

गोवा GOA

DATE 15/06/16 SER.No. 7540 VALUE 100/-
NAME OF PURCHASER.....
RESIDENT OF..... PURPOSE.....
PLACE OF VENDOR PANAJI.

717291

SIG. PURCHASER


Sign. Of stamp Vendor
Shri Deelip Raghvendra Shetye
Lic. No. AC-STP-VEN-09-2009
Dt. 31-08-2010

This stamp paper forms an integral part of the Tripartite Memorandum of Understanding dated 16 June, 2016 executed amongst Ministry of Power Government of India, Government of Karnataka and Karnataka Discoms (BESCOM, HESCOM, GESCOM, MESCOM and CESC) at Goa.

**TRIPARTITE MEMORANDUM OF UNDERSTANDING AMONGST
Ministry of Power, Government of India**

AND

Government of Karnataka

AND

**Bangalore Electricity Supply Company (BESCOM), Mangalore
Electricity Supply Company (MESCOM),
Hubli Electricity Supply Company (HESCOM),
Gulbarga Electricity Supply Company (GESCOM),
Chamundeshwari Electricity Supply Corporation (CESC)**

In order to achieve higher operational efficiency of Karnataka Distribution Companies / Corporation viz. Bangalore Electricity Supply Company Limited (BESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Hubli Electricity Supply Company (HESCOM), Gulbarga Electricity Supply Company (GESCOM), and Chamundeshwari Electricity Supply Corporation Limited (CESC)

This **TRIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "**Tripartite MoU**") is made this 16th day of June, 2016.

BY AND AMONGST

Ministry of Power, Government of India, having its Office at Rafi Marg, Sansad Marg Area, New Delhi – 110 001 which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **FIRST PART**;

AND

Government of Karnataka (hereinafter referred to as "**Government of Karnataka**") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **SECOND PART**.

AND

Bangalore Electricity Supply Company Limited (BESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Hubli Electricity Supply Company (HESCOM), Gulbarga Electricity Supply Company (GESCOM) and Chamundeshwari Electricity Supply Corporation (CESC) hereinafter referred to as "**KARNATAKA DISCOMs**" (which expression shall unless repugnant to the context or meaning includes its successors and assigns) of the **THIRD PART**.

The **Government of India**, the **Government of Karnataka** and **Karnataka DISCOMs** are hereinafter also referred to collectively as the "**Parties**" and individually as the "**Party**".

Definitions:

"**Effective Date**" means the date of signing of the MoU.

"**Karnataka DISCOMs**" means Bangalore Electricity Supply Company Limited (BESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Hubli Electricity Supply Company (HESCOM), Gulbarga Electricity Supply Company (GESCOM) and Chamundeshwari Electricity Supply Corporation (CESC).

Preamble:

The **Government of India, Government of Karnataka** and the **Karnataka DISCOMs** have entered into this Tripartite MoU in order to further improve the operational efficiency of the Karnataka DISCOMs to enable sustainable operations of the DISCOMs.

NOW IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO as follows:

1. Obligations / Commitments:

1.1. The Government of India to take following measures:

- a) Facilitating through Ministry of Coal, increase in supply of domestic coal to Karnataka Power Corporation Limited (KPCL).
- b) Ensuring rationalization of coal linkages;
- c) Liberally allowing coal swaps from inefficient plants to efficient plants and from plant situated away from mines to pithead plants.
- d) Rationalizing coal prices based on Gross Calorific Value (GCV);
- e) Ensuring correction of coal grade slippages through re-assessment of each mine;
- f) Directing Coal India to supply 100% washed coal for G10 grade and above by 1st October, 2018; if so required by **KPCL**.
- g) Ensuring supply of 100% crushed coal from Coal India by 1st April 2016; if so required by **KPCL**.
- h) Faster completion of ISTN lines;
- i) Allocating linkages to state at notified price based on which the State will go for tariff based bidding. This will help in getting cheaper power and revive stressed assets;

