30<sup>th</sup> October 019. A slight delay in the work is due to fulfillment of Statutory clearances. Hence, it is requested to categorize the conditionally prudent as prudent work.

**Commission's Observations:**

- s. CESC shall submit the compliance and the details sought in the Tariff Order 2020 both the physical progress as well as the financial progress, in **respect of all the schemes taken up by CESC in the Format -1, 2 ,3 annexed.**



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No. of Corrections.....*nil*

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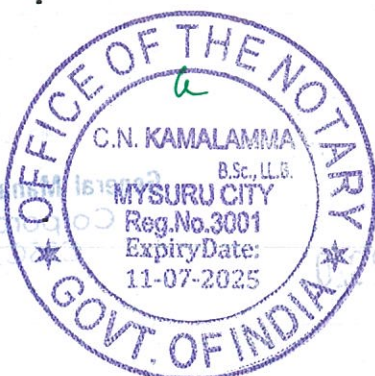
**CESC Replies:**

The details of the physical progress as well as the financial progress, in respect of all the schemes taken up by CESC is as annexed in Format-1, 2 & 3.

**B. CESC Capex proposal for FY22:**

**Commission's Observations:**

- a. As per the Tariff application, CESC has proposed Capex of Rs.835.50 Crores and Rs.812.25 Crores FY21 and FY22 respectively, in this respect. The CESC shall explain the rationale behind submitting the revised proposal as against the Commission approved capital expenditure of Rs.650 Crores for FY21 in the Tariff Order 2019. Further, as the financial year 2020-21 is nearing completion, why the CESC has proposed the revised Capex at this juncture with the adverse financial condition faced by CESC on the account of COVID-19 shall be explained. It may also be noted that the Commission will take up APR of FY21 during the FY22-23. **Hence the question of revising the capex for FY21 in these proceedings will not arise. CESC shall regulate the capex for FY21, as per the approved figures and any excess amount incurred shall be met through appropriation/ re-appropriation within the approved capex.**
- b. As per the ARR filing CESC has projected revised Capex program for Rs.812.25 Crores and restricted the total Capital Expenditure to be incurred during FY22 of RS. 650 Crores as approved by the Commission in its Tariff Order 2019 duly revising the work wise





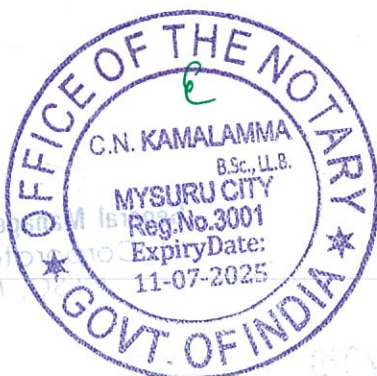
allocations. CESC shall furnish the break up details for the various works covered under revised proposal for FY22.

- c. CESC shall furnish the work-wise breakup details for Rs.165 Crores, Rs.80 Crores towards E&I works, Model sub division respectively.
- d. CESC in its ARR filing for FY22, in page no. 140 has proposed the action plan under IPDS scheme, Distribution network strengthening, and metering works in 33 towns with the proposed project cost of Rs.170 Crores. CESC has included this amount in the Capex action plan for FY22. CESC shall examine and resubmit the same for FY22.
- e. CESC shall furnish the work wise breakup details for Rs.200 Crores towards New projects (any Central & State Govt. programs).

**CESC Replies:**

The Hon'ble Karnataka Electricity Regulatory Commission in its Tariff Order-2021 of CESC issued on 04.11.2020, has reviewed the capital investment for FY-21, wherein CESC has proposed the CAPEX of Rs. 835.5 Crs and Hon'ble Karnataka Electricity Regulatory Commission keeping in view of the actual achievement and the target CAPEX for the ensuing control period, the Commission recognized CAPEX of Rs. 650.00 Crs for FY-21, subject to Prudence Check and Directives as well as achieving the important objectives like reduction in Distribution loss, reduction in HT/LT Ratio, reduction in failure of distribution transformer, conservation of Energy, improvement in metered sales. In anticipation of approval from the Commission, CESC has issued Budget of Rs.835.5 Crs by restricting the expenditure to approved and recognized CAPEX of Rs.650.00 Crs. for FY-21.

The details of capex under various heads proposed for FY22 are as follows,



No. of Corrections.....*nil*.....

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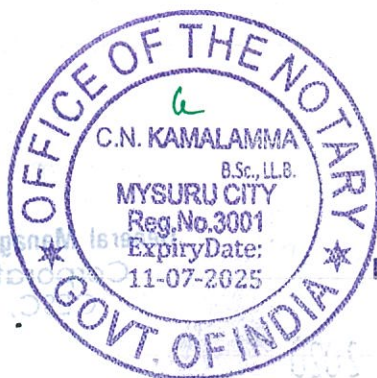
**Proposal of CAPEX 2021-22 (FY22) of CESC**

Rs in Crs

Sl no	Schemes	Budget proposed for FY22 (Rs in Crores)
1	Extension and Improvement	165.00
2	IPDS	2.00
3	DDUJY+Soubhagya	2.00
4	DDG	1.00
5	Replacement of failed transformers	5.00
6	Service Connection( WS,IP SET,New connection)	160.00
7	TSP-Energisation of IP Set	2.75
8	SCP-Energisation of IP Set	9.50
9	Special development Programme (SDP)	25.00
10	Gangakalyana-Energisation of IP Set	95.00
11	Tools & plants	8.00
12	Civil Engineering works	14.00
13	Providing meters to DTC, BJKJ, Streetlight, Replacement of electromechanical meters, Providing modems to meters for communication, Providing LT Distribution box with MCCB	18.00
14	IT initiatives	30.00
15	5 Model villages in each MLA/MP constituency	10.00
16	Model sub division Existing + New proposal	240.00
17	DSM Activities	5.00
18	New Projects (any Central or State Govt. Programmes)	20.00
	<b>Total</b>	<b>812.25</b>

The scheme wise investment programme for FY22 is as given below.

- 1. Extension and Improvement work:** CESC has taken steps to improve its distribution network to cater to the increasing load growth in its system, reduce the breakdowns and interruptions, provide additional distribution transformers in towns and villages, provide link lines to evacuate power



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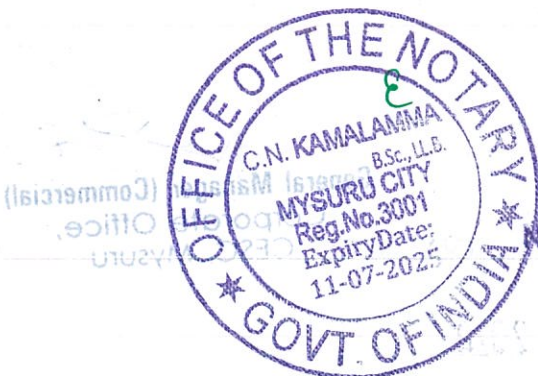


from newly established Stations/MUSS by KPTCL, provide Express feeders from Stations, re-conductoring the existing lines to increase capacity or to replace aged /deteriorated conductors, replace deteriorated Poles etc. For these works provision of **Rs. 165/- Crores** is made for FY-22.

2. **Integrated Power Development Scheme-IPDS:** Distribution network strengthening, metering works & SRTPV in 33 towns are included under this scheme and the proposed project cost is Rs.182.92 Crores Works are completed in all 4 circles. Budget provision has been made for **Rs.2/- Crores** for FY-22.
3. **Deen Dayal Upadhyay Grameena Jyothi Yojane- DDUGJY:** The Improvement works in rural area such as
  - Separation of agriculture and non-agriculture feeders.
  - Strengthening and augmentation of sub-transmission and distribution.
  - Metering
  - Rural electrification (including SAGY- Sansad Adarsh Grama Yojana) come under this scheme.

The works are awarded for Rs.291.56 Crores. Works are completed in 4 Districts of Chamarajanagar, Kodagu, Mandya and Hassan and work is nearing completion in Mysuru District. Budget provision has been made for **Rs.2/- Crores** for FY-22.

4. **Soubhagya Scheme:** Government of India has launched Pradhana Mantri Sahaj Bijli Har Ghar Yojana(Saubhagya) on 20.10.2017 to achieve universal household electrification in the country. It is being implemented in Kodagu District in CESC jurisdiction. The work has been awarded for the amount of Rs.16.98 Crores. The house hold electrification works are completed and additional infra work is nearing completion. Saubhagya



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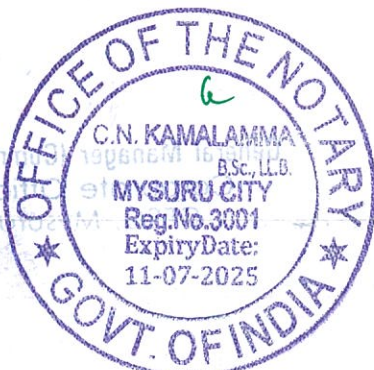
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scheme comes under DDUJGY and hence Budget provision has been under DDUGJY for FY-22.

5. **Replacement of failed Transformers:** In some cases, the failed transformer is to be scrapped and if it needs to be replaced by a new transformer, it has to be accounted under capex. Hence budget provision of **Rs. 5.00 Crores** is made for FY-22
6. **Service Connection works:** Arranging Power supply to lighting and power installations, drinking water supply works and providing infrastructure to IP set works are covered under Service Connection Works. Budget provision has been made for **Rs 160/- Crores** for FY-22.
7. **Special Component Plan (SCP), 8. Tribal Sub-Plan (TSP) and SDP (Special Development Plan) works:** Budget grants for Energisation of IP sets under SC and ST Category were released under SCP and TSP programmes. Hence budget provision of **Rs.9.5/- Crores** for SCP and **Rs 2.75/- Crores** for TSP for FY-22.
9. **Special development Programme (SDP):** As per Dr Nanjundappa committee report there are 20 Nos. of backward Taluks in CESC area for which budget provision are made for infrastructure development in Energy Sector. Hence provision of **Rs 25/- Crores** is made in FY-22 under SDP scheme.
10. **Gangakalyana works:** There are 1351 no's of GK applications pending for electrification as at the end of October-20 from all the five Development Corporations. For the year 2021-22 a target of 3000 Nos. of IP sets under Gangakalyana scheme is set by the CESC. Action has already been initiated to float tenders for energisation of these GK IP sets works and tenders are awarded. Hence budget provision of **Rs 95/- Crores** is made for FY-22.



No. of Corrections.....*nika*

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11. **Purchase of T&P Materials:** Materials for safety and prevention of accidents are purchased under T&P account head for which budget provision of **Rs 8/- Crores** is made in FY-22
12. **Civil Engineering Works:** For construction of office buildings and other civil related works budget provision of Rs 14/- Crores is made in FY-22.
13. **Metering programme:** It is planned to Provide Meters to DTC, BJ/KJ, Street Lights, replacement of electromechanical meters, providing modems to meters for communication, Providing LT Distribution box with MCCB, for which budget provision of Rs 18/- Crores is made in FY-22
14. **IT initiatives:** IT initiatives like FMS (Financial Management System), MMS (Material Management System), DTLMS (Distribution Transformer Lifecycle Management System) and Date Centre etc., are being implemented in CESC to bring transparency in financial accounting, including any other new initiatives which will also help in timely submission of accounts and control over finances of the company for which budget provision of **Rs 30/- Crores** is made in FY-22.
15. **Improvement works in 5 Model villages in each MLA Constituency:** As per the announcements in Hon'ble CM's Budget speech of 2017-18 improvement works in 5 Model villages in each MLA Constituency is proposed. Works are taken up under unit rate contract total turnkey basis. Hence provision of **Rs 10.00 Crores** is made in FY-22.
16. **Model Sub-Division works:** Conversion of overhead distribution system to UG cable in Mysuru city under Model Sub-division project is taken up for implementation. Out of 8 subdivisions, works are awarded for under total turnkey basis for 4 subdivisions and the works are under progress. Further proposal is prepared for providing UG cable to balance 4 subdivisions of Mysuru city which were not included in earlier proposal







Preliminary Observations on APR-20 & ARR/ERC-22

with an estimated cost of Rs.497 Crores. The works are planned for implementation over a period of 2 years i.e. during FY-22 & FY-23 and hence for these new works provision of **Rs. 240/-** Crores is made for FY-22.

