

CHAPTER-3**COMPLIANCE TO DIRECTIVES**

1. Directive on conducting Consumers' Interaction Meetings in the O & M subdivisions for redressal of consumer complaints:

Directive in the Tariff Order 2018:

The Commission reiterates its directive to the MESCOM to conduct consumer interaction meetings chaired by either the jurisdictional SE or the jurisdictional EE once in a quarter, to hear the consumers' grievances relating to supply of electricity and to redress them and submit compliances thereon to the Commission once in a quarter regularly.

Compliance:

MESCOM is having 60 O&M sub divisions. During the year 2017-18 consumers' interaction meetings have been conducted in all the sub divisions. In the meetings, about 1374 complaints were brought to the notice of MESCOM for redressal, out of which 866 complaints were disposed. The details relating to the period 2017-18 and 2018-19 (upto Sep-2018) are as follows;

Progress in 2017-18:

| O&M Circle | No. of O&M Sub-Divisions | No. of O&M Sub Division in which meetings conducted | No. of Complaints received in the meeting | No. of complaints disposed in the meeting | Cumulative No. of complaints addressed |
|---------------|--------------------------|---|---|---|--|
| Mangaluru | 20 | 20 | 645 | 264 | 348 |
| Udupi | 11 | 11 | 206 | 141 | 65 |
| Shivamogga | 17 | 17 | 411 | 396 | 15 |
| Chikkamgaluru | 11 | 11 | 112 | 65 | 47 |
| Total | 59 | 59 | 1374 | 866 | 475 |

Progress in 2018-19 (upto Sep-2018):

| O&M Circle | No. of O&M Sub-Divisions | No. of O&M Sub Division in which meetings conducted | No. of Complaints received in the meeting | No. of complaints disposed in the meeting | Cumulative No. of complaints addressed |
|---------------|--------------------------|---|---|---|--|
| Mangaluru | 20 | 20 | 277 | 130 | 597 |
| Udupi | 11 | 9 | 46 | 42 | 71 |
| Shivamogga | 17 | 17 | 175 | 162 | 266 |
| Chikkamgaluru | 12 | 6 | 39 | 43 | 58 |
| Total | 60 | 52 | 537 | 377 | 992 |

Certain complaints of the consumers are of the nature which requires company procedures / regulations to be followed to redress them. Such, complaints are being attended subsequently. Further, details are being submitted to the Hon'ble Commission on quarterly basis for review.

2. Directive on preparation of energy bills on monthly basis by considering 15 minute's time block period in respect of EHT/HT consumers importing power through power exchange under Open Access.

Directive in the Tariff Order 2018:

The Commission reiterates its directive that the MESCOM shall continue to bill the EHT/HT consumers importing power through power exchanges under open access and submit quarterly compliance thereon, regularly to the Commission.

Compliance:

As per the directive, MESCOM is continuing to bill the EHT/HT consumers importing power through power exchanges under open access. Further, the impact of the billing is submitted below for the period 2017-18 and 2018-19 (upto Sep-2018) for kind perusal of the Hon'ble Commission.

| Particulars | 2017-18 | 2018-19 (upto Sep-18) |
|---|---------|--------------------------|
| Total no. of OA consumers | 16 | 17 |
| Total consumption (MU) | 331.72 | 208.22 |
| OA energy procured (MU) | 214.72 | 70.78 |
| OA energy consumed in the corresponding slot (MU) | 174.35 | 61.00 |
| Inadvertently banked energy (MU) | 40.37 | 9.78 |
| Cost of inadvertently banked energy (Rs.in Cr) | 27.74 | 6.46 |
| % of OA energy w.r.t. total consumption | 53% | 29% |
| Total bill amount for MESCOM energy consumed by OA consumers (Rs.in Cr) | 105.44 | 97.97 |

3. Directive on Energy Conservation:

Directive in the Tariff Order 2018:

The Commission reiterates that the MESCOM shall service all the new installations only after ensuring that the BEE ***** (Bureau of Energy Efficiency five-star rating) rated Air Conditioners, Fans, Refrigerators, etc., are being installed in the applicant consumers' premises and the compliance thereon shall be reported to the Commission once in a quarter regularly..