1.2 The Government of Karnataka to take the following measures;

- a) Henceforth, Banks / FIs shall not advance short term debt to DISCOMs for financing losses. Therefore, Government of Karnataka shall guarantee the bonds issued by DISCOMs or issue bonds itself to meet current losses after 1st October 2016, if any, within the limit of loss trajectory finalized by MoP.
- b) Replacement of street lights with LEDs in all municipal towns through Mahanagara Palike/City Municipal Corporations/ City Municipalities;
- c) Improving efficiency of State Generating Units;
- d) The State Government has cleared all the outstanding dues to ESCOMs as at the end of March 2015 except the dues determined by KERC which has been disputed by Government. Liquidation of the outstanding IP set dues carried forward from August 2008 is not agreed to by State Govt.
- e) Government of Karnataka shall endeavor to ensure that periodical tariff hikes are undertaken.
- f) Government of Karnataka shall endeavor to ensure that all operational targets as enumerated in Section 1.3 are achieved.
- g) Government of Karnataka indicated that the current transmission losses are 3.8% and shall endeavor to reduce the transmission losses to 3.5% by 2018-19. Trajectory for three years from 2016-17 to 2018-19 is 3.67%, 3.57% and 3.47% respectively. (66KV sub-transmission system is also part of transmission).
- h) Review of DISCOMs performance shall be done on monthly basis at State Government level in the presence of State finance representative.

1.3 The Karnataka DISCOMs to take the following measures:

- a) The DISCOMs shall endeavor to reduce AT&C losses from 18.06% in FY 2014-15 to 14.20% by FY 2018-19 as per the following trajectory:

DISCOM/YEAR	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BESCOM	16.76%	12.94%	14.61%	14.36%	14.08%
MESCOM	15.11%	12.99%	12.55%	11.79%	11.70%
HESCOM	20.44%	18.10%	17.68%	17.02%	15.00%
GESCOM	22.01%	20.65%	17.75%	16.67%	15.00%
CESC	17.11%	16.20%	15.16%	14.74%	14.50%
All DISCOMs	18.06%	15.37%	15.50%	15.00%	14.20%

However, if the target in a particular year is not met, then the DISCOMs shall strive to achieve the targets in the subsequent years so as to achieve the desired target of 14.20% AT&C losses by FY 2018-19.

*2015-16 being a peculiar year of power supply & the AT&C loss level is relatively less and the projection for the future may not be on the same lines.

- b) Preparing loss reduction targets at sub division / division / circle / zonal level and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level have been attached as **Annexure-A of MoU**
- c) The DISCOMs shall eliminate the gap between ACS and ARR by FY 2018-19. Detailed computations of year-wise ACS-ARR gap along-with financial projections have been attached as **Annexure-B.**
- d) The detailed action plan for reduction of AT&C loss over next 3 years is attached to MoU as **Annexure-C.**
- e) The DISCOMs shall achieve operational milestones as specified in DDUGJY & IPDS.
- f) **The DISCOMs shall take the following measures for Loss Reduction:**

- (i) Undertaking name and shame campaign to control power theft from time to time.
- (ii) Preparing loss reduction targets at sub-divisions / divisions / circle/ zonal level and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level will be finalized by 30th September 2016 as required in **Annexure-A of MOU**.
- (iii) Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management;
- (iv) DISCOMs proposes to achieve 100% Distribution Transformer (DT) metering in Urban areas and Rural areas by 2018 excluding the Distribution Transformers on the exclusive IP feeder and single installation with exclusive Distribution Transformers as the feeder meters serves the purpose for energy auditing. Excluding these Distribution Transformers on IP feeder, 100% metering of Distribution Transformers will be ensured as required under UDAY by **30th March 2018**.
- (v) 100% Feeder metering have already been achieved in Karnataka.
- (vi) Undertaking energy audit upto 11KV level in rural areas is under progress;
- (vii) Feeder Improvement Programme for network strengthening and optimization is under progress under various schemes of State & Central Govt. However, over all targets will be achieved by **March 2018**.
- (viii) Physical Feeder Segregation will be completed by **March 2018** under various schemes of State & Central Govt.
- (ix) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month

by 31st December 2017 and consumers consuming above 200 units/ month by **31st December 2019**.