17. **DSM Activities:** Budget provision of **Rs 5/- Crores.** is made for replacement of existing pump sets by energy efficient pump sets under AG-DSM work in Hoskote feeder at Smart grid area.

18. **New Projects:** CESC has made Budget provision of Rs.20/- Crores for FY-22 for new projects coming up in future, based on the following

- New schemes or projects that may be envisaged by the Central Government or State Government for betterment of public life through quality of power supply.
- Works which involves increasing the aesthetic value of cities coming under CESC.
- Smart city concepts, UG cable concepts even at small taluk level in future.

### 3. Power Purchases:

#### A. APR for FY20

##### Commission's Observations:

- a. CESC, in its filing under D1- Format, has indicated the actual per unit cost of Rs.9.86 for the BTPS unit-1 Generating station which is on the very higher side when compared with the approved per unit cost for FY20. In this regard, CESC shall submit the reasons with month-wise computation sheet for the same for FY20.





**CESC Replies:**

The Abstract of capacity charges & energy charges of BTPS unit-1 for FY20 is as annexed in **Annexure-G**

**Commission's Observations:**

- b. CESC shall furnish the month-wise details of the energy with cost recovery traded with IEX for FY 20 and upto November 2020 for FY 21.

**CESC Replies:**

The month-wise details of the energy with cost recovery traded with IEX for FY 20 and up to November 2020 for FY 21 is as annexed in **Annexure-H**

**Commission's Observations:**

- c. The Commission, in its Tariff Order dated 30th May,2019 has directed CESC as under:

***"The Commission notes an abnormal contribution from the State towards payment of PGCIL transmission charges. Due to this there will be a substantial financial impact, resulting in an increase in the retail supply tariff to the end consumers. The Commission, therefore, directs ESCOMs/PCKL to take appropriate action immediately, to resolve the issues with the appropriate authorities regarding the PGCIL transmission tariff. Henceforth, ESCOMs/PCKL shall constitute a dedicated team, which studies the pros and cons of any methodologies/amendments proposed to PGCIL's Transmission tariff or in any such other relevant matters, and shall effectively communicate the same to the concerned authorities, at the draft stage itself. The Commission will not allow such tariff in future, if it considers that the ESCOMs/PCKL have not taken effective and prompt***







**steps to ensure that the PGCIL's transmission tariff is fair and equitable to the State"**

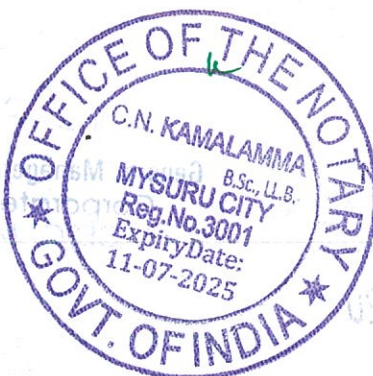
CESC shall furnish the latest status on the issue and the action taken in the matter.

**CESC Replies:**

The New CERC (Sharing of Inter State Transmission Charges and Loss) Regulation, 2020 has come into force with effect from 1.11.2020. With the change in the methodology of calculation, the PoC charges payable by ESCOMs of Karnataka for the month of November 2020 will be ascertained after 25<sup>th</sup> December 2020 only. Hence, the POC charges as per RTA for the month of October-2020 is considered for FY 2021-2022 which includes POC, Reliability Support Charges and HVDC Charges. Considering the POC of October 2020, the total POC payable by ESCOMs for the year 2021-22 is works out to be Rs.2813.31 Crores. The share of CESC is 265.97 Crores

ESCOMs	POC Charges Rs.Crs.
BESCOM	1478.98
GESCOM	351.86
HESCOM	461.94
MESCOM	254.57
CESC	265.97
<b>Total</b>	<b>2813.31</b>

The new Regulation does not specify the POC charges applicable for Karnataka State. Any changes in the existing POC charges, the same will



No. of Corrections..... *n/a*

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intimated to Hon'ble Commission after notified the charges applicable for Karnataka State from November 2020 onwards.

**Commission's Observations:**

- d. The Source-wise consolidated SLDC energy reconciliation statement for the energy for FY20 shall be furnished.

**CESC Replies:**

The Energy reconciliation for FY20 has not been finalized at SLDC. Hence, source-wise consolidated SLDC energy reconciliation statement for the energy for FY20 is not available.

**Commission's Observations:**

- e. CESC shall furnish the plant-wise details of total energy utilized and unutilized in the format annexed at **Annexure-5** considering the merit order dispatch. Any deviation from merit order scheduling should be explained fully.

**CESC Replies:**

The plant-wise details considering the merit order dispatch is maintained at PCKL & SLDC Letter vide no:CESC/GM(Coml)/DGM(RA1)/AGM(RA1)/18355 dated: 22.12.2020 is addressed to the PCKL to furnish the details. In due course, the details will be submitted to the Hon'ble Commission. The details are as furnish in Annexure-5. CESC requests to consider the same.



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No. of Corrections.....*nil*.....

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## B. CESC Power Purchase for FY22(ARR):

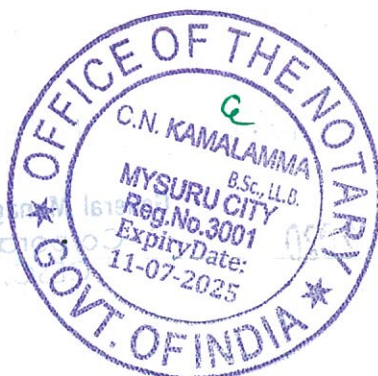
### Commission's Observations:

1. CESC in its ARR filing has proposed its requirement of power for 8060.89 MU at a cost of Rs.4206.93 Crores, which works out to per unit cost of Rs.4.61 for FY22. The Commission, in its MYT Tariff Order 2019, had approved the energy requirement for CESC at 8073.307 MU at a cost of Rs.3676.91 Crores, the per unit cost being Rs.4.554 for FY22. CESC shall furnish the basis for projecting the source-wise energy for FY22 with the explanation for considering high cost energy as compared with the Commission's approved requirement.

### CESC Replies:

The Hon'ble Commission in the MYT Tariff Order 2019, had approved the energy requirement for CESC at 8073.307 MU at a cost of Rs.3676.91 Crores, per unit cost being Rs.4.554 for FY22. Wherein, CESC has projected 8060.89 MU for FY22 at a cost of Rs.4206.93 Crores, which works out to per unit cost of Rs.4.61 for FY22. The statement showing the source-wise variation between the Commission approved Power Purchase & cost and the projection made by CESC is as follows,

Sl No	Source	Approved in MYT Order 2019			CESC Projections		
		Energy	Total cost Rs in Crore	Average rate Ps/kWh	Energy	Total cost Rs in Crore	Average rate Ps/kWh
1	KPCL HYDEL	2274.58	236.26	1.03	1877.8	210.47	1.1208
2	KPCL Thermal	1497.11	990.49	6.62	1428.53	979.39	6.8559
3	Central Projects	2264.36	934.57	4.13	1387.84	727.03	5.24
4	Major IPP (UPCL)	321.78	207.55	6.45	608.46	319.53	5.25



No. of Corrections.....*n/k*.....

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Sl No	Source	Approved in MYT Order 2019			CESC Projections		
		Energy	Total cost Rs in Crore	Average rate Ps/kWh	Energy	Total cost Rs in Crore	Average rate Ps/kWh
5	RE Projects	1398.34	600.99	4.3	1823.34	739.86	4.06
6	Other Hydro	10.93	6.72	6.15	18.45	6.16	3.34
7	Energy Balancing	-	-	-	916.46	465.33	5.08
8	KPTCL Transmission charges & SLDC	-	-	452.8	-	-	490.89
9	PGCIL charges and POSOCO	-	-	142.13	-	-	266.27

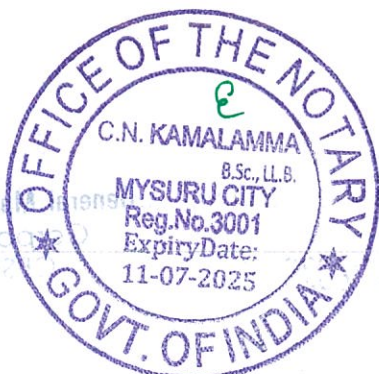
The source wise energy availability projected based on the following factors

#### KPCL hydro and Thermal Stations

The Energy availability of Hydel and Thermal stations of State Owned Power plants are considered as per the details furnished by KPCL in its email dated 18.11.2020 including Yaramarus Thermal Power Project. The energy projected by KPCL in respect of hydro stations is based on average energy generated in last 10 years with a 1% auxiliary consumption as per PPA. Energy availability in respect of Thermal Stations is as per the targeted availability defined in the PPA/Regulations wherever applicable and less by applicable auxiliary consumption of each station. The KPCL has projected the Yelahanka Combined Cycle power project is available from FY July 2021.

#### Central Generating Stations

The net energy available at ex-bus generation prepared by SRPC for LGBR for the year 2020-21 is considered for 2021-22. Out of the total month wise



No. of Corrections.....*nil*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

energy available at Ex-bus of the Station, the share of Karnataka including unallocated share for the month of October 2020 is taken to arrive the energy available to Karnataka for FY 2021-22. In order to arrive energy available at Karnataka Periphery, all India Transmission loss for the week from 16.11.2020 to 22.11.2020 as notified by the NLDC has been considered.

The energy availability of DVC stations as per the data furnished by DVC for the year 2020-21 in the email, dated 5.11.2019 is considered

**UPCL**

The generation of 1200 MW of UPCL Unit -1 & Unit-2 taken at 85% of 90% installed capacity as per PPA/ approval given by Government

**TBHE and Jurala Generation**

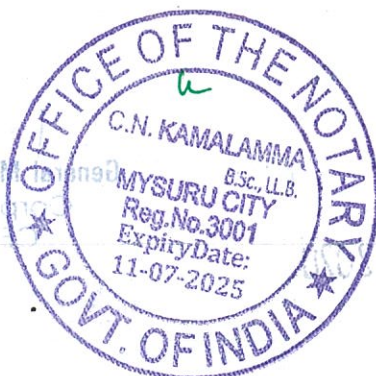
The actual energy drawal from Jurala Priyadarshini and TBHE for the year 2019-20 has been considered for the financial year 2021-22

**Renewable Generation**

In respect of RE projects, energy actual purchased during year 2020-21 upto Sep-2020 and actual energy purchased for the period from Oct-2019 to March 2020 has been considered for FY 2021-22.

**Commission's Observations:**

2. CESC in its filling, has indicated the energy balancing figure of 916.66MU with a cost of Rs507.75 Crores for FY22. The basis for having projected the energy balancing and the cost shall be furnished.



No. of Corrections.....*nil*

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**CESC Replies:**

The projected energy and cost allocated among the ESCOMs is as per GoK order dated 08.05.2020 for FY 2021-22 except energy from the RE projects. Accordingly, CESC was allocated total energy of 7144.43 MU, however the requirement of CESC is 8060.89 MU, thereby the deficit is 916.46 MU. This deficit energy of 916.46 MU is projected as energy allocation from other ESCOMs. The average cost projected from all the sources works out to Rs 5.0775/ per unit which amounts to Rs.507.75 Crores for the CESC's share of 916.66 MU.