Compliance:

In this regarding, it is submitted that MESCOM is insisting all the new consumers to install only BEE 5 star rated equipment / accessories.

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

Directive in the Tariff Order 2018:

The Commission directs the MESCOM to have effective supervision over the functioning of field officers particularly in rendering services to the consumers, relating to supply of electricity.

The Commission reiterates that the MESCOM shall continue to strictly implement the specified SoP while rendering services related to supply of electricity as per the KERC (Licensee's Standards of Performance) Regulations, 2004. For this purpose, the SEEs and the EEs during their inspections to the sub-divisions, shall ensure that this directive is being complied without any let up. The compliance in this regard shall be submitted once in a quarter to the Commission regularly.

Compliance:

As per directive of Hon'ble commission, MESCOM has directed its field officers to following Standards of Performance while rendering services as per KERC(Licensee's Standards of Performance) Regulations, 2004 and have also directed the filed officers display of Provisions of SoP in all 60 O&M sub-divisions and 234 O&M consistently.

5. Directive on use of safety gear by linemen:

Directive in the Tariff Order 2018:

The Commission reiterates that the MESCOM shall ensure that, all the linemen in its jurisdiction are provided with proper and adequate safety gear and the linemen use such safety gear provided to them while working on the distribution network. The compliance thereon shall be submitted to the Commission once in a quarter regularly.

Compliance:

MESCO has already provided safety gears to all the powermen. MESCOM is continuously monitoring the use of safety gears by linemen. The field officers are also ensuring that the safety gears are used while working on the lines. In the review meetings, the higher officers are also specifically reviewing the same. In the mandatory training programmes, thrust is given to educate the line staff about the necessity of being safe while working on the lines.

Further, in order to inculcate a safety workable momentum, MESCOM is following practice that on every Monday morning all the line staffs to begin their work after taking oath before the concerned section officers vowing to follow all the safety measures while working.

6. Directive on Providing Timer Switches to Streetlights by the ESCOMs:

Directive in the Tariff Order 2018:

The Commission reiterates that the MESCOM shall provide timer switches to the existing streetlights and also directs the MESCOM to ensure that, all the new streetlight installations to be serviced and any extension/modification to be carried out to the existing streetlight installations shall be serviced only with timer switches besides taking necessary action. The compliance in this regard shall be submitted once in a quarter regularly to the Commission.

Compliance:

MESCO is pursuing with the Mangalore City Corporation Authorities for providing timer switches to Street Lights.

7. Directive on load shedding:

Directive in the Tariff Order 2018:

The Commission reiterates that the MESCOM shall comply with the directive on load shedding and submit compliance reports to the Commission once in a quarter, regularly.

Compliance:

As per the directive, MESCOM is notifying the load shedding required for planned maintenance of transmission / distribution networks in the daily newspapers and MESCOM website, in advance, for the information of the consumers. Further, such planned load shedding has been staggered in such a way that the same sub stations / feeders should not be affected frequently.

In the recent monsoon period MESCOM had come across a severe havoc which resulted in frequent disruptions in power supply conditions. In order to mitigate the situations MESCOM had engaged about 639 men on contract basis to support the regular line staff.

Further, MESCOM is continuously monitoring the power supply situation to avoid unscheduled power interruptions.

8. Directive on Establishing a 24x7 Fully Equipped Centralized Consumer Service Center for Redressal of Consumer Complaints:

Directive in the Tariff Order 2018:

The Commission reiterates that the MESCO should continue to publish the complaint handling procedures/contact number of the Centralized Consumer Service Centre in the local media and other modes periodically for the information of the public and also ensure that all the complaints of consumers are registered only through the centralized consumer service centre for proper monitoring of disposal of complaints registered. The compliance in this regard shall be furnished to the Commission once in a quarter regularly.

Compliance:

In order to encourage use of 24x7 centralized consumer service center, MESCO has frequently advertising the central complaint No 1912 in the various editions of newspapers. Further, MESCO is also utilizing the forum of various organizations to display banners indicating the consumer service center call No. 1912.

MESCO has initiated action to increase the number of telephone lines of 1912 to existing 15 to 20. Additionally, 3 mobile phones have been provided at Central Complaint Centre for communication of complaints to field staff. Action has also been taken to activate Whatsapp messaging communication for lodging complaints.