- (x) Providing electricity access to 10,15,076 unconnected households as per trajectory finalized in the 24X7 Power for all documents by FY 2019;
- (xi) Implementing ERP systems for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by March 2018.

g) The DISCOMs shall undertake the following measures for Demand Side Management and Energy Efficiency:

- (i) Providing LED for domestic and other category consumers under DELP programme through EESL;
- (ii) Undertaking consumer awareness programmes for optimum utilization of resources and to foster long term behavioural changes;
- (iii) In respect of State Govt schemes for energisation of irrigation pumpsets of SC/ST minority and OBCs are provided with star rated water pumps. Similarly, the drinking water supply installations of the State Government will also be provided with star rated water pumps in future.
- (iv) Implementing PAT scheme of BEE for improving energy efficiency in industries.

h) **The DISCOMs shall undertake the following tariff measures;**

- (i) Quarterly tariff revision particularly to offset fuel price increase;
- (ii) Timely filing of Tariff Petition before the KERC so that Tariff Order may be issued for the year as early as possible;

- (iii) Timely preparation of annual accounts of the DISCOMs, which shall also enable timely filing of the Tariff Petition;
- i) The DISCOMs shall undertake the following measures to increase employee engagement;
 - (i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;
 - (ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in meter/billing /collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive/penalty;
- j) The DISCOMs shall implement the following Customer Service Strategy;
 - (i) Setting up of Centralized Customer Call Centre for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety relating complaints;
 - (i) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc.;
- k) The DISCOMs shall procure power through the transparent process of competitive bidding;
- l) Every DISCOM shall identify the key personnel for implementing the scheme (UDAY).
- m) DISCOMs shall devise the mechanism to motivate and encourage the staff.
- n) CMD/MD of DISCOMs shall monitor the performance of DISCOMs on monthly basis.

- o) Monthly monitoring targets shall be provided on or before 30th September, 2016
- p) It is hereby agreed that the Memorandum of Understanding can be placed in public domain by any of the parties.


Detailed action plan for implementation of the targeted activities is attached as **Annexure-C** of the MoU.



IN WITNESS whereof the Parties hereto have executed these presents the day, month and year first herein above written.

<p>SIGNED AND DELIVERED BY (on behalf of MoP, Govt of India)</p> <p>Signature: <u>[Signature]</u> Dr. ARUN KUMAR VERMA संयुक्त सचिव / Joint Secretary Name & Designation: <u>Ministry of Power</u> भारत सरकार / Government of India (Distribution) नई दिल्ली-110001 / New Delhi-110001 Address: Ministry of Power, Rafi Marg, Sansad Marg Area, New Delhi -110 001.</p>	<p>In presence of</p> <p>Signature: <u>[Signature]</u> 16/6/16 Name & Designation: <u>Vishal Kapoor</u> Address: <u>Director (MoP)</u> <u>Charm Chakri Bhawan, Rafi Marg</u> <u>New Delhi - 1</u></p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt)</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation: <u>Jawaid Akhtar, IAS</u> <u>Managing Director, KPTCL (Karnataka Power</u> <u>Transmission Corporation Limited).</u> Address: <u>Kaveri Bhavan, K.G. Road,</u> <u>Bangalore- 560 009.</u> <u>KPTCL., Kaveri Bhavan,</u> <u>Bangalore - 560 009.</u></p>	<p>In presence of</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation:</p> <p>Address: <u>SPECIAL OFFICER (Reforms)</u> <u>ENERGY DEPARTMENT</u> <u># 225, 2nd Floor, Vikasa Soudha,</u> <u>Dr. B.R. Ambedkar Veedhi,</u> <u>K.R. Circle, Bangalore-560 001.</u></p>
<p>SIGNED AND DELIVERED BY BESCOM (Bangalore Electricity Supply Company limited)</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation: <u>Pankaj Kumar Pandey,</u> <u>IAS, Managing Director.</u> <u>(PANKAJKUMAR PANDEY, IAS)</u> Address: <u>Managing Director</u> <u>K.R. Circle, Bangalore-560-001,</u> <u>Bangalore Electricity Supply Company Limited</u> <u>BANGALORE</u> Mobile No: 99000 95440</p>	<p>In presence of</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation:</p> <p>Address: <u>SPECIAL OFFICER (Reforms)</u> <u>ENERGY DEPARTMENT</u> <u># 225, 2nd Floor, Vikasa Soudha,</u> <u>Dr. B.R. Ambedkar Veedhi,</u> <u>K.R. Circle, Bangalore-560 001.</u></p>
<p>SIGNED AND DELIVERED BY HESCOM (Hubli Electricity Supply Company Limited)</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation: <u>Khushboo Goel</u> <u>Chowdhary, IAS, Managing Director.</u> Address: <u>HESCOM, Corporate Office,</u> <u>Navanagar, P.B. Road, HUBLI-580025.</u> Mobile No: 94482 81097 <u>Managing Director</u> <u>HESCOM, HUBLI-25</u></p>	<p>In presence of</p> <p>Signature: <u>[Signature]</u></p> <p>Name & Designation:</p> <p>Address: <u>SPECIAL OFFICER (Reforms)</u> <u>ENERGY DEPARTMENT</u> <u># 225, 2nd Floor, Vikasa Soudha,</u> <u>Dr. B.R. Ambedkar Veedhi,</u> <u>K.R. Circle, Bangalore-560 001.</u></p>