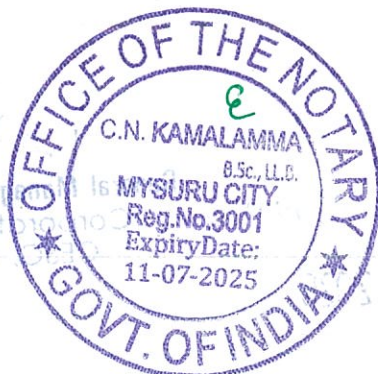
**Commission's Observations:**

3. The basis and the computation sheet for reckoning the fixed cost and variable charges in respect of each of the generating stations (other than RE sources) shall be furnished for FY22.

**CESC Replies:**

The Tariff in respect of Central Generating Stations like NTPC and NLC stations for the Control period 2019 to 2024 is yet to be determined by CERC for the stations belonging to Generators. The Capacity charges billed by generator to ESCOMs of Karnataka for the year 2020-21 are considered for the FY 2021-22. The capacity charge considered based on various orders are as detailed below;

Sl. No.	Stations	Date of order/as per claims	Capacity charges applicable for 2021-22 (Amount in Rs. Crore)
1	RSTP-I&II	As per bill	1057.68
2	RSTP-III	As per bill	268.05



No. of Corrections.....*nil*.....

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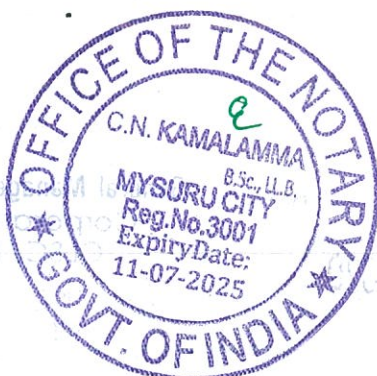


Preliminary Observations on APR-20 & ARR/ERC-22

Sl. No.	Stations	Date of order/as per claims	Capacity charges applicable for 2021-22 (Amount in Rs. Crore)
3	RSTP-Talcher	As per bill	996.95
4	Simhadri station II	As per bill	1066.71
5	Vallur unit-I & II	11.7.2017	1858.96
6	NLC II Stage-1	12.6.2017	299.80
7	NLC II Stage-2	12.06.2017	414.29
8	NLC expansion I	18.10.2016	276.18
9	NLC expansion Stage II (U-1)	24.7.2017	728.06
10	New NLC Thermal projects	29.1.2020	996.25
11	NTPL-2X 500 MW	11.7.2017	1090.17
12	Kudigi	As per the bill	2795.24
13	DVC-Mejia	3.10.2016	1019.21
14	DVC-Koderma	28.2.17	1175.74

The average variable cost for the month of Aug-2020, Sep-2020 and Oct-2020 is considered for energy charges for FY 2021-2022. In respect of MAPS, Kaiga, and Kundamkulam power station the average rate per unit for the months of Aug-2020, Sep-2020 and October -2020 is considered.

Particulars	Rs/ unit			
	MAPS	Kaiga Units 1 to 4	Kudamkulam Unit - 1	Kudamkulam Unit - 2
Base Price	2.427	3.270	3.545	3.545
Heavy Water adjustment charges	0.002	0.000	0.379	0.379
Heavy Water lease adjustment charges	0.000	0.015	0.000	0.000
Insurance	0.100	0.062	0.042	0.042
Decommissioning Levy	0.020	0.020	0.020	0.020
Forex Variation Adjustment Charges	0.050	0.050	0.053	0.053



No. of Corrections.....*NK*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

Particulars	MAPS	Kaiga Units 1 to 4	Kudamkulam Unit - 1	Kudamkulam Unit -2
Nuclear Liability & Forex adjustment	0.000	0.000	0.050	0.050
Others			0.000	0.000
Total tariff	2.599	3.417	4.090	4.090

The capacity charges (Fixed Cost) and variable cost considered for 2021-22 in respect of Central Generating stations are detailed below

Central Projects	Fixed Cost (Rs in Cr)	Variable Cost (Paise per Kwh)
N.T.P.C-Ramagundam	199.85	241.27
NTPC-VII	53.66	237.87
NTPC-Talcher	182.76	208.77
NLC TPS2-Stage 1	69.92	268.57
NLC TPS2-Stage 2	97.47	277.17
NLC TPS1-Expn	71.62	255.20
NLC II Expansion-1	188.33	262.47
New NLC Thermal Power project	73.94	234.40
MAPS	0.00	259.88
Kaiga unit I &II	0.00	341.67
Kaiga Unit 3 &4	0.00	341.67
Simhadri Unit -1 &2	199.68	296.43
Vallur TPS Stage I &2 &3	210.99	314.80
NTPL	234.17	288.43
KudamKulam Unit1	0.00	408.95
KudamKulam Unit2	0.00	408.95
Kudigi	1494.87	346.40
DVC- Mejia thermal Power Station	203.84	273.37
DVC Kodemma thermal Power Station	293.93	247.63

CESC Mysuru humbly requests to consider the same.







**Commission's Observations:**

4. CESC shall furnish the basis and the document in support for considering the fixed cost and the variable cost in respect of BTPS unit-3, YTPS units.

**CESC Replies:**

The tariff proposed in the E-mail dated 18.11.2020 of KPCL is considered for all thermal generating stations including YTPS units, as detailed below. These tariffs are subject to revision based on Generation Tariff Regulation 2019 as determined by KERC.

Sl. no.	Stations	2021-22	
		Fixed cost Rs in Crores	Variable cost Paise per Kwh
1	RTPS unit 1 to 7	941.99	300.00
2	RTPS unit-8	248.30	280.00
3	BTPS unit-1	323.78	295.00
4	BTPS unit-II	463.39	294.00
5	BTPS Unit-III	990.43	299.00
6	Yelahanka Combined Cycle	356.08	320.00
7	Yermarus TPS - 1 & 2	2269.10	290.00

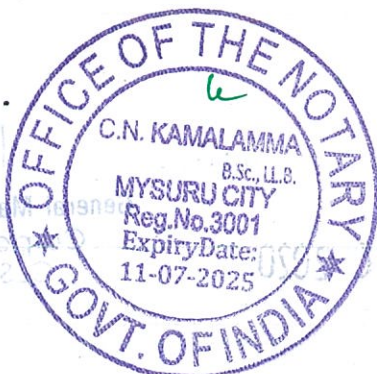
CESC Mysuru humbly requests to consider the same.

**Commission's Observations:**

5. CESC shall furnish source-wise capacity and quantum of energy to be procured from RE projects for which it has executed the PPAs.

**CESC Replies:**

The source-wise capacity and quantum of energy to be procured from RE projects for which CESC has executed the PPAs is as follows,





Preliminary Observations on APR-20 & ARR/ERC-22

SL NO	RE SOURCES	COMMISSIONED CAPACITY IN MW	LIKELY TO BE COMMISSIONED CAPACITY IN MW	ENERGY FORECAST (IN MU)	TOTAL COST RS. CRS.	REMARKS
1	Wind	121.25	-	120.61	42.36	
2	Hydro	117.45	5.25	262.33	86.31	
3	Co-gen	28	37.22	30.33	10.13	
4	Biomass	7.8	2	11.52	4.54	
6	Solar MW Projects	526	95	927.88	400.84	
7	Solar SRTPV Projects	21.23	-	13.27	9.26	

**Commission's Observations:**

6. CESC shall furnish the methodology for forecasting the RE energy from different sources for FY22.

**CESC Replies:**

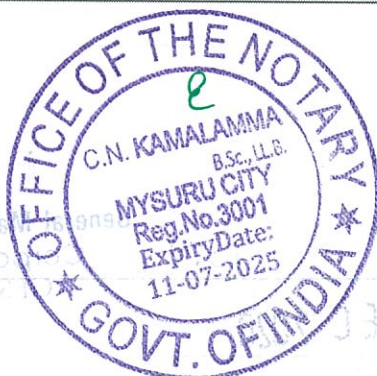
In respect of RE projects, energy actual purchased during year 2020-21 upto Sep-2020 and actual energy purchased for the period from Oct-2019 to March 2020 has been considered for FY 2021-22

**Commission's Observations:**

7. CESC shall submit the detailed power purchase write up as per D1 statement.

**CESC Replies:**

The detailed power purchase write up as per D1 statement is as annexed in **Annexure-I**



No. of Corrections.....*nile*.....

24 DEC 2020

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#### 4. Distribution Loss

##### A. CESC APR Distribution Loss for FY 20:

###### Commission's Observations:

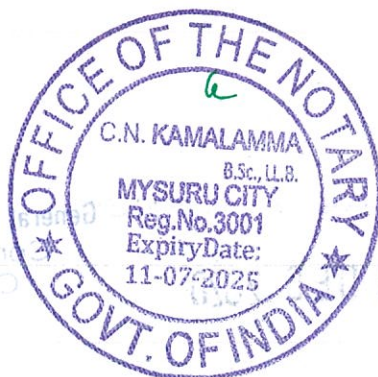
1. CESC in its APR filing for FY 20, has indicated the actual distribution loss of 11.12% as against the approved distribution loss of 12.70%, and then by reduced the loss by 1.58% over approved and 0.92% over FY19. The Commission desires to know action taken by CESC in reduction of 1.58% distribution loss from the approved level.

###### CESC Replies:

Over the past years, most of the Central/state govt projects have been implemented in CESC wherein majorly distribution network upgrade projects involving strengthening of distribution lines, adding new lines, link lines additional distribution transformers added as well as augmentation of distribution transformers. However, the expected growth in consumer in all tariffs especially in agriculture wherein providing infrastructure is a continual activity envisaged.

###### Commission's Observations:

2. CESC in its filing, has indicated the loss of energy to the extent of 525.65 MU (page No:56) transmission loss for FY20 which works out to 6.79% as against 3.162% claimed by KPTCL in its filing for FY20. CESC shall explain the reason for the substantial variance in the transmission losses for FY 20.





**CESC Replies:**

The Energy reconciliation among ESCOMs will be done at the O/o CEE, SLDC, KPTCL, Bengaluru. Energy reconciliation for FY20 has not yet been finalized at SLDC, KPTCL. However, CESC had objected for loss factor of 6.79%. But the O/o CEE, SLDC, KPTCL has stated that the loss factor in Energy reconciliation statement is the pool loss and should not be considered as Transmission loss. Copy of this letter is as annexed in **Annexure-J**

**B. CESC ARR Distribution Loss for FY 22:**

**Commission's Observations:**

1. CESC in its filing of ARR for FY22 has projected the revised distribution losses of 11.10% for FY21 and 11.05% for FY22. The Commission notes that the actual distribution loss of 12.04% and 11.12% achieved during FY19 and FY20. CESC has considered a meager reduction of 0.02% and 0.05% for FY21 and FY22 is not in commensurate with the amount of capex incurred upto FY20 and the proposed capex for FY21 and FY22. CESC shall reassess and submit the revised distribution losses projection for FY21 and FY22.

**CESC Replies:**

For FY-20, the CESC has achieved distribution loss of 11.12% against the KERC approved figures of 12.75% as upper limit, 12.25% as lower limit with an average of 12.50%. Most of the projects Further reduction in the loss is practically difficult. Hence, CESC Mysuru requests the Hon'ble Commission to consider the same and retain the proposed losses of 11.10% and 11.15% for FY21 & FY22 respectively.



No. of Corrections.....*nil*.....  
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**Commission's Observations:**

2. CESC while proposing the capital expenditure required to prioritize investments to specifically reduce losses and improve reliability of distribution system in order to reduce the distribution losses, CESC should identify high loss feeders, high loss subdivision, division and circles. But no such details are indicated in the filing. CESC has to monitor the optimal distribution system loss should be less than 10% even to maintain the voltage regulations within the permissible limits of 9% for 11kV system and 6% for LT distribution system. CESC in order to bringing down the distribution system losses below 10%, CESC has to draw the action plan and submit the same to the Commission.