9. Directive on Energy Audit:

As per the directives of the Hon'ble Commission, MESCO has taken up energy audit at four levels i.e., at Division level, City / Town level, Feeder level, and DTC level.

Division wise energy audit details for the year 2017-18 are as follows;

| Sl. No. | Division | Energy at IF Point | Energy Sales | % Loss |
|---------|----------------|--------------------|----------------|---------------|
| 1. | Mangaluru-1 | 670.38 | 632.35 | 5.67% |
| 2. | Mangaluru-2 | 647.35 | 609.02 | 5.92% |
| 3. | Puttur | 322.09 | 276.48 | 14.16% |
| 4. | Bantwal | 517.40 | 454.37 | 12.18% |
| 5. | Udupi | 672.44 | 604.68 | 10.08% |
| 6. | Kundapura | 208.75 | 188.43 | 9.73% |
| 7. | Shivamogga | 539.22 | 481.45 | 10.71% |
| 8. | Bhadravathi | 292.22 | 257.15 | 12.00% |
| 9. | Sagar | 314.27 | 274.53 | 12.65% |
| 10. | Shikaripura | 431.14 | 378.51 | 12.21% |
| 11. | Chikkamagaluru | 225.78 | 185.14 | 18.00% |
| 12. | Koppa | 107.75 | 87.44 | 18.85% |
| 13. | Kadur | 556.03 | 452.36 | 18.64% |
| | TOTAL: | 5504.81 | 4881.91 | 11.32% |

Cities/Towns Energy Audit:

As per the directions of the Hon'ble commission, the distribution losses in respect of selected 6 cities namely Mangaluru, Udupi, Shivamogga, Sagar, Bhadravathi, and Chikkamagaluru are being continuously monitored. In FY 18, the loss levels in 5 cities are within 10% and in Chikkamagaluru it is slightly above 10%.

Further, for rigorous Energy Auditing, MESCOM has selected 16 Major Taluk head quarter towns. Loss levels in all these taluk towns are within 10% except Bantwal & Soraba.

However, MESCOM will continue its endeavor to reduce losses to further extent so that the overall distribution loss of the Company lies within the values approved by the Hon'ble Commission.

Distribution Losses in the selected Cities/Towns for FY-18 and for FY-19 (upto Sep-18) are indicated below:

| Sl. No. | City/Town | 2017-18 | 2018-19 (Upto Sep-18) |
|---------|---------------|---------|--------------------------|
| 1 | Mangaluru | 3.26 | 3.67 |
| 2 | Udupi | 5.85 | 7.88 |
| 3 | Shivamogga | 6.17 | 7.47 |
| 4 | Bhadravathi | 7.40 | 4.51 |
| 5 | Sagar | 5.37 | 7.75 |
| 6 | Chikamagaluru | 10.39 | 12.82 |
| 7 | Puttur | 5.51 | 4.03 |
| 8 | Bantwal | 9.88 | 12.37 |
| 9 | Shikaripura | 5.64 | 5.65 |
| 10 | Kadur | 9.98 | 9.20 |
| 11 | Tarikere | 7.19 | 4.48 |
| 12 | Beltangady | 4.61 | 4.58 |
| 13 | Sullia | 3.26 | 5.00 |
| 14 | Kundapura | 5.44 | 5.45 |
| 15 | Karkala | 8.28 | 7.62 |
| 16 | Soraba | 7.45 | 11.60 |
| 17 | Hosanagar | 5.04 | 5.55 |
| 18 | Thirthahalli | 6.70 | 6.27 |
| 19 | Mudigere | 3.54 | 7.16 |
| 20 | Koppa | 4.16 | 4.58 |
| 21 | Sringeri | 4.24 | 4.38 |
| 22 | NR Pura | 4.12 | 4.69 |

MESCOM's feeder level energy audit as at the end of Mar-2018 and Sep-2018 are indicating the following position.