SIGNED AND DELIVERED BY
GESCOM (Gulbarga Electricity Supply Company Limited)

Signature.....

Name & Designation: **M. Mahadeva,**
Managing Director.

Address: Railway Station Road, Opp. Pariwar
Hotel Gulbarga-585102, Karnataka, India
Mobile No: 94495 97444

Managing Director
GESCOM, GULBARGA


In presence of

Signature

Name & Designation

Address..... **SPECIAL OFFICER (Reforms)**
ENERGY DEPARTMENT
225, 2nd Floor, Vikasa Soudha,
Dr. B.R. Ambedkar Veedhi,
K.R. Circle, Bangalore-560 001.

SIGNED AND DELIVERED BY
MESCOM (Mangalore Electricity Supply Company Limited)

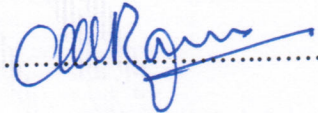
Signature.....

Name & Designation : **Chikkananjappa,**
Managing Director.

Address: 4th Floor, Paradigm Plaza, A.B. Shetty
Circle, Mangaluru- 575001
Mobile No: 94482 89400

Managing Director
MESCOM, MANGALORE

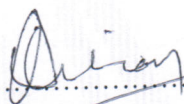
In presence of

Signature

Name & Designation

Address..... **SPECIAL OFFICER (Reforms)**
ENERGY DEPARTMENT
225, 2nd Floor, Vikasa Soudha,
Dr. B.R. Ambedkar Veedhi,
K.R. Circle, Bangalore-560 001.

SIGNED AND DELIVERED BY
CESC (Chamundeshwari Electricity Supply Corporation Limited)

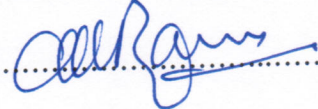
Signature.....

Name & Designation: **D. Kiran, IRS, Managing**
Director.

Address: #29, Vijayanagara, 2nd Stage, Hinkal,
Mysore-570017.
Mobile No: 94489 94489

Managing Director
Chamundeshwari Electricity
Supply Corporation Ltd..
Mysore

In presence of

Signature

Name & Designation

Address..... **SPECIAL OFFICER (Reforms)**
ENERGY DEPARTMENT
225, 2nd Floor, Vikasa Soudha,
Dr. B.R. Ambedkar Veedhi,
K.R. Circle, Bangalore-560 001.

Annexure-A

Loss Reduction Targets at the Division Level (in%)