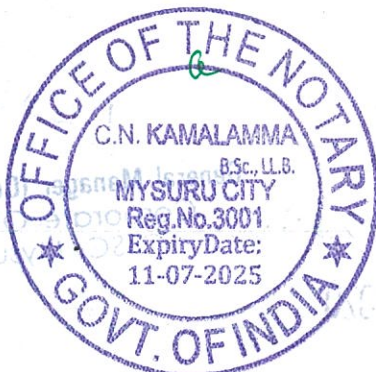
**CESC Replies:**

CESC has identified the high loss feeders, high loss subdivision, division, and circles. CESC has taken up extension & improvement works to the distributions system to reduce losses in feeders. CESC is monitoring the optimal distribution system loss within permissible limits. Suitable guidance and directions are given to the divisional, sub-divisional officer's to reduce the feeder losses and to provide quality & reliable power supply to consumers.

**5. RPO Compliance**

CESC furnishing the details of RPO compliance for FY20, has stated that it has met both solar and non-solar RPO.

The observations of the Commission on RPO are as under:



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No. of Corrections.....*Nil*.....

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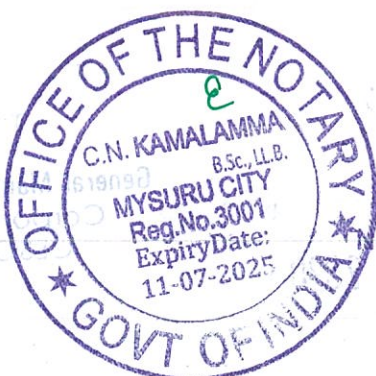
1. The total power purchase quantum for FY20 as per D-1 format is 7733.95 MU. Net of hydro the power purchase quantum would be 4148.83 MU [7733.59-3376.23(KPCL-hydro)-192.20(VVNL)- 13.87(Jurala)-2.82(TB dam)]. Whereas, CESC at page 63, has indicated the same as 4177.70 MU. **CESC shall clarify in the matter. CESC shall also indicate how much of hydro energy is added or subtracted under energy balance. Also, the power procured from Shimsha shall be indicated separately.**

**CESC Replies:**

The total power purchase quantum for FY20 in D1 statement is as per "The Audited Financial Statements of the company for the financial year i.e. balance sheet as at 31<sup>st</sup> March 2020 approved in the 15<sup>th</sup> AGM of CESC held on 15.10.2020. As the energy reconciliation for FY20 was not finalized, provisional Energy Reconciliation statement sent by TBC, KPTCL, Bengaluru on 09.09.2020 was considered for closing of accounts of CESC. **Even now, energy reconciliation has not yet been finalized.**

The energy indicated in Page-63 i.e. 4177.70 MU, is not the Hydro energy purchased by CESC. It is the total actual energy drawn by CESC excluding Hydro energy (Hydro energy=KPCL Hydrel, Priyadarshini Jurala and TBHE), i.e. after considering over drawl/under drawl of energy by CESC.

The statement in respect of Hydro energy added or subtracted under energy balance and power procured from Shimsha is enclosed as **Annexure-K** for perusal.



No. of Corrections.....*Nil*

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**Commission's Observations:**

2. In case of Non-solar, the break up details for 185.70 MU under short term purchase shall be furnished, reconciling the figures with D-1 Format as per accounts.

**CESC Replies:**

The break up details for 185.70 MU under short term purchase w.r.t non-solar is as follows,

Month	Co-Gen Energy under Medium Term
Apr-19	10367207.39
May-19	3848414.44
Jun-19	792362.52
Jul-19	2490149.51
Aug-19	7052053.78
Sep-19	9066935.08
Oct-19	7947387.52
Nov-19	20650737.88
Dec-19	38068466.98
Jan-20	38251096.71
Feb-20	30584969.89
Mar-20	16580589.12
<b>TOTAL</b>	<b>185700370.83</b>

**Commission's Observations:**

3. As per D-1 Format the solar energy purchased is as follows:

Generation source	MU
Solar PPA	856.52
NTPC VVNL	12.80





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NTPC NSM	149.57
Solar Roof-Top	13.39
Solar-Banked	0.45
Total	1032.73

The Non-solar energy purchased as per D1 format is:

Generation source	MU
Medium term Co-gen.	185.70
Co-Gen PPA	31.14
Biomass	8.95
Mini-Hydel	251.34
Wind	191.65
Banked Energy	13.72
Less purchase under APPC	6.32
Total	676.18

**CESC shall add power procured from Shimsha project to Non-solar RPO compliance, as it is a Mini-Hydel project and rework out the compliance.**

**CESC Replies:**

The reworked RPO compliance is enclosed for perusal as **Annexure-L**

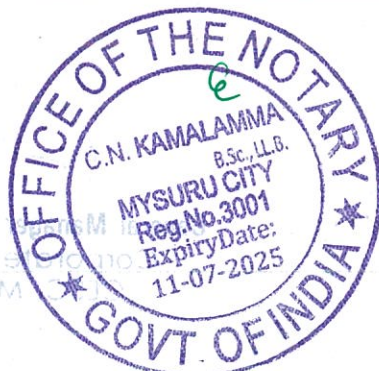
**Commission's Observations:**

4. For validating the RPO compliance and to work out APPC, CESC shall furnish the data as per the format indicated below, duly reconciling the data with audited accounts for FY20 clearly indicating the banked energy etc., explicitly:

**CESC Replies:**

**a. Non-solar RPO:**

Sl. No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	4207.503	2767.464
2	Non-solar Renewable energy purchased under PPA route at Generic tariff including Non-solar RE purchased from KPCL	493.889	163.627



No. of Corrections.....*nik*

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*[Signature]*  
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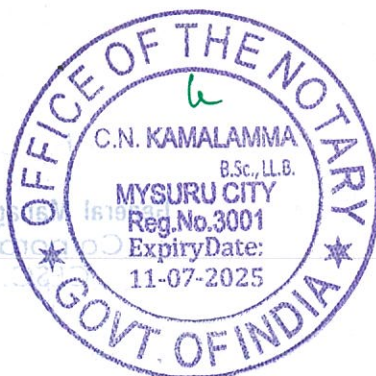


Preliminary Observations on APR-20 & ARR/ERC-22

Sl. No.	Particulars	Quantum in MU	Cost- Rs. Crs.
3	Non-solar Short-Term purchase from RE sources, excluding sec-11 purchase	185.700	90.378
4	Non-solar Short-Term purchase from RE sources under sec-11	0.000	0.000
5	Non-solar RE purchased at APPC	6.320	2.149
6	Non-solar RE pertaining to green energy sold to consumers under green tariff	0.000	0.000
7	Non-solar RE purchased from other ESCOMs	0.000	0.000
8	Non-solar RE sold to other ESCOMs	0.000	0.000
9	Non-solar RE purchased from any other source like banked energy purchased at 85% of Generic tariff	13.724	0.551
10	Total Non-Solar RE Energy Purchased [No 2+ No.3+No.4+No.5 +No.7+No.9]	699.634	256.705
11	Non-Solar RE accounted for the purpose of RPO [ No.10- No.5-No.6-No.8]	693.314	254.556
12	Non-solar RPO complied in % [No11/No1]*100	16.478	

b. Solar RPO:

Sl. No.	Particulars	Quantum in MU	Cost- Rs. Crs.
1	Total Power Purchase quantum from all sources excluding Hydro energy	4207.503	2767.464
2	Solar energy purchased under PPA route at Generic tariff including solar energy purchased from KPCL	856.517	368.717
3	Solar energy purchased under Short-Term, excluding sec-11 purchase	0.000	0.000
4	Solar Short-Term purchase from RE under sec-11	0.000	0.000
5	Solar energy purchased under APPC	0.000	0.000
6	Solar energy pertaining to green energy sold to consumers under green tariff	0.000	0.000
7	Solar energy purchased from other ESCOMs	0.000	0.000
8	Solar energy sold to other ESCOMs	0.000	0.000
9	Solar energy purchased from NTPC (or others) as bundled power	162.375	86.581
10	Solar energy purchased from any other source like banked energy purchased at 85% of Generic tariff	13.835	3.767
11	Total Solar Energy Purchased [No2+ No.3+No.4+No.5+No.7+No.9+No.10]	1032.727	459.065
12	Solar energy accounted for the purpose of RPO [ No.11- No.5-No.6-No.8]	1032.727	459.065
13	Solar RPO complied in % [No12/No.1]*100	24.544	



No. of Corrections.....*nik*.....

24 DEC 2020

*[Signature]*  
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## 6. Wheeling charges:

### Commission's Observations:

- a. CESC has proposed wheeling charges of 40.01 paise/unit and 93.35 paise/unit for HT network and LT network respectively. The Commission notes that at page-150, the year is indicated as FY20 instead of FY22. This shall be rectified. Further, CESC shall indicate the applicable losses at HT & LT for wheeling purposes.

### CESC Replies:

At page-150, the year FY-20 instead of FY22 is wrongly typed and shall be rectified. The applicable HT loss is 2.27% and LT loss is 5.25% for wheeling purposes. CESC requests to consider the same.

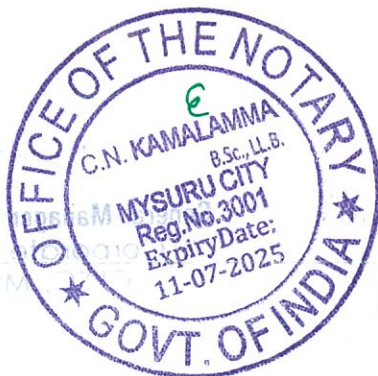
## 7. Cross Subsidy Surcharge:

### Commission's Observations:

CESC has stated that it has worked out the CSS as per the formula specified in the KERC (Terms and conditions for OA) (First Amendment) Regulations, 2006 and has proposed the following CSS:

Voltage level	Paise/unit						
	HT-1	HT-2a	HT-2b	HT- 2c	HT-3B	HT-4	HT-5
66kV & above	60.65	215.28	246.86	217.94	67.82	181.44	390.59
HT-11kV & 33 kV	0.00	215.28	246.86	217.94	0.00	181.44	390.59

The Commission, in its Regulations has adopted the surcharge formula as per Tariff Policy, 2016. As such CESC shall compute the CSS as per Tariff







Preliminary Observations on APR-20 & ARR/ERC-22

Policy-2016 and indicate the CSS, HT-sub category-wise. Also, if CSS is negative, it shall be made zero.

**CESC Replies:**

The Cross subsidy surcharge is calculated as per the Tariff Policy 2016 itself and the same is submitted as under,

Voltage level	Paise/unit						
	HT-1	HT-2a	HT-2b	HT- 2c	HT-3B	HT-4	HT-5
66kV & above	60.65	215.28	246.86	217.94	67.82	181.44	390.59
HT-11kV & 33 kV	0.00	215.28	246.86	217.94	0.00	181.44	390.59

CESC requests to consider the same.

**8. Additional Surcharge (ASC):**

**Commission's Observations:**

CESC has worked out Additional surcharge of Rs.3.24/unit as per actuals of FY20 and Rs.4.23/unit as per ARR of FY22 and has requested the Commission to continue levy of ASC for OA consumers procuring power from power exchanges and RE generators.

**The Commission in its previous tariff order dated 04.11.2020, has computed ASC based on the estimated ARR of the year for which tariff is being revised. Hence, CESC shall compute the ASC as per proposed ARR for FY22.**

**CESC Replies:**

CESC has calculated the Additional Surcharge as per the proposed ARR of FY22 as follows,



No. of Corrections.....*nikh*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

SL. NO	PARTICULARS	CALCULATION	UNIT	FY-22
1	Total Fixed Cost of Power Purchase to HT/EHT Consumers in proportion to their input energy.	A	Rs. In Crores	1726.53
2	KPTCL Transmission Charges & SLDC Charges & PCKL Charges & Distribution network charges	B	Rs. In Crores	492.89
3	Fixed Cost recovered by retail supply business allocated to consumers in proportion to their energy sales	C	Rs. In Crores	616.06
4	Short fall in recovery of Fixed Cost to be considered for determination of Additional Surcharge	D=A-B-C	Rs. In Crores	617.58
5	Total HT/EHT Sales of CESC Mysore	E	in MUs	1458.48
6	Additional Surcharge	F = D/E	Rs. / Unit	4.23

CESC requests to consider the same.