| Sl. No. | Period | As at the end of Mar-2018 | | As at the end of Sep-2018 | |
|---------------|--|---------------------------|--------------------------|---------------------------|--------------------------|
| | | Total No. of feeders | No. of feeders monitored | Total No. of feeders | No. of feeders monitored |
| 1. | Feeders having less than 15% losses | 914 | 484 | 935 | 532 |
| 2. | Feeders having losses between 15% to 20% | | 142 | | 156 |
| 3. | Feeders having losses between 20% to 30% | | 44 | | 30 |
| 4. | Feeders having more than 30% losses | | - | | - |
| Total: | | 914 | 670 | 935 | 718 |

Position of DTC feeder level energy audit as at the end of Mar-2018 and Sep-2018 are indicating the following position.

| Sl. No. | Period | As at the end of Mar-2018 | As at the end of Sep-2018 |
|---------|---------------------------------------|---------------------------|---------------------------|
| 1. | DTCs having less than 5% losses | 5035 | 5967 |
| 2. | DTCs having losses between 5% to 10% | 2732 | 4513 |
| 3. | DTCs having losses between 10% to 15% | 1049 | 1518 |
| 4. | DTCs having losses between 15% to 20% | 137 | 359 |
| 5. | DTCs having more than 20% losses | 154 | 179 |
| | Total: | 9107 | 12536 |

Further, position of DTC metering in MESCOM is as follows;

| No of DTCs existing in MESCOM (as at Sep-18) | No of DTCs metered | No of DTCs yet to be metered |
|--|--------------------|------------------------------|
| 71,283 | 43,282 | 28,001 |

10. Directive on Niranthara Jyothi Feeder Separation:

Directive in the Tariff Order 2018:

After segregation of the feeders under NJY / DDUGJY is completed, the MESCOM shall compute the IP-set consumption on the basis of energy meter readings available in the exclusive agricultural feeders at the substation levels.

The Commission reiterates its directive that the MESCOM shall expedite implementation of feeders' segregation work and compliance report thereon shall be submitted to the Commission once in a quarter regularly.

Compliance:

Regarding feeder separation, it is to be submitted that under the DDUGJY scheme, MESCOM has contemplated separation of 134 rural feeders (Shivamogga Circle-78 feeders chikkamagaluru Circle 56 feeders) to segregate the IP feeders.

As at the end of Sept-2018 feeder line work has been completed for 16 feeders (Shivamogga Circle 10 feeders & Chikkamagaluru 6 feeders) but not commissioned as bay work at KPTCL stations are underway.

Works of remaining 118 feeders are under various stages of implementation. In total 1875.87 CKMs have been constructed as against the target of 4115.09 CKMs.

11. Directive on Demand Side Management in Agriculture:

Directive in the Tariff Order 2018:

The Commission directs the MESCOM to expedite the implementation of DSM measures and complete it at the earliest and compliance thereon shall be submitted to the Commission within three months from the date of this Order.

Compliance:

In the feeder segregation program under DDUGJY scheme, MESCOM has already completed the works of 16 feeders. Out of these 16 feeders, MESCOM is in consideration for system study of 4 feeders to initiate action for a pilot project of introducing high efficient pump sets as a Demand Side Management in Agriculture.

Further, it is to be submitted that, MESCOM has taken up DSM activity by distribution of 9 watt LED bulbs, LED tube lights and BEE 5 star rated ceiling fans through M/s Energy Efficiency Services Limited (EESL). The progress upto Oct-2018 is as follows;

| Sl. No. | Particulars | Progress upto Oct-2018 |
|---------|-------------------------------|------------------------|
| 1. | 9 W LED bulbs | 38,57,742 |
| 2. | 20W LED tube lights | 33,450 |
| 3. | BEE 5 star rated ceiling fans | 2,480 |

12. Directive on Lifeline Supply to Un-Electrified Households:

Directive in the Tariff Order 2018:

The Commission directs the MESCOM to expedite action to provide electricity to the un-electrified households and to cover all the remaining households at the earliest and report the compliance thereon to the Commission through submission of monthly progress reports, from May, 2018 onwards. The Commission, as already indicated in the earlier Tariff Orders, would be constrained to initiate penalty proceedings under Section 142 of the Electricity Act, 2003, against the MESCOM, in the event of noncompliance in this directive.