A. BESCO

Division	FY 16			FY 17	FY 18	FY 19
	Dist. Losses in %	% Collection efficiency	AT&C in %	AT&C	AT&C	AT&C
CHANDAPURA	7.91	97.83	9.91	11.10	10.89	10.79
CHIKBALLAPURA	16.11	98.20	17.62	18.93	18.74	18.65
CHINTAMANI	17.42	96.31	20.46	21.73	21.54	21.45
CHITRADURGA	17.30	99.02	18.11	19.40	19.22	19.12
DAVANAGERE	15.37	80.77	31.65	32.73	32.57	31.82
HARIHARA	16.91	97.70	18.82	20.11	19.92	19.83
HEBBAL	10.55	101.62	9.10	11.54	10.33	11.03
HIRIYUR	15.72	93.68	21.04	22.29	22.11	22.02
HSR	10.56	100.47	10.14	11.56	11.35	11.25
INDIRANAGAR	7.89	101.17	6.81	8.29	8.07	7.97
JAYANAGAR	10.45	103.23	7.56	9.02	8.81	10.93
K.G.F	13.14	94.17	18.20	19.50	19.31	18.79
KANAKPURA	10.25	95.79	14.03	15.39	15.19	15.09
KENGERI	9.99	101.53	8.62	10.06	9.85	9.75
KOLAR	15.49	91.51	22.67	23.89	20.38	22.67
KORAMANGALA	7.49	100.73	6.81	8.29	8.07	7.97
MADHUGIRI	16.78	88.79	26.11	27.58	27.10	22.19
MALLESWARAM	10.29	101.62	8.84	11.28	10.07	10.77
NELMANGALA	14.07	92.04	20.91	22.15	21.97	21.88
PEENYA	9.27	101.67	7.76	10.28	9.00	9.76

RAJAJESHWARINAGAR	10.86	102.32	8.79	11.85	12.04	11.34
RAJAJINAGAR	10.29	103.27	7.35	11.28	11.91	8.50
RAMNAGAR	16.67	102.21	14.82	16.18	17.35	15.88
SHIVAJINAGAR	11.75	101.51	10.42	11.84	12.47	11.53
TIPTUR	14.93	92.25	21.52	22.76	22.58	17.08
TUMKUR	17.83	97.25	20.09	21.36	21.17	19.91
VIDHANASOUDA	10.37	103.36	7.36	11.36	12.00	10.85
YELHANKA	12.24	96.48	15.33	16.67	16.47	16.20
BESCOM TOTAL	12.04	98.98	12.94	14.61	14.36	14.08

B. MESCOM

Division	FY 16			FY 17	FY 18	FY 19
	Dist. Losses in %	% Collection efficiency	AT&C	AT&C	AT&C	AT&C
Mangalore-1	4.62	98.30	6.24	5.77	4.92	4.82
Mangalore-2	8.78	98.30	10.33	9.88	10.45	8.97
Puttur	13.04	98.30	14.52	14.09	13.31	15.02
Bantwal	11.18	98.30	12.69	12.25	11.91	11.36
Udupi	8.18	98.30	9.74	9.29	8.47	9.48
Kundapura	8.74	98.30	10.29	9.84	9.26	8.93
Shimoga	9.75	98.30	11.28	10.83	10.03	9.47
Bhadravathi	5.13	98.30	6.74	6.27	5.04	5.32
Sagar	15.03	87.00	26.08	25.81	18.31	20.80
Shikaripura	15.14	98.30	16.58	16.16	15.83	15.31
Chikmagalur	19.94	98.30	21.30	20.91	20.60	20.10
Kadur	23.65	98.30	24.95	24.57	24.36	23.81
MESCOM TOTAL	11.11	97.89	12.99	12.55	11.79	11.70

C.HESCOM

Division	FY 16			FY 17	FY 18	FY 19
	Dist. Losses in %	% Collection efficiency	AT&C	AT&C	AT&C	AT&C
Hubli Rural	17.58	94.36	22.22	17.64	17.34	15.16
Hubli Urban	11.62	97.54	13.79	11.05	11.29	9.47
Dharwad Urban	11.88	98.55	13.16	11.28	11.83	9.76
Dharwad Rural	17.02	96.79	19.68	18.03	18.08	14.91
Gadag	21.74	98.85	22.64	19.29	18.33	16.18
Haveri	16.35	96.26	19.47	20.59	18.22	15.14
Ranebennur	16.63	95.74	20.18	19.50	17.59	14.69
Sirsi	17.81	110.30	9.35	20.03	19.26	14.98
Karwar	16.03	100.62	15.51	18.48	18.21	15.06
Belgaum Urban	12.29	98.60	13.52	14.05	12.04	10.63
Belgaum Rural	17.95	103.92	14.73	18.48	18.31	15.81
Bailhongal	18.25	102.55	16.17	17.88	17.46	15.82
Ghataprabha	16.75	99.80	16.92	16.62	17.02	14.63
Raibag	19.13	99.13	19.83	15.55	15.88	15.13
Chikkodi	19.01	99.16	19.69	17.82	15.37	14.98
Athani	16.16	97.08	18.61	17.23	17.01	14.98
Bijapur	18.47	98.28	19.88	17.18	17.50	15.29
B.Bagewadi	17.90	98.81	18.87	17.82	16.95	15.10
Indi	17.59	98.78	18.59	19.58	19.38	16.70
Bagalkot	17.19	97.23	19.48	17.99	15.98	15.55
Jamkhadi	17.28	97.87	19.04	16.63	16.01	15.50
Mudhol	20.18	99.23	20.79	22.02	21.89	17.50
HESCOM TOTAL	17.34	99.09	18.10	17.68	17.02	15.00