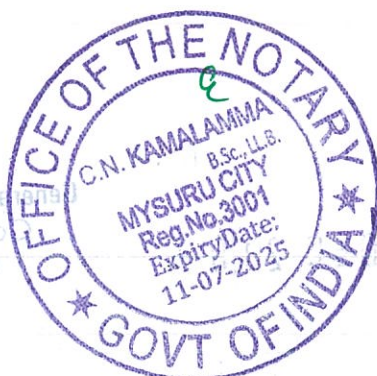
## 9. Observations on other items of ARR:

### A. APR FY20:

#### Commission's Observations:

1. CESC, in its tariff application has indicated the number of employees working strength as 6764 as against the sanctioned strength of 10,404 employees for FY20. It is observed from Format-D6 that, as against 9800 number of sanctioned post of all other staff below the officer's grade, 6267 employees are working. CESC shall furnish the cadre-wise details of employees covered under all 'other staff' and explain how it is managing with the existing staff. CESC shall also furnish the number of persons

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No. of Corrections.....*nil*

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Preliminary Observations on APR-20 & ARR/ERC-22

working on outsourcing/on-contract basis and remuneration incurred thereon, during FY 20 and up to October 2020.

**CESC Replies:**

The cadre-wise details of employees covered under all "other staff" for FY 20 is as follows,

Sl. No.	Nomenclature of post	Sanctioned Post details as on 31.03.2020	
		S	W
1	Junior Engineer Elec./Store Keeper Gr.II	276	240
2	Junior Engineer (Civil)	4	3
3	Draft Man	1	0
4	Operator/Overseer/Meter Reader/Asst.Store Keeper	707	458
5	Junior Meter Reader	136	84
6	Senior Assistant	176	112
7	Assistant	350	282
8	Junior Assistant	648	427
9	Junior Personal Assistant	6	0
10	Senior Grade Typist	7	3
11	Typist	14	7
12	Daftary/Lift Attender	94	48
13	Dafedar	4	1
14	Office Attendant Gr.I	9	4
15	Office Attendant Gr.II	96	94
16	Station Mechanic Grade-2	22	0
17	Station Attendant Grade-1	5	0
18	Station Attendant Grade-2	15	0
19	Senior Mechanic ( O & M)	25	5
20	Line Mechanic Grade-1	92	57
21	Line Mechanic Grade-2	665	493
22	Power man	1596	1149
23	Asst.Power man	1546	260
24	Junior Power man	2891	2368



No. of Corrections.....nil

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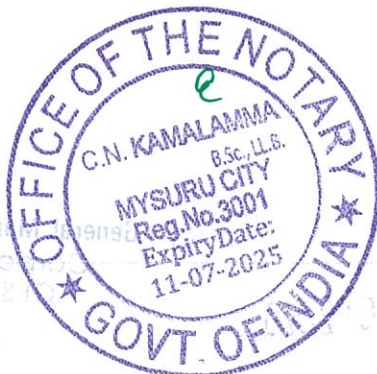


Preliminary Observations on APR-20 & ARR/ERC-22

Sl. No.	Nomenclature of post	Sanctioned Post details as on 31.03.2020	
		S	W
25	Mechanic Grade-1 (TC)	3	0
26	Mechanic Grade-2 (TC)	12	3
27	Attendant Grade-1 (TC)	6	0
28	Attendant Grade-2 (TC)	2	0
29	Mechanic Grade-1 (MT)	13	9
30	Mechanic Grade-2 (MT)	31	4
31	Attendant Grade-1 (MT)	18	15
32	Attendant Grade-2 (MT)	27	10
33	Senior Maistry	1	0
34	Maistry Grade-1	6	0
35	Maistry Grade-2	5	0
36	Store Attendant Grade-1	25	7
37	Helper (Stores)	11	8
38	Mali Grade-2	25	24
39	Special Grade Driver	3	0
40	Driver Grade-1	9	7
41	Driver Grade-2	104	7
42	Cleaner/Auto Helper (Circle-wise)	7	1
43	Watchman	38	38
44	Sanitary Worker	69	39
<b>TOTAL</b>		<b>9800</b>	<b>6267</b>

The details of the personnel working on outsourcing/ on-contract basis and remuneration incurred during FY20 & up to October-2020 is as below,

Sl No	Nomenclature	No's	Remunerati on (includes EPF, ESI)	Name of the Agency	Remuneratio n incurred in FY20 in Crs	Remuneratio n incurred in FY21 (Upto Oct-20)
1	Junior Assistant Zone-1	3	14173	M/s. Keonics, Bengaluru	11.9766	6.9677
	Junior Assistant Zone-2	6	13575			
2	Data Entry Operator Zone-1	79	13913			
	Data Entry	170	13315			





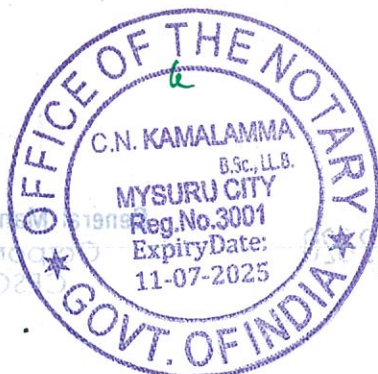


Preliminary Observations on APR-20 & ARR/ERC-22

SI No	Nomenclature	No's	Remunerati on (includes EPF, ESI)	Name of the Agency	Remuneratio n incurred in FY20 in Crs	Remuneratio n incurred in FY21 (Upto Oct-20)
	Operator Zone-2					
3	Office Attender Zone-1	44	11563			
	Office Attender Zone-2	58	11303			
4	Security Zone-1	42	12553			
	Security Zone-2	82	12215			
5	Driver Zone-1	2	12873			
	Driver Zone-2	14	12535			
6	Graduate Assistant Zone-1	1	14433			
	Graduate Assistant Zone-2	9	14043			
7	Internal Auditors Zone-2	4	14043			
8	Meter Reader Zane-2	104	11303			
9	Receptionist	1	11090			
10	System/Network Technician	1	25000			
11	Sweepers	4	11303			
12	Consumer Complaint staff	19	12700			
13	Consumer Complaint staff assistant	2	10636			
14	Team Leader	4	17643			
<b>Total</b>		<b>649</b>				
15	Sweepers	16	11719	M/s. Menment or Facility Servicesc, Bengaluru		
		<b>665</b>				

**Commission's Observations:**

2. CESC, in its filing, as per D-1 Format has claimed the actual amount of Rs.205.92 Crores as PGCIL charges as against Rs.205.75 Crores



*[Handwritten Signature]*

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No. of Corrections.....*nil*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

approved by the Commission for FY 20. CESC shall furnish month-wise detailed computation, towards the charges paid to PGCIL for FY20 and up to 30<sup>th</sup> November 2020.

**CESC Replies:**

The month-wise detailed computation towards charges paid to PGCIL for FY20 and up to 30<sup>th</sup> November 2020 is annexed as **Annexure-W**

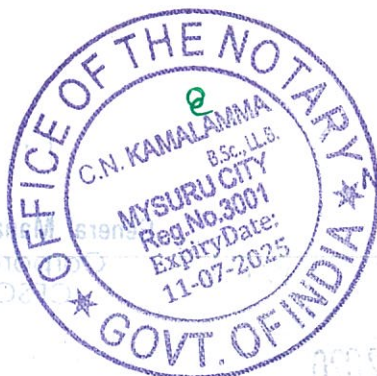
**Commission's Observations:**

3. CESC, in its filing under Format-D7, has claimed an amount of Rs.46.15 Crores as the actual expenditure towards 'Other Professional charges and Remuneration paid to the Contract Agencies' for FY20 and projected Rs.55.84 Crores for FY22. CESC shall submit the details for having incurred the expenditure under this head of account for FY20 and the number of persons outsourced on contract basis, besides furnishing the reasons for claiming higher amount of Rs.55.84 Crores for FY22.

**CESC Replies:**

The details for the actual expenditure incurred towards 'Other Professional charges and Remuneration paid to the Contract Agencies' for FY20 is as follows,

Note	A/c head	Accounts Code	2019-20 (Rs in Crs)
36.7.9	Other professional Charges	76.1257	0.5946
36.7.10	Remuneration to Private Contractors-Maintenance of station	76.1276	0.5417
36.7.11	Remuneration Paid to contract Agencies / Service obtained	76.1297	37.2864



No. of Corrections.....*nil*

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Preliminary Observations on APR-20 & ARR/ERC-22

Note	A/c head	Accounts Code	2019-20 (Rs in Crs)
36.7.12	Remuneration Paid to MFF	76.1307	7.7298
	Total		46.1524

The number of outsourced persons on contract basis is 665 no's. The projection for FY-22 is based on the calculations as below,

O&M EXPENSES (R&M, EMPLOYEE COST AND A&G EXPENSES)	
PARTICULARS	FY 22
WEIGHTED INFLATION INDEX OF CPI AND WPI (WII)	8.2604%
CONSUMER GROWTH INDEX (CGI)	3.76%
EFFICIENCY FACTOR (X)	2%
O&M COST INCREASE PROPOSED FOR THE YEAR	10.02%

CESC requests to consider the same.

**Commission's Observations:**

4. CESC, in its filing has claimed an amount of Rs.18.30 Crores towards conveyance and travelling expenses and Vehicle Hire Charges for FY20 and projected Rs. 22.14 Crores for FY22. The Commission, in its Tariff Order has directed CESC to control the expenses under A&G head of account. Despite issue of directions, the expenditure under this head of account is increasing year on year. CESC shall explain the reason for having incurred higher expenses under this head of account besides furnishing the details about the expenditure incurred on service station manned by regular CESC staff and also the cost of maintenance thereon along with number of vehicles hired.

**CESC Replies:**

A sum of Rs. Rs.0.46crs was paid to the employees who were deputed to restore the power supply at Orissa natural disaster "Fani cyclone" The

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No. of Corrections..... Nil..... General Manager (Commercial)

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Preliminary Observations on APR-20 & ARR/ERC-22

details of the expenditure incurred towards Conveyance and Travelling Expenses & Vehicle Hire charges for FY20 is as follows,

Note	A/c head	Accounts Code	2019-20 (Rs. In Crs)
36.7.13	Conveyance expenses	76.1317	0.0176
36.7.14	Traveling expenses	76.1327	0.018408
36.7.15	Traveling Allowances to Employee	761337	5.192865
36.7.16	Vehicle running Expenses other than store	76.1367	1.268772
36.7.17	Vehicle hiring Expenses	76.1377	11.646039
36.7.18	Vehicle License	76.1387	0.155774
	Total		<b>18.299457</b>

**Commission's Observations:**

5. CESC, in its filing has claimed an amount of Rs.157.47 Crores towards un-controllable additional employees cost (Terminal Benefits) for FY20 as against the actual expenditure of Rs.112.09 booked for FY19. Further, CESC has projected Rs.190.52 Crores as terminal benefits for FY22. CESC 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.