Compliance:

MESCO has identified 38291 numbers of households to be electrified. Out of this total, it is contemplated to cover 32575 numbers under DDUGJY scheme and remaining 5716 numbers under SAUBHAGYA scheme.

Progress under DDUGJY as at the end of Sep-2018 is 27049 numbers and the balance is 5526 numbers. Tender are floated for SAUBHAGYA scheme.

MESCO will ensure that the above indicated targetted numbers are achieved at the earliest.

13. Directive on Implementation of Financial Management Framework:

Directive in the Tariff Order 2018:

The Commission reiterates its directive that the MESCOM shall implement the Financial Management Framework model in its jurisdiction at the earliest to bring in accountability on the performance of the divisions / subdivisions in the matter of the quantum of energy received, sold and its cost so as to conduct its business on commercial principles. Compliance in this regard shall be submitted to the Commission on a quarterly basis, regularly.

Compliance:

As per the directive, MESCOM has set targets to the division for evaluation of the financial performance. Increase in profit to the Company can be attributed to two major parameters which can be controlled through consciously negotiating the other supportive parameters such as providing quality power, rigorous recovery of revenue, implementing system improvement / augmentation works, rendering quality service, etc. They are increase in average realization rate and reduction in distribution loss. Hence, MESCOM has moved to set division wise targets for 2018-19 for the divisions which is based on the approved figures in the Tariff Order 2018.

Approved average realization rate for the Company for 2018-19 as per Tariff Order 2018 is Rs.6.85 / unit and distribution loss is 10.95%. This has been apportioned to the divisions based on the actual energy input, sales to IP, Domestic & other categories, actual revenue demanded, recorded distribution loss in the year 2017-18.

The evaluated results are tabulated below;

| Sl. No. | Division | Target | | |
|---------|----------------|----------------|-------------------------|----------------|
| | | ARR (Rs./Unit) | Avg. PP Cost (Rs./Unit) | Dist. Loss (%) |
| 1 | 2 | 3 | 4 | 5 |
| 1. | Mangaluru-1 | 7.96 | 3.85 | 5.28% |
| 2. | Mangaluru-2 | 7.99 | 4.06 | 5.53% |
| 3. | Puttur | 6.25 | 2.88 | 13.81% |
| 4. | Bantwal | 6.17 | 3.08 | 11.82% |
| 5. | Udupi | 7.37 | 3.69 | 9.71% |
| 6. | Kundapura | 6.55 | 3.27 | 9.36% |
| 7. | Shivamogga | 6.98 | 3.44 | 10.35% |
| 8. | Bhadravathi | 7.23 | 3.91 | 11.64% |
| 9. | Sagar | 5.76 | 2.33 | 12.29% |
| 10. | Shikaripura | 5.58 | 2.01 | 11.84% |
| 11. | Chikkamagaluru | 7.04 | 3.64 | 17.66% |
| 12. | Koppa | 6.15 | 2.83 | 18.52% |
| 13. | Kadur | 5.73 | 2.14 | 18.31% |
| | TOTAL: | 6.85 | 3.37 | 10.95% |

| Sl. No. | Division | Actuals upto Q2 of 2018-19 | | | |
|---------|----------------|----------------------------|-------------------|----------------|----------------|
| | | Input Energy (MU) | Energy Sales (MU) | ARR (Rs./Unit) | Dist. Loss (%) |
| 1 | 2 | 6 | 7 | 8 | 9 |
| 1. | Mangaluru-1 | 339.57 | 322.02 | 7.67 | 5.17% |
| 2. | Mangaluru-2 | 307.34 | 301.35 | 7.42 | 1.95% |
| 3. | Puttur | 149.52 | 139.77 | 6.09 | 6.52% |
| 4. | Bantwal | 251.24 | 219.60 | 6.30 | 12.59% |
| 5. | Udupi | 334.25 | 306.72 | 7.25 | 8.24% |
| 6. | Kundapura | 101.70 | 97.43 | 6.51 | 4.19% |
| 7. | Shivamogga | 275.58 | 245.22 | 6.89 | 11.02% |
| 8. | Bhadravathi | 131.80 | 120.00 | 6.65 | 8.96% |
| 9. | Sagar | 131.96 | 118.88 | 5.83 | 9.91% |
| 10. | Shikaripura | 181.02 | 157.42 | 5.54 | 13.04% |
| 11. | Chikkamagaluru | 107.89 | 92.01 | 6.88 | 14.72% |
| 12. | Koppa | 42.45 | 37.53 | 6.12 | 11.60% |
| 13. | Kadur | 208.31 | 172.03 | 5.73 | 17.41% |
| | TOTAL: | 2562.63 | 2329.98 | 6.74 | 9.08% |