D. GESCOM

Division	FY 16			FY 17	FY 18	FY 19
	Dist. Losses in %	% Collection efficiency	AT&C	AT&C	AT&C	AT&C
Gulbarga CSC	20.66	94.10	25.34	22.05	20.28	15.99
GLB Division-I	17.84	93.61	23.09	19.28	17.45	13.00
GLB Division-II	15.03	102.12	13.23	12.30	11.24	10.03
Sedam	23.78	97.32	25.82	24.01	23.10	21.41
Yadgir	17.80	100.60	17.31	16.03	15.02	14.01
Bidar	14.37	93.82	19.66	12.33	11.28	9.33
Humnabad	20.31	101.28	19.29	19.66	18.69	17.72
Raichur CSC	19.60	95.18	23.48	17.68	16.70	14.87
Raichur Rural	24.20	97.13	26.38	26.49	25.61	23.98
Sindhanoor	20.89	100.59	20.42	21.36	20.42	19.41
Koppal	15.45	93.66	20.81	13.26	12.22	10.48
Gangavathi	22.45	99.27	23.01	21.86	20.93	19.99
Hospet CSC	28.19	99.65	28.44	25.73	24.84	23.95
Hospet Rural	16.12	102.64	13.91	13.25	12.21	11.17
Bellary CSC	14.84	100.06	14.78	11.92	10.86	9.81
Bellary Rural	19.30	103.10	16.80	13.72	12.69	11.65
GESCOM TOTAL	19.17	98.17	20.65	17.75	16.67	15.01

E. CESC

Division	FY 16			FY 17	FY 18	FY 19
	Dist. Losses in %	% Collection efficiency	AT&C	AT&C	AT&C	AT&C
N.R.Mohalla	11.62	99.00	12.51	12.14	11.67	10.74
V.V.Mohalla	6.30	100.00	6.30	5.27	5.90	6.59
Nanjangud	15.08	99.00	15.93	15.19	15.07	14.17
Hunsur	14.80	99.37	15.34	20.52	20.44	18.76
Ch.Nagar	13.78	99.00	14.64	22.91	22.01	21.76
Kollegala	19.13	99.00	19.94	24.99	24.00	24.77
Madikeri	25.82	98.00	27.30	27.24	27.31	26.39
Mandya	15.11	99.15	15.83	17.01	16.52	16.03
Maddur	9.81	86.70	21.80	10.40	8.89	8.50
Pandavapura	13.86	98.00	15.58	14.77	14.27	14.70
Nagamangala	14.96	99.00	15.81	15.45	14.77	14.27
Hassan	14.95	98.00	16.65	14.34	13.32	14.71
C.R.Patna	17.81	100.00	17.81	20.07	19.00	18.44
Arsikere	13.25	100.00	13.25	21.36	22.73	21.71
H.N.Pura	16.10	99.50	16.52	10.98	10.62	9.93
CESC TOTAL	13.59	96.98	16.20	15.16	14.74	14.50

Annexure-B

Financial Projections of Karnataka DISCOMs

1. Scenario Highlights: (No Debt take over by Karnataka Govt.)

Other Key Assumptions:

2. Proposed / Anticipated Tariff Revision:

2014-15*	2015-16**	2016-17	2017-18 (Expected)	2018-19 (Expected)
33 paise	18 paise	48 paise	3-4%	5-6%

Note: However, fuel and power purchase cost variation surcharge shall be automatically increased or decreased every quarter as per approved formula.