**CESC Replies:**

The increase in the Terminal benefits is due to following reasons and the account Head wise expenditure is as below

Statement Showing the Break-up Details for Rs.157.47 Cr pertains to Terminal Benefits			
SL.No	A/C	Description	Amount
1	75.8107	Terminal Benefit Corporation	906784



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Preliminary Observations on APR-20 & ARR/ERC-22

<b>Statement Showing the Break-up Details for Rs.157.47 Cr pertains to Terminal Benefits</b>			
SL.No	A/C	Description	Amount
2	75.8137	Labour Welfare Fund	2798
3	75.8307	Terminal Benefit Corporation's Contribution	1243824618
4	75.8407	Terminal Benefit Gratuity	81700641
5	75.8607	Family Benefit Fund Contribution	13261243
6	75.8807	Compensation Life Cover Scheme	231000
<b>Employees Appointed before 31.03.2006 (P&amp;G)</b>			<b>1339927084</b>
7	75.8317	Terminal Benefit NDCPS	226474811
8	75.8707	Life cover Scheme	105000
9	75.8837	LumPsum Amount Deceased emp	5165448
<b>Employees Appointed On After 01.04.2006 (NDCPS)</b>			<b>231745259</b>
10		Deputation Employee's	3075278
<b>Grand Total</b>			<b>1574747621</b>

(Rs.in lakhs.)

SI No.	Particulars	Amount
1.	Accounting of arrears contribution amount payable to P&G trust w.e.f from 1.4.2017 as per the revised actuarial valuation report intimated by KPTCL & ESCOMS P&G trust. a) Pension Contribution from 42.53% to 57.30 % as per KEPGT/KCO123/P7/2019-20/CYS-13 Bangalore, dt 30.10.2019	5427.27
2.	Accounting of Long Term Provision of as per the Actuarial Valuation report of FBF to comply IND AS 19	83.24
3.	Increase in NDCPS Employer contribution from 10% to 14% w.e.f 1.4.2019 vide KPTCL order no KPTCL/B16/B14/4977/2005-06, Bangalore, dt 13.9.2019	645.10
<b>Total</b>		<b>6155.61</b>

The Actuarial valuation of Pension & Gratuity is done by KPTCL P&G trust on behalf of all the ESCOMs and based on the past reports received from trust, the % is in increasing trend from the retrospective date. Hence in the



No. of Corrections.....nil

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absence of the Actuarial report for FY 22, **the projections have been made as below,**

<b>O&amp;M EXPENSES (R&amp;M, EMPLOYEE COST AND A&amp;G EXPENSES)</b>	
<b>PARTICULARS</b>	<b>FY 22</b>
WEIGHTED INFLATION INDEX OF CPI AND WPI (WII)	8.2604%
CONSUMER GROWTH INDEX (CGI)	3.76%
EFFICIENCY FACTOR (X)	2%
O&M COST INCREASE PROPOSED FOR THE YEAR	10.02%

Rs. In Crs

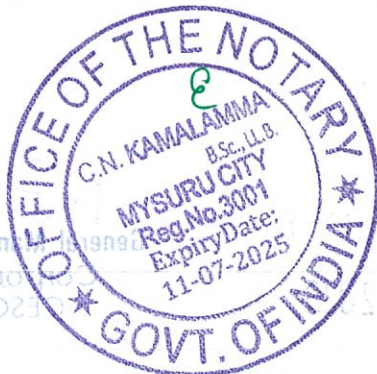
<b>SL No</b>	<b>Particulars</b>	<b>FY20 Actuals</b>
1	Terminal benefits of FY20 Actuals	157.47
2	Terminal benefits of FY21 is calculated on Actual expenditure of FY20 *9.96%	173.16
3	Terminal benefits of FY22 is calculated on estimated expenditure of FY21 *10.02%	190.52

**Commission's Observations:**

6. CESC, in its filing of ARR for FY22, under Format - D9 has indicated Rs.765.53 Crores towards long term loan borrowings during FY20. Out of this amount, Rs.600 Crores being the Government interest free loans. CESC, shall submit the capital loan details along with the purpose for which the capital loan amounts were drawn (loan- wise) for FY20 and up to 30.11.2020 for FY21 in the format enclosed **(Annexure-6)**.

**CESC Replies**

The details of the capital loan for FY20 and up to 30.11.2020 for FY21 in the prescribed format is as annexed in **Annexure-6(a) & Annexure-6(b)**.



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No. of Corrections..... Nil

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**Commission's Observations:**

7. CESC in its filing has indicated the actual capital expenditure as Rs.585.85 Crores in page 65, Rs.575.23 Crores in page 66 and Rs.667.39 Crores under Format D17. CESC 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.

**CESC Replies**

Capital expenditure mentioned in D-17 of Rs.667.39 Crores includes a sum of Rs.81.5 crores of expenditure pertaining to replacement of failed transformers the same has been deducted out of the total expenditure booked i.e (Rs.667.39 crs- Rs.81.5crs =Rs.585.88 crs) and and A/c head wise CWIP statement is annexed as **Annexure-F**

**Commission's Observations:**

8. CESC shall submit loan-wise details for short term/overdraft drawn during FY20 and up to November 2020 in the format enclosed.  
**(Annexure - 7)**

The details of the loan-wise details for short term/overdraft drawn during FY20 and up to 30.11.2020 for FY21 in the prescribed format is as annexed in **Annexure-7**





## B. ARR for FY 22

### Commission's Observations:

1. CESC in its filing of ARR for FY22, under Format - D9 has indicated Rs.430.48 Crores as new long term loan borrowings for FY22. CESC shall furnish the capital loan-wise details along with the purpose for which the capital loan amounts are proposed to be drawn during FY22, in the format enclosed (**Annexure-6**).

### CESC Replies:

The capital loan-wise details along with the purpose for which the capital loan amounts are proposed during FY22 is as annexed in Annexure-6(c).

### Commission's Observations:

2. CESC, in its ARR filing of ARR for FY22 under Format - D9 has not proposed any amount of new working capital loan borrowings for FY22 and claimed the interest on working capital for FY22. CESC shall explain the reason for not proposing borrowings of working capital loans for having claimed the interest on working capital for FY22.

### CESC Replies:

Since Borrowing limit was not sufficient to avail fresh loan during FY-22. Hence Provisional proposal was not made and interest is claimed for the working capital of FY-21. CESC prays the Hon'ble Commission to consider the same



No. of Corrections... *nil* .....

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**Commission's Observations:**

3. CESC 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.

**CESC Replies**

CESC has availed Rs.600Cr on 30.3.2020 GOK interest free loan, Rs.30.00 Crs covid loan on 04.4.2020 from State Bank of India, Rs.650 Cr on 28.10.2020 from Bank of India, Rs.300 Crs on 17.11.2020 from Canara Bank under Atma Nirbhar Bharath Package- Special long term loans under liquidity injection package for arranging pending power purchase dues further CESC is also pursuing equity & subsidy from Energy Department from which interest burden will be reduced.

**Commission's Observations:**

4. CESC, in its ARR filing in page117, without giving the basis and computation sheet, has claimed Rs.49.18 Crores, as interest on consumer security Deposits for FY 22. CESC shall submit the computation sheet along with the documents in support of claiming the Bank Rate as per the provisions of relevant KERC Regulations regarding payment of interest on consumer's security deposit.



No. of Corrections.....*nil*.....

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**CESC Replies**

The computation in support of claiming the Bank Rate as per the provisions of relevant KERC Regulations regarding payment of interest on consumer's security deposit is as follows,

Rs. In crs

Sl.No	Particulars	FY20 (Actuals)	FY21 (Estimated)	FY22 (Projected)
1	Security Deposit		828.32	
2	Rate of Interest considered @ 6.25% on 95% of the deposit held i.e(Deposit held*95%*6.25%) for FY21 & the same is retained for FY22		6.25%	
	<b>Total Interest provision made</b>	<b>38.14</b>	<b>49.18</b>	<b>49.18</b>

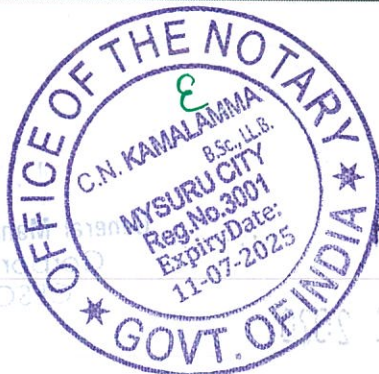
The letter in this regard is as annexed in **Annexure-M**

**Commission's Observations:**

5. CESC 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:

**CESC Replies**

The actual details of slab-wise of number of consumers, sanctioned load and sales for FY 20 and up to October, 2020 for FY21 under LT-2 (a) domestic category is as follows,



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No. of Corrections.....will.....

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1) For FY 20

Slab	No. of Consumers	Sanctioned load in Kw	Sales in MU	Demand in Rs. Crores
0-50	1247024	1718927	278.22	193.50
50-40	340074		300.96	169.24
101-150	122969		186.33	109.97
150-200	42677		97.22	60.86
Above 200	46776		168.09	115.12

2) For FY 21 (Up to October 2020)

Slab	No. of Consumers	Sanctioned load in Kw	Sales in MU	Demand in Rs. Crores
0-50	1222350	1738600	142.22	96.10
50-40	338224		165.72	87.17
101-150	126636		112.34	61.14
150-200	52416		70.27	39.29
Above 200	80490		193.95	122.87

**Commission's Observations:**

6. CESC, under Format A-2 (Balance sheet) has indicated Rs.1160.32 Crores and Rs.1333.07 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 FY20. Recovery of 100% of the bill amount is the key factor in running the Company's finances most viably. This is also a key factor in achieving lower percentage of AT &C losses of the Company, besides reducing the interest burden on the power purchase and bank loans. CESC shall furnish the reasons for the accumulation of revenue receivables from the



No. of Corrections.....*nil*.....

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consumers during FY20 and the efforts made so far and the action plan drawn for full recovery of arrears. CESC shall also explain the basis for projecting a higher amount of closing balance of receivables for Rs.1507.75 Crores and Rs.1381.03 Crores for FY21 and FY22.

**CESC Replies**

In FY 21, due to COVID-19, recovery of arrears has been decreased in all tariffs. The Govt Departments have also not paid their electricity bills regularly especially RLB, ULB Lift Irrigation installation and other Govt Departments.

In FY 22, action plan is being taken for continuous persuasion with all Govt Departments especially to the RDPR Department to clear the electricity dues towards drinking water supply and street light installations, multi village drinking water supply installations. The company is being conduct special disconnection drive to collect pending dues from various categories, division wise target have been fixed to each division along with the regular monthly demand so which leads to decrease in the reduction of receivable from consumers.

Hence, higher amount of receivables of Rs.1507.75 Crores and Rs.1381.03 Crores is projected for FY21 and FY22 respectively. CESC humbly requests to consider the same.

**Commission's Observations:**

- 7. CESC shall submit the following category / sub-category-wise details under LT and HT in respect of Poultry Farms, Cold Storage Plants and



No. of Corrections..... *will* .....

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*[Signature]*  
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Preliminary Observations on APR-20 & ARR/ERC-22

Ice Manufacturing Plants based on the actual as on 31.03.2020 and as on 30.11.2020.

**CESC Replies**

The 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 is as follows,

Category of consumers	No. of consumers	Sanctioned load in Kw/HP	Sales in MU	Rev. Demand for FY20	Rev. Demand for FY21 ( upto Sep.20)
Poultry Farms	1994	9550.03 HP	13.71	369.46 Lakhs	272.39 Lakhs
Cold Storage Plants	81	2451.05 HP	3.88	243.55 Lakhs	171.98 Lakhs
Ice Manufacturing Plants	64	1833.24 HP	2.20	92.79 Lakhs	40.22 Lakhs

**Commission's Observations:**

8. CESC in its filing of APR for FY20 and revised ARR for FY22, has indicated the actual closing balance of work in progress of Rs.408.53 Crores for FY20, Rs.363.71 Crores for FY21 and Rs.402.78 Crores for FY22. Considering the actual Capex of FY20 and the proposed Capex for FY21 and FY22 the closing balance of work-in-progress is on the higher side. CESC has to take necessary action to complete the capex works in time so that the desired benefit of the works should reach the ultimate consumers. CESC shall furnish the reasons for the accumulation of balances under this head of account and the action plan drawn thereon for the reduction of amount under work-in-progress.



No. of Corrections.....nil.....