| Sl. No. | Division | Revenue Gain(+) / Loss(-) upto Q2 of 2018-19 due to achieving Target Dist. Loss (Rs.in Cr.) | Revenue Gain(+) / Loss(-) upto Q2 of 2018-19 due to achieving Target ARR (Rs.in Cr.) | Net Revenue Gain(+) / Loss(-) upto Q2 of 2018-19 [10+11] (Rs.in Cr.) |
|---------|----------------|---|--|--|
| 1 | 2 | 10 | 11 | 12 |
| 1. | Mangaluru-1 | 0.15 | -9.26 | -9.10 |
| 2. | Mangaluru-2 | 4.47 | -16.98 | -12.51 |
| 3. | Puttur | 3.14 | -2.20 | 0.93 |
| 4. | Bantwal | -0.60 | 2.84 | 2.24 |
| 5. | Udupi | 1.81 | -3.63 | -1.81 |
| 6. | Kundapura | 1.72 | -0.37 | 1.35 |
| 7. | Shivamogga | -0.64 | -2.30 | -2.94 |
| 8. | Bhadravathi | 1.38 | -7.03 | -5.65 |
| 9. | Sagar | 0.73 | 0.85 | 1.58 |
| 10. | Shikaripura | -0.43 | -0.53 | -0.97 |
| 11. | Chikkamagaluru | 1.16 | -1.52 | -0.36 |
| 12. | Koppa | 0.83 | -0.13 | 0.70 |
| 13. | Kadur | 0.40 | 0.06 | 0.46 |
| | TOTAL: | 14.12 | -40.21 | -26.09 |

The evaluation is revealing that Shimoga, Bantwal & Shikaripura Divisions are lagging behind in reaching the targeted distribution losses and except Bantwal, Sagar and Kadur all other divisions are lagging behind in reaching the targeted ARR.

The above targets are still to be fine-tuned and that will be materialized in the further course of data evaluation. MESCOM will include the other supportive parameters in the next quarters.

14. Directive on Prevention of Electrical Accidents:

Directive in the Tariff Order 2018:

The Commission, therefore, reiterates its directive that the MESCOM shall continue to take adequate measures to identify and rectify all the hazardous locations/installations existing in its distribution system through an action plan, to prevent and reduce the number of electrical accidents occurring in the distribution system. The compliance thereon shall be submitted to the Commission every month, regularly.

Compliance:

MESCOM is initiated action to identify the hazardous locations / installations existing in its distribution system in order to reduce the number of electrical accidents.

The details of hazardous locations as at the end of Sep-2018 are as follows;

| Circle | No. of Hazardous locations identified as on 31-03-2018 | No. of Hazardous locations rectified as at the end of Sep-2018 | Work under Progress | Balance to be rectified. |
|---------------|--|--|---------------------|--------------------------|
| Manglauru | 349 | 348 | 1 | 0 |
| Udupi | 78 | 33 | 9 | 36 |
| Shivamogga | 167 | 167 | 0 | 0 |
| Chikkamgaluru | 198 | 131 | 23 | 44 |
| Total: | 792 | 679 | 33 | 69 |

Details relating to electrical accidents in MESCOM are furnished below;

| Particulars | 2017-18 | 2018-19 (upto Sep-18) |
|------------------------------|-----------|-----------------------|
| Fatal –Departmental | 4 | 0 |
| Fatal – Non Departmental | 60 | 48 |
| sub-total: | 64 | 48 |
| Non-Fatal –Departmental | 35 | 11 |
| Non-Fatal – Non Departmental | 19 | 21 |
| sub-total: | 54 | 32 |
| Live Stock | 78 | 92 |

Further, filed officers are giving priority to rectify the hazardous locations during the course of system improvement works.

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