3. AT&C LOSS TRAJECTORY:

DISCOM/YEAR	FY 14-15 (Actuals)	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BESCOM	16.76%	12.94%	14.61%	14.36%	14.08%
MESCOM	15.11%	12.99%	12.55%	11.79%	11.70%
HESCOM	20.44%	18.10%	17.68%	17.02%	15.00%
GESCOM	22.01%	20.65%	17.75%	16.67%	15.00%
CESC	17.11%	16.20%	15.16%	14.74%	14.50%
All DISCOMs	18.06%	15.37%	15.50%	15.00%	14.20%

Note: 2015-16 being a peculiar year of power supply & the AT&C loss level is relatively less and the projection for the future may not be on the same lines.

4. Billing Efficiency:

DISCOM/YEAR	FY 14-15 (Actuals)	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BESCOM	86.47%	87.96%	87.00%	87.25%	87.50%
MESCOM	88.43%	88.89%	89.21%	89.96%	90.06%
HESCOM	83.26%	82.66%	84.00%	84.50%	85.00%
GESCOM	81.07%	80.83%	83.00%	84.00%	85.00%
CESC	86.12%	85.26%	86.75%	87.00%	87.25%

All DISCOMs	85.27%	85.71%	86.06%	86.49%	86.88%
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5. Collection Efficiency:

DISCOM/YEAR	FY 14-15 (Actuals)	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BESCOM	96.27%	98.98%	98.15%	98.15%	98.20%
MESCOM	96.00%	97.89%	98.03%	98.05%	98.05%
HESCOM	95.55%	99.09%	98.00%	98.20%	100.00%
GESCOM	96.20%	98.17%	99.10%	99.20%	100.00%
CESC	96.25%	98.29%	97.80%	98.00%	98.00%
All DISCOMs	96.10%	98.73%	98.19%	98.28%	98.76%

Note: Improved collection efficiency in 2015-16 is due to release of arrears of subsidy by State Government.

6. Income Statement: Summary

Amount in Rs. crores	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Total Income	21,630.46	23,832.46	24,676.00	27,174.21
Total Costs	29,244.58	32,476.56	33,833.48	36,827.39
Net Income (without Subsidy)	(7,614.12)	(8,644.10)	(9,157.48)	(9,653.18)
Committed State Govt Subsidy	7,112.77	8,644.10	9,212.59	9,656.71
Net Income (with Subsidy)	(501.35)	(0.00)	55.11	3.53

7. Operational Funding Requirement (OFR): Summary

Amount in Rs. crores	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total
OFR	584.34	(128.31)	(2,631.61)	(2,347.60)	-4,523.18

8. Income Statement: Detailed

Particulars	FY 16	FY 17	FY 18	FY 19
INCOME				
Revenue from Sale of Power	21,189.05	23,320.43	24,135.95	26,597.18
other income (Non trading income)	441.41	512.03	540.05	577.03
Total Income	21,630.46	23,832.46	24,676.00	27,174.21
COSTS				
Power Purchase costs	22,514.12	25,806.88	27,344.00	29,683.59
R&M costs	3,011.61	3,317.41	3,667.65	4,050.03
Employees costs	0.00	0.00	0.00	0.00
Administration & General Costs	0.00	0.00	0.00	0.00
depreciation	527.04	663.80	755.83	830.81
Interest & Finance Cost	1,614.99	1,675.88	1,878.15	2,046.46
Other debits	3.00	78.05	3.00	3.00
Return on Equity & Taxes	123.20	160.04	184.85	213.50
Regulatory Assets	604.97	1,105.28	0.00	0.00
Previous years Deficits	845.65	(330.78)	0.00	0.00
Sub-total of costs	29,244.58	32,476.56	33,833.48	36,827.39
less: incidental expenses	0.00	0.00	0.00	0.00
Total Costs	29,244.58	32,476.56	33,833.48	36,827.39
Net Income w/o subsidy	(7,614.12)	(8,644.10)	(9,157.48)	(9,653.18)
Committed state Govt subsidy	7,112.77	8,644.10	9,212.59	9,656.71
Electricity Duty Retention/stamp duty	0.00	0.00	0.00	0.00
Interest subsidy on IBRD loan	0.00	0.00	0.00	0.00
Cash subsidy	0.00	0.00	0.00	0.00
Others (compounding charges)	0.00	0.00	0.00	0.00
total subsidy available	7,112.77	8,644.10	9,212.59	9,656.71
Net income with subsidy	(501.35)	0.00	55.11	3.53
Revenue (including cash support & ED retention)	28,743.23	32,476.56	33,888.59	36,830.92
Expenditure	29,244.58	32,476.56	33,833.48	36,827.39