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**CESC Replies:**

Since the major projects are carried under total turnkey basis until completion of the works and submission of final report, the said balance will be under the CWIP heads. Prompt actions have been initiated to obtain the pending Completion reports and categorize the same.

**Commission's Observations:**

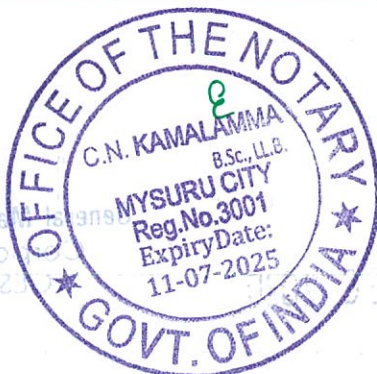
9. BESCOM in its ARR filing under 'New Proposals for FY22', has proposed the new scheme to HT consumers with the aim to bring back the consumers who have opted for open access/wheeling/captive power and also to sell the surplus power in the state at the reduced rate of energy charges. CESC shall submit its views on the proposal of BESCOM.

**CESC Replies:**

CESC requires time to study the impact of the new scheme to HT consumers proposed by BESCOM. CESC will submit its views & proposals during filing of MYT for the 6<sup>th</sup> control period.

**Commission's Observations:**

10. CESC in its filing of ARR for FY22 under 'New Proposals' has request the approval of the Commission for the following:
- i) to classify the energy used by the Club House and other activities within the Apartments under LT-3 (commercial) tariff schedule.
  - ii) continuation of the Special Incentive Scheme with some modification.
  - iii) merging of both rural and urban consumers under one tariff.



No. of Corrections.....*nil* General Manager (Commercial)  
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- iv) application of commercial tariff to hospitals and educational institutions run by private /aided or unaided institutions form LT2(b)/HT2(c) to LT3/HT2(b) tariff schedule.

The Commission in its earlier Tariff Orders and also in Tariff Order 2020, on the similar request received from the BESCO and other ESCOMs has taken a decision on these issues. Despite the decision of the Commission on these issues, why CESC has raised the same issue, in its filing for FY22, shall be explained.

**CESC Replies:**

CESC has reiterated the proposals requested in the earlier tariff petitions due to the following reasons,

- i) to classify the energy used by the Club House and other activities within the Apartments under LT-3 (commercial) tariff schedule.

Rationale: The Hon'ble Commission in its Tariff Order 2020, has decided to continue to charge the energy consumed by the Club House and other activities within the Apartments in HT4 tariff itself. But the similar commercial activity is treated differently at different locations is not justified. The tariff for HT4 is Rs.6.90 per unit wherein the tariff for LT3 is Rs.8.25 per unit (for first 50 units) & Rs.9.25 per unit (for above 50 units). Hence, CESC request the Hon'ble Commission to charge the common area load within the apartment complex/gated communities etc shall include common area lighting load, lift, water pump, sewage treatment plant, fire station and other basic amenities. Club house and other activities within the apartment shall be classified under commercial tariff category. The difference in tariff between HT4 & LT3 is as below. CESC prays to consider the same.





- ii) Continuation of the Special Incentive Scheme with some modification.

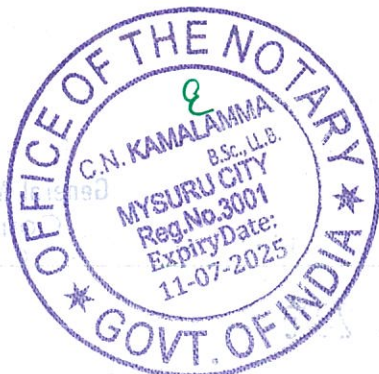
Rationale: The Hon'ble Commission in its Tariff Order 2020, has decided to extend the facility of SIS to the OA consumers also. As on date, about 08 consumers have opted for SIS scheme in CESC jurisdiction and most of such consumers are either purchasing energy through OA or wheeling. In CESC, about 36% of the HT consumption is through open access & wheeling, this is not benefitting the HT sales. Hence, CESC prays the Hon'ble Commission to consider the same.

- iii) Merging of both rural and urban consumers under one-tariff.

Rationale: After the implementation of Niranthara Jyothi Yojane in the rural areas, most of the agricultural loads are segregated and hence 24 hours supply is provided to such rural feeders. In this view, CESC requests the Hon'ble Commission to merge both rural and urban consumers under one tariff. CESC prays the Hon'ble Commission to consider the same.

- iv) Application of commercial tariff to hospitals and educational institutions run by private /aided or unaided institutions form LT2(b)/HT2(c) to LT3/HT2(b) tariff schedule.

Rationale: Hospitals and Education institutions run by private/ aided or unaided institutions presently under LT2b/HT2c tariff have potential to pay cross subsidy. Hence, these institutions may be included under Commercial Tariff (LT3/HT2b). The room tariffs of private hospitals are equivalent to luxury hotels, added to this, the rooms are Wi-Fi enabled, LED TV screens, all suites equipped with Laptops having cordless wi-fi internet connection so that it can be operated from the bed, Kitchenette with microwave/ refrigerator/



No. of Corrections..... Nil

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Preliminary Observations on APR-20 & ARR/ERC-22

Coffee maker etc. Hence, it is proposed to shift HT2(c) (ii) to HT2b category. CESC prays the Hon'ble Commission to consider the same.

**Commission's Observations:**

11. CESC shall submit the Audited Accounts with note / explanation / Director Reports in respect of FY20 and half year accounts for FY21.

**CESC Replies:**

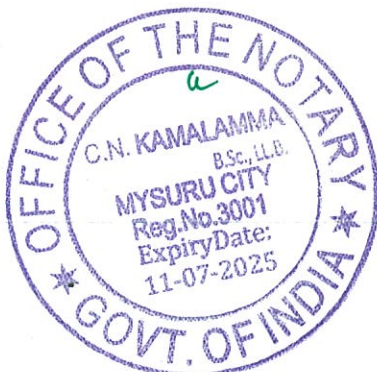
During the submission of the APR of FY19 & ARR/ERC for FY22, CESC has submitted 10 copies each of Annual Audited Accounts of FY20 & Half year accounts of FY2.

**Commission's Observations:**

- 12 CESC shall submit the details for additional equity received from the Government of Karnataka in various Orders (G.O wise) during FY20 and in FY21.

**CESC Replies:**

The details for the amount of additional equity received from the Government of Karnataka in various Orders (G.O wise) during FY20 and also in FY21 is as annexed in **Annexure-N**



No. of Corrections.....*nil*.....

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**10. Observations on Directives:**

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
1	Consumer interaction meeting at Subdivision level	<p>It was directed to conduct consumer interaction meetings at subdivision level chaired by the jurisdictional Superintending Engineer (EI) or the jurisdictional Executive Engineer (EI) once in a quarter to redress the consumer complaints.</p> <p>CESC has informed that the CIMs are not conducted in few O&amp;M Subdivisions during the 4<sup>th</sup> quarter of FY20 due to Covid – 19 pandemics. But there was no pandemics during the 4<sup>th</sup> quarter of FY20.</p> <p>CESC shall furnish the proper reasons for not scheduling the CIMs during the 4<sup>th</sup> quarter of FY20.</p> <p>The CESC should take suitable measures to conduct the CIMs effectively in each of the subdivisions and invite the consumers in advance</p>	<p>In some of the O&amp;M Sub-divisions, the Consumer Interaction meetings were pre-scheduled at the end of the 4<sup>th</sup> quarter of 2019-20. Since the COVID-19 lockdown was imposed suddenly, it was unable to conduct the meetings. CESC requests to consider the same.</p>



NB. of Corrections.....M.A.L.....

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CEEC Mysuru  
Corporate Office  
Bengal Nagar (Commercial)



Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CEEC Replies
2	Directive on preparation of energy bills on monthly basis considering 15 minute's time block period	so that the purpose of such meetings is well served. The CESC shall furnish compliance on this. CESC shall furnish the cost savings involved in respect of the inadvertently banked energy for FY20 and FY21 fill September 2020.	The statement depicting the cost savings involved in respect of the inadvertently banked energy for FY20 and FY21 fill September is as annexed in <b>Annexure-O1 &amp; Annexure-O2</b> respectively
3	Directive on Energy Conservation	CESC is not furnishing the compliance on quarterly basis as directed. CESC shall submit the compliance as per the directions.	The compliance to the directive is submitted to the Hon'ble Commission regularly. The compliance is as annexed in <b>Annexure-P</b>
4	Directive on implementation of Standards of Performance (SoP)	The CESC was directed to carry out effective supervision over the functioning of field offices particularly in rendering of services to the consumers, relating to restoration of supply of electricity and to submit the details of number of violations of SoP by officers, sub-division wise,	<ul style="list-style-type: none"> <li>As on September-2020, the SoP parameters are displayed in all O&amp;M sections &amp; Sub-divisions and proper monitoring is done.</li> <li>Till Date, no penalty is levied on the Officers and no amount is paid to the consumers in</li> </ul>



No. of Corrections.....*M.K.K.*  
24 DEC 2020

*[Signature]*  
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CESC: WAZHIN  
Corporate Office  
CSC: WAZHIN (Commercial)



Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
		<p>month wise, amount of penalty levied on the officers and the amount paid to the consumers for any delay in service.</p> <p>Directed CESC to conduct awareness campaign at the Hobli levels for educating the public about the Standards of Performance prescribed by the Commission. CESC to conduct necessary orientation programme 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 and submit the quarterly progress.</p> <p>But the CESC is not submitting the compliance periodically. CESC has not reported anything on the conduct of awareness campaigns in the Hobli levels for educating consumer's orientation programs for educating the officers and field staff</p>	<p>regard of violation of SoP.</p> <ul style="list-style-type: none"><li>• The SoP handbooks in Kannada are issued to Consumers/Staff and the Stakeholders</li><li>• CESC will conduct awareness and orientation programmes in the coming months on top priority and the compliance of the same will be submitted to the Hon'ble Commission.</li></ul>



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No. of Corrections.....

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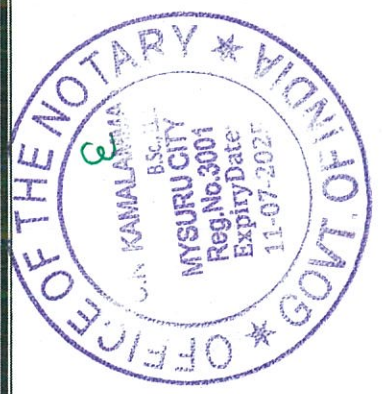


31 DEC 2020



Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
5	Directive on use of safety gear by linemen	<p>up to the level of lineman. CESC shall submit the compliance regularly.</p> <p>CESC is not submitting the quarterly compliance report to the Commission.</p> <p>From the statistics furnished in tariff filing, 9.65% (391 Linemen out of 4051) of the linemen staff are not provided with the safety gear. The data on the safety gear provided to the contract linemen is not furnished. CESC in its previous Tariff Filing had informed that the likely date of providing safety gear to all field staff as January 2020. In the present Tariff Filing CESC is informing that, all safety gears will be provided to all the field staff by January 2021 as usual. CESC shall submit the compliance and the definite timeline for providing a complete set of safety gear to all the linemen.</p>	<ul style="list-style-type: none"> <li>• There are no contract linemen staff in CESC</li> <li>• The procurement of safety materials is under process</li> <li>• All the safety gear will be provided by January-2021</li> </ul>



  
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No. of Corrections: **N.Y.**.....