Book Loss (+)/Profit (-)	(501.35)	0.00	55.11	3.53
Add: Depreciation	527.04	663.80	755.83	830.81
Cash Loss (+)/Profit (-)	25.69	663.80	810.94	834.34
Less: Decrease in Current Assets (excluding cash support)	0.00	0.00	350.21	391.49
Less: Increase in Current Liabilities (incl. Misc Exp)	672.69	2,524.17	4,083.83	4,293.34
Add: Increase in Current Assets (excluding cash support)	1,249.92	1,752.16	1,013.73	1,527.61
Add: Decrease in Current Liabilities (incl. Misc Exp)	0.00	0.00	0.00	0.00
Gross Operational Funding Requirement (OFR) (Without Govt support)	584.34	(128.31)	(2,631.61)	(2,347.60)
Less: Support from State Govt:	0.00	0.00	0.00	0.00
Cash support from State Govt:	0.00	0.00	0.00	0.00
Support on Requirement of Losses	0.00	0.00	0.00	0.00
ED retention	0.00	0.00	0.00	0.00
Interest subsidy on IBRD loan	0.00	0.00	0.00	0.00
Total Support from State Govt.	0.00	0.00	0.00	0.00
Gross Operational Funding Required (OFR) (After Govt support)	584.34	(128.31)	(2,631.61)	(2,347.60)

9. ACS –ARR GAP

Particulars	FY 16	FY 17	FY 18	FY 19
Cost Components				
Power Purchase cost	22514.12	25806.88	27344.00	29683.59
cost of energy lost	5826.99	6084.67	6434.4	6700.55
PP per Unit sold in Rs	4.24	4.24	4.65	4.89
O&M and Establishment Cost	3011.61	3317.41	3667.65	4050.03
Depreciation Cost	527.04	663.8	755.83	830.81
Interest Cost	1614.99	1675.88	1878.15	2046.46
Other Debits	1135.41	500.56	-352.2	-360.53
Total Expenditure	28803.2	31964.5	33293.4	36250.4
ACS in Rs.	5.67	5.91	5.81	5.99
ARR in Rs.	5.57	5.91	5.82	5.99

- Note: (1) The reduction in ACS in 2017-18 compared to 2016-17 is due to inclusion of Regulatory Asset during 2016-17. Whereas, no Regulatory assets is carried forward to 2017-18 & no such anticipated Regulatory Assets for 2018-19.
- (2) Regulatory Assets of the past years and the truing-up gap of 2014-15 is loaded. Therefore, the ACS & ARR is in the higher level. It is expected to revised tariff by 3 to 4% in 2017-18 & 5 to 6% in 2018-19 to reduce the gap between ACS & ARR. As can be seen from past tariff revision, the anticipated annual tariff revision is happening in Karnataka.

Annexure-C

Detailed Action Plan for Implementation of targeted activities

Activity	Unit	Status at the end of FY 14-15	FY 15-16	FY 16-17		FY 17-18		FY 18-19		Officer responsible	Resources in INR Crore
			H1	H2	H1	H2	H1	H2	H1		
AT&C loss reduction trajectory	%	18.06	15.37		15.50		15.00		14.20		
11KV Feeder metering functional	%	100.00									
DT Metering in Rural area	%	31.00	40.00		70.00		100.00				
DT Metering in Urban area	%	68.00	82.00		87.00		100.00				
11KV Feeder audit in Rural area	%	100.00									
Feeder Improvement Program on Feeders	%	50.00	65.00		80.00		100.00				
Feeder separation (separation of agri load) on feeders	%	31.00	60.00		80.00		100.00				
Installation of smart meters/other than Ag	%	2.00	5.00		45.00		75.00		100.00		
Domestic connections (in lakhs) under 24X7 PFA	Nos.	0.00	2.00		4.50		8.00		10.15		
Implementation of ERP System		It will be implemented by March 2018.									
Providing LED bulbs under DELP	Nos. in lakhs	0.00	50.56		300.00		400.00		600.00		