**24 DEC 2020**



Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
6	Directive on providing Timer Switches to Street lights by ESCOMs	As per the data furnished in the Tariff Filing 22,960 SL installations are required to be provided with timer switches. Whereas, the numbers were 22,813 during the previous year's Tariff Filing. This shows that, in spite of the directives, CESC has not taken action to service the SL installations after providing timer switches. CESC has also not submitted the compliance as to whether LED / energy efficient lamps are being used and timer switches are provided while servicing of new streetlight installations. CESC shall submit the compliance on the same.	The compliance to the directive is submitted to the Hon'ble Commission regularly. The compliance is as annexed in <b>Annexure-Q</b>
7	Directive on Load shedding	It is observed that CESC Mysore has not taken action to update the entire consumer data into the application used for public information system on power system interruption etc.,	All the necessary actions have been taken to speed up the process of uploading the consumer database by nominating nodal officers at circle level. Also, the necessary



No. of Corrections: Nil

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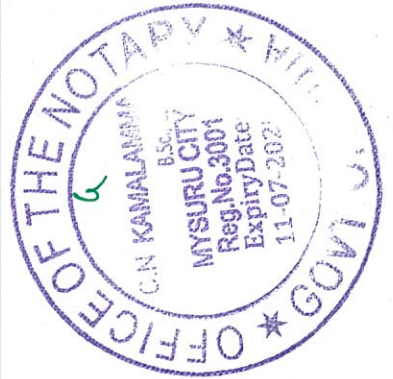


24 DEC 2020



Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
8	Directive on establishing a 24 X 7 fully equipped centralized consumer service centers	<p>The CESC Mysore shall submit compliance in this regard.</p> <p>CESC was directed to reduce the consumer downtime to address the complaints. CESC is directed to report average time taken to attend to a complaint as at present and the efforts made to reduce the downtime further in future.</p> <p>The CESC shall furnish compliance in this regard. Comparison of the downtime analysis for FY19 and FY20 shall be furnished.</p>	<p>training for uploading and using the app for outage dissemination extensively.</p> <p>CESC has made continuous efforts to reduce consumer complaints by the following measures,</p> <ul style="list-style-type: none"> <li>➤ Provision of consumer complaints registration is initiated through various sources like; 1912 helpline, SMS, Email, Web, Facebook , twitter , whats app .</li> <li>➤ In order to reduce the time taken to resolve the complaints, CESC has the web based PGRS (Public Grievance Redressal System) application is installed successfully and working satisfactorily by enabling fast complaint registration and redressal at Customer Care Complaints along with this,</li> </ul>



No. of Corrections.....**Nil**.....

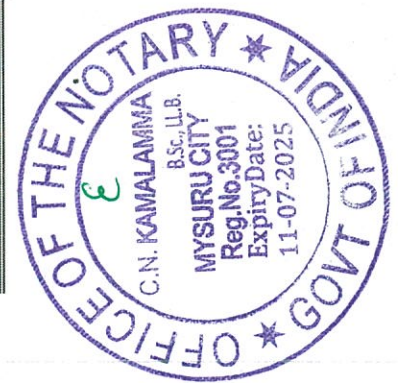
24 DEC 2020

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Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
			<p>CESC is handling complaints procedure as per Hon'ble KERC Standard of Performance(SoP).</p> <ul style="list-style-type: none"> <li>➤ The CCC is analyzing and monitoring to reduce the number of complaints and to minimize the time taken to resolve the complaints in co-ordination with field staff.</li> <li>➤ The field staffs are continuously educating/sensitizing regarding handling of consumer complaints to provide prompt and efficient service to the consumers/General public by issuing circulars, letters, and guidelines during meetings.</li> <li>➤ CESC has taken action to establish full-fledged service stations by providing vehicle, CUG mobile number, and necessary safety</li> </ul>



No. of Corrections.....

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Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
9	Directives on Energy Audit	<p><b>Energy Audit of cities / towns:</b> CESC shall furnish the comparative statement of losses recorded in Towns &amp; Cities for the FY20 as against the FY19 and furnish the action taken to reduce the loss levels to less than 15%, wherever the same are more.</p> <p><b>DTCs Energy Audit:</b> CESC was directed to furnish the details of energy audit conducted in respect of DTCs for which meters have been fixed and the remedial</p>	<p>requirements. Comparison of down time analysis for FY 20 &amp; FY21 is as annexed in <b>Annexure-R</b></p>
		<p>The comparative statement of losses recorded in Towns &amp; Cities for the FY20 as against the FY19 is annexed as <b>Annexure- S</b></p> <p>The loss recorded in Chamarajanagar town is more than 15%. The data of 4972 meters, which were replaced with new meters, were not updated in the RAPDRP software, which resulted in high loss. The same is rectified.</p>	<p>As on Nov-2020, 6694 no's of DTC's are to be metered. Out of 51458 no's of DTCs metered, 13473 no's of DTCs were audited during Oct-</p>



No. of Corrections.....**Nil**.....

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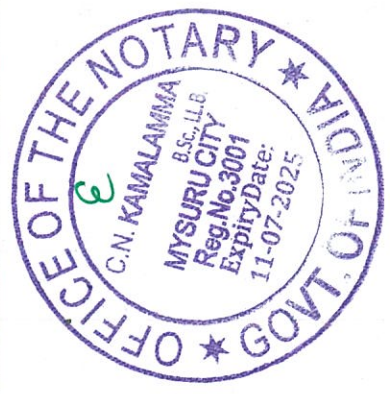
24 DEC 2020



ಕರ್ನಾಟಕ ವಿದ್ಯುತ್  
ನಿಯಂತ್ರಣ ಆಯುಕ್ತರು  
ಕರ್ನಾಟಕ ವಿದ್ಯುತ್  
ನಿಯಂತ್ರಣ ಆಯುಕ್ತರು (ಕರ್ನಾಟಕ)

Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies
		<p>measures initiated to reduce losses in those DTCs every month to the Commission regularly.</p> <p>The CESC Mysore has furnished the details of energy audit conducted in respect of 13,000 DTCs only, out of 51,257 DTCs for which meters are said to have been fixed. CESC 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.</p> <p>It has come to the notice of the Commission that, CESC has taken initiative and invested huge capital on remote reading of energy meters provided to various DTCs for achieving efficient energy auditing. CESC shall furnish the details on the number of meters provided to DTCs to have AMI in place by the earlier agencies, % of</p>	<p>2020. Remaining DTCs will be audited in increased manner in future.</p> <p>CESC will take up action for auditing of remaining metered DTCs in future</p>



No. of Corrections... 2

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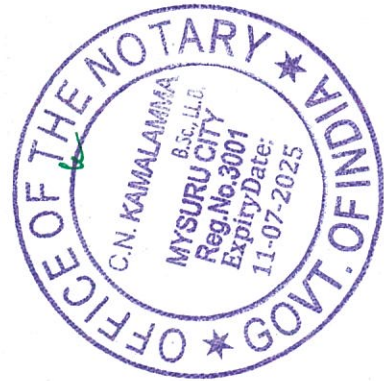
Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CEEC Replies
13	Directive on Implementation of Financial Management Framework	communication achieved, % age energy audit conducted with the AMI fetched readings etc., The CESC is directed to comply with the directives of the Commission issued in all the preceding Tariff Orders, in respect of energy audit of DTCs. CESC shall submit the details for not conducting energy audit of all the DTCs for which the meters are fixed along with the time line by which all the remaining DTCs will be metered and audited.	The Compliance to the in respect of implementation of Financial Management Framework directives is submitted to Hon'ble Commission regularly. The data for FY-20 is as annexed in <b>Annexure-T</b>
14	Prevention of Electrical Accidents	CESC has to furnish the details of hazardous locations identified, the balance number of	The details of hazardous locations as on FY20 is as follows,

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No. of Corrections,.....*wik*.....

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Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives Issued by the Commission	Observation made	CESC Replies			
			Opening Balance for FY20	Identified	Rectified	Balance
		hazardous locations to be rectified for FY20. CESC is required to furnish the action plan for rectification of balance hazardous locations / installations identified in its distribution network.	305	21,041	21,130	216

The details of action taken for rectification of balance hazardous locations / installations identified in its distribution network is report to the Hon'ble Commission vide letter no's : GM(Coml)/DGM(Coml)/AGM(Coml)/F-1/ 20-21/ 15602-08 dated:13.11.2020 & GM(Coml)/ DGM(Coml)/AGM(Coml)/F-1/20-21/ 18141-47 dated: 21.12.2020. The letters are as annexed in **Annexure-U1 & U2**

At the beginning of Nov-20, there are 69 no's of hazardous locations. During Nov-20, 1270 no's of hazardous locations were identified and out of which 1280 locations were rectified. The



No. of Corrections.....Nil.....

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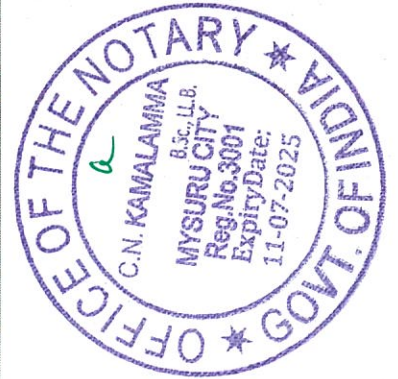


Preliminary Observations on APR-20 & ARR/ERC-22

Directive No	Directives issued by the Commission	Observation made	CESC Replies
		CESC 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.	balance 59 no's of location will be rectified within January-21. During FY20, 217 no's of accidents were occurred. Out of which, 110 no's of accidents are due to CESC's side and 104 no's are not due to CESC. The steps taken to prevent such accidents in future is as annexed in <b>Annexure-V</b>

The Compliance to the Directives of the Hon'ble Commission is submitted regularly vide the following letters,

1. CESC/TL/RA1/2019-20/16988 dated: 05.12.2019
2. CESC/GM(Coml)/DGM(RA-1)/AGM(RA-1)/19-20/107 dated: 07.04.2020
3. CESC/GM(Coml)/DGM(RA-1)/AGM(RA-1)/F-107/2020-21/4909 dated: 25.06.2020
4. CESC/GM(Coml)/DGM(RA-1)/AGM(RA-1)/F-108/2020-21/11276 dated: 21.09.2020
5. CESC/GM(Coml)/DGM(RA-1)/AGM(RA-1)/F-108/2020-21/17035 dated: 04.12.2020



No. of Corrections.....**Nil**.....

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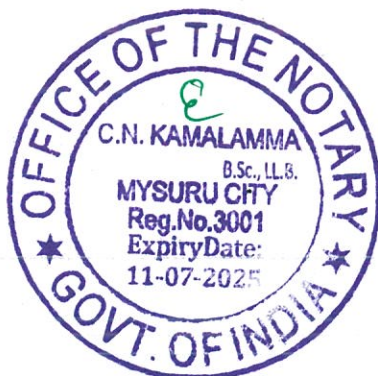






## LIST OF ANNEXURES

SI No	FORMAT/ ANNEXURE	NOMENCLATURE
1	1	Physical and financial progress, in respect of the schemes taken up by CESC for FY20
2	2	Year wise break up of no. of works completed and corresponding expenditure incurred from the first year of inception
3	3	Year wise break up of no. of balance works that will complete and corresponding expenditure for completion of balance works
4	5	Plant-wise details for Merit Order Dispatch
5	6	Capital Loan Details
6	7	Short Term/ OD Loan Details
7	8	Loan details of Model Sub-Division
8	A	calculation sheet of kVA-kM (IP)
9	B	Division-wise hours of supply to IP
10	C	Enumeration of IP
11	D	Letters to Corporations regarding Ganga-Kalyana balance
12	E	Model Village-list of works
13	F	Account head wise CAPEX incurred
14	G	Calculation sheet of BTPS unit-1
15	H	Month wise IEX details
16	I	Write up on D1 format
17	J	Letter of CEE, LDC on Energy Reconciliation
18	K	Details of Hydro Energy
19	L	RPO Compliance
20	M	Bank Rate at 6.50%
21	N	Details of Equity
22	O	Cost savings of Open Access consumers
23	P	Directive on Energy Conservation
24	Q	Directive on Timer Switches
25	R	Downtime analysis-comparative statement
26	S	Energy Audit- comparative statement
27	T	Financial Management Framework
28	U	Letter on Hazardous location
29	V	Prevention of Accidents
30	W	Statement on PGCIL charges



No. of Corrections.....*n.k.*.....